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the Built Environment**

Peri-Urban Land Tenure in Ethiopia

Achamyeleh Gashu Adam

Doctoral Thesis in Real Estate Planning and Land Law

Real Estate Planning and Land Law
Department of Real Estate and Construction Management
School of Architecture and the Built Environment
Royal Institute of Technology (KTH)
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Supervisors:

Associate Prof. Peter Ekbäck: Royal Institute of Technology (KTH)

Prof. Hans Mattsson: Royal Institute of Technology (KTH)

Dr. Jenny Paulsson: Royal Institute of Technology (KTH)

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Author: Achamyeleh Gashu Adam

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Real Estate Planning and Land Law

Department of Real Estate and Construction Management

School of Architecture and Built Environment

Royal Institute of Technology (KTH)

SE-100 44 Stockholm

Sweden

Abstract

Urban areas in Ethiopia have been growing very quickly in recent decades, which have led to ever increasing demand for land in peri-urban areas for housing and other non-agricultural activities. This has had several transformative impacts on the transitional peri-urban, areas including engulfment of local communities and conversion of land rights and use from an agricultural to a built-up property rights system. Peri-urban areas also display all forms of competition for land among people of diverse backgrounds. Research on the challenges of urbanization in peri-urban land tenure system and the ongoing changes in Ethiopia is limited, and the situations and actors interested in peri-urban land are constantly changing. Therefore, the purpose of this research is to investigate the challenges imposed on peri-urban land rights as a result of the growing demand for land for urbanization. The project also encompasses an attempt to discover the process of informal transaction and development of peri-urban land and the principal actors involved.

The study comprises a summary essay and four articles which were conducted using case study and desk review research approaches. Following the case study tradition, a combination of different data collection instruments such as questionnaires, FGDs, key informant interviews (both structured and open-ended) and direct field observations was employed to collect research data from the case study areas. Bahir Dar City Administration was selected purposively as case study area at the first stage and two peri-urban villages, Weramit and Zenzelima, were selected from Bahir Dar City Administration at the second stage of the case study area selection process.

The research has revealed that urbanization and urban development in Ethiopia are accompanied by contentious land tenure changes which favor the urbanities above local peri-urban communities. As a result, urbanization has precipitated a wave of dispossession and proliferation of informal settlements in peri-urban areas. Thus, addressing the challenges of urbanization and its effect on the land rights of local peri-urban communities requires the introduction of an inclusive and participatory land development tool like land readjustment, which can encourage voluntary contribution of land for urbanization by the local peri-urban landholders themselves.

Key words: Ethiopia; formal; informal; land tenure; peri-urban; peri-urbanization.

Sammanfattning

Urbana områden i Etiopien har vuxit mycket snabbt under de senaste årtiondena, vilket har medfört en ständigt ökande efterfrågan på mark från stadsnära områden för bostäder och annan verksamhet än jordbruk. Detta har resulterat i flera omvälvande effekter i randzonen mellan stad och landsbygd, bland annat omvandling av lokala samhällen och transformering av markrättigheter och markanvändning, från jordbrukstill bebyggelserättigheter. Stadsnära områden uppvisar också olika former av konkurrens om mark och rättigheter. Trots den ständigt föränderliga situationen och mångfalden av aktörer som är intresserade av stadsnära mark, är forskningen begränsad om de utmaningar som urbaniseringen i stadsnära områden innebär avseende besittningsrätter, markinnehav och andra markanknutna rättigheter. Därför är syftet med denna avhandling att undersöka de utmaningar som ställs på stadsnära markrättigheter som en följd av den ökande efterfrågan på mark för bebyggelse. En analys görs också av den informella sidan av processer och aktörer involverade i transaktioner och utveckling av stadsnära markområden.

Studien omfattar en introduktion/sammanfattning samt fyra artiklar som genomförts utifrån fallstudier och litteraturstudier. För fallstudierna användes en kombination av olika datainsamlingsmetoder såsom enkäter, fokusgrupp-diskussioner, intervjuer samt direkta fältobservationer. Staden Bahir Dar valdes i ett första steg som område för fallstudierna. Inom stadsområdet valdes därefter två stadsnära byar – Weramit och Zenzelima – för de konkreta fallstudierna.

Studiens resultat visar att urbanisering och stadsutveckling i Etiopien åtföljs av stora konfliktfyllda omvandlingar av rättighetssystemet rörande markinnehav och markanvändning, en transformering som synbart gynnar stadsbefolkningen framför de jordbrukande invånarna i övergångszonen mellan stad och landsbygd. Som en konsekvens genererar urbaniseringen förluster av formella markrättigheter samtidigt som tillskapande av informella markrättigheter, bebyggelse och bosättningar underblåses. För att mer adekvat hantera de utmaningar som urbaniseringen medför, och mildra dess effekt på befintliga markrättigheter i de lokala stadsnära samhällena, föreslås en lagreform som omfattar ett mer inkluderande och deltagande markutvecklingsinstrument – exploateringssamverkan – vilket kan uppmuntra till ett större inslag av förhandlingar och mindre inslag av tvång för att medverka och bidra med mark för urbanisering.

Nyckelord: Etiopien; formell; informell; besittningsrätt; stadsnära; peri-urbanisering.

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List of acronyms

ANRS:	Amhara National Regional State
BDU:	Bahir Dar University
BoENR:	Bureau of Environment and Natural Resources
BoEPLAU:	Bureau of Environmental Protection Land Administration and Use
EEA:	Ethiopian Economic Association
EPLAUA:	Environmental Protection Land Administration and Use Agency
FAO:	Food and Agricultural Organization of United Nations
FDRE:	Federal Democratic Republic of Ethiopia
FGD:	Focus Group Discussion
FIG:	International Federation of Surveyors
ILA:	Institute of Land Administration
KTH:	Royal Institute of Technology
LR:	Land Readjustment
MoARD:	Ministry of Agriculture and Rural Development
MoUDHCo:	Ministry of Urban Development and Housing Construction
ONRS:	Oromiya National Regional State
RLPULs:	Rightful Local Peri-Urban Landholders
SNNPRS:	South Nations, Nationalities and Peoples Regional State
TNRS:	Tigray National Regional State
UNECA:	United Nations Economic Commission for Africa
UNECE:	United Nations Economic Commission for Europe
UN-Habitat:	United Nations Human Settlements Programme

1. Introduction

1.1. Research problem

Peri-urban areas, where there is a rising demand for land for non-agricultural or urban land uses, are at the receiving end of urbanization and thus form tenure hotspots. It is increasingly evident that peri-urban areas are becoming places where a lot of changes and activities occur due to rapid urbanization and population growth (Wehrmann, 2008, Cotula and Neve, 2007). Urban centers across Africa are becoming the future habitat for the majority of Africans. Population projections show that by 2030 about 50 % of the population of Africa will inhabit urban centers (UN-Habitat, 2010). The unprecedented growth of the urban population in Africa and other parts of the developing world is causing an exceptionally rapid increase in the demand for urban land. The rising demand for urban land therefore tends to be met primarily by converting peri-urban agricultural land at the periphery of existing built-up areas (UN-Habitat, 2010, Toulmin, 2006).

Like elsewhere in sub-Saharan Africa, urbanization in Ethiopia is occurring at a more rapid rate and the competition for land between agricultural and non-agricultural areas is becoming intense. The growing demand for land for urbanization in Ethiopia is primarily intended to be met by expropriation and reallocation of peri-urban land through lease contracts. This shows that land acquisition and delivery for urban expansion and development purposes is completely state-controlled, on the rationale that all land belongs to the state and peoples of Ethiopia (FDRE, 1995). As urban territory extends into peri-urban areas adjacent to the municipal boundaries, the existing land tenure relation is expected to cease compulsorily (Adam, 2014b). Therefore, the termination of usufruct/holding rights exercised by local peri-urban communities through expropriation decisions and later reallocation of the expropriated land to the urbanities is the most important constituent of urbanization and urban development processes in Ethiopia (Adam, 2014c).

It is evident that the demographic and spatial changes in the urban areas have shaken the stability of land tenure system in the peri-urban areas. Even though almost all new urban-based developments and changes are concentrated in peri-urban areas, little has been done to investigate the impacts of urbanization on the land tenure relations and land rights of the local peri-urban communities in Ethiopia. Peri-urban local communities around cities are indigenous communities whose livelihoods are primarily based on

farming. The critical question here is what happens to land rights and land tenure relations as the local peri-urban communities themselves become part of the city; as their farm lands are turned into urban built-up properties and as the area become home to large number of urban citizens, both formally and informally? Due to the lack of research in this area, very little is known about the state of land tenure and the property rights system in the transitional peri-urban areas of Ethiopian cities. Thus, as a response to the existing knowledge gap, this research project has attempted to investigate the nature of land tenure in the transitional peri-urban areas of Ethiopia. Bahir Dar city, the capital of ANRS, in the northwestern part of Ethiopia was selected as a case study area for the purpose of collecting primary empirical data.

1.2. Research objectives

The objectives of this research are both knowledge-seeking and normative. They are knowledge-seeking in the sense that they examine peri-urban land tenure changes and formations in peri-urban areas as a result of urbanization. They are also normative, as they seek recommendations on how the peri-urban land ought to be developed and administered in terms of land rights (tenure) in a more acceptable and inclusive way benefiting all stakeholders irrespective of urban growth/expansion. The specific objectives of this thesis are the following:

- To examine the challenges of peri-urban landholding rights of local peri-urban farmers as a consequence of rapid urbanization and the growing demand for land for urbanization;
- To illustrate how local peri-urban landholders/farmers become vulnerable and insecure as a result of urbanization and compulsory changes in land rights through expropriation;
- To evaluate how the current urban development and growth strategy of Ethiopia is responsive to the interests of the local peri-urban communities;
- To investigate the pattern of land rights transactions and the process of new property/land rights formation, both formally and informally in the transitional peri-urban areas;
- To analyze the extent to which the current land tenure administration system in the peri-urban areas of Ethiopia is addressing various needs, interests and rights; and
- To introduce and recommend an adapted land development tool that can help to benefit all stakeholders fairly and inclusively and that can meet the dynamicity of land tenure in the peri-urban areas.

1.3. Research questions

The challenges of peri-urban land tenure in Ethiopia in the era of rapid urbanization seem to be multifaceted, requiring further investigation. With knowledge of the peri-urban land tenure problems related to the ongoing urbanization, the obvious questions are why these problems appear and what the solutions should be. Thus, it is a timely response to undertake an investigation that can lead to an appropriate land development and policy recommendation, responsive to the changing peri-urban contexts. An obvious solution is to seek a peri-urban land development tool that can provide an opportunity to share urban development benefits to the local peri-urban communities fairly. Moreover, research is needed to provide a comprehensive source of information on property issues relating to peri-urban land adjacent to cities or urban centers in Ethiopia. Therefore, consistent with the research objectives, the key research question is:

How can the peri-urban land be administered in terms of land rights (tenure) in a way benefiting local peri-urban communities and other stakeholders irrespective of urban growth (urban boundary expansion)?

Land tenure matters in the peri-urban areas are very complex and the system is constantly changing, either rapidly or gradually. The changes can also be either compulsory or voluntary and acceptable or unacceptable to the local community. Thus, it is essential to understand the complexity of peri-urban land issues and settlements in the era of rapid urbanization in detail. While the nature and complexity of peri-urban land tenure situations require posing several research questions, the specific research questions from the perspective of this project are the following:

1. What land tenure-related problems are currently facing the peri-urban areas and in what respect do land problems in peri-urban areas differ from those in urban areas and rural areas in Ethiopia? *This question is responded to in articles (I), (II) & (III).*
2. How is the informal land transaction and development process being conducted in the peri-urban areas of Ethiopia? Who are the major actors in the process of informal land transactions and development of land and what are the motives for each actor? *This question is examined and responded to in article (III).*
3. What analytical frameworks exist for studying and understanding peri-urban land tenure problems? *This question is responded to in articles (I), (II), & (III).*
4. Do peri-urban areas in Ethiopia require a different form of land development and administration system and institutional arrangement than urban and rural areas? *This question is responded to in article IV.*

Finally, the incorporation of these research questions into the research agenda is assumed to achieve the aim of the overall research. The analysis is expected to advance understanding of the land tenure situations in the peri-urban areas of Ethiopia and to define the basis for a policy framework for land tenure matters in the peri-urban areas.

1.4. Thesis structure and outline of the articles

This thesis consists of a summary essay/introductory chapter and four articles. The summary essay is based on the findings of the articles and comprises an integration of all four articles. The summary essay is organized into six sections.

The first section of the summary essay serves to elaborate and outline the research problem, research objectives and questions. The second section reviews land governance issues and practices in Ethiopia based on existing literature and relevant documents. The third section is an attempt to review the existing theoretical frameworks on peri-urbanization, land/property rights changes and formation processes in the peri-urban areas. The fourth section provides an overall description of how the research was conducted, while the fifth section points out and summarizes the most important findings from the articles. The last section of the summary essay presents the general conclusions, recommendations and policy implications and areas of future research. Finally, the list of references used in this thesis is also part of the main body of the summary essay.

The articles which are part of this thesis have their own structure and specific objectives derived from the general objective of the thesis. The articles also have their own theoretical frameworks, research methodologies, findings and conclusions developed based on the specific purpose of each article. The purpose of each article is summarized below:

- i. **Article I:** *‘Land Tenure in the Changing Peri-urban Areas of Ethiopia: The case of Bahir Dar City.’* This is a case study inquiry aimed at examining the nature of land tenure in the peri-urban areas of Ethiopia. The article also reviewed recent theoretical literature on peri-urban land tenure and urban studies. Land tenure-related challenges currently facing the peri-urban areas were examined and identified. The empirical evidence from the case study area showed that land tenure in the peri-urban areas of Ethiopia lacks stability due to the pressure imposed by urbanization and the resultant growing demand for land for non-

- agricultural purposes. Hence, urban expansion and development in the adjoining peri-urban areas has often led to the displacement of local peri-urban communities from the land on which they were farming and living.
- ii. **Article II:** *‘Peri-urban Land Rights in the Era of Urbanization in Ethiopia: A Property Rights Approach.’* This article primarily employed a desk review research approach and aimed to examine the rural and urban landholding arrangements. Moreover, comparisons of the contents of land rights in the bifurcated urban and rural land tenure systems were made based on the existing property rights analytical framework. The implications of having a bifurcated landholding arrangement (for urban and rural land) in the transitional peri-urban areas were also synthesized. Finally, this article showed that the new recipients of land from peri-urban areas through the urban land lease system are provided with better and more extensive bundles of land rights than the indigenous local peri-urban landholders.
- iii. **Article III:** *‘Informal Settlement in the Peri-urban Areas of Bahir Dar, Ethiopia: An Institutional Analysis.’* This was a case study inquiry which aimed to investigate the process of informal transactions and developments in the peri-urban areas of Ethiopia. Principal actors who had been involved in the informal market and institutions governing the process of plot acquisition from the informal system were identified. Peri-urban land which has been used predominantly for agricultural purposes and held by local farmers is becoming a potential target area for informal settlements in Ethiopia. Evidence from the case study area showed that the inefficiency and inadequacy of the formal urban housing and delivery system in urban areas is the principal driving factor for an increasing number of people to move to peri-urban areas and get a plot of land informally, so as to solve their housing needs. Moreover, the findings of this article have indicated that traditional social institutions such as *Idir* and *Iqub* have played a significant role in the emergence and social stability of informal settlements in the peri-urban areas.
- iv. **Article IV:** *‘Land Readjustment as an Alternative Land Development Tool for Peri-urban Areas of Ethiopia.’* This was a concluding article which aimed to develop an alternative land development tool that could fit the diverse and dynamic interests in peri-urban areas in the process of urbanization. Reviews of international experiences showed that land readjustment has been widely used in

many countries for more than a century, as a means to provide land for urban expansion. Therefore, on the basis of the lessons learned from the review of national experiences and empirical evidence, an adapted and modified land readjustment model applicable to the peri-urban contexts of Ethiopia was proposed for implementation.

2. Ethiopia – Land governance and administration issues

2.1. General overview of Ethiopia

According to the 1995 constitution, Ethiopia is a federal state, administratively structured into nine regional states and two city administration councils (FDRE, 1995) (see Figure 1). Ethiopia, with a total surface area of 1.12 million km² is inhabited by about 90 million people, of which only 17 percent live in urban areas. Addis Ababa, the capital city, is inhabited by about 4 million people, which constitutes around a quarter of the urban population of the country.

Even though the current level of urbanization is low, with only about 15 million people residing in urban centers, the annual urban growth rate of Ethiopia is one of the highest by African and even world standards. Country level estimations show that the urban population of Ethiopia will triple between 2010 and 2040. Preliminary city-level population projections show that some of Ethiopia's large cities will more than triple by 2040 (UN-Habitat, 2010). For instance, Hawassa's 2010 population will grow more than 6-fold by 2040, Mek'ele will almost 5-fold its 2010 population, and Adama and Bahir Dar will almost 4-fold their populations. The built-up areas of these cities can be expected to expand at an even faster rate than their populations (Angel et al., 2013).

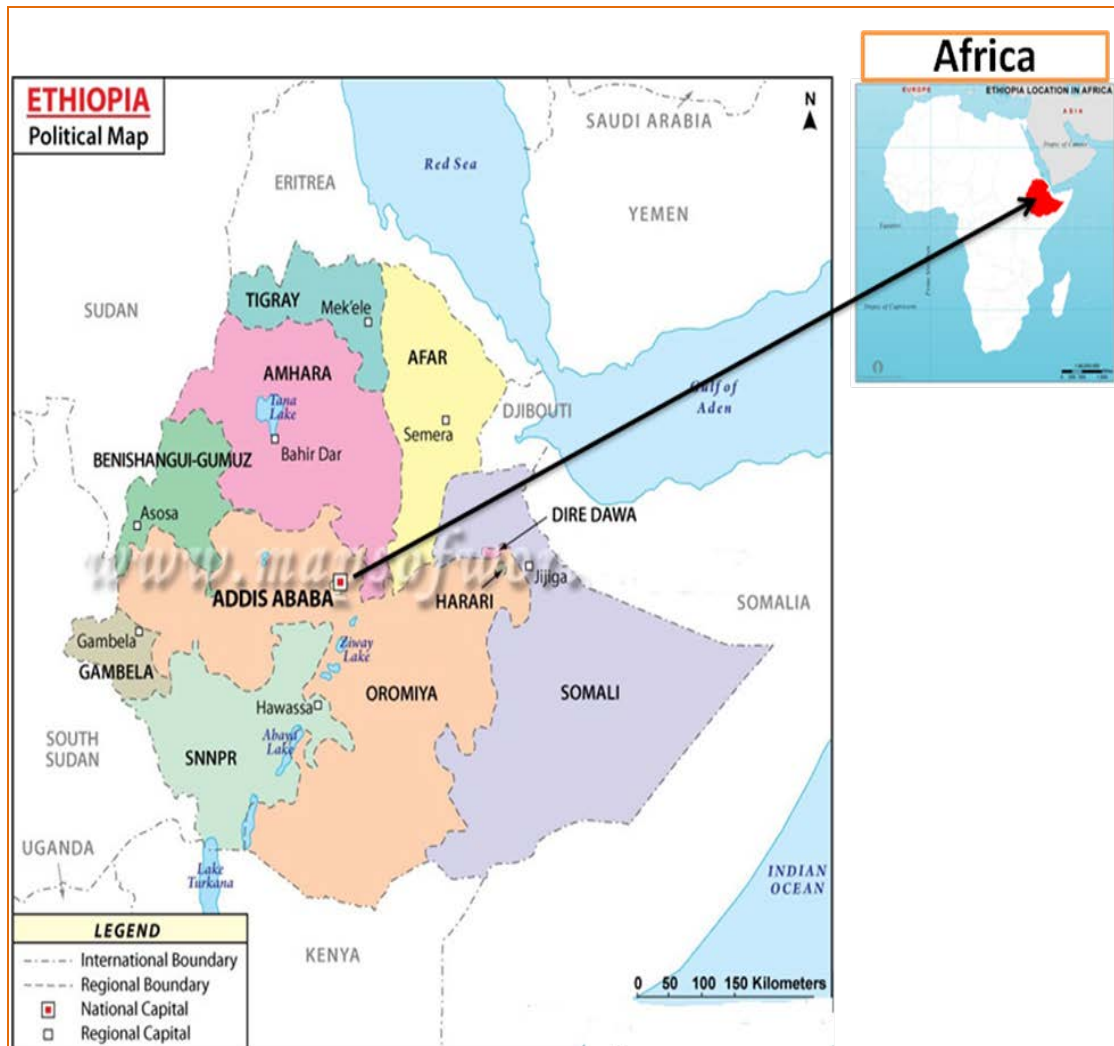


Figure 1: Location map of Ethiopia and regional states¹.

In Ethiopia, like elsewhere in the world, land (both urban and rural) is of great economic and political relevance and it is not surprising that major political changes in the history of the country have been accompanied by dramatic shifts in the pattern of land tenure system and land access (Crewett et al., 2008). For instance, the country has experienced three different land tenure regimes in the past half century: i) the pre-1974 imperial system; ii) the *derg system* (1974 to 1991) and; iii) the current land tenure system since 1991 (Adal, 2002).

¹ <http://www.mapsofworld.com/ethiopia>

The pre-1974 imperial period could be characterized as a feudal system where a mixture of private, government, church and communal landholdings coexisted. This meant that land during the imperial regime was in the hands of few individuals or groups of individuals, including nobility, government bureaucrats, military and church. The largest proportions of the population were landless tenants subjected to exploitation by landlords, which induced land-related tensions. The land-related tensions in the early 1970s were among the key sources of the political unrest which culminated in the military coup in 1974 that deposed Emperor Haile Selassie.

The post-1974 period was characterized by public ownership of all land. With the downfall of Emperor Haile Selassie, all rural and urban lands were declared to be state/public property by abolishing all types of landholdings such as private, communal, church land and so on (Crewett et al., 2008). Individuals and communities were permitted only land usage, not ownership. In 1991, the current government took power from the socialist-oriented military government. Even though a number of new political and economic changes have been introduced by the current government, land remains public property with only minor modifications as compared with under the previous regime (Nega et al., 2003). The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) unequivocally states that land shall not be private property (FDRE, 1995). The details on the current land-related issues are described in the following sub-sections.

2.2. Landholding arrangements in Ethiopia

The current legal framework of Ethiopia related to land comprises its constitution, federal laws (the 1997 rural land use and administration proclamation as amended in 2005, and the 2002 urban land lease proclamation as amended in 2011), and regional acts and directives. Land in Ethiopia is a constitutional issue. The federal constitution asserts that the right to ownership of rural and urban land, as well as of all natural resources, is exclusively reserved for the state and the peoples of Ethiopia, while individuals are granted only usufruct/holding rights (FDRE, 1995). The constitutional provision asserts state ownership of land and prohibits private ownership of land. Only fixed improvements on land can be considered to constitute private properties and can be sold, exchanged, or used as collateral. Moreover, due to the bifurcation of legal and institutional frameworks for rural and urban land, the landholding arrangement is also bifurcated into rural and urban systems.

2.2.1. Rural landholding arrangement

The rural land rights in Ethiopia are clearly defined by the federal constitution and mean that individuals can only be granted usufruct/holding rights, not private ownership of land (FDRE, 1995). Further details about rural land acquisition, transfer, redistribution and other aspects of rural holding rights are clarified in the federal land administration and use proclamation (FDRE, 2005b). These two legal frameworks clearly state that every citizen from 18 years of age whose main residence is in rural areas and who wants to make a living from agriculture should be accorded free access to rural land and permitted to exercise usufruct/holding rights for an indefinite period (FDRE, Proc. No. 456/2005, Art.5). Rural land in Ethiopia can be acquired by reallocation of communal or other unoccupied lands and lands with no inheritor, redistribution, donation or inheritance (Alemu, 2012).

Both federal and regional rural land legislations permit the transfer of usufruct/holding rights through donation and inheritance only to family members (SNNPRS, 2007, ONRS, 2007, ANRS, 2006, FDRE, 2005b). Being a rural resident and engaged or wishing to engage in agriculture is a prerequisite for rural land use right to be transferred by inheritance and donation, while transfer through rent/lease does not limit the residence of the leasee to be only in rural areas (Ibid). This means that urban residents or agricultural investors who wish to engage in agriculture can also get land through lease/rent agreements with individual landholders or the state. The duration of contracts between individual farming households is up to five years; while contracts between farming households and agricultural investors extend up to 10 to 25 years, depending on the type of crop the investor wants to cultivate (Ibid).

As mentioned earlier, rural usufruct/holding rights provided to farmers, pastoralists and semi-pastoralists are supposed to be exercised for an indefinite duration. However, the same land may also be reacquired for public development and land redistribution purposes at any time (FDRE, 2005a). Other conditions or causes that can lead to deprivation of rural landholding rights are stipulated in rural land legislations (SNNPRS, 2007, ONRS, 2007, ANRS, 2006, FDRE, 2005b). More particularly, failure to use and protect the land properly or starting to earn a living from non-farming activities are the major causes that lead to loss of rural landholding rights in Ethiopia.

2.2.2. Urban landholding arrangement

The land within the administrative boundary of an urban center in Ethiopia is governed by the urban leasehold system since the 1990s. The implementation of the leasehold system in urban areas is a state-devised means of transferring land to the people for different urban development purposes (FDRE, 2013, 2011). There are two major options for the transfer of urban land through lease contracts: tendering and allotment. All parties who receive urban land by tender or allotment are expected to pay at least ten percent of the initial lease price set by a particular city administration.

The leasehold right system defines the rights of a leaseholder of urban land and the obligation to use the land for the prescribed purpose within the specified period. The leasehold rights provided to the leaseholder include the rights to use and develop the land. The right to transfer leasehold right through inheritance, gift and sale is also permitted if there is an improvement or development on the land. The leasehold right can also legally be used as collateral for bank loans, at least for the lease amount already paid (FDRE, 2011). The duration of a leasehold varies depending on the purpose for which the land is prescribed in the land use plan of the city (Ibid). The maximum leasehold period is 99 years for the construction of residential houses, science and technology centers, research centers, government offices, charitable organizations and religious institutions, while the minimum duration is 15 years for urban agriculture. The period of a lease can be renewed upon its expiry based on new initial/benchmark lease prices and other requirements of the time. However, the leaseholder may not be entitled to compensation if the lease period cannot be renewed.

2.3. Land governance and administration

The overall mandate to enact laws for the utilization and management of land and other natural resources in Ethiopia is given to the federal government (FDRE, 1995). Simultaneously, the responsibility to administer land and other natural resources is given to regional states within their jurisdictions. Institutions responsible for administration of land are divided for rural and urban land despite the fact that there is an overlap, leading to conflict of interest and lack of clarity on the matters related to peri-urban land. Responsibilities are also shared between the federal and regional level, with large differences in structure and capacity between the regional states.

2.3.1. Rural land administration

At the federal level, rural land matters are handled by the Ministry of Agriculture and Rural Development (MoARD). In the past, MoARD did not have a specialized unit dealing with land administration matters. Recently, a Directorate for Land Administration and Use was established under the section for natural resources. The key responsibility of this directorate is to implement the Rural Land Administration and Use Proclamation by providing professional support and coordinating competent authorities. The directorate links the work at the federal level with that at the regional level and provides inputs for policymaking to advance the harmonization of land administration.

The organizational structure and arrangement of regional land administration authorities vary from region to region in Ethiopia (World-Bank, 2012). For instance, rural land administration matters such as land registration and certification of holding rights, allocation of land, dispute resolution and other rural land matters in ANRS are handled by the Bureau of Environmental Protection, Land Administration and Use (BoEPLAU), reporting directly to the regional government. In ONRS, the responsibility to administer rural land is given to the Bureau of Land and Environmental Protection (BoLEP) which is also accountable to the regional state. Rural land administration matters in Tigray National Regional State (TNRS) are handled by Environmental Protection, Land Administration and Use Agency (EPLAUA), which is accountable to the regional Agricultural Bureau. In SNNPRS, the responsibility to administer rural land has been given to the regional Bureau of Environment and Natural Resources (BoENR). The establishment of land administration institutions in the emerging regional states such as Afar, Benishangul-Gumuz, Gambella and Somali is under progress, but still in its infancy.

2.3.2. Urban land administration

Urban land at federal level is handled by the Ministry of Urban Development and Housing Construction (MoUDHCo), which is mandated to implement the government's urban land development policy. MoUDHCo, as the coordinator of national urban land affairs through its Land Development and Management Bureau, supports urban local governments with policy implementation, planning, capacity building, and guideline formulation and implementation concerning urban land development and management. The Urban Land Development and Management Bureau in the ministry has three departments: 1) Land supply, marketing and tenure administration department; 2) Urban land development and renovation department; and 3) Urban land information department.

Moreover, a separate urban land registration agency accountable to the MoUDHCo has been established recently and such agencies are also expected to be established at the city administration levels.

The implementation of urban land development policies and administration functions at a grassroots level (city level) are handled by city administrations in accordance with relevant regional legislations. In most urban centers of the country, land-related matters and functions are handled by the department of urban planning and land administration in the municipal service office. This department is responsible for making decisions on land use and development tasks, keeping records, underpinning secure tenure and facilitating transactions. The functions performed by city administrations and the instruments available to them are not yet aligned with the tried and tested international practices (World-Bank, 2012). In particular, in the absence of an independent system of registering or recording real estate transactions, city administrations are in charge of recording transactions, certifying property rights, and maintaining records and files. Moreover, the departments in the city administrations are directly involved in land acquisition and delivery processes for different urban development purposes.

2.4. Urban growth strategy: expropriation

Currently, urban centers or cities in Ethiopia are struggling with the increasing demand for land for different urban development purposes, which makes the urban land delivery process a critical land policy matter in Ethiopia. As a response to the growing demand for land for rapid urbanization and the need for modernized infrastructures, the government has been implementing expropriation and reallocation of land mainly from peri-urban areas (FDRE, 2013). The affected peri-urban landholders who cease to possess their land due to urbanization are entitled to substitute land or cash compensation. The federal legislation dealing with expropriation has rationalized the process based on a sense of public purpose (FDRE, 2005a).

However, the real practice shows that expropriation in Ethiopia is the main tool that supports urban expansion and makes land available to private developments such as residential complexes, commercial centers and other investments. These private developments are wrongly perceived by local authorities as developments in line with the public interest (Deininger et al., 2012, World-Bank, 2012). The World Bank's 2007 research covering selected peri-urban/rural sites revealed that more than one-third (almost 37 percent) of households lost their holdings to private investments or urban expansion

through expropriation. It was also estimated that more than 50 percent of the expropriated land in the past three years is used for private purposes (Deininger et al., 2012).

Moreover, the process of urban expansion and large-scale private development in peri-urban areas through expropriation does not entail participation and negotiation between the affected local peri-urban landholders and private developers (Adam, 2014b). The amount of compensation actually received upon expropriation over the past few years indicates that the system is generally characterized by unfair and inconsistent valuation methods, leading to inadequate compensation (Alemu, 2013, Anteneh, 2007). The widespread applicability of expropriation of peri-urban land and reallocation of expropriated land to the urbanities through lease contracts clearly reveals that there is no mechanism for converting the land rights of local peri-urban farmers into urban rights during the process of urbanization (Adam, 2014b). Thus, the urban growth strategy of Ethiopia is quite backward and lacking adherence to good international practices. Good international practices on land acquisition and development facilitate the conversion of the rights of local or original landholders into urban land rights (World-Bank, 2012).

3. Theoretical perspectives

3.1. Peri-urban – conceptual and spatial landscape

The term ‘peri-urban’ has many different manifestations in contemporary literature. There is no single satisfactory definition for ‘peri-urban interface’ and different definitions are understood to apply in different circumstances and regions (Mbibaa and Huchzermeyerb, 2002). The definitions may even change in the same location over time as a city expands; for example as a medium-sized city becomes a large one, the spatial extent of the peri-urban zone also changes (Rakodi, 1998). As the spatial extent of peri-urban zone is closely related to the growth and expansion of a city, it is often difficult to delineate a permanent peri-urban boundary. It is continuously shifting outward from the city (Adell, 1999). At the same time, the composition and interests of the socio-economic groups in the peri-urban areas tend to change over time (Narain and Nischal, 2007).

With the intention of clarifying the nature of the peri-urban areas, and to avoid confusion, it is useful at the outset to present basic characteristics and views of what ‘peri-urban’ is. The word ‘*peri-urban*’ could be used to denote a place, concept or process (Narain and Nischal, 2007). *As a place*, it can refer to rural agricultural areas located between urban built-up areas in cities and predominantly rural agricultural areas (see Figure 2). *As a concept*, peri-urban could be seen as an interface between rural and urban activities and institutions where rural and urban development processes meet, mix and interact on the edge of cities. *As a process*, it could be thought of as the two-way flow of goods and services between rural and urban.

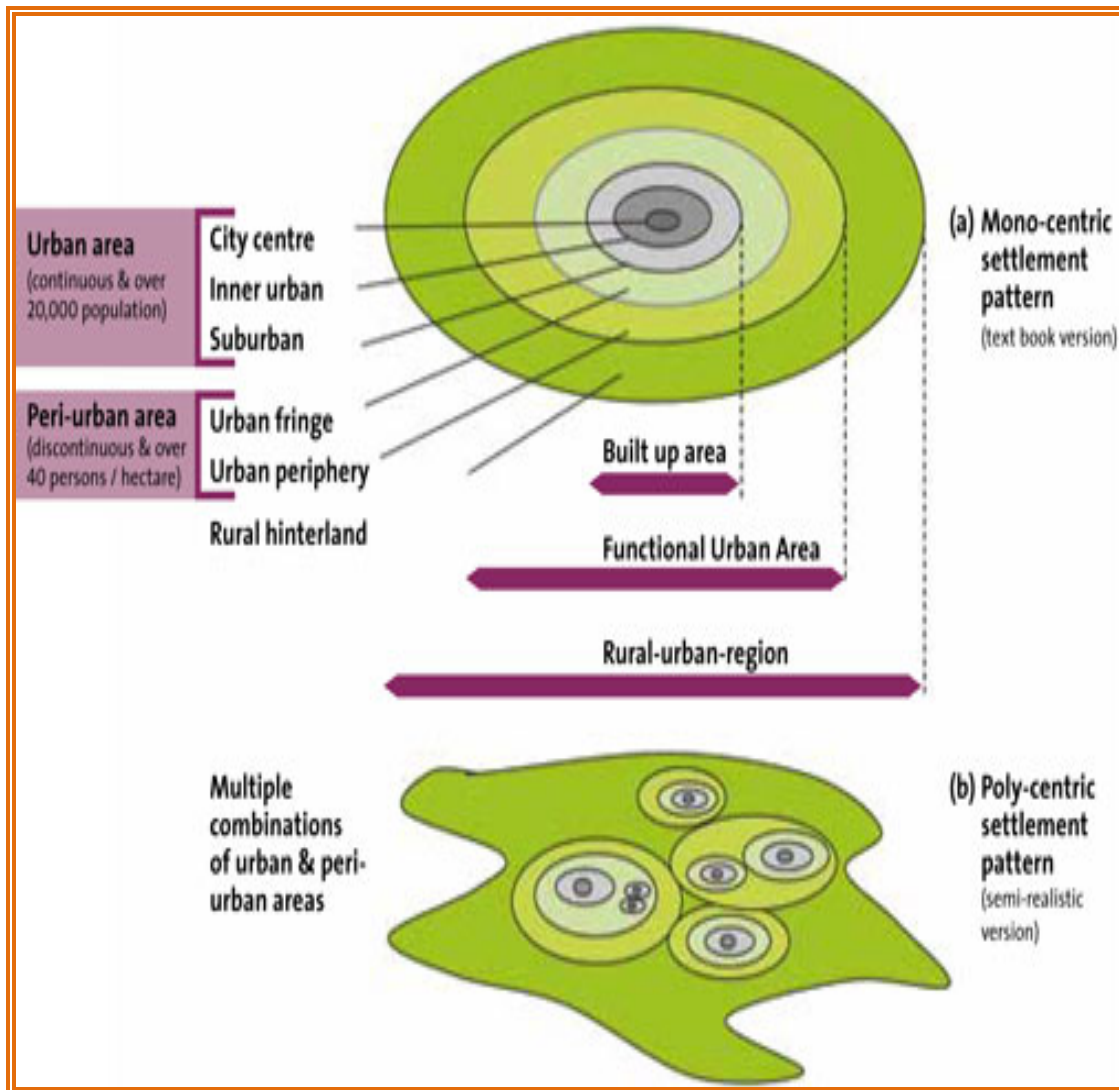


Figure 2: Spatial extent of peri-urban areas².

Moreover, from the institutional point of view, it is difficult to establish clear and more or less permanent institutional arrangements that deal effectively with the peri-urban land (Narain and Nischal, 2007). As a result, peri-urban areas are often characterized by converging and overlapping institutions and there are also some administrative activities which may fall outside the purview of rural and urban jurisdictions. As a result, the peri-urban zone encompasses a range of activities lying between strictly urban or rural jurisdictions, without falling clearly within the responsibility of either the urban or the rural government. Consequently, peri-urban dwellers are confronted with both urban and

² (Ravetz et al. 2013)

rural laws and institutions, breeding a situation of legal pluralism. For instance, in many African countries, statutory and customary laws co-exist and whereby both formal and informal land market transactions are equally important (Tacoli, 2002).

Peri-urban land in the African context is, in most modern literature, equated with a sphere/locus of abrupt transformation of tenure, where land is being transformed institutionally from rural-based customary to urban-based statutory tenure (Wehrmann, 2008, Kasanga et al., 1996). Peri-urban areas in Africa are also considered to be a sphere of unauthorized land transactions and developments, dominated by conflicts related to access and control of land among diverse groups of people (Home, 2004, Durand-Lasserve and Royston, 2002, Mbibaa and Huchzermeyerb, 2002).

Finally, for the purpose of this research as well as from the Ethiopian context, peri-urban land refers to agricultural rural land adjacent to municipal boundaries and held by local peri-urban landholders/farmers with holding rights (usufruct rights) for life (Adam, 2014b). However, the risk of peri-urban agricultural land being converted into urban built-up property is very high, due to the growing demand for land for urbanization. Peri-urban areas in Ethiopia can also be described as incubation zones for new unauthorized/informal settlement areas without basic utilities.

3.2. Land tenure

The term tenure is derived from a *Latin* term for ‘holding’ or ‘possessing’ land. Therefore, land tenure refers to the manner in which land rights are held, used and transacted (Bruce, 1998). Land tenure is a social construct which defines the relationships between individuals, groups of individuals and the state with respect to land (UNECA, 2004, FAO, 2002b, Bruce, 1998). These relationships can be analyzed in terms of sets of rights, responsibilities and restrictions with regards to access, control, management, and transfer of land. The relationships have developed over millennia and reflect the nature and needs of a particular society (Williamson et al., 2010). People-to-land relationships are always in a state of change due to population increase, rapid urbanization, reorganization of national states and advancement of information technology (Ibid). The change occurs faster in peri-urban areas than in any other geographic space.

Land tenure arrangements are always at the heart of a community. That means land tenure plays a significant role in determining how a society functions (FAO, 2002b). Changes in land tenure arrangements can have the power to transform national economies, revolutionize social patterns and cause armed conflicts. Indeed the post-

WWII and cold war era hostilities between West and East were partly underpinned by changes in land tenure arrangement (Bennett, 2007).

Therefore, a given land tenure system determines who can use which resources for how long, and under what conditions. There are many forms of land tenure, some of which may provide absolute freedom to a landowner to do whatever they like with it, while others entail highly restricted or limited rights. In their simplest forms and based on who owns and uses the land and how it is acquired, the most common land tenure types are the following (Bromley, 1989):

- i. **Private tenure:** a system which grants ownership of land and the land rights associated with it to individuals or legal persons such as corporations and partners. As compared with the other types of land tenure systems listed below, private tenure has the capacity to ensure most intense and efficient use of land (Demsetz, 1967).
- ii. **Public/State tenure:** a tenure type where the state exercises ownership and governance of land. Land allocation, use and transfer of land are determined by state. That means individuals have the duty to observe rules for use/access as determined by the controlling/managing agency of land.
- iii. **Communal tenure:** a land tenure type by which land rights are held by multiple users in communal ownership. Land allocation, use and transfer to the individuals are determined by leaders of the community. Such tenure allows individuals to hold rights and obligations jointly with all other users.
- iv. **Open access:** a land tenure type in which no one holds land rights. In this system, there is no defined group of users/owners and so the benefit stream is available to anyone.
- v. **Non-formal tenure:** this type of tenure allows holdings in the form of squatting, unauthorized subdivisions and developments on legally owned/possessed land, and various forms of unofficial land transaction and rental arrangements with varying degrees of legality or illegality (UN-Habitat, 2003b, Payne, 2000). Most often, the non-formal tenure categories emanate from the inability and inefficiency of formal tenure categories to accommodate the needs of the urban poor (Adam, 2014a). Currently, non-formal tenure remains the most common urban tenure category in many countries and accommodates the majority of lower income households, often expanding more rapidly than any other tenure categories.

Moreover, especially in urban areas, there might be more than one legally acceptable system operating simultaneously (Payne, 2000, 1997). The co-existence of these different tenure systems and sub-markets within most cities creates a complex series of relationships in which policy measures related to any one system may have major and often unintended repercussions on the others. Consequently, it is vital to assess the full range of de jure and de facto tenure systems and sub-markets that exist in a city before any attempt is made to intervene in its land market (Ibid).

3.3. Peri-urbanization and urban built-up property rights formation process

3.3.1. The concept of peri-urbanization

Peri-urbanization can be defined as the process of urbanization in peri-urban areas and in other words refers to the process through which peri-urban areas are physically and functionally incorporated into the urban system (Webster and Muller, 2004). It involves the conversion of rural agricultural lands to urban built-up properties and thereby entails changes in landownership patterns and transfer processes. Peri-urbanization also refers to the transformation of economic structures, from rural-based agricultural economy to urban-based economy (manufacturing and services) (Ibid). The process also entails the transformation of existing rural settlements into urban settlements (UNFPA, 2007).

Peri-urbanization has some common characteristics in the developing world and the developed world. In both cases, peri-urbanization entails the physical expansion of urban space over time, involving the incorporation of rural communities and agricultural lands in peri-urban areas. The second similarity is that peri-urbanization in both contexts is partly caused by the inevitable consequences of population growth (Oduro, 2010).

Despite the above similarities, peri-urbanization in the developed world and in Africa or developing countries has differing characteristics, manifestations and driving forces. Firstly, peri-urbanization in developing countries is occurring at a more rapid rate than in developed countries. The driving force for peri-urbanization in the developing world is largely population growth, stemming from push factors such as landlessness and agricultural unemployment in the rural areas and peri-urban areas are largely inhabited by the urban poor and new migrants from rural areas (Oduro, 2010, Webster and Muller, 2004). Peri-urbanization in the developed world is largely driven by economic growth, which attracts rich people to build residential homes on the outskirts of cities (Ravetz et al., 2013, Piorr et al., 2011).

Peri-urbanization in sub-Saharan Africa and much of the developing world is the result of both pull and push factors (Nkwae, 2006, Kasanga et al., 1996). In other words, it stems from the depressing conditions in rural areas and the promises and prospects of ‘the bright lights of the city’. As a result of these push and pull factors, rural-urban migrants and urban residents desperately seek a foothold in the city to exploit its opportunities for a more meaningful and better life. This situation results in acute shortage of land and high rents in the city, facilitated by an overheated urban land market, lack of job opportunities, and weakening of social-cultural networks and ties. As the situation worsens, this leads to a rush for land grabbing and speculation in the peri-urban areas. The lack or inadequacy of institutional framework results in both legal and illegal land development processes by developers – all driven by the desire to exploit the opportunities for survival in an urban setting. The final outcome of peri-urbanization, therefore, is the formation of new non-agricultural built-up properties, either formally or informally, as a result of the push and pull factors (see Figure 3).

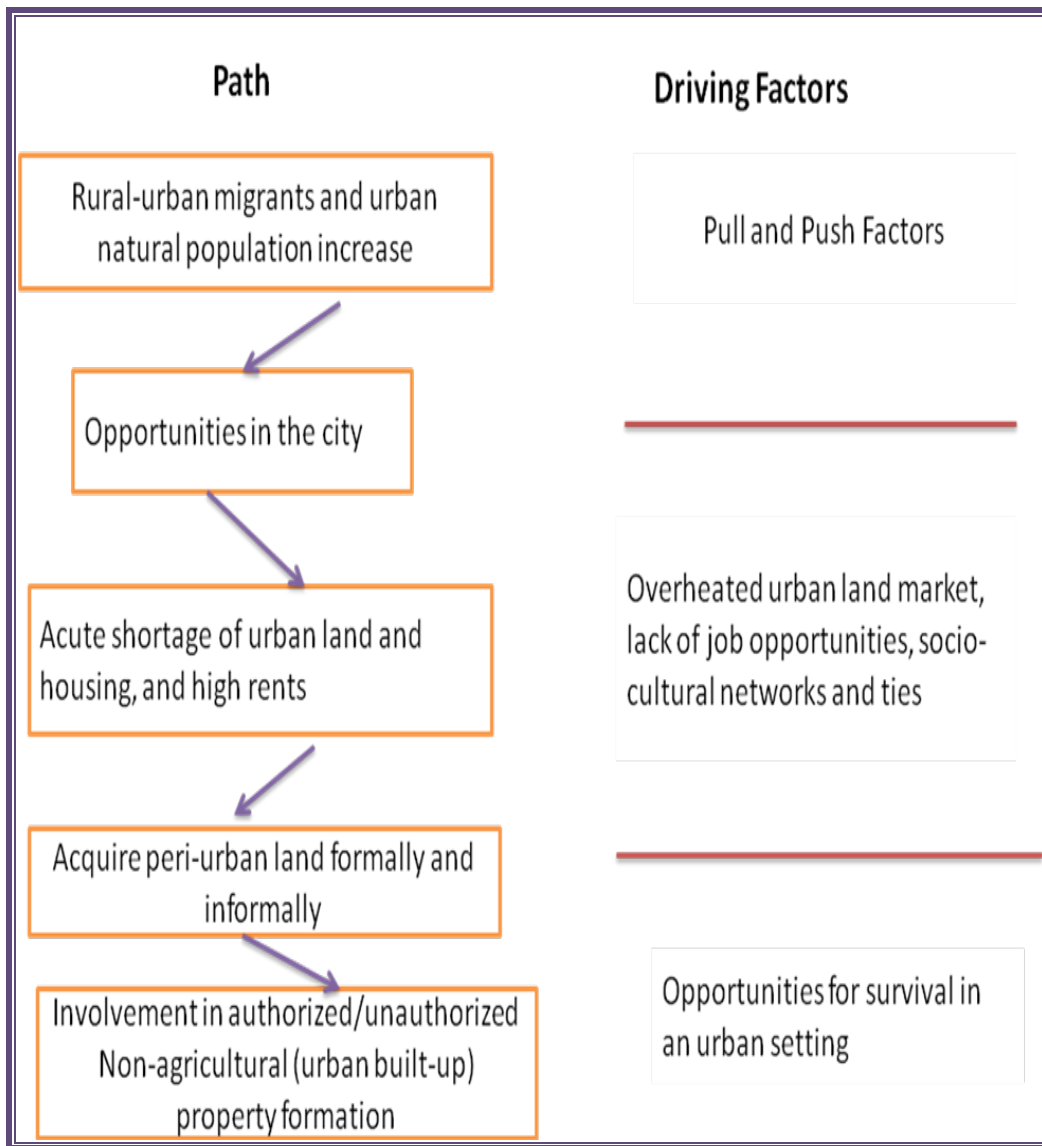


Figure 3: Built-up property formation process in the peri-urban areas³.

3.3.2. Evolving and dissolving of property rights in the peri-urban areas

Property rights are socially recognized individual or group interests over an asset (Ostrom, 1999). They are sets of actions and behaviors that the possessor/holder of an asset may or may not be prevented from undertaking in relation to a benefit or income stream (Bromley, 1991). These sets of authority or land interests on how to use a resource

³ Modified based on Nkwae, 2006

make up bundles of rights (Rodgers, 2009). For instance, each plot of land has its unique set of rights bound together as a bundle of rights, which commonly includes the right to access and use, the right to control and exclude non-owners and the right to transfer permanently to another person and so on (FAO, 2002a, Schlager and Ostrom, 1992, Libecap, 1989). Thus, it is not the piece of land that can be transferred from the previous owner/user to the new owner/user, but the bundle of various rights attached to that piece of land.

Peri-urban areas are of great importance to modern societies because it is there that most land transactions are concentrated and thus there that most new land rights/interests are expected to emerge. Peri-urban areas show that the competition for land for different urban development purposes is intense, which may later result in changes in land use, ownership and tenure either voluntarily or compulsorily (Wehrmann, 2008). The competition for secure, serviced land as a result of rapid urbanization increases the importance of peri-urban land still further, which in turn leads to a decline of agricultural lands and existing land rights (Allen, 2003, Payne, 1997). As a result, the penetration of urban areas into peri-urban areas is obviously affecting the existing land tenure relations in the area (Cotula and Neve, 2007).

From a property rights perspective, two contending views have appeared regarding the impact of urban expansion into peri-urban areas (Cotula and Neve, 2007, Maxwell et al., 1998). The first perspective sees peri-urbanization and growth in population as a factor for the development of new markets and the conversion of property rights from rural/traditional tenure into various forms of privately held rights. These forces lead to greater entrepreneurialism and transformation of local economies from agrarianism to dynamic free markets of commerce, services, small-scale industry and commercial agriculture (Maxwell et al., 1998). Another perspective sees peri-urbanization as the destruction of existing property rights systems and agricultural livelihoods without necessarily replacing them with any alternative form of economic activity (Cotula and Neve, 2007). Thus, these two views see peri-urbanization as a driving force for the emergence of new property rights institutions, either voluntarily or compulsorily.

In many parts of the developing countries, it has been observed that growing population pressure and development of market economies as a cause and consequence of urbanization are leading to significant changes in land tenure relations (Kasanga et al., 1996). Land tenure practices have undergone and are still undergoing several processes of transformation and change, from the purely communal and family landholding system,

to individual landholding (Ibid). Thus, peri-urbanization in sub-Saharan Africa is often accompanied by the erosion of existing local peri-urban land tenure relations and implantation of new and urbanized forms of land/property rights.

3.3.3. The move from informal to formal rights

Peri-urban areas display a diversity of tenure situations, ranging from the most informal type of forceful occupation to the full-fledged freehold type of possession/ownership (UN-Habitat, 2008, Payne, 1997). It is important to note that not only the method of occupation that determines the level of formality of rights, but also a series of other factors. Among these are restrictions on land use, since land use must conform to planning rules, development and construction norms and standards, as well as to the type of development mentioned in the contract or agreement between the owner and the user of the land. The level of rights may also depend on the duration for which rights are expected to be exercised, and the renewability and transferability of rights agreed upon. Moreover, the type of agreement or contract can also affect the level of rights as they can range from unwritten oral agreements to formal written contracts between landowners and occupants (i.e. leaseholders). Oral or traditional agreements may also exist, which can provide various levels of rights depending on the local legal and regulatory framework. Peri-urban areas are breeding grounds for new types of informal tenure systems (which can be either semi-legal, such as occupation of state land, or wholly illegal) and land transaction processes which exist side by side with formal and customary systems (Wehrmann, 2008).

The co-existence of the two extreme land tenure relations (informal-formal) in the peri-urban areas can be demonstrated by the continuum of a land rights model (UN-Habitat, 2008, Payne, 1997). The model shows the existence of two extreme land rights in a given locality where different sources of law operate simultaneously (UN-Habitat, 2012). At one end of the continuum, the formal land rights are enshrined in law. The owner is an individual, who holds a set of registered rights to a parcel of land: the parcel is delineated on a map held in a record office; the owner has the right to occupy the land, build on it (subject to approvals), sell it, rent it out, transfer it to his or her heirs, and prevent other people from coming on to it. At the other end of the continuum is the point where informal rights start (UN-Habitat, 2012).

The degree of informality varies based on the occupation, transaction, and development of land (Ibid). It may include group (such as a clan) or traditional rights in the customary land tenure system. The boundaries of the land may not be clearly marked on the ground or on a map, and there may be no official paper work certifying who owns or has what rights to the land. In between these two extremes there are also a wide range of rights and interests which are always in the process of evolving and dissolving into better and more advanced formal rights (see Figure 4).

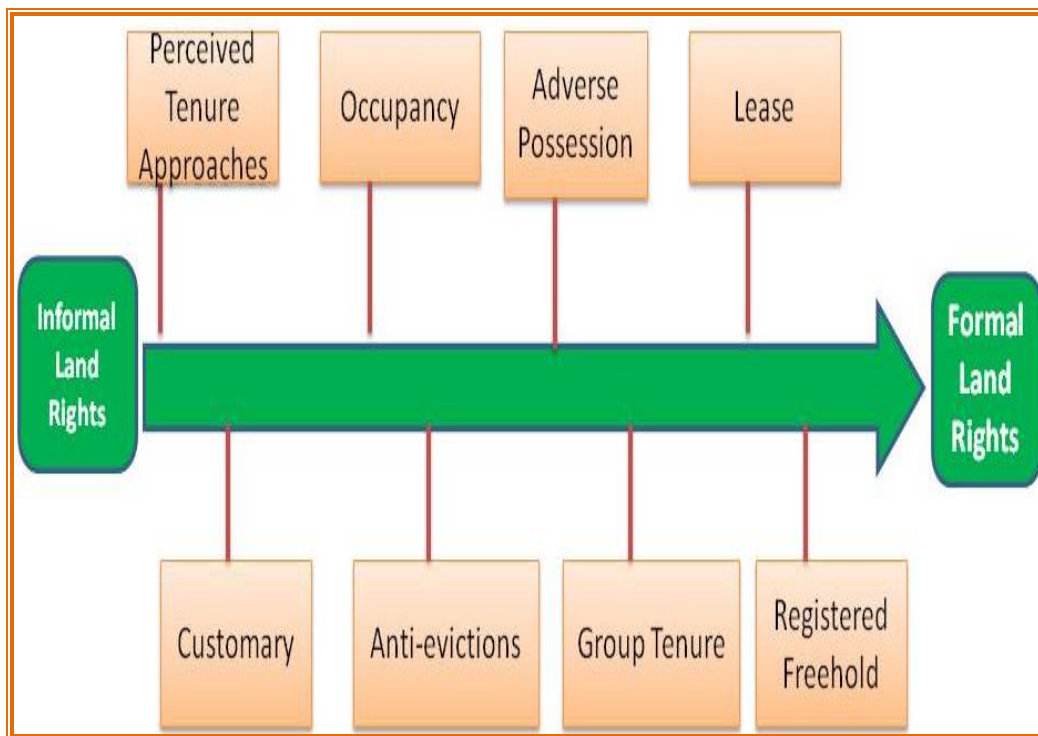


Figure 4: The continuum of land rights path⁴.

The continuum of land rights in the Ethiopian peri-urban context entails different perspectives and unique contents. Importantly, the two extreme ends of the land rights path are composed of formal land rights governed by two different legislations. In between the two formal systems, there are informal interests and rights which are evolving into better and more advanced urban-based formal rights. Therefore, the flow of land rights in the Ethiopian peri-urban context can be described as a formal-informal-formal continuum. The details of the Ethiopian land rights path model are presented in chapter 5 below.

⁴ UN-Habitat, 2008

3.4. Land tenure administration in a peri-urban context

The contemporary land administration experiences of most countries in the world show that land tenure is found to be the core component of land administration (Williamson et al., 2010, FAO, 2002b). Land tenure as a key attribute of land is one of the four core components of land administration alongside land value, use and development (Enemark, 2005). Thus, land tenure administration can be seen as management of a system of land rights which covers a broad range of activities and processes (Williamson et al., 2010), such as:

- Procedures by which land rights are allocated or recognized;
- The definition and delimitation of boundaries between parcels;
- The recording of information about land rights, right holders, and parcels;
- Procedures governing transactions by agreements (such as sale, mortgage, lease) and social events (such as death, birth, marriage, divorce);
- The resolution of uncertainty or adjudication of disputes concerning land rights and boundaries;
- Procedures about new property formation measures (subdivision, consolidation, partition); and
- Institutions and processes for land valuation and taxation, planning, controlling, and monitoring of land use.

Land tenure administration is of critical importance in the peri-urban areas of sub-Saharan Africa and other developing countries that are currently experiencing rapid urbanization and social transformation. Moreover, in peri-urban areas, land transfer and trends of land use conversions are more active and observable. As a result, peri-urban areas face distinct land administration challenges because of the complex and rapidly changing nature of land tenure arrangements (Nkwae, 2006). Some of the basic land governance challenges in the peri-urban areas include haphazard residential development with insufficient social services and infrastructure; land acquisition for speculative purposes; illegal and extra-legal land subdivisions, transactions; unauthorized land use change and transactions without the knowledge of the land administration authorities. Besides, with increasing land values, multifaceted actors are interested in peri-urban land, which may intensify land use disputes between different institutions and actors (Home, 2004).

Addressing the challenges of the volatile and dynamic nature of land tenure in peri-urban areas requires introducing a unique land tenure administration system that can fit the changing contexts (Fourie, 2004). The land administration arrangement in the peri-urban areas needs to be simple, flexible, accessible, and have the ability to include the traditional property rights institutions with the aim of facilitating access to land for all socio-economic groups (Nkwae, 2006). Moreover, the land acquisition and delivery mechanism activities which are active parts of the land administration system need to be participatory, flexible, and able to cope with the pace of the times and meet the changing demands of the society (Fourie, 2004).

Experiences mainly from the northern parts of the world show that introducing an adapted land development tool like land readjustment can help address land tenure challenges in peri-urban areas. The tool can help ensure good governance in peri-urban land tenure administration by incorporating pro-poor, inclusive and gender-responsive decision-making elements in the process of land acquisition and delivery for urbanization (UN-Habitat, 2012). Thus, the multifaceted peri-urban land tenure problems emanating from rapid urbanization and the resulting huge demand for land can be addressed by introducing land readjustment as a land development tool. The three main motivations for adapting land readjustment in the southern parts of the world as an alternative land development tool for the contexts of peri-urban and urban areas in the era of rapid urbanization are (Ibid):

- i.* Land tenure system in the peri-urban areas must change to meet current and future demands for basic services generated by urban expansion;
- ii.* Peri-urban areas need land administration and development options that engage property owners and users in the area, rather than marginalize them.
- iii.* Peri-urban areas need land tenure administration and development approaches that create less public opposition than the traditional methods.

Therefore, land readjustment is a promising tool to strengthen or create platforms where all stakeholders in the peri-urban areas can easily participate in decision-making processes at a local level (Hong and Brain, 2012, Sorensen, 2007). One very important feature of land readjustment is that it entails grassroots mobilization which provides the urban poor with real bargaining power. This encourages local governments to pay special attention to the needs of the poor and women from the outset. Finally, stakeholder participation through land readjustment can create a new opportunity for secure and equitable access to land and its administration as it reduces the gap between land governors and land users (UN-Habitat, 2012).

4. Research approaches and methods

4.1. Overview

This chapter outlines how the research was undertaken. This section also aims to explain how the cases and respondents were selected. The data collection and analysis methods used are also explained.

The overall research process was divided into three stages (see Figure 5). In the first stage of the research, literature on the nature of peri-urban land tenure administration, best practices and legal and policy gaps was reviewed. Moreover, preliminary field visits, FGD and observation methods were employed to collect initial information that could help outline the background and statement of the research problems. The second phase of the research mainly encompassed data collection using different tools and methods from the case study areas.

The third stage of the research was targeted on analysis and examination of existing peri-urban land tenure situations based on the data collected from the case study areas. At this stage, the goal was to produce four articles. In the articles, an attempt was made to examine and formulate concepts on the nature of peri-urban land tenure in the changing peri-urban areas. An attempt was also made to explore the challenges and impacts of urbanization on the land rights of local peri-urban communities. The processes of formal and informal acquisition, transaction and development of land in the peri-urban areas were also investigated in detail in the third stage. Finally, an alternative peri-urban land development tool, land readjustment, was explored in relation to introduction and adaptation to the Ethiopian urban land development system. It can also be noted that each article has employed specific research approaches and methods.

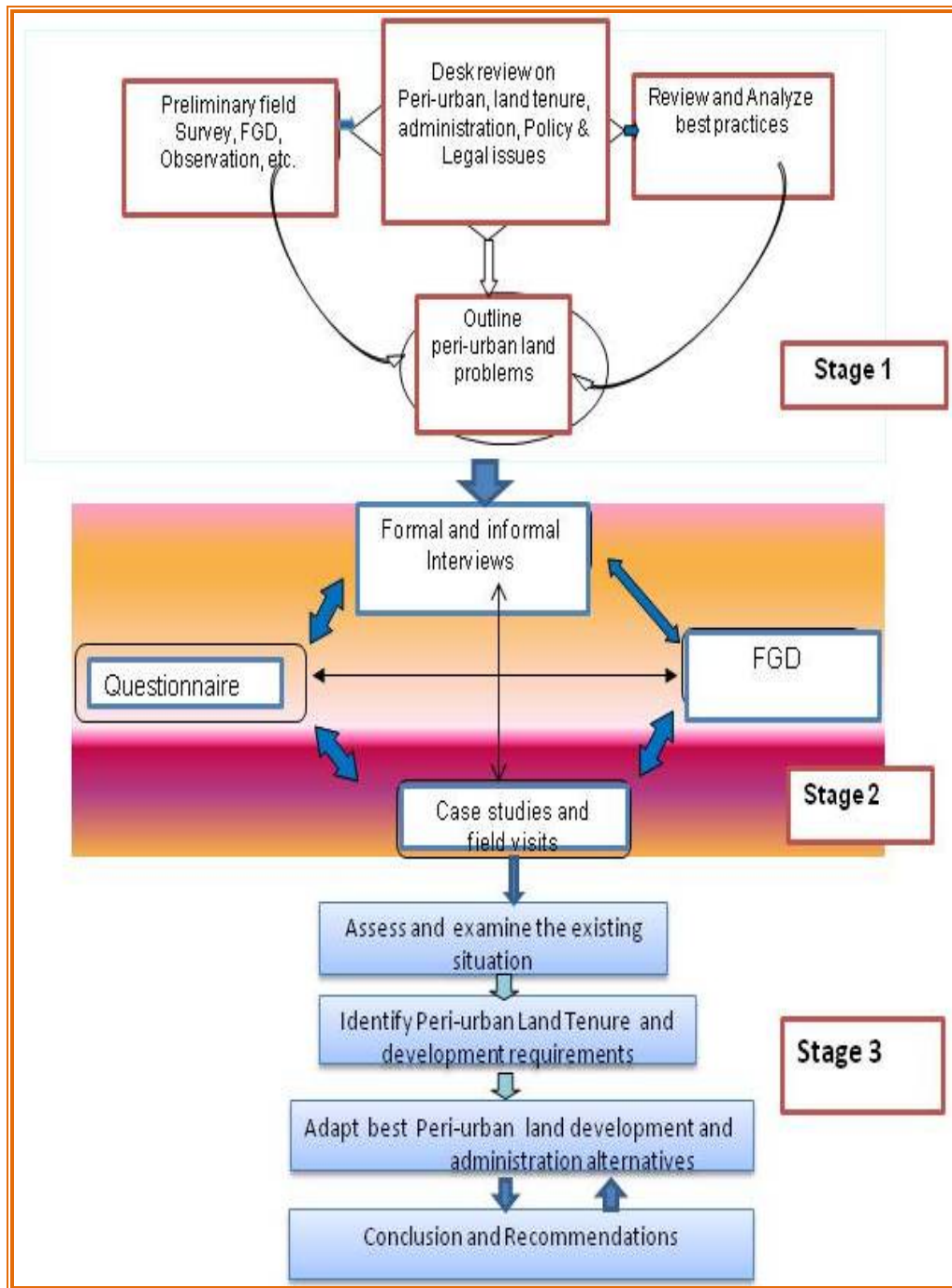


Figure 5: Research methodology and process⁵.

⁵ Author produced

4.2. Research strategy

Research strategy is a way of systemizing observations, describing methods of collecting evidence and indicating the types of tools to be used during data collection (Cavaye, 1996). There are several types of research strategies e.g. case studies, surveys, experiments, ethnography, phenomenology, grounded theory, action research and archival analysis (Denscombe, 2007). Depending on the purpose of the research, more than one research strategy may be used. Every strategy provides an alternative way of collecting and analyzing empirical evidence. The choice of a research strategy is not accidental. It is informed by three main factors, namely the type of research questions posed, the extent of control the researcher has over the actual behavioral events and the degree of focus on contemporary events (Yin, 2003). Hence, the researcher has to make strategic decisions to put him- or herself in the best possible position to gain the best research outcome.

Based on the qualitative nature of this research project and the type of evidence to be collected, a mix of case study and desk review approaches was chosen. The case study approach was used more dominantly in articles I & III, while in articles II & IV greater emphasis was given to the desk review research approach. As a supplement to the two main approaches, existing theoretical and analytical frameworks such as the property rights analytical framework and institutional analyses were employed to understand, examine the nature of and develop theories and concepts about peri-urban land tenure and urban built-up property rights formation processes in the peri-urban areas of Ethiopia. Thus, the research combines two main lines of research approaches – desk reviews and case studies – to satisfy the formulated research objectives and questions. Research approaches employed in the articles and summary essay are presented in Table 1 below.

Table 1: Thesis content and research approach of each article.

Article	Title	Desk review	Case study	Theory development
<i>Article I</i>	Land Tenure in the Changing Peri-Urban Areas of Ethiopia: The Case of Bahir Dar City	X	X	X
<i>Article II</i>	Peri-Urban Land Rights in the Era of Urbanization in Ethiopia: A Property Rights Approach	X		X
<i>Article III</i>	Informal Settlements in the Peri-urban Areas of Bahir Dar, Ethiopia: An Institutional Analysis	X	X	X
<i>Article IV</i>	Land Readjustment as an Alternative Land Development Tool for Peri-Urban Areas of Ethiopia	X		X
	Summary essay	X		X

4.2.1. Case study approach

A case study is an empirical inquiry that investigates complex and contemporary societal phenomena in depth (Cavaye, 1996). The approach can predominantly be employed in relation to the discovery of information following an inductive logic, to describe what is happening in the case study setting (Denscombe, 2007, Yin, 2003). The case study approach is also helpful when “how” and “why” questions are being posed, and when the investigator has little control over events in a situation too complex for surveys or experimental research (Walliman and Baiche, 2001). Another strength of the case study approach is that it allows the researcher to use a variety of data sources and research methods (Denscombe, 2007, Yin, 2003). Thus, the case study approach creates an opportunity to combine different data collection techniques such as interviews, observations, questionnaires, FGDs and document analysis.

Consequently, it was clear at the beginning of the research that the strengths of case study research would facilitate attainment of the research objectives. Some classic examples of complex and contemporary societal phenomena that can best be investigated using the case study approach are the investigation and formulation of land tenure issues in dynamic peri-urban areas; the impacts of peri-urbanization on the land rights of local communities; tenure security matters and the formal and informal subdivision and

transaction of peri-urban land. The investigation of these problems also required multiple sources of data and data collection methods, which made the use of a case study approach unavoidable.

Moreover, the choice of the case study research approach was also influenced by the nature of the research questions posed. The research questions are both descriptive and exploratory in nature. Thus, the research can be said to be a descriptive-explorative case study, as it qualitatively describes and explores a chain of links between a set of socio-spatial phenomena in the peri-urban areas, mainly related to land tenure.

4.2.2. Desk review research approach

Desk review is another research approach used in this project, primarily in the form literature review. Using the desk research approach facilitates the explanation of existing issues with facts obtained from a wide variety of secondary data sources (UNDP, 2007). Thus, the main purpose of using this method was to develop a conceptual framework to examine the nature of land tenure in peri-urban areas. The method was also used to capture best practices of land development and administration that could be applicable to the peri-urban contexts of Ethiopia.

The desk review research approach was dominantly employed in articles II & IV. It was also employed to a certain extent in articles I & III. Three categories of review materials, i.e. legal and policy documents focusing on land rights in Ethiopia, academic literature and documents reflecting international practices, were reviewed. The focus of the desk review was on 1) urbanization and its impacts on peri-urban land tenure; 2) the challenges of urbanization on peri-urban land rights; 3) peri-urban land administration and policy implementation gaps; 4) best practices and tools on land acquisition for urban expansion. Moreover, the desk review covers institutional analysis on the informal acquisition and development of land and urban built-up property right formation processes in the peri-urban areas. The desk review material includes books, book sections, journal articles, conference proceedings, news articles, legal documents, policy documents and other documents relevant to this study.

4.3. Case study area

The crucial step in any case study project is selecting case study areas. The case study areas for this research were selected on the basis of the possibility for analytical/procedural replication rather than statistical/result generalizability. For this purpose, the selection process was oriented towards acquiring the richest possible data rather than gathering fully representative information for the researched phenomena.

In order to understand and analyze the wider context of peri-urban land tenure in an era of rapid urbanization in Ethiopia, Bahir Dar city and its surrounding peri-urban kebeles (villages) were selected as the case study area for this research on the basis of the purposive non-random sampling principle. Bahir Dar, the capital of Amhara National Regional State, is an important urban center and one of the fastest growing cities in Ethiopia, both demographically and spatially. The current population of Bahir Dar city, including peri-urban areas, is estimated to be about 250,000, but this number is expected to grow to more than 4-fold by 2040 (UN-Habitat, 2010). The built-up area within the city's jurisdiction is also expected to expand at an even faster rate than its population (Angel et al., 2013).

Moreover, large numbers of peri-urban landholders have lost their usufruct/holding rights, to give way to urban development and expansion programs, especially in the last ten years. Bahir Dar is one of the metropolitan areas in Ethiopia that has manifested very fast changes in land use (from agricultural fields to built-up property, both formally and informally). The transformation of local peri-urban land rights into urban leasehold rights through the expropriation decisions of the government is more rapid and extensive in the peri-urban areas of Bahir Dar than any other place in the northern part of the country, due to the increasing demand for land for urban space.

According to the master plan in force since 2005, Bahir Dar city encompasses four peri-urban rural and agricultural kebeles located immediately outside the municipal boundaries. There are four immediate peri-urban kebeles⁶: Addis Alem, Weramit, Wered Kol and Zenzelima (see Figure 6). Among the four peri-urban kebeles, two peri-urban kebeles, namely Weramit and Zenzelima, were selected as case study areas. These peri-urban kebeles are located in the eastern and western part of the city, respectively, and the land in these two kebeles is predominantly used for agricultural purposes. However, both

⁶ Kebele is the lowest administrative structure in Ethiopia

regions are under increasing pressure from urbanization and at the direct receiving end of urban expansion and development.

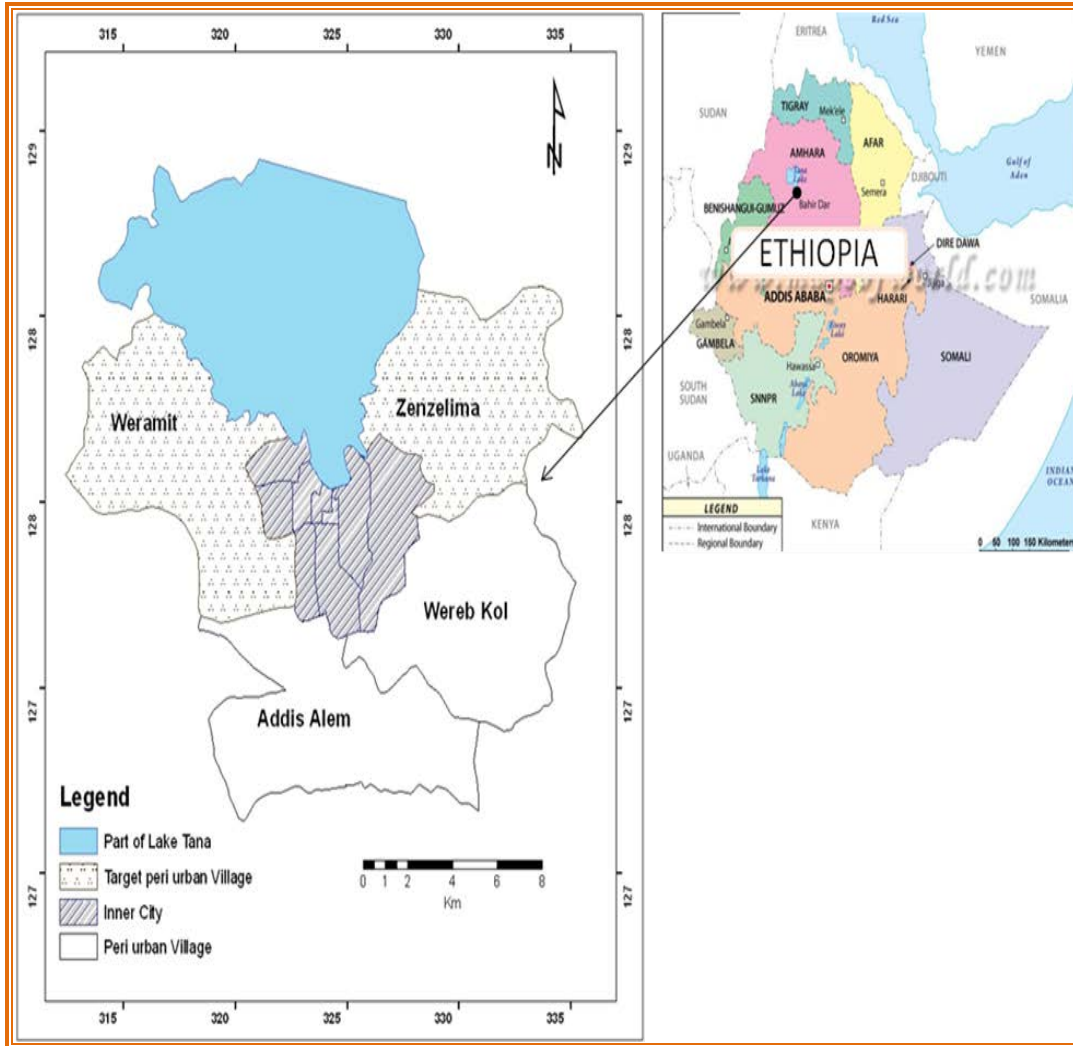


Figure 6: Location map of Bahir Dar City Administration⁷.

4.4. Data collection and analysis methods

Once the research problem has been formulated, the next step is identifying what kind of data will be required to research the problem, and also what kind of analysis will be appropriate to analyze the data. The choice of any particular data collection and analysis methods is always determined by the nature of the research topic, the particular

⁷ Author produced

characteristics of the research problem, and the specific information sources used (Walliman and Baiche, 2001). In fact, it is often appropriate to first determine the type of analysis – quantitative or qualitative – required to investigate the research problem, and then determine the type of data to be collected in order to make that analysis (Yin, 2003). Thus, the data collection and analysis methods employed in this research were selected after careful consideration of the sources and availability of the required data.

4.4.1. Data collection methods

One of the principal advantages of using the case study approach is that the researcher is able to use mixed and multiple sources of data. Following the case study research tradition, both quantitative and qualitative data were collected from primary and secondary sources of data. The main sources of data and data collection instruments were questionnaires, FGDs, key informant interviews (both structured and open-ended) and direct field observations. This section therefore describes the main data collection tools employed in the articles included in this thesis.

4.4.1.1. Questionnaires

A questionnaire is one of the key primary data collection tools and was mainly used for articles I & III. The questionnaire was considered an appropriate tool for this research, as it enabled the researcher to obtain elaborated answers from respondents. The contents of the questionnaires were focused on the opinions, feelings and preferences of local peri-urban communities regarding ongoing urbanization and the resulting land acquisition processes. As stated in the literature, questionnaires and interviews have proved to be very useful and appropriate instruments for collecting data on facts and personal opinions (Denscombe, 2007). In the questionnaires, emphasis was placed on collecting supportive data regarding the process of informal settlement in peri-urban areas. The involvement of local peri-urban landholders in the process of unauthorized subdivision and transaction of agricultural lands and unauthorized conversion of land use into residential and other built-up properties was also included in the questionnaires.

After the completion of preparing the questionnaire, a pilot test was carried out on 10 peri-urban households in the research area to test the relevance and clarity of the questions. The pilot testing was instrumental to ensure the simplicity of the messages, message harmony, and the clarity of questions vis-à-vis the intended respondents.

Ambiguous and irrelevant questions in the draft questionnaire were revised and finalized based on the results of the pilot test.

For the purpose of simplicity, the questionnaires and interview questions were prepared in English and translated into the local language Amharic. Since the majority of the respondents are illiterate and some of them may be reluctant to fill out a questionnaire, data collection was managed in the form of personal interviews in which enumerators/assistants asked questions and recorded answers from the respondents. The data collectors or assistants, all with a background in similar types of studies, were recruited and provided training on how to administer questionnaires. They were also enlightened on the contents of the questionnaires to enable them to understand the questions.

4.4.1.2. Focus group discussions (FGDs)

Another data collection method used in this project was the focus group discussion (FGD). FGDs provide insights into how people think and give a deeper understanding of the phenomena being studied (Flick, 2009). FGDs were undertaken to validate data from the questionnaires and key informant interviews. They were also targeted to get detailed information about the ongoing peri-urbanization and the resulting land acquisition process. The opinions, attitudes, beliefs, and perceptions of participants regarding the problem under investigation could be gathered from the group discussions.

Four different FGDs consisting of 4-6 individuals were conducted at different stages of the research. The participants for FGDs were found among representatives from the local community, leaders of traditional social institutions (*Idir and Iqub*), local government officials and land administration experts. In order to facilitate the FGDs, a checklist was prepared with some of the predetermined open-ended questions. FGDs were led and facilitated by the researcher. Inputs from the FGDs were incorporated in articles I, III & IV.

4.4.1.3. Key informant interviews

Key informant interviews were also carried out to augment and triangulate the information obtained from other data collection tools. Key informant interviews were held with peri-urban community representatives, representatives of informal settlers, brokers and urban and rural land administration experts and officials. The interview

questions posed to the key informants focused on the local communities' perceptions and attitudes towards the ongoing urbanization. The interview questions were also focused on assessing the process of land acquisition for urban expansion and the challenges on the land rights of the local peri-urban communities.

4.4.1.4. Direct field observations

Field observation was another primary data collection tool employed for this research. Observational evidence is often useful in providing additional information on a research topic (Flick, 2009, Yin, 2003). Therefore, direct field observations were undertaken in the transitional peri-urban areas where landholders affected by the decision of expropriation for urbanization reside. Field visits were also undertaken to the informal settlement areas where unauthorized subdivision and transaction of land is prevalent. Since many respondents are illiterate, they could not provide technical information and some were reluctant to state how their plots were acquired. However, direct field observation enabled the researcher to obtain such information. A checklist for field observation purposes was prepared before the field visits. In addition, photographs showing the different events and characteristics were captured in the field.

4.4.2. Sample size determination and sampling methods

Given the available resources, the scope of the research and the importance of increasing and diversifying sample sizes, a sample size considered to be representative was taken from the case study area. A multi-stage sampling technique was used to select the case study areas. At the first stage, Bahir Dar City Administration was selected by using a purposive sampling technique and based on the reasons described in section 4.3 above. Similarly, in the second stage of the case study area selection process, two peri-urban kebeles, namely Weramit and Zenzelima, were selected using a non-random purposive sampling method. The selection of the specific peri-urban kebeles was based on: the degree and trend of urban expansion; the frequency and practice of compulsory land acquisition/expropriation measures implemented by the city government, and the trend of informal settlement growth.

After selecting the specific peri-urban kebeles, the next task was selection of the sample respondents for questionnaires. Sample respondents for the questionnaires used in article I were 70 peri-urban landholders who had lost their land at least partly for urban and other development purposes from 2001-2010. They were selected through a purposive

non-random sampling technique. This technique was used because of the difficulty of getting complete and accurate population frames. It was also believed that current feelings on the overall process of land acquisition for urbanization and its effects on the land rights of local peri-urban communities could be obtained more easily from these respondents.

The second major group of sample respondents was selected from the informal settlement areas with the aim of gathering information about the process of informal settlement and development in the peri-urban areas. This group was devised with the goal of gathering information on how the informal settlements areas are governed and identifying the principal actors in the process of informal development of land in peri-urban areas. Similarly, 120 sample respondents for the questionnaires used in article (III) were selected among informal settlers in the peri-urban areas using purposive non-random sampling technique. The selection of sample respondents was mainly made among household heads that had informally constructed or purchased a domicile in the peri-urban areas.

Moreover, the questionnaires were also administered to land administration experts selected purposively from the Bahir Dar City Administration, the Bureau of Amhara Regional State Environmental Protection and Rural Land Administration and the Bureau of Urban Development and Construction. The inclusion of land administration and related professionals from different implementing agencies as sources of information was performed with the intention of crosschecking data obtained from the local peri-urban landholders and informal settlers in the peri-urban areas. It also served to obtain professional opinions about the land acquisition and transfer system from peri-urban areas as part of the urban growth strategy.

4.4.3. Data analysis methods

The final stage of every research project focuses on analysis and interpretation of the data collected through different methods. The process of data analysis involves the search for things that lie under the surface of the data and targets the core elements that explain what these things are and how they work (Denscombe, 2007). Quantitative and qualitative data analysis methods are most common. Natural science research are traditionally inclined toward 'hard' quantitative (positivist) analyses. On the other hand, qualitative analytical methods can be used for social science research, which is more related to subjective human feelings and emotions and thus difficult (or impossible) to

quantify (Walliman and Baiche, 2001). It is apparent that in the real world, things do not fall neatly into either the qualitative or the quantitative category and it is appropriate to use a mixture of quantitative and qualitative data analysis methods (Denscombe, 2007).

This research project has employed a mixture of qualitative and quantitative data analysis techniques so as to capture the complex and multifaceted reality of peri-urban land tenure. Qualitative data were analyzed using triangulation; concepts and opinion interpretation; and comparing and contrasting methods. Such data were presented in the form of text. On the other hand, the quantitative data collected through questionnaires were analyzed through simple descriptive statistics using percentages and means. The quantitative technique was aimed to quantify the processes of urbanization and land acquisition, both formally and informally, and their impact on the peri-urban land tenure systems. Finally, the results of the analyses are displayed in tables and graphs. The data collection, analysis and validation methods employed in the four articles of this thesis are summarized below (see Table 2).

Table 2: Data collection, analysis and validation methods used in articles

<i>Article</i>	<i>Data collection methods</i>	<i>Data analysis methods</i>	<i>Validation method</i>
Article I	Questionnaire Interview Field observation Desk review	Mixed approach (Qualitative and quantitative)	Literature Comparison Expert interviews Author experience
Article II	Desk review Author experience	Qualitative	Literature Comparison Author experience
Article III	Questionnaire Interview Focus group discussions Field Observation and Author experience Desk review	Mixed approach	Literature Comparison Expert interviews Author experience
Article IV	Desk review Author experience Previous research results Focus group discussions	Qualitative	Literature Comparison Author experience

5. Summary of results and discussion

Land tenure relations in the peri-urban areas of Ethiopia are, much like in other African countries, in a state of continuous change due to the unprecedented demographic and spatial growth of urban areas. The usufruct/holding rights permitted to be exercised in the transitional peri-urban areas are expected to be terminated and evolved into urban leasehold systems compulsorily by the government, as a response to the growing demand for land for urban development purposes. In addition to the formal compulsory conversion of usufruct systems into leasehold systems, vast numbers of people, mainly the urban poor, are moving towards peri-urban areas looking for informal plots of land, which also has implications for land use and land tenure relation changes. More detailed features of the relationship between urbanization and land tenure system in the peri-urban areas of Ethiopia are identified from the case study area and the most important features are presented in the articles I, II and III. Moreover, the measures that ought to be taken as a solution to the challenges of the land rights of local peri-urban communities through the process of urbanization are explored in the article IV. The results and discussions in the articles are summarized in the following sub-sections.

5.1. Urbanization versus peri-urban land rights

The peri-urban land rights which have been held by local landholders/farmers and used for agricultural purpose are under increasing risk of being eroded and terminated due to urban expansion. The growing demand for land for urbanization exerts a very strong pressure on peri-urban land use and land rights. As urban territories extend to adjacent peri-urban areas, the land rights of local landholders would automatically be canceled and transferred to the segments of society that can afford to pay for leases. Empirical evidence in the articles shows that local governments or city administrations apparently stand to maximize their revenue by expropriating and then leasing peri-urban land located adjacent to the municipal boundaries, without giving due consideration to the land rights of local communities (Adam, 2014b).

The transitional peri-urban areas in Ethiopia in general and in the case study areas in particular are places where expropriation and reacquisition measures by local governments or city administrations are being implemented as a response to the growing demands of land and housing imposed by rapid urbanization (Adam, 2014b, 2014c). State-controlled expropriation decisions are the only way of trading between the dichotomized rural and urban tenure systems when land is demanded for urbanization.

The process of land supply for urban development in Ethiopia is largely based on land reacquisition from local peri-urban farmers and reallocation of land to private developers and others by the government. Therefore, the urban growth and development process in Ethiopia is a four-step phenomena. The first step of urban growth and development requires incorporating the peri-urban area into the city administration’s master plan and jurisdiction. The major activities in the second and third steps of urban growth in Ethiopia are expropriation and redevelopment of the area by providing basic infrastructure. The final step in the process of urbanization in Ethiopia covers mainly those activities related to reallocation of the redeveloped land to private developers, investors, and other urban groups through lease contracts on the basis of annual ground rent for a specified lease period (see Figure 7).

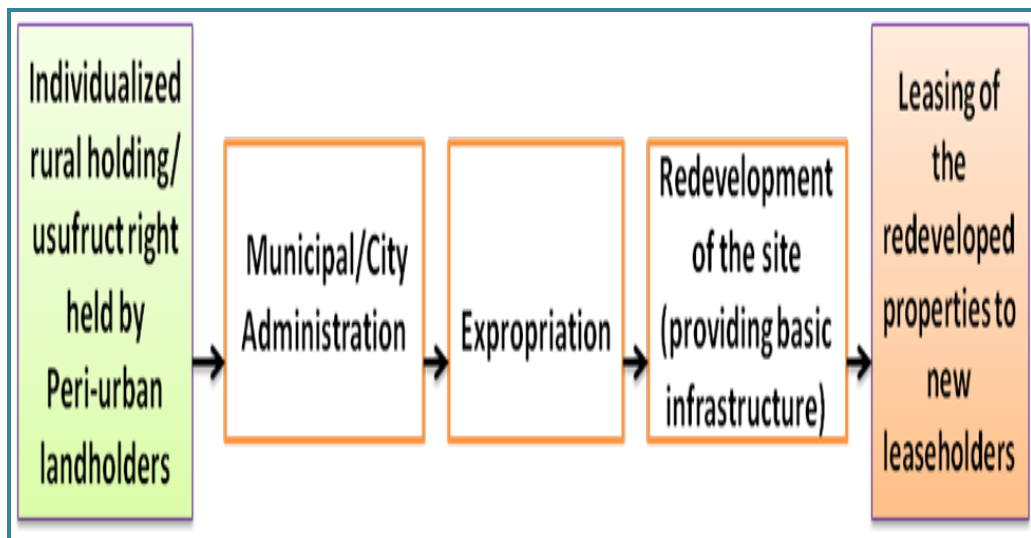


Figure 7: Urban land development process in Ethiopia⁸.

Land rights held by local peri-urban communities are at risk of further erosion as a result of the growing demand for land for urban purposes (see articles I & II for details). The land rights formerly exercised by local peri-urban landholders could no longer be exercised after the land became part of the urban territory. As the peri-urban land is needed for urban expansion purposes, local landholders are left with smaller portions of land or none at all. Usually, the new recipients of land from peri-urban areas through lease contract are not from local communities, but rather urban-oriented people engaged in non-agricultural activities. As a result, local agricultural communities appear to hold

⁸ Author produced

land temporarily. However, evidence from other African countries shows that neglecting the land rights of the local peri-urban people is an important factor undermining tenure security, which fosters land conflicts (Tibaijuka, 2004).

Thus, the impossibility of converting the rights of local peri-urban communities into urban land rights is a critical deficiency in the urban land development process in Ethiopia, which has triggered tenure insecurity in the area. As urban boundaries approach peri-urban territories, local landholders in these territories are assumed to be subject to expropriation. As a consequence, a sense of land tenure insecurity is a more prevalent problem in the transitional peri-urban areas than any other geographic areas in Ethiopia. The responses from questionnaires show that about 94 % of the local peri-urban landholders in one way or another feel insecure in regards to their land rights (see Figure 8). They expect that their land will be taken by the city administration at any time when it is needed for urban expansion programs. That means most people in local peri-urban communities are uncertain about how long their land will remain theirs.

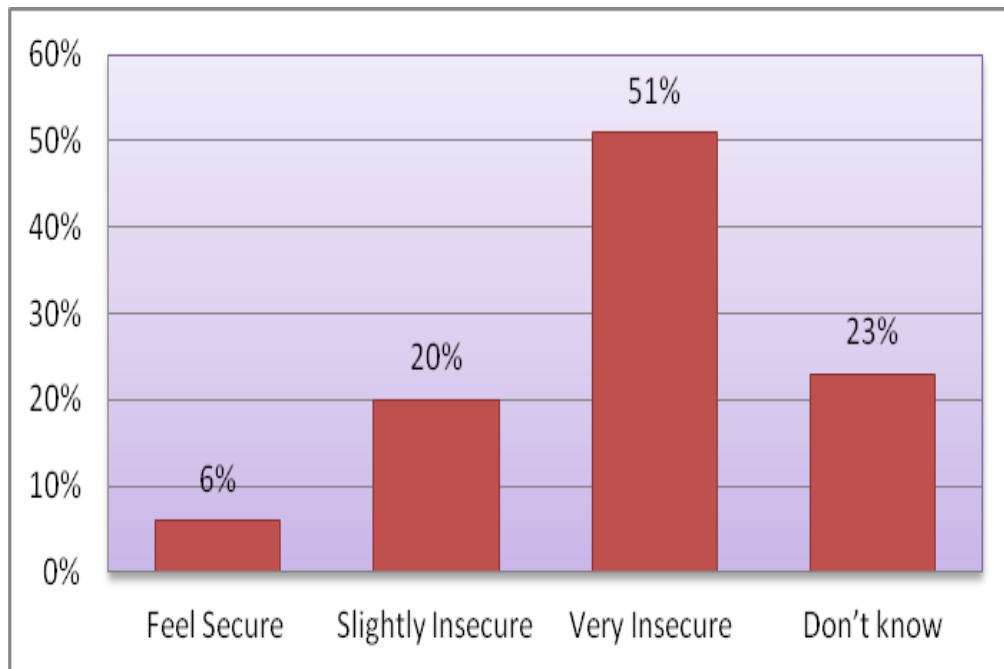


Figure 8: Land tenure security level among peri-urban landholders (n=70)⁹.

⁹ Questionnaires

Moreover, the comparison between the contents/attributes of rights in the bifurcated urban and rural landholding systems was made using the property rights analytical framework (Ostrom, 1999, Schlager and Ostrom, 1992). The analysis of land rights attributes reveals that the new recipients of land from peri-urban areas through the urban land lease system enjoy better and more extensive bundles of land rights than the indigenous local peri-urban landholders (Adam, 2014c). The land rights provided to the local peri-urban landholders are restricted to the use of land only for agricultural purposes, with very limited transferability to family members through inheritance or gifts. After the same land is expropriated by the government and transferred through lease contracts to a leaseholder for urban purpose, the leaseholder enjoys a more extensive bundle of rights, including use and development rights, than the original peri-urban landholder. Moreover, from a transferability and tradability point of view, the urban land leaseholder can sell the lease rights or mortgage it to gain a bank loan. More importantly, the land rights provided to urban land leaseholders are similar to the rights that can be exercised by an owner in private property rights system. Thus, this is important evidence that shows how the urban land development process in Ethiopia is skewed more to the urbanities than the local peri-urban communities.

5.2. The informal channel of built-up property rights formation process

5.2.1. Pull and push factors for the informal settlements in the peri-urban areas

The peri-urban areas located at the receiving end of urban expansion are most often associated with unregulated urban expansion and development (Nkwae, 2006, Kombe, 2005, Home, 2004). Transitional peri-urban areas are therefore fertile grounds for the mushrooming of new informal settlements, which will also be accompanied by the formation of new built-up property rights. Informal settlements from the perspective of this study refer to those housing units which have been constructed on land to which occupants have no legal claim or those constructed housing units that are not in compliance with the land use planning and building permit requirements of a given country (UN-Habitat, 2003a). In other words, “informal settlements” refers to the contravention of official law with regards to occupation of land, its use, subdivision standards, and ways of transferring or bypassing official requirements for building permits.

In the Ethiopian context, peri-urban land which has been used predominantly for agricultural purpose and held by local farmers is a potential target area for informal

development (Adam, 2014a). From the point of plot acquisition and construction, there are three possible ways which may lead to the creation of new built-up interests and rights outside the formal regulatory framework. The three aspects of informal settlements typical to the peri-urban areas of Ethiopia that can lead to the formation of new rights are: 1) forceful occupation of vacant state land; 2) illegal purchase from the rightful local landholders; and 3) unauthorized subdivision and construction by the rightful local landholders themselves.

After plot acquisition or occupation and construction of a sub-standard structure, people will settle in the structure and start to request the local government to provide basic facilities such as water, electricity, school, and community police and so on. The last, very critical and challenging, request to the local government from the settlers will be formalization or legalization of their occupation and construction. The government's response to this request can take on two contrasting guises. The first response would be accepting the request and concluding a leasehold agreement with the informal settlers, while the second response would be rejecting the request of the settlers and demolishing their houses (see Figure 9).

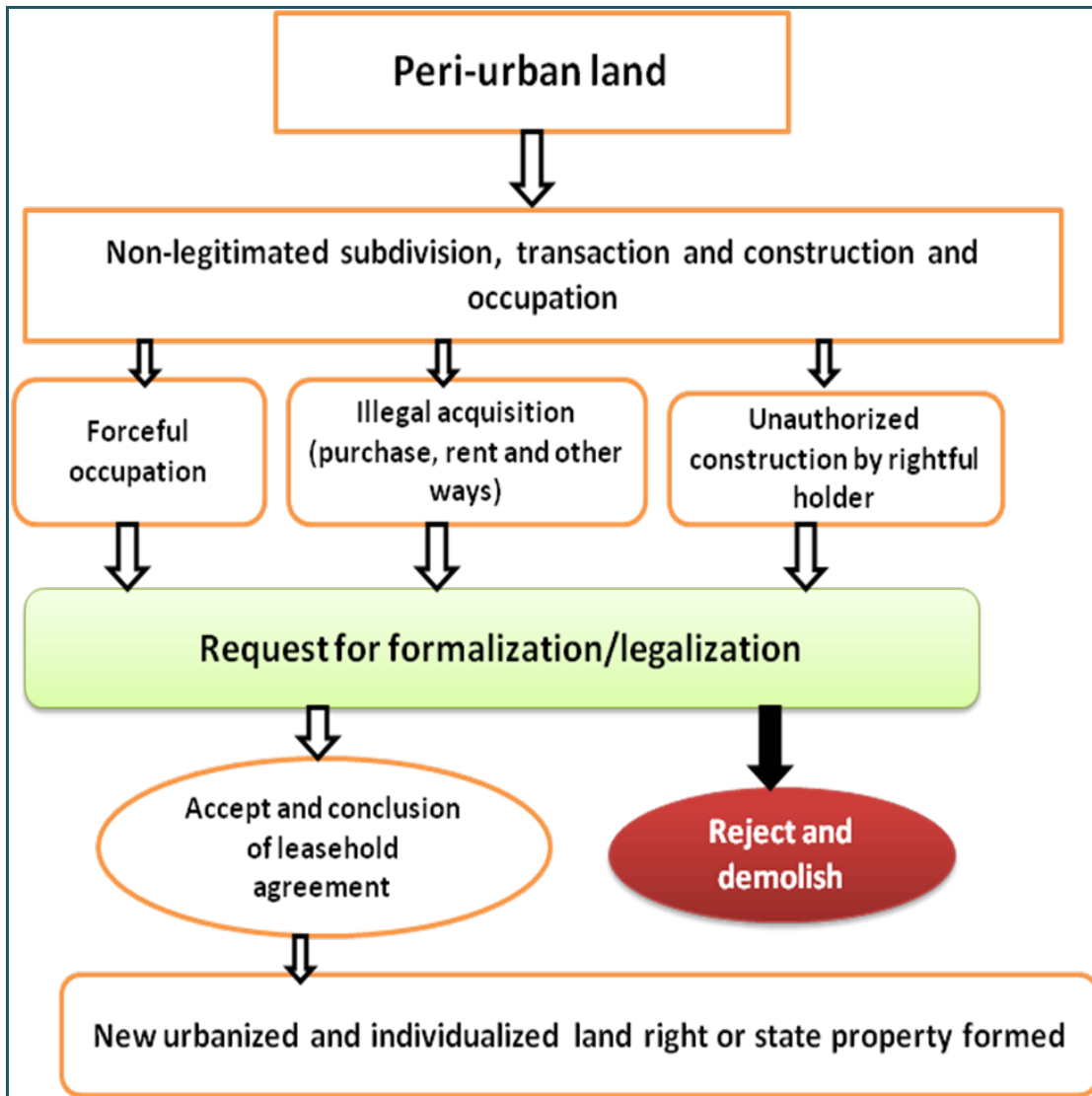


Figure 9: Built-up property right formation process through the informal channel¹⁰.

Among the three informal ways of built-up property rights formation processes, purchasing an informal plot from the rightful local landholder and then constructing unauthorized structures is the most commonly practiced form of illegitimate development in the peri-urban areas of Ethiopia (Adam, 2014a). The restrictive and prohibitive conditions for granting peri-urban communities urban land rights is the main reason for large-scale unauthorized subdivision and transaction of agricultural fields by the local landholders themselves. The local peri-urban landholders' anticipation of expropriation of their land by city administration has discouraged them from keeping and using the land for agricultural purpose only, as is permitted (Adam, 2014a, Adam, 2014b). They usually

¹⁰ Author produced

prefer either to subdivide or sell their farm land for cash or construct an unauthorized house on it. That is why the largest proportions of informal plots in the peri-urban areas have been directly supplied by local peri-urban landholders (see Table 3). Moreover, the discussion in article III shows that local peri-urban landholders are not only the principal suppliers of land to the informal market, but are also involved in the unauthorized construction of sub-standard residential houses on their own agricultural fields or on others.

Table 3: Routes of informal plot acquisition from peri-urban areas (n=120).

Route of plot acquisition	Percent
Bought from local peri-urban landholder	78
Received as gift from relatives	8
Bought from previous informal buyer	9
Own rightful holding	5
Total	100

Source: Questionnaires

The bifurcation of the land administration institutions into urban and rural, typical to the Ethiopian context, has created a favorable ground for the emergence of informal settlements in the transitional peri-urban areas. The loose coordination between the two land administration institutions and lack of clarity on the matters of peri-urban land has created room for local peri-urban landholders to subdivide and sell their land on the informal market (articles I, II, & III). For instance, when the urban administration adapts a revised master plan that includes the periphery in the urban center, without expropriating and putting the land into its land bank, the newly created zone falls under neither urban nor rural jurisdiction. In other words, this may lead to the creation of a power vacuum zone, with the peri-urban areas falling under no one's jurisdiction. The creation of a power vacuum peri-urban zone would entail an opportunity for peri-urban farmers to transform their agricultural lands into residential plots by subdividing and then selling the plots without any interference from government bodies.

The growth of informal settlements in the transitional peri-urban areas was driven by both pull and push factors. As a pull factor, the local peri-urban landholders' behavior and interest in selling their land on the informal market has attracted large numbers of low-income households from the inner city and other parts, seeking an alternative source

of shelter. Informal plots which were subdivided illegally by local landholders are relatively cheap and affordable to low-income groups, which has drawn these groups of people to the peri-urban areas. The deficiency of the formal land and housing delivery system in the urban areas is an important factor which has been pushing low-income groups to peri-urban areas to find shelter. The empirical data analyzed in article III show that a large number of the urban residents, mainly the urban poor, have been pushed to the unplanned peri-urban areas due to the inability in paying rent, paying for land leases or paying for condominium housing programs. Therefore, the case study analysis in articles I & III illuminates the idea that informal settlements in the peri-urban areas are both responses and witnesses to extensive urban poverty and signal the failure of urban governance (Huchzermeyer, 2011).

5.2.2. Key activities and rule structuring processes in the informal systems

The process of acquiring a plot of land in the informal way is not chaotic, but follows its own process. The key activities or behavioral patterns of key actors as well as rule-structuring processes through which actors acquire and retain a plot of land from the informal market follow more or less predetermined procedures and activities (Adam, 2014a). These key activities/stages in the process of informal acquisition and development of land are: 1) identifying a plot for sale; 2) showing an interest in the plot; 3) studying the behavior of the seller; 4) undertaking price negotiations; and 5) concluding and evidencing the transaction by traditional agreement or contract.

Even though the contracts signed by transacting parties in front of community elders are not valid and have no legal ground, these documents/contracts play a significant role in avoiding future land-related conflicts between the transacting parties. Moreover, the behavior of the seller also plays a significant role for the conclusion of land transaction. It is only after the informal buyer has developed trust in the behavior and reliability of the seller, that the process of negotiation for transaction will start. As a result, it is possible to say that informal land transaction in the area is mainly built on trust, with no legal documents involved (Ibid). In the case study area, social norms like trust play a prominent role in the regulation of the behavior of transacting parties (Rakodi and Leduka, 2003, Berner, 2000).

The discussions in article III have also shown that traditional social institutions in the case study area such as *Idir and Iqub* play a significant role in creating stability in the

informal settlement areas. Land-related conflicts in this area are mainly solved by the intervention of elders and/or leaders of traditional social institutions in the village. As neither party has legal grounds to seek justice in the formal judiciary system, land-related disputes cannot be brought to court. The conflicting parties prefer to take their cases to the socially respected elders and leaders of *Idir* in the village, who are quite efficient in solving such conflicts even in the formal settlements. When conflict arises in a village, leaders of traditional social institutions or elders in the village act as mediators and are expected to bring the conflicting parties together face to face and urge them to reach an agreement by proposing solutions. If the conflicting parties cannot reach an agreement or if one of the conflicting parties does not accept the solutions suggested by the mediators, the declining party may face problems like being excluded from social affairs in the community. Therefore, the discussions in article III seem to confirm Berner's (2000) idea that social sanction measures play a highly significant role in maintaining social stability in informal settlement areas where the system is apparently outside the formal regulatory framework.

Moreover, traditional social institutions play a significant role in mobilizing the community for shared societal benefits. Informal settlers in the area also use the local social institutions (e.g. *Idir* and *Iqub*) to act together and pursue shared objectives and interests. These local institutions play a significant role in negotiating with government bodies to claim formalization or in organizing resistance against forced eviction.

5.3. The binary ways of moving towards new land rights in the peri-urban areas

The existing property rights system in the peri-urban areas of Ethiopia lacks stability and is in the process of continuous change into new urbanized forms of land rights. As the urban boundaries approach and expand into peri-urban areas, the competition for land is fierce between local peri-urban/rural villagers who want to continue agricultural activities on the one hand and urban agents who are interested in acquiring land for residential and other non-agricultural purposes on the other hand. This may also intensify the formation of new informal and formal interests and rights. The case studies relating to the formation of new land rights have shown that peri-urban areas, as a consequence, are breeding grounds for new types and forms of both formal and informal land rights (Wehrmann, 2008, Kasanga et al., 1996).

The move towards new individualized land rights (lease rights), through either the formal or the informal path, is more visible and an inevitable phenomenon in the process of urbanization in Ethiopia. The discussions in articles I, II & III reveal that the formation and emergence of new land rights in peri-urban areas of Ethiopia in the process of urbanization occur in the binary continuum of land rights paths i.e. between informal and formal (see Figure 10). The first path is the process of institutionalized conversion of *the formal usufruct system to the formal urban leasehold right system* via expropriation and reallocation measures. The second path of new land rights formation is *the move from informal to formal urban leasehold rights* after legalization and formalization of the informal rights by the state. Originally, the informal rights or interests were formally recognized rural usufruct rights which had been converted into different levels of informality by local peri-urban landholders or other actors, mainly due to the increasing pressure from urbanization.

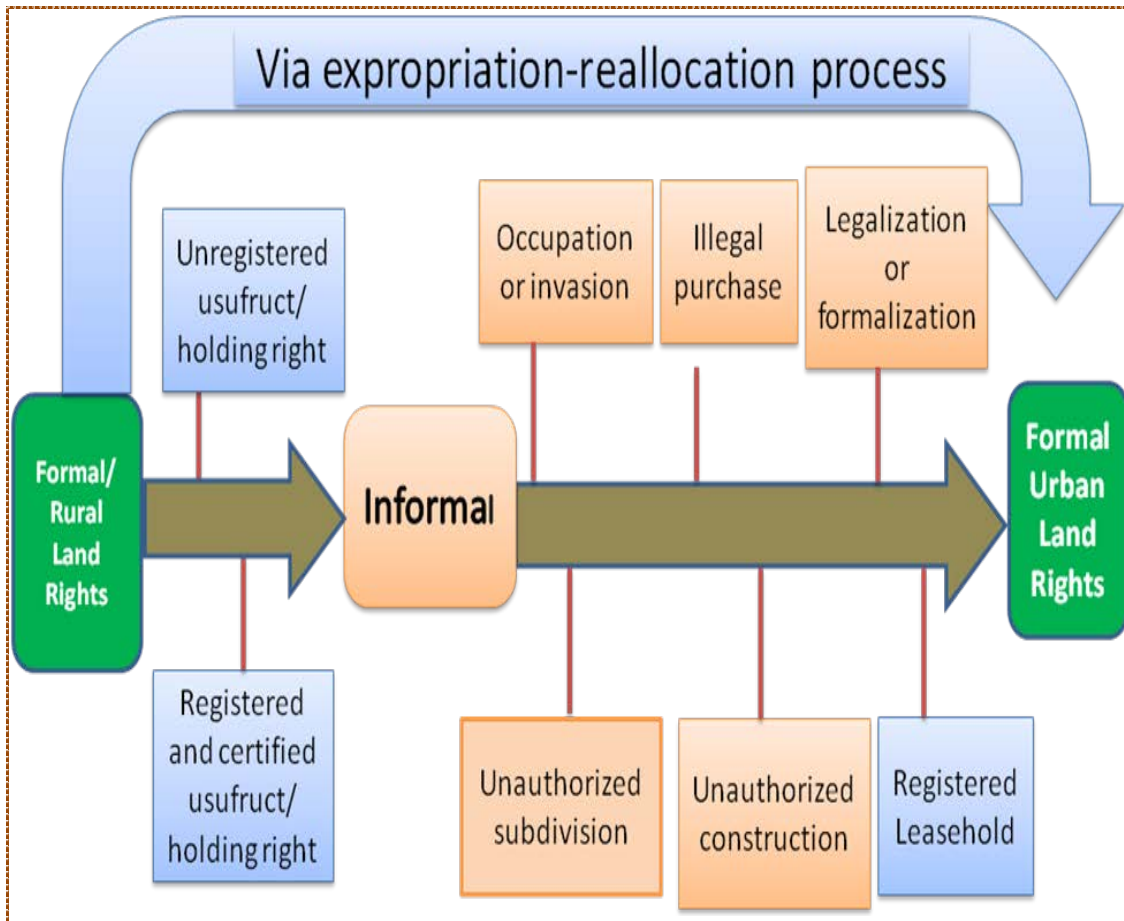


Figure 10: The binary continuum of land rights path in the peri-urban areas of Ethiopia¹¹.

The formal path of the property rights formation process refers to the process by which subdivision, transaction and development of land is carried out within the formal regulatory framework. Expropriation is the single formal way of trading peri-urban/rural land rights into urban rights in Ethiopia. In the formal process of urbanization, local peri-urban farmers are expected to be displaced and dispossessed of their land and the expropriated land is expected to be redistributed to private developers with the aim of facilitating urban-based economic growth. That is why the first continuum of land rights path is said to be formal to formal, by which the movement will be from formal rural usufruct land rights to formal urban leasehold rights.

¹¹ Author produced

On the other hand, informal rights refer to rights and interests that have emerged outside state regulatory frameworks in all aspects and include activities such as forceful occupation, illegal or unauthorized subdivision, transaction and development of land by Rightful Local Peri-Urban Landholders (RLPULs). RLPULs are local people who have acquired legally recognized landholding rights which can be used only for farming purposes. This means that RLPULs are not allowed to independently convert their agricultural land for urban uses when their land is needed for urban purposes. It is only after an expropriation decision that land in the peri-urban areas can be converted for urban uses and reallocated to different groups of society.

However, state-controlled expropriation and reallocation of urban land through lease contracts is not always sufficient and efficient enough to satisfy the growing demands for land for housing. The poor have not been able to afford land for housing. Even for the middle class, it is becoming increasingly difficult to acquire land through the formal lease system. The inefficiency of the formal system is partly complemented by the supply of land from peri-urban areas through informal channels, such as forceful occupation on state land and purchase of illegally subdivided agricultural plots which, later on, are followed by requests for legalization/formalization. Currently, it is argued that demolition of informal settlement areas is the worst-case scenario, which results in eviction of the community and aggravates the local sense of insecurity (UN-Habitat, 2003a). As a result, there is an increasing trend and chance of formalization or legalization of informally acquired plots in the peri-urban areas on the part of the government. This also triggers the breeding of informal land rights and informal rights may be converted into new formal rights through the process of formalization/legalization.

5.4. Introducing alternative solutions to land tenure challenges in peri-urban areas

The discussions and findings in articles I, II & III have shown that urbanization and urban land development processes in Ethiopia seem inclined to favor the urban people. Since priority has been given to urban-based economic development, local peri-urban landholders/farmers have suffered and sacrificed their subsistence to benefit urban residents. Urbanization and urban development do not seem to be participatory and inclusive to all stakeholders in the peri-urban areas and peri-urban villagers have been expected to assume some of the costs for urban expansion. Thus, the multifaceted peri-urban land tenure problems associated with urbanization require introduction of an alternative and adapted urban land development and growth approach which can satisfy the dynamic peri-urban contexts and benefit all stakeholders fairly.

The fourth article of this thesis is devoted to exploring alternative solutions to the inherent peri-urban land tenure problems in the process of urbanization in Ethiopia. Considering the difficulties and limitations of the existing urban development processes, the introduction of a land readjustment model that fits with the context of peri-urban areas of Ethiopia would be timely. On the basis of the lessons learned from the review of national experiences and theoretical reviews, this article proposes the introduction of a modified land readjustment (LR) model applicable to the peri-urban contexts of Ethiopia. The recommendation of LR as a peri-urban land development tool is based on four fundamental justifications (Adam, 2015):

- 1) It is participatory and negotiable;
- 2) It protects and maintains the land rights of the local peri-urban community;
- 3) It helps minimize illegal subdivision, land transaction and development of land;
and
- 4) It generates more desirable urban development

Global experiences on land readjustment show that the tool helps in building up a participatory and voluntary partnership between the land-acquiring authority or municipality and local peri-urban landholders (Hong and Brain, 2012). It also helps in organizing all landholders to act collectively in cooperation with local governments or city administrations. Thus, introducing land readjustment to the peri-urban areas can not only reduce the local landholders' resistance to urban development, but also minimize the involvement of local peri-urban people in the informal transaction and subdivision of land. Negotiations and consultations through consecutive meetings with all stakeholders helps in persuading and reaching a consensus with the community regarding the ongoing urban development. Finally, creating a chance for consecutive meetings, negotiations and consultations through land readjustment helps in maintaining the power balance between municipalities and local peri-urban landholders.

6. Conclusions, recommendations and areas for future research

6.1. Key findings and conclusions

Urbanization in Ethiopia has been spilling over into transitional peri-urban areas, where the land tenure system is neither purely urban nor purely rural. The landholding arrangement in Ethiopia is bifurcated into rural and urban systems, which has resulted in vague, mixed and overlapping land tenure arrangements in the transitional peri-urban areas. It is important to understand that the land tenure system in peri-urban areas is dynamic and that rules, systems and structures are evolving all the time, due to the competing and conflicting views, interests, norms, cultures and agents of development. As a result, there can be no single and simple solution to peri-urban land tenure problems and a “*one size fits all*” approach will not work. Thus, there is a need to thoroughly understand the underlying issues of the Ethiopian peri-urban socio-spatial contexts, so that appropriate interventions can be applied.

This research project was primarily inspired and motivated to investigate the effects of urbanization – and the resulting compulsory acquisition of peri-urban land – on the land tenure and property rights system in the peri-urban areas of Ethiopia. It also aimed to create a deepened understanding of the relationship between urbanization and new urban built-up property right formation processes in the peri-urban areas where the existing system is changing rapidly either through the formal regulatory framework or informally, outside of this framework. In addition to the above knowledge-seeking objective, this thesis has also sought to make normative recommendations on how the peri-urban land ought to be developed and administered in terms of land rights (tenure) in a more participatory and inclusive way. Moreover, future research agendas that can strengthen the recommendations are suggested.

The findings of this project revealed that land rights in the peri-urban areas have been shaken and challenged, which has resulted in instability and insecurity of land tenure. The rapid growth rate of urbanization and the resulting compulsory acquisition and reallocation of land by the government has precipitated a wave of dispossession and termination of existing land rights in the peri-urban areas. As a city expands into adjacent peri-urban areas, expropriation decisions that discontinue the usufruct rights of local peri-urban communities follow and a new urban leasehold system is eventually introduced, with better and more extensive rights. Thus, the local peri-urban landholders’ ability to

use their land for agricultural, residential or other uses depends more on the rate of expansion of the urban population and the resulting demand for land for urban purposes, than on the local peri-urban communities' ability and interest in keeping and using their land. This evidenced the fact that local peri-urban farmers are holding their land temporarily, and as a result they are experiencing a drastic reduction in the amount of land at their disposal. Of course, this is not peculiar to the Ethiopian peri-urban areas; it is common to most sub-Saharan African countries tenure systems (Wehrmann, 2008, Nkwae, 2006, Kasanga et al., 1996). Hence, the findings of this research project indicate that neither the degree of formality of land rights nor the registration and certification of land rights in the peri-urban areas guarantees the perception of tenure security or that landholders can keep their land for a long time. These things largely depend on the degree of urban expansion into the area and the government's urban growth strategy.

The research has indicated that both formal and informal land tenure systems co-exist in the peri-urban areas. The emergence and existence of the informal system depends on the efficiency of the formal system. The informal system does not only exist in contradiction to the formal land tenure system, but also fills the gaps of the formal system by providing shelter for the urban poor and low income segments of society. Thus, this research project proves the idea that if there is inefficiency in the formal urban land and housing delivery system, people try to solve their housing problems in other ways outside the formal system (Huchzermeyer, 2011). For instance, the unaffordable and slow delivery of residential houses in urban areas has pushed low income groups to look for other informal ways of getting plots in the peri-urban areas. On the other hand, the availability of informally subdivided plots in the peri-urban areas, made ready by local landholders themselves due to the anticipation of expropriation, has created a favorable ground for the emergence of informal settlement areas as a pull factor. Later on, the formalization or legalization of the informally acquired rights and interests by government also results in the birth of new formal rights. Therefore, in addition to the formal process of new land rights formation via expropriation and reallocation, the informal path is the second line of the new land rights formation processes in the peri-urban areas of Ethiopia.

This research project has also shown that the formal state regulatory activities are apparently unavailable or weak in the informal settlement areas. Instead, traditional social institutions such as *Idir* and *Iqub* play a very significant role in maintaining social stability in these areas. All activities in the process of informal land development, from land transaction and negotiation processes to resolving land-related conflicts, are handled by traditional social institutions for free. Traditional social institutions are quite efficient

in solving land-related conflicts in these areas. Informal settlers in the area also use the local social institutions (*Idir* and *Iqub*) to act together and pursue shared objectives and interests, such as negotiating with government bodies regarding formalization or organizing resistance against forced eviction. Therefore, this thesis concludes that the traditional social institutions in the peri-urban areas are acting as mediators, witnesses and judges when conflicts arise and as land administrators in the process of plot demarcation and documentation.

Finally, the findings of this research showed that the urban development process in Ethiopia did not seem to be participatory and inclusive to all stakeholders in the peri-urban areas. It appeared that local peri-urban landholders were not well represented and involved in the process of land acquisition for urbanization. As a solution to the practical limitations, an attempt was made to explore the possibility of introducing an alternative land acquisition and development tool capable of meeting the practical limitations of Ethiopia's urban growth strategy. The good news is that alternative land development tools that can accommodate the needs of the peri-urban poor already exist. What is lacking is the will power to lift them out of obscurity into the realm of recognition and social validation. The reviews of national experiences have shown that land readjustment has been a widely used approach, as a means to provide land for urban expansion in a participatory and voluntary way. Thus, it has been argued that an adapted and modified form of land readjustment has to be introduced in the urban land development system of Ethiopia.

6.2. Policy implications and recommendations

Currently, the competition for secure and serviced urban land is increasing, because of rapid urbanization. This condition places pressure on existing tenure systems in the transitional peri-urban areas and requires governments to formulate policies which encourage efficient land use and improve accessibility to land, without sidelining the urban poor and other segments of society. Consequently, addressing the challenges of urbanization on the land rights of local peri-urban communities requires an appropriate urban growth policy framework that can respond and adapt to the changing socio-spatial contexts of peri-urban areas. This research has revealed several critical issues that need urgent attention in policymaking. Major policy issues and recommended actions from the perspective of this research are presented in the following sections.

6.2.1. Establish a system that can incorporate peri-urban land rights and livelihood issues

One of the findings of this research was that urban expansion programs in the peri-urban areas create better livelihood opportunities for the urbanities than for the local peri-urban communities. This means that urbanization is becoming a constraint to the livelihoods of the local peri-urban people. In particular, the loss of landholding rights or farmlands that were formerly the livelihood base of the local communities are, through expropriation decisions of city administrations, becoming the major constraint experienced by local peri-urban farmers in the process of urbanization. Unfortunately, peri-urban livelihood issues are hardly addressed in urban development policymaking and planning, which usually rather focus on physical issues such as land use, housing supply to the urbanities and infrastructure development to the area. Therefore, to ensure equitable development, MoUDHCo in general and city administrations in particular need to incorporate peri-urban livelihood issues into the urban policy formulation and implementation process as a priority agenda.

6.2.2. Introduce participatory and inclusive land development tools

The urban growth strategy of Ethiopia, which is largely based on compulsory acquisition/expropriation of peri-urban land by the government as a mechanism to supply land for different urban purposes, is criticized for being onerous and top-down. The limitations and criticisms of the existing land acquisition and delivery system raise the issue of revising and/or replacing the system by participatory and inclusive approaches to urban land development and urbanization. Thus, there is an acute need for establishing new strategies and practices that can minimize expropriation of peri-urban land as a means to supply land for urban development purposes. In connection with this recommendation, peri-urban land tenure problems in Ethiopia in the era of urbanization must be tackled from two main directions.

- i. First, unbiased policy guidance and legal mechanisms have to be established to automatically convert legitimate peri-urban/rural landholding rights into urban land rights when a peri-urban territory within rural jurisdiction is planned to be included into urban jurisdiction.
- ii. Second, land acquisition and reallocation techniques based on voluntary participation and contribution of land by local peri-urban landholders (like land readjustment and other tools) should be introduced, instead of state-controlled

expropriation measures, which results in massive dispossession and displacement.

Experiences from other countries show that introducing land readjustment as a land development tool has the potential to meet the dynamic requirements of peri-urban areas. It can also have the capacity to accommodate the multifaceted interests of various actors who have a stake in peri-urban land development.

6.2.3. Avoid hostile measures and move towards regularization

The findings of this research project have also shown that the informal transformation of peri-urban agricultural land into urban built-up property is benefiting the lower income groups by providing shelter. The process of informal settlement and development in the peri-urban areas not only indicates the shortcomings of the formal system, but also contributes valuable lessons on potential improvements. Thus, the hostile attitude of the government or municipal authorities towards informal settlements and implementing demolition as a solution should be revisited. There has to be a shift towards a view that informal settlement areas are caused by the inefficiency and inadequacy of the formal land and housing delivery system. This means that the government's formal housing and land delivery system should have to consider the financial abilities and needs of the urban poor as a preventive measure for the emergence of informal settlement areas in peri-urban areas. Moreover, for those already established informal settlement areas there must be mechanisms to cure this problem either by regularization or formalization of illegally occupied land or by providing alternative residential spaces. Violent demolition measures which lead to eviction of the poor and thereby to the prevalent tenure insecurity in the area must be reconsidered.

6.2.4. Improve and unify the land administration institutional framework

The bifurcated institutional arrangement for urban and rural land administration and loose coordination between the two institutions is a major cause behind the creation of power vacuum zones (outside of any jurisdiction) in the transitional peri-urban areas. The disconnect between urban and rural land administration institutions, policies and legislations has also resulted in ill-informed and biased decisions on land acquisition and delivery process. Moreover, the bifurcation of urban and rural land administration

institutions does not stimulate integrated land development processes in the peri-urban areas.

As a result, it is logical to establish a unified rural and urban land administration entity at federal and regional levels, which can take long-term responsibility for all land administration matters, including peri-urban land. In the short term, peri-urban land matters should be handled by specialized units, e.g. peri-urban land administration offices, that are accountable to each respective city administration. The establishment of such units could ease coordination between urban and rural administrations and might also avoid the creation of a power vacuum zone in transitional peri-urban areas. Such units should also work to strengthen the urban-rural linkages. They should also be mandated to work closely with local peri-urban landholders and communities on the matter of rehabilitation in the process of urbanization.

6.3. Contributions of this research

This research project is expected to make significant contributions to the stock of knowledge, to scientific literature and to policy change. Perhaps the most significant contribution to the academic knowledge is the conceptualization of the link between peri-urbanization and new built-up property rights formation processes in the peri-urban areas of Ethiopia. It provides a theoretical platform on which empirical work for researchers interested in peri-urban land tenure and property rights system in the era of urbanization could be based. The conceptualization of the peri-urban land tenure provides a basis for deriving a range of testable propositions with potentially wide applicability. In this regard, the research project provides a basis for long-term further research and discussion agendas.

The research project also contributes to the empirical literature in general and to the Ethiopian context in particular. The attributes of land rights in the rural and urban landholding arrangements in the Ethiopian property rights system were not previously well articulated and understood. Article II in particular made a detailed examination and analysis of the Ethiopian landholding arrangement, based on the property rights analytical framework. Finally, unique and special attributes and landholding positions, which cannot be explained using the existing analytical framework, were identified in both the rural and the urban landholding arrangements of Ethiopia.

Furthermore, there was a state of relative ignorance regarding the role of traditional institutions for the emergence and stability of informal settlements in peri-urban areas. Little was known regarding the process of land acquisition for informal settlement purposes from peri-urban areas and the behavior of key actors. Article III of this thesis makes an empirical contribution, by filling the existing knowledge gaps providing answers and throwing light on these questions. This thesis has also clarified conditions and requirements for the introduction of participatory and voluntary land development tools, such as modified land readjustment for peri-urban areas, as alternatives to the current compulsory and top-down land acquisition and development tool.

Moreover, the importance of any research project in the end rests on the potential to apply its findings as a solution to current and future societal problems. The final result of any study must satisfy four requirements that must be met for research to have impact on policymakers (Doebele, 1994). Firstly, it must resonate with issues that have priority on the agenda of the policymakers concerned. Secondly, the work must be done within an established and rigorous intellectual framework, that makes it comparable with work by others in the same field. Thirdly, it must be predictive. Fourthly, it should be in a form that suggests prescriptions for policymaking. This thesis meets all four requirements of a research project to have an impact on peri-urban land policy change.

In general, this research project deals with the local peri-urban people's land rights and livelihood issues in the process of urbanization and development, which is an issue of central importance to those policymakers who wish to bring inclusive development to all groups of society. As a result, the findings may serve as an updated account for policy changes with regards to land rights in peri-urban areas where the existing land tenure system lacks stability and tenure security.

6.4. Research limitations and areas for further research

The major limitation of this research project is inherent to the case study approach and related to the generalizability of the findings to other peri-urban and urban areas of Ethiopia, or even other countries. The nature of the research itself involves a dynamic and complex peri-urban land tenure situation where the rules, systems and structures are always changing, making it difficult to generalize the findings to peri-urban and urban contexts of Ethiopia.

Hence, there is a need to extend the findings of this research either by way of a large scale survey or by replicating the present research in other major urban areas of Ethiopia, in order to be able to make generalized statements about the findings. Moreover, each policy implication and recommended action has to be further researched and discussed with all key stakeholders and should be tested in a small number of localities or pilot projects before actual implementation. Apart from extension and replication, and testing policy implications and recommended actions, further specific research should be directed towards addressing the following pertinent issues:

- i. Investigation on how the peri-urban landholders can be granted urban land rights and obtain appropriate benefits from urban development programs instead of receiving unjustified cash compensation based on the value of agricultural land;
- ii. Identification of livelihood alternatives or coping mechanisms for local peri-urban communities as part of rehabilitation measures in the process of urbanization;
- iii. Identification of vacant land or development areas within the municipal boundaries of a city where new house forms can be developed or land for other purposes can be provided;
- iv. Investigation on the harmonization of urban and rural land tenure policies and legal framework; and
- v. Investigation on the capacity gaps and limitations of the land administration institutions.

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List of articles

This thesis integrates the following four research articles:

Article I:

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Article III:

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Article I

Land Tenure in the Changing Peri-Urban Areas of Ethiopia: The Case of Bahir Dar City

ACHAMYELEH GASHU ADAM

Abstract

Ethiopia's urban expansion and development strategy has been based on the acquisition of land by government from adjacent peri-urban areas. The land in the peri-urban areas is predominantly agricultural in nature, and it has been held by local farmers or landholders. This article aims to examine the nature of urban expansion and development from the perspective of the land rights of the local peri-urban landholders. To achieve this purpose, it has employed a case-study approach. As urban territory extends into adjacent peri-urban areas, the land rights of local landholders are expected to be automatically cancelled and transferred to people who can pay for a lease. This shows that very little attention is paid to the land rights of local landholders in peri-urban areas in the process of urban expansion and development. Therefore, it is not difficult to imagine that local landholders in those areas have a prevailing sense of insecurity about their land.

Introduction

Conceptualizing peri-urban land on the basis of the existing literature and theories appropriate to this study is relevant to understanding the nature of land tenure in the peri-urban areas of Ethiopia. It should be understood, however, that there is no single satisfactory definition of peri-urban land. Different explanations apply to different circumstances and depend on the purpose of the explanation. Most focus on the function of the land and its geographic location. From the functional point of view, peri-urban land is predominantly agricultural and rural in nature but with a higher possibility of being changed and absorbed into urban land use (Iaquinta and Drescher, 2000). It is a space where the rural agricultural system constantly interacts with the urban system, and it is also a space where these two contrasting systems co-exist (Allen, 2003). From the point of view of location, it is midway between urban and rural spaces and subjected to strong demand pressures and multiple changes (Dupont, 2007). To be more precise, the location of peri-urban land tends to be at the receiving end of urban development (Narain, 2009).

Peri-urban land in most developing countries is also often associated with unregulated urban expansion and unauthorized land development activities, leading to large and still

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growing informal settlements (Durand-Lasserve and Royston, 2002; Home, 2004). Peri-urban areas exhibit fast informal growth regulated by social institutions and customary actors without formal government regulatory instruments (Msangi, 2011). As population in the urban areas grows, adjacent peri-urban areas are the best alternative places for accommodating diverse groups of people excluded by urban territories, jurisdictions and regulations (Home, 2004). People — largely the poor who have been excluded from the adjoining urban jurisdiction — and land speculators may find themselves jostling to acquire land in peri-urban areas for habitation and to enjoy the opportunities that possession of land creates. Thus, peri-urban land is a space where an increasing number of actors become interested and involved in the process of land development and transaction both formally and informally (Gough and Yankson, 2000).

For the purposes of this study, and in the Ethiopian context, peri-urban land can also be described as rural agricultural land immediately outside municipal boundaries with a higher than normal possibility of being urbanized and incorporated into urban territory. Land in the peri-urban areas of Ethiopia is mainly held by local small farmers with a holding right (usufruct right) for their lifetimes as provided in the constitution (FDRE, 1995). However, the chance of peri-urban land being taken by the government/city administration and being included within urban territory is very high due to the growing demand for land for urban development activities.

The dynamic nature of peri-urban land and the existence of various interests, systems and institutions require a detailed investigation and understanding. The overall land acquisition and delivery process by government and the practice of unauthorized conversion of agricultural fields into residential areas are the main focus of analysis in this article. In order to understand and analyse the wider context of land tenure in the peri-urban areas of Ethiopia, peri-urban Bahir Dar has been selected as the case-study area. The central research problem that this article attempts to answer is how well the changes in land tenure as a result of land acquisition by the government/city administration for the purposes of urban expansion and development programmes meet the rights and interests of local peri-urban landholders. This study also attempts to assess the local peri-urban landholders' participation in urban expansion programmes as well as their involvement in the illegal subdivision and conversion of agricultural fields into informal residential areas.

Background: land-tenure arrangements in Ethiopia

Land-tenure issues have been an important factor in the history of Ethiopia. In the land-tenure history of the country, three periods are distinguished: the pre-1974 imperial regime, the Derg regime from 1974 to 1991 and the current land-tenure regime since 1991 (Adal, 2002). The pre-1974 land-tenure regime was characterized by a feudalistic man to land relationship with major inequities based on ethnic identity and social class. Land during the imperial regime was in the hands of a few individuals or groups of individuals like the nobility, government bureaucracy, military and church. However, the largest proportion of the population were landless tenants subjected to exploitation by landowners.

As in many other countries, Ethiopia's land-related tensions were among the key sources of social conflict and political unrest in the early 1970s, culminating in the military coup of 1974 that overthrew the imperial regime. The Derg government that emerged from the coup abolished the feudal system of land ownership. In 1975 the new government declared that all land, whether rural or urban, was state property, and organized Marxist structures of collective farming and production. The new Derg regime in its land reform measure also announced, and subsequently carried out, a redistribution program that opened opportunities for landless tenants to have access to land (Crewett and Korf, 2008).

The current government that came into power in 1991 eliminated the Marxist aspects of land use but, at the same time, maintained the notion that land is state property to which Ethiopians have an entitlement of access via usufruct rights (holding rights) (FDRE, 1995). Article 40 (3) of the 1995 Federal Constitution of Ethiopia states that the right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the state and peoples of Ethiopia. Moreover, all national land legislation and development policies and goals are benchmarked on total and complete state ownership of land. Since the purpose of this article is to examine the process of land acquisition for different urban expansion programmes and the practice of land tenure in peri-urban areas, the emphasis in this as in the other sections is given to the current land-tenure policy.

Since 1991 a number of land-related pieces of legislation and policies dealing with land issues have been issued. Of these, the main ones include: the constitution, which deals with ownership and control; the urban lease proclamation that covers urban land delivery and administration; the rural land administration and use proclamation regarding the management and assignment of rural landholding; and the expropriation proclamation that concerns the acquisition and reacquisition of land for public purposes. The current land-tenure policy as a whole is divided into urban and rural. Institutions involved in governing land are also categorized as urban or rural institutions having different objectives to promote.

Rural land in Ethiopia is governed by a holding system and all rural residents can get use rights/holding rights to rural land free of charge. Anyone residing in the rural areas of the country who is aged 18 years or above and in need of land for agricultural activity in order to make a living has the right to get rural land free of charge for their lifetime (FDRE, 2005b). Rural landholdings cannot be sold or otherwise transferred except through inheritance, which is restricted to family members, suggesting that mortgages are not possible. Therefore, a rural landholder who has received land for agricultural purposes has the right to use, rent and bequeath it to family members only. The rent period and the amount of land that should be rented are also restricted. In sum, then, the rural landholding system does not allow the sale of rural land.

Urban land in Ethiopia is governed by the urban leasehold system. Land delivery in urban areas is mainly carried out through lease contract with a certain amount of lease payment to the state for a period specified in the lease contract (FDRE, 2011). An urban leaseholder who has received land through lease contract has the right to use/develop the land. The leaseholder is also permitted to donate, mortgage and sell the lease right. In contrast to rural landholding rights, urban lease rights are relatively transferable.

Land rights in the peri-urban areas are governed by the rural landholding system. However, they are under intense pressure to be changed to the urban leasehold system due to the growing demand for land for urban purposes. Extensive and continuous urban population growth requires large tracts of land from adjacent peri-urban areas for residential and other urban purposes. The urban population in Ethiopia is estimated to grow by 4.3% annually and is increasing by half a million every year (CSA, 2008). The spatial extents of urban areas are also expanding at an unprecedented rate. Therefore, rural land rights in the peri-urban areas continue to exist only until the area is included in urban or municipal territory.

Ethiopia's urban growth strategy is primarily based on the expropriation of land, mainly from the adjacent peri-urban areas, and the implementation of the leasehold system. The preamble to the urban land leasehold proclamation clearly states that transferring land rights through lease contract is aimed to collect additional revenue — enough money to run urban facilities (FDRE, 2011). As soon as peri-urban territory is planned for urbanization by being included in the area covered by a Structural Development Plan (Master Plan), local landholders within this territory are assumed to be subject to expropriation (FDRE, 2005a). When a decision is made to take the peri-urban land adjoining the urban areas for urban purposes, the rural landholding right,

which is expected to be exercised for a person's lifetime, will automatically be cancelled and replaced by the leaseholding system. People who receive land through lease contract are not local landholders but are usually urban residents, real estate developers, investors, governmental organizations, nongovernmental organizations and others who can pay for the lease and use the land for urban purposes.

The replacement and conversion of rural and agricultural land into urban built-up property can also be done unofficially outside the state apparatus. Local peri-urban landholders are largely involved in the illegal and unauthorized conversion of agricultural fields into residential areas. They are engaged either in building substandard houses themselves or in selling subdivided plots to those who wish to build substandard residential houses. However, the constitutional provision stipulates that landholders only enjoy a holding right/usufruct right and are not permitted to subdivide and transfer the land to the others through sale (FDRE, 1995). The practice of carrying out informal transactions in land is very common and growing in the peri-urban areas of large cities (Ayonga, 2008). Therefore, the boundaries of peri-urban areas keep moving either through the government's formal decision to incorporate adjacent peri-urban land into urban territory or by the unauthorized actions of local landholders themselves.

The local peri-urban landholders/farmers affected by expropriation are relatively poor peasants engaged in land-based agricultural activities for their livelihood. In each case the local agricultural community in the peri-urban area loses its land and livelihood to urbanization. There is no mechanism to convert rural land rights into urban rights in the process of urbanization. This is quite unusual by international standards. Good international practice allows rural land rights to be converted into urban land rights so that rural landholders can share urban land development benefits (World Bank, 2012). Likewise, the amount of compensation paid to the affected local peri-urban landholders is too low compared to the benefits obtained from possessing the land itself (Anteneh, 2007; Ambaye, 2009). Moreover, the compensation payment is made without taking into consideration the value of the land itself and what the land means to local peri-urban landholders engaged mainly in farming. Therefore, the situation in the peri-urban areas requires further detailed investigation and understanding so as to implement the acquisition and delivery of land for urban expansion programmes without the exclusionary and forced displacement of the local peri-urban landholders.

Theoretical framework: changing peri-urban land tenure

Land tenure can be defined broadly as the complex relationships between categories of individuals, groups and the government with respect to land, which can be reflected in the institutions of a society and in the goals that individuals and groups pursue (FAO, 2002). These relationships can be constituted by sets of rights, responsibilities and restrictions held by those categories of people with regard to access to and the control, management and transfer of specific land rights (ECA, 2004). Some of these specific rights and responsibilities are highly formal and administered by statutory or religious laws, while others are informal and based on oral traditions and customs. All sorts of societies and settings, including peri-urban areas, have their own tenure arrangements that help to specify the rights of and restrictions on individuals or groups of individuals with regard to access to and the use of land (Libecap, 1989).

Peri-urban land tenure in most sub-Saharan countries has increasingly come under threat from urban expansion (Toulmin, 2006; UN-Habitat, 2010). Peri-urban areas are often the object of compulsory land acquisition in order to accommodate urban expansion processes (Narain, 2009). The growing demand for land for urban purposes and the resulting compulsory acquisition of land by governments has usually resulted in

the loss of the land rights and livelihoods of the local landholders/owners. Most often the local inhabitants' land rights in peri-urban areas are swept aside when more powerful interests want the land (Toulmin, 2006). This process has resulted in more landless people in peri-urban areas (Ubink, 2008) and created a very explosive situation among local peri-urban landholders through the land-tenure insecurity it induces and the land-related conflicts that arise (Fobih, 2004; Quan *et al.*, 2004).

Urbanization in most developing countries has pushed the boundaries of the main cities outwards towards neighbouring peri-urban villages, and land in these localities is subject to further re-parcelling, primarily for housing plots (Djiré, 2013). At the same time, the land-tenure system in peri-urban areas is in a state of continuous change from the customary/rural to the modern urban type (Doebele, 1987). Land tenure in the transitional peri-urban areas is largely in a state of continuous and rapid change from rural to urban use (Nkwae, 2006). As urban areas expand into their peri-urban surroundings, they encroach on areas where customary/traditional land-tenure systems have been practised for centuries. Furthermore, the spatial extent of peri-urban areas shifts over time as cities expand outward into transitional peri-urban areas, a process that frequently results in a constantly changing mosaic of both traditional and modern land use (Allen, 1999; 2003).

Peri-urban areas are also characterized by the co-existence of various overlapping tenure arrangements. Formally recognized and registered rights, such as ownership, leasehold, state grant and customary grants, and informal rights, such as unauthorized and squatters' rights, are equally exercised in the peri-urban areas (Tacoli, 2002). Similarly characteristic of peri-urban areas are attributes like institutional fragmentation, mixed land use and rapid changes to the existing system (Home, 2004). Institutional fragmentation is often reflected in the uncertain legal position of land, where its ownership may be disputed with squatters and improvements to it may go unauthorized. As population in the urban areas grows, adjacent peri-urban areas are the best alternative places for accommodating diverse groups of people. In particular, the poor who have been excluded from adjoining urban territories and jurisdictions choose to move to the peri-urban areas to live. Settlements in inaccessible and unplanned peri-urban areas are both responses to urban poverty and signal failure and explicit exclusion in urban governance (Huchzermeyer, 2011).

The competing and conflicting land-tenure objectives and differing perceptions and viewpoints of the players make it quite difficult to understand the problems of peri-urban land tenure within one common evaluative conceptual framework. Every tenure system is distinctly different, reflecting the cultural and social context of the specific country in which it is operating, which makes it difficult to employ a single standardized approach to evaluate the practice of land tenure (Enemark, 2004). Moreover, it is not easy to measure the benefits of a land-tenure system in quantitative terms though many efforts have been made to quantify the cost of establishing a given land-tenure system. The benefits of a given land-tenure system are non-quantifiable by nature and cannot be measured in cash and objectively (Nkwae, 2006).

As a result, no single internationally accepted or standardized approach that could help to examine and evaluate the nature of peri-urban land tenure exists. Most often evaluation depends very much on the professional background and experience of the researchers and the aim of the evaluation itself (Stuedler *et al.*, 2004). But there is a common understanding that the core issue of the land-tenure system as subject matter for research is the behaviour of people with respect to land as property, as a source of income, as a place of residence and as the basis for family life. Hence, the land-tenure conditions of any social and geographic setting can be appraised and evaluated according to how well they meet the needs of the people (Schickele, 1952). Therefore, I employ the holistic approach of assessment in qualitative terms on the principle of how well peri-urban landholders are benefiting from the existing land-tenure system to examine the nature and practice of land tenure and property rights in the changing peri-urban areas of Ethiopia.

Research methodology

Case study area: peri-urban Bahir Dar

In order to achieve the objectives of this research, I employ a case-study approach using a mixture of primary and secondary data sources. In case-study research, one of the crucial steps is selecting a case-study area. The selection process is oriented towards acquiring the richest possible data rather than a generalization of the results or researched phenomena. It has been suggested that the case-study area be selected on the basis of the possibility of analytical/procedural replication rather than statistical/result generalization (Yin, 2003). Thus, Bahir Dar, the capital of Amhara National Regional State and the largest urban centre in the northern part of Ethiopia, was selected as the case-study area based on a purposive non-random sampling technique.

The reason why Bahir Dar was selected is that it is one of the fastest-growing urban centres in Ethiopia both demographically and spatially. The amount of land demanded for different urban development purposes is increasing every year. In response to the growing demands for land, the government is taking large tracts from peri-urban areas. As a result of the government's decision to acquire land from peri-urban areas, large numbers of local landholders who engage in agricultural activities for their livelihood have been forced to lose their land rights. Thus, peri-urban areas adjacent to Bahir Dar have manifested a dramatic land-tenure change from a rural landholding system to an urban leasehold system. This case-study area also displays a very rapid change in land use from agricultural fields to built-up urban property. The transformation of land tenure and use is, consequently, much more observable and on a larger scale in the peri-urban areas of Bahir Dar than in other urban centres in northern Ethiopia. In other words, this means that the possibility of obtaining the richest possible data from this case-study area with regard to the nature and practice of land tenure is very high.

Currently, the population of Bahir Dar including the peri-urban *kebeles* (villages)¹ is estimated to be about 250,000 (CSA, 2008). The spatial coverage of the city stretches from Yibab Eyessus in the west to Abunehara Dingil in the east and from Lake Tana in the north down to Igir Ber and Qutatina Plateau in the south. This includes both the urban centre and the agricultural peri-urban areas. Within the above area, four peri-urban *kebeles* adjacent to the main urban centre or municipal boundary have been brought under the city administration since 2005: Zenzelima, Woreb Kol, Addis Alem and Weramit (see Figure 1). These peri-urban villages are predominantly rural agricultural lands and governed by the rural landholding system.

Of the four peri-urban *kebeles*, the study focused on two, Weramit and Zenzelima, which are located west and northeast of the main city respectively. These two *kebeles* are largely rural in nature, but they are under high pressure from urban expansion. Large numbers of landholders in them have been losing their land for urban development and expansion programmes. It is my belief that the largest possible amount of information on the landholders' feelings about, and future expectations of, the government's land acquisition and urban expansion programmes in particular, and on the nature of land rights in peri-urban areas in general, can be obtained from these villages.

Data collection and analytical methods

Case-study research has been found to be a powerful methodological approach for analysing and researching land-tenure practices in peri-urban areas where situations are dynamic. This approach also helps to provide explanations when 'how' and 'why' questions are being posed, and when the investigator has little control over events in a situation that is too complex for survey or experimental research approaches. Moreover, using a case-study approach allows the researcher to use mixed and multiple sources of

1 *Kebele* is the lowest or village-level administrative unit in Ethiopia.

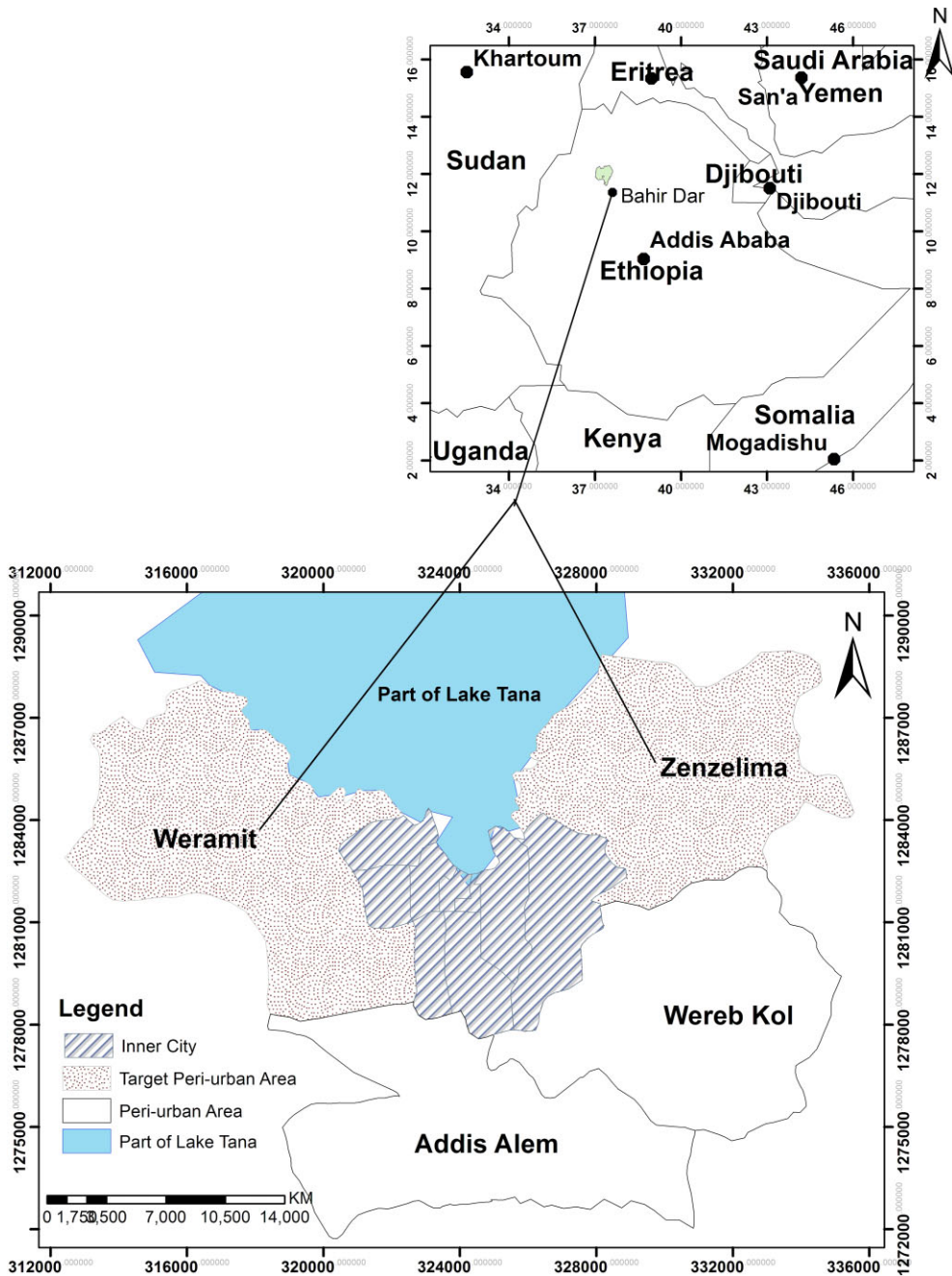


Figure 1 Map of Bahir Dar City Administration (produced by the author)

data, like primary and secondary sources (Denscombe, 2007). In this instance, a questionnaire survey was employed to collect data on issues of land-tenure practice in the peri-urban areas. The questionnaire method is believed to be a very useful instrument for collecting data on facts and people’s opinions, attitudes and preferences (Yin, 2003).

The questionnaire survey was administered to sample peri-urban landholders affected by expropriation. Thirty-five sample respondents were selected by a purposive non-random sampling technique from each of Weremit and Zenzelima *kebeles* to make

a total of 70 peri-urban landholders who had lost part of their land in the last 10 years (from 2001–2010). Because of the difficulty of getting a complete and accurate population frame to select the sample population, it was decided that sample respondents would not be statistically representative but rather a purposive sample focusing on those landholders who had lost part of their land but who still retained another part. For purposes of simplicity, the questionnaire survey was prepared both in English and Amharic (local language).

It was believed that information on the respondents current feelings and future expectations regarding their land would be better obtained from a group of people who had lost part of it, rather than from those who hadn't lost any yet or those who had lost their land completely. The group in question knew very well the consequences of losing land but had a feeling of attachment to their remaining land still. In addition, most of the people who had lost their land totally had left their villages and it was not possible to locate them in order to include them in a questionnaire survey. Therefore, using landholders who had lost part of their land as sample respondents had the advantage of making it possible to obtain sufficient information both about the consequences of losing land and about future expectations for the remaining land.

Besides the questionnaire survey administered to local landholders, supplementary data was also collected through open-ended questions put to land administration experts and officials working in three governmental institutions concerned with peri-urban land. These three institutions were Bahir Dar City Administration, the Bureau of Environmental Protection and Rural Land Administration and the Bureau of Urban Development and Construction in Amhara Regional State. A total of 22 land administration experts and officials were selected by a purposive non-random sampling technique for a questionnaire survey. The questions administered to the land administration officials and experts were intended to gather professional opinions and views on the practice of land tenure in peri-urban areas. The questions were also prepared in such a way as to crosscheck the reliability of the information collected from sample local peri-urban landholders.

Actual data collection through questionnaire survey and interview methods was undertaken during January 2011. A mixture of qualitative and simple descriptive statistics was employed as the analytical method in this study. The data collected through questionnaire surveys from sample local landholders was analysed by a simple descriptive statistical method using percentages. The responses from land administration experts and officials were also analysed in texts and incorporated into the data collected from sample local landholders through the questionnaire survey. Document analyses of past studies, policy and legal documents and other related research documents on peri-urban land acquisition and development in the Ethiopian context were also incorporated and used as main inputs to the study. The information obtained from interview was also analysed in texts and incorporated into the data collected through questionnaire survey.

Features of peri-urban land tenure in the study area

Land-based farming activity is an important means of livelihood for the sample peri-urban landholders and other residents in this study area. Despite the importance of land to the livelihood of peri-urban residents, however, the size of their agricultural landholdings has been decreasing year by year. The urban expansion and development programs in Ethiopia in general, and in the case study area in particular, are based on the expropriation of land from local peri-urban landholders/farmers. Urban expansion and development in adjoining peri-urban areas has often led to the displacement of local landholders from the land on which they were farming and living. Therefore, the emphasis in this section is on examining the process of land acquisition from the peri-urban areas for the purpose of urban expansion. Features such as the participation of

local peri-urban landholders in the land acquisition and transfer process, the feelings and expectations of the local landholders for their remaining land and the involvement of the local landholders in illegal subdivision and the construction of substandard houses are the important points of discussion here.

The participation of local landholders

Stakeholders' participation in any development agenda is an important component to attaining any development objectives. It is the way in which people, especially disadvantaged people, can exercise influence over policy formulation, design alternatives and investment choices in the communities (Skinner and Rodell, 1983). Community participation in land acquisition processes can create multiple stakeholder platforms of some kind that bring peri-urban residents face to face in dialogue with planning and land-acquiring authorities. It also helps to build in some element of preparedness and make policies for land acquisition less top-down and more transparent (Narain, 2009). Failure on the part of peri-urban landholders to participate in the decisions of land acquisition programmes leads to the emergence of a large number of landless peasants and pushes them into cities without preparation, compelling them to face various difficulties and become a vulnerable group that will definitely affect the sustainability of urbanization in the future (Peng and Rye, 2007). Obtaining the participation of local communities and individuals and negotiating with them is time-consuming and difficult, but if it is not undertaken it will lead to anger and hostility in the community.

Community participation is an important tool for minimizing the exclusion and forced displacement of local landholders in the land acquisition and urban development process. Unfortunately, the responses from local peri-urban landholders seem to indicate that the practical implementation of the land acquisition process has been excessively prescriptive and top-down, and was not participatory. Moreover, prior notification of the decision that they were to lose their land was not given. If they were notified at all, it was only to inform them of what had been decided about their land just as they were losing possession of it. However, the expropriation legislation clearly states that prior notice must be given to the landholders a year before (ANRS, 2007). Therefore, the process of land acquisition from peri-urban areas for urban development purposes is not only top-down but also in breach of the expropriation legislation itself.

The way landholders were notified is another important issue in assessing the degree of attention given to local peri-urban landholders in the land acquisition and urban development process. Sample respondents were asked how they were notified about the loss of land for urban expansion purposes. The information from the questionnaire survey reveals that there was no single landholder who had been notified through an official letter. About 70% of the sample respondents were notified orally by *kebele* administrators; 21% heard about the loss of their land from other people in the village; and about 9% became aware of losing their land at a public meeting. Responses to open-ended questions by sample landholders also show that there are groups of landholders who were made aware of the loss of their land when people came to their plot to measure its size and take soil for laboratory test. There are also groups of people who got information about the loss of their land from the new recipients of the land when they came to construct a fence on a plot they had received through a lease contract.

An attempt to assess the reaction of the local peri-urban landholders to the land acquisition decision by the city administration was also undertaken. Sample respondents were asked a question about their reaction to the city administration's decision. The response from sample respondent shows that the land acquisition process from peri-urban areas for urban expansion purposes was not based on the consent of the majority of local peri-urban landholders. About 84% of sample respondents objected to the expropriation decision, but in one way or the other they were forced to leave their land. Only about 16% of the respondents did not show their opposition to the land acquisition decision.

Objection to the land acquisition decision on the part of the majority of local landholders is an indication of the existence of some sort of deficiency in the process of urban expansion and development in adjacent peri-urban areas. Most often, opposition emanates from inability to involve the affected parties in the urban development process. Moreover, inability to participate induces a feeling in the local community that they are not part of the government's urban expansion and development programmes, which, in other words, leads to resentment against urban expansion and development.

The responses to open-ended questions also reveal that the land acquisition and development decisions did not consider peoples' way of life and their family size. The decision to take land was mainly notified at a public meeting. The public meeting held by the government officials was not intended as a consultation exercise, rather it was aimed at convincing people not to resist the decision. Officials tried to convince the peri-urban landholders (farmers) by saying that factories and other facilities that would be constructed on their land would be a source of enormous job opportunities for them. They were even told that the money that would be paid as compensation would be too much and could be passed on to their children. However, for the sample respondents, what they were told by government officials was only empty words. They seriously complained that they were not only forced to abandon their holding rights on which their family's livelihood was based but were also cheated by the representatives of the government.

Changing holding right and sense of tenure security

Peri-urban land is not only important to the landholding individuals and the communities residing there, but also attractive and important to urban dwellers, private developers, nongovernmental and governmental institutions and informal settlers with competing interests and perceptions (Narain and Nischal, 2007). Such a multiplicity of parties with competing claims to an interest in land are believed to be the source of considerable land-related conflicts as well as feelings of insecurity on the part of legitimate land-owners/holders for their land (Tibajuka, 2004). People with insecure tenure face the risk that their rights will be threatened by competing claims and households are significantly impaired in their ability to secure sufficient food and to enjoy a sustainable livelihood (FAO, 2002).

Security of tenure cannot be measured directly and easily and, to a large extent, it depends on the perception of people about the length of time for which the rights can be held. Thus, full security can arise only when the time for which the holding rights can be held is not limited to a fixed period (FAO, 2002). An assessment of the peri-urban landholders' feeling of security regarding their remaining land and their future expectations of enjoying the benefits from the development of their land was undertaken. The response from the questionnaire survey shows that only about 6% of respondents feel secure about their land rights while the remaining 94%, in one way or the other, feel insecure. The majority of respondents feel that their land can be taken at any time by the city administration for urban purposes and they expect that the size of their land will decrease in the future. Consequently, they feel that their livelihood is in a state of instability due to the growing pressure from urbanization and resulting land acquisition decisions by government.

Further analysis of the local peri-urban landholders' opinions and feelings about the current land acquisition and transfer process helps us to know more about the nature of land tenure in the area. The discussion and responses by land administration experts show that land acquisition for different urban development purposes was not based on the rights and interests of the local peri-urban landholders. The local peri-urban landholders, whose livelihood is totally dependent upon land, are not asked to give their views on the loss of their land. They also have a feeling that the current situation may not stop, since land is owned by the state and there is no reason why the representatives of the state-like city administration or municipalities should not repeat what has been done before. Therefore, the extensive acquisition of land for urban development purposes and its subsequent transfer through lease contract mainly to people who are not engaged in

agricultural activities and come from urban areas has generated feelings of uncertainty on the part of local landholders for their land.

The illegal transfer of land rights in peri-urban areas

Land in Ethiopia is owned by the state: citizens and developers enjoy only use or development rights. Permanent land transfer through sale is forbidden by the constitution (FDRE, 1995), which means that local landholders in the peri-urban areas are permitted to use the land only for farming purposes. However, the unauthorized subdivision of agricultural land into smaller plots and the selling of these plots is widely practised in the peri-urban areas adjoining large cities. Local landholders are also involved in the construction of substandard residential houses on agricultural land without building permission. Although almost all sample respondents tend to deny that they themselves are engaged in either land transfer through sale or the accumulation of land, discussions with land administration experts and officials as well as field-visit realities disclosed that the illegal subdivision and selling of agricultural land is a widely practised and visible phenomena. The great majority of local peri-urban landholders are directly involved in the informal market as primary suppliers of illegally subdivided plots.

The actors interested in acquiring an illegally subdivided plot in a peri-urban area for habitation and other purposes can be categorized into three groups. The first is composed of local people who need land to construct a wood and mud residential house. They are mainly newly established young households who need land for farming as well as for building a home. The second group consists mainly of the urban poor who can't afford to pay for a lease or to buy a legally constructed house and who decided to buy a plot of land in a peri-urban area so as to construct a substandard mud house. Finally, the third group of people are speculators who buy a plot in the expectation that the price will rise in the future.

Peri-urban agricultural land adjacent to the city boundary is under intense pressure from the growing housing demand and it is highly sought after by various groups of people, especially the urban poor. The efforts made by the city administration to minimize the housing problems of the young and poor are very limited. For large numbers of people, unplanned and inaccessible peri-urban land supplied by local landholders themselves has been found to be the best possible alternative to having a plot of land or residential house for habitation. The responses from the questionnaire survey show that, for the great majority of local residents, waiting for the formal and legal process of land allocation by the city administration/government body is a waste of time and unthinkable. Respondents were also asked to suggest the easiest ways of getting a plot of land to construct a residential house. About 57% suggested that buying an illegally subdivided plot or squatting on state land was the easiest and preferred way to get a plot. For about 27% of respondents, the easiest way was dividing and sharing family land. It was only for about 9% of the respondents that allocation of land by city administration came into question as an alternative.

The involvement of local landholders in the illegal subdivision and transaction of peri-urban agricultural land has two dimensions. The most important motivating factor that leads them to become involved in the illegal subdivision of agricultural fields is the growing demand, largely from the urban poor. The anticipation of expropriation by the government/city administration is another important factor driving the illegal subdivision and conversion of agricultural fields into informal settlement areas by the local landholders themselves. The prevailing expectation on the part of the local peri-urban landholders that the land will not stay with them in the future has discouraged them from keeping it. Sooner or later the government/city administration will take their land and transfer it to urban residents, investors and others through lease contract, they believe. Most of the peri-urban residents expressed their feelings openly in the informal discussions: they would never think of selling and transferring their land on the informal market if the government/city administration had not forcefully acquired it. They also have a feeling that compensation may not be paid at all if their land is taken for urban development purposes. Some others have a feeling that the

compensation is not only too small but also not paid at the right time. Delayed payment is common, and bureaucracy takes an unbearably long time for them. Thus, the local landholders, weighing the compensation that they might be paid upon the expropriation of their land against the immediate sale prices they are receiving, prefer to sell their land so that they can collect the cash by themselves.

A further analysis of the reasons for the emergence of an informal market in the study area attributes it also to a lack of coordination between the urban and rural land administration institutions in connection with peri-urban land. The institutions' responsibility in the matter of peri-urban land is not clearly set out. For example, when the urban administration adopts a revised master plan that incorporates the periphery into the urban centre without expropriating the land in question and putting it into its land bank, the newly created zone falls neither under urban nor rural jurisdiction. Due to the creation of a vacuum peri-urban zone under no one's jurisdiction, farmers try to transform their agricultural lands into residential plots by subdividing them and then selling the plots without any interference from government bodies. Therefore, the differentiation of urban and rural land administration institutions and weak coordination in matters of peri-urban land has created a favourable ground for land invasion and the emergence of informal settlement areas in the peri-urban areas.

Conclusion

This study seeks to demonstrate the nature of peri-urbanization from the perspective of the land rights of local landholders in the changing peri-urban areas. Urban growth and development programmes in the case-study area in particular and in Ethiopia at large are associated with the expropriation/compulsory acquisition of land from the adjacent peri-urban areas. Peri-urban land that has been held by local landholders/farmers and used for agricultural purpose is under increasing pressure from urban expansion. As urban territory extends to the adjacent peri-urban area, the land rights of local landholders are automatically cancelled and transferred to those segments of the society who can afford to pay for leases. Moreover, the effort to involve local landholders in the process of urban development and to create awareness about the ongoing transformation and land acquisition at the early stages of the implementation has seldom been made. This shows that the land rights of local landholders in the peri-urban areas are given very little attention and swept aside in the process of urban expansion and development (Toulmin, 2006).

Land rights in the peri-urban areas are at risk and are being further eroded by the growing demand for land for urban purposes (Quan *et al.*, 2004). The land rights formerly exercised by local peri-urban landholders cannot continue to be practised by them after the land is included in urban territory. As land is needed from peri-urban areas for urban expansion, local landholders are left with smaller portions of land or none at all. Most often, the new recipients of land through lease contract are not from local peri-urban areas but from inner-city areas and are engaged in non-agricultural activities. Local agricultural communities located in the peri-urban areas are losing their land and livelihood to urbanization and they appear to be temporary holders of land. Therefore, this case study analysis reveals that local peri-urban landholders are experiencing a distinct insecurity about their land and they are not certain for how long their land will remain with them. As local landholders/farmers lose their lands and livelihoods to urbanization, high levels of insecurity and uncertainty regarding their land rights become inevitable (Tibajuka, 2004).

This study has also proved that peri-urban areas are often associated with unregulated urban expansion and development (Home, 2004). The restrictive and prohibitive conditions for converting rural land rights into urban land rights have led to large-scale unauthorized subdivision and selling of agricultural fields by the local landholders themselves. The local peri-urban landholders' anticipation of expropriation of their land

by the urban administration has discouraged them from keeping and using the land for agricultural purposes only, as allowed by law. They usually prefer either to subdivide and sell their farmland and collect the cash themselves or to construct a house on it. Thus, the behaviour and actions of local landholders have drawn large numbers of people from the inner city and other parts looking for residential housing in the peri-urban areas. An illegally subdivided plot located outside the municipal boundary, which is supplied by a local landholder, is a relatively cheap and affordable way for the urban poor to construct a residential house. Large numbers of urban residents, mainly the urban poor, are moving to unplanned peri-urban areas to live. Since the formal land and housing provision seems to be skewed towards the segments of society who can pay the government for a lease or condominium housing, this case-study analysis illuminates the idea that informal settlements in the peri-urban areas are both responses and witnesses to extensive urban poverty and signal a failure of urban governance (Huchzermeyer, 2011).

Therefore, institutional restrictions on converting rural into urban land rights and inefficiency in providing land and housing to all segments of the society have fuelled unauthorized conversion of agricultural fields into residential areas and the prevalence of informal settlements in the unplanned peri-urban areas. This practice indicates that the number of unauthorized and unregistered plots entering the informal market is growing in the transitional peri-urban areas as opposed to inner-city and rural areas. Moreover, land tenure in the peri-urban areas lacks clarity, and it is becoming increasingly difficult to know who possesses which plot. Finally, it is not difficult to imagine that lack of clarity about the possession of land rights and the multiplicity of parties interested in acquiring a plot of land will instigate land-related conflicts in the area.

Achamyeleh Gashu Adam (agachamyeleh@gmail.com), Institute of Land Administration, Bahir Dar University, PO Box 913, Bahir Dar, Ethiopia.

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Article II

Peri-urban land rights in the era of urbanisation in Ethiopia: A property rights approach

Achamyeleh Gashu Adam

Institute of Land Administration, Bahir Dar University,
P.O. Box 913, Bahir Dar, Ethiopia.
Email: agachamyeleh@gmail.com

Abstract

All land in Ethiopia is owned by the state and granted to the people with holding right, and the land-holding arrangement is dichotomised into rural and urban systems. In-between urban and rural spaces, there is a transitional peri-urban agricultural area on which growing urbanisation has been exerting unprecedented pressure. Thus, this study mainly aims to examine and highlight the challenges and pressures imposed on the land rights of local peri-urban landholders, as a result of the growing demand for land due to urbanisation. To achieve the purpose of the study, both the desk review research approach and an analysis of previous survey research results are employed. Existing contemporary literature and theories on property rights, and current laws and policies focusing on land rights in Ethiopia are reviewed in detail. Finally, evidence shows that the new recipients of land from peri-urban areas, through the urban land lease system, are provided and can enjoy better and thicker bundles of land rights than the indigenous, local, peri-urban landholders in the process of urban development.

Keywords: Ethiopia, landholder, leaseholder, peri-urban, property rights, urbanisation

1 Introduction

Urban centers across Africa are growing rapidly, both demographically and spatially. Population projections show that by 2030, about 50 per cent of Africa's population will inhabit urban centers (UN-HABITAT, 2010). In the early 2040s, African cities will collectively be home to one billion, which is equivalent to the continent's total population in 2009. Cities are becoming the future habitat of the majority of Africans. Moreover, megacities, inhabited by more than ten million people, are emerging in different parts of the continent, such as Cairo, Lagos and Kinshasa (Obeng-Odoom, 2011; UN-HABITAT, 2010). The rapidly growing urban areas are affecting land relations and exerting pressure on peri-urban land located immediately beyond urban boundaries (Cotula & Neve, 2007). The process of urbanisation is accompanied by the erosion of existing local peri-urban land tenure relations and the emergence of a new and urbanised form of man-to-land relationship.

As in most other sub-Saharan countries, transitional peri-urban agricultural areas in Ethiopia which are located close to urban jurisdictions are experiencing major social and spatial transformation (Adam, 2011). Local peri-urban farmers around cities are more likely to be displaced from their land when such land is

required for urban development. Moreover, as urban settlements expand, different groups of people with diverse interests can be drawn and attracted to peri-urban agricultural areas. Existing man-to-land relations and the property/land rights of local peri-urbanites are significantly being affected, and are continuously changing as a result of the heightened rate of urbanisation.

Property rights are sets of actions and behaviours that the possessor/holder of an asset may or may not be prevented from undertaking, in relation to a benefit or income stream (Bromley, 1991). Together, these sets of authorisations or land interests relating to how to use a resource, make up bundle of rights (Rodgers, 2009). The most common elements in the bundle of rights are the right to access and use, the right to control and to exclude non-owners, and the right to transfer (Schlager & Ostrom, 1992; FAO, 2002). The content of property rights exercised by right-holders vary from country to country, depending on national legislation (Deininger, 2003), history, and other political choices (Boydell & Arvanitakis, 2012). Legislation and provisions determine who has which rights to enjoy the benefit streams that emerge from the use of those assets. Therefore, sets of land rights (as a collective or in part) can be assigned to an individual, group of individuals collectively, or to nobody, based on national legislation. In addition, property rights can also pertain specifically to the land or to a development on it (Payne, 1997).

From the property rights assignment point of view, article 40 (3) of the 1995 Constitution of Federal Democratic Republic of Ethiopia (FDRE) asserts that all land in Ethiopia belongs to the state and to the peoples of Ethiopia. Individuals are entitled to access land via holding (usufruct) rights (FDRE, 1995). The land-holding arrangement is bifurcated into rural and urban systems, based on the usual spatial rural–urban demarcation. The rural land-holding system applies to those agricultural lands located in a rural jurisdiction, where land can be provided free of charge, for lifetime use, to those who want to engage in agricultural activities to earn their livelihood (FDRE, 2005b). In urban territories, a leasehold arrangement is the only formal land-supply mechanism which accommodates the growing demand for land, for use in different urban development purposes (FDRE, 2011). However, in-between the two geographical spaces there is transitional peri-urban land held by local peri-urban farmers which is strongly subjected to change and to pressure from urbanisation.

Land in peri-urban areas is in high demand, specifically for urban development purposes. In response to the growing demand for such land, the Ethiopian government has been largely expropriating land from peri-urban areas and reassigning it to urbanites. Land rights in the peri-urban areas of Ethiopia are rapidly changing from the rural holding system to the urban leasehold system. Therefore, the primary purpose of this study is to highlight the challenges which urbanisation and urban development pose to the land rights of local, peri-urban landholders who are engaged in agricultural activity, and how this impacts their property rights. The article also focuses on how and by which rights Ethiopian landholders in general and peri-urban

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landholders in particular are connected to the land. This study differs from existing recent research on land rights in Ethiopia (e.g., Adal, 2002; Crewett *et al.*, 2008; Ambaye, 2012) which tended to analyse the nature of property rights under three different political regimes in Ethiopia. This study also differs from recent research which focused entirely on large-scale agricultural land-grabbing in remote rural areas of Ethiopia (Makki & Geisler, 2011). The study therefore fills an important gap in explaining the effect urbanisation has on man-to-land relationships in peri-urban areas where the property system is vibrant and is changing institutionally.

This study is divided into five sections: The introduction is followed by a section explaining the methodology and analytical framework used in this study. The third section elaborates on the nature of land rights in Ethiopia, from the perspective of the property rights analytical framework. The fourth section investigates the pattern of land rights in the peri-urban areas of Ethiopia. The final section comprises a conclusion, which highlights the main findings of the study.

2 Methodology and analytical framework

This research employed both a desk review research approach and a study of previous survey research results. Desk reviews are mainly dependent on an analysis of the existing literature and theories on property rights, as well as current laws and policies focusing on land rights in Ethiopia. Such research helps to explain existing issues with facts obtained from a wide variety of secondary sources of data (UNDP, 2007). Thus, the review materials used in this research included journal articles, books, legal and policy papers, and other documents relevant to the study. A property rights analytical framework was employed to analyse the provisos of land rights in the bifurcated rural and urban land-holding arrangements of Ethiopia. The link between urbanisation and the man-to-land relationship is explained using this same framework.

Property right is a socially recognised and enforceable individual or group interest exerted over an asset (Ostrom, 1999). It broadly shows relationships between individuals, groups and the government, with respect to land and its resources. It is through rights that a person/groups of persons can be linked to a plot of land (see Figure 1). Each plot of land has its own unique set of property rights which are bound together as a bundle of rights (the right to exclude non-owners from access, the right to appropriate the stream of rents from use and investments in the resource, and the right to sell/transfer permanently to another party, etc., (see Libecap, 1989). The bundle of rights can also describe the quantity or thickness of rights and the duration of rights attached to land (FAO, 2002).

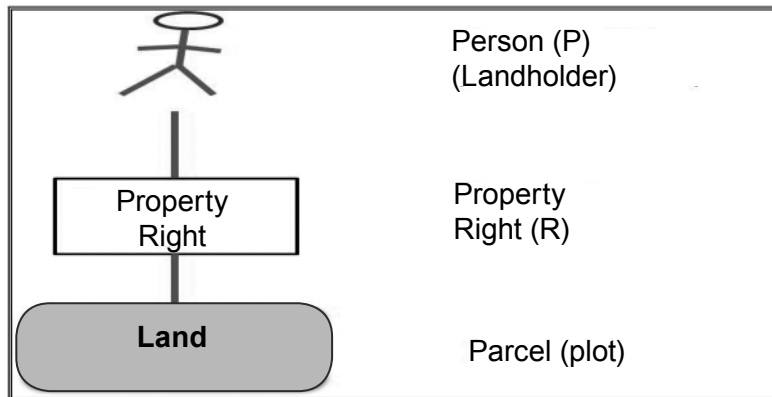


Figure 1: Man-to-land connections through property rights

Source: Henssen (1995, pp. 2)

Property rights serve as a medium for connecting a person/subject and the land/object (see Figure 1). It is not the piece of land or the resource itself that is owned/possessed, but the rights connected to the use of the land or resource (Alchian & Demsetz, 1973). A plot of land will nearly always have one or more rights attached to it as a bundle of rights. The right of ownership is very strong, it is commonly connected with land and executed by the legal owner/holder, according to the legislation in the country in question. If the link between land and a right-holder is missing, no individual holds property rights to the land. In such a case open access to land emerges, by which everyone is free to utilise resource benefits without limit. This may, however, lead to the overexploitation or abuse of resources (Hardin, 1968). In terms of the open access system, therefore, the connection between the land owner/holder and the parcel of land is direct, without property rights functioning as a medium between the two parties (Mattson, 2004).

Property rights are social institutions which comprise systems of allocation in respect of the rights, responsibilities and duties of individuals or groups to specific assets, such as parcels of land (Snare, 1972). For every right an individual or a group holds, there is also a rule that defines an individual's or group's interest over an asset. The rules related to property rights can derive from either formal or informal institutions. Formal property rights are derived from statutory laws such as constitutional provisions, statutes and judicial rulings, and are enforced by the state. Informal/customary rights are derived from customs and conventions, and are enforced by customary authorities (Aredo, 2003). Land, in the customary system, is usually held by clan leaders and accessed on the basis of group membership and social status in the clan (Cotula & Neve, 2007).

The attributes of rights within the bundle can be split into five different levels of actions and restrictions, ranged in order from the least authority of 'access' with a lot

of restrictions, to the greatest authority of ‘alienation’ with less restrictions, which usually equates to ownership (Schlager & Ostrom, 1992). The five categories of rights include the right to access, withdrawal, management, exclusion and alienation. The right of alienation is the highest-level right; it usually equates to ownership rights and is practised in a private property system. These rights can be separately assigned to different individuals, cumulatively to collectives or to single individuals as full ownership rights (Ostrom, 1999).

- a. Access right: The right to enter a defined physical area and enjoy non-subtractive benefits (e.g., hiking, canoeing, sitting in the sun);
- b. Withdrawal right: The right to obtain resource units or products of a resource system (e.g., catching fish, diverting water);
- c. Management right: The right to regulate and improve the resource providing units for withdrawal, i.e., to determine how, when, and where harvesting from a resource may occur, and whether and how the structure of a resource may be changed;
- d. Exclusion right: The right to exclude any particular person wanting to assert access, withdrawal and management rights; and
- e. Alienation right: The right to transfer, for a period or forever, of any or all of the above rights.

Attached to the above lists of rights are five distinctive right-holder classes at different levels of authority when it comes to exercising those rights. These right-holders with their different levels of authority are authorised entrants, authorised users, claimants, appropriators and owners respectively (Schlager & Ostrom, 1992). The difference in the positions of right-holders (users) and their respective actions can be ascertained by comparing owners who hold alienation with a complete set of rights, to all other right holders who do not hold a complete set of rights (see Table 1).

Table 1: Rights and rights holders

Rights	<i>Rights holders</i>				
	<i>Authorised entrant</i>	<i>Authorised user</i>	<i>Claimant</i>	<i>Proprietor</i>	<i>Owner</i>
Access	✓	✓	✓	✓	✓
Withdrawal		✓	✓	✓	✓
Management			✓	✓	✓
Exclusion				✓	✓
Alienation					✓

Source: Schlager and Ostrom (1992, p. 252)

1. **Authorised entrants** are those users who can get access to a resource in a very limited sense, such as a person who buys an operational right to enter and enjoy the natural beauty of a park, but does not have the right to harvest forest products or remove flowers from a park. Such a user solely holds access rights.
2. **Authorised users** are people who can access a resource and withdraw products. They have access and withdrawal rights, but lack the authority to devise their own harvesting rules.
3. **Claimants** possess the operational rights of access and withdrawal, plus the right to manage a resource. Claimants' rights include decision-making powers concerning the construction and maintenance of facilities, as well as the authority to devise limits on withdrawal rights. Claimants do not, however, have the right to exclude others from using the resource.
4. **Proprietors** hold the same rights as claimants, in addition to having the right to determine who may access and harvest from a resource. They also dispose of exclusion rights. Most of what are known as common property regimes fall in this category. However, proprietors do not possess the right to sell rights, even though they most frequently have the right to bequeath such rights to members of their family.
5. **Owners** possess the right of alienation and hold all other rights, such as access, withdrawal, management and exclusion.

The quantity of the rights exercised by property holders affects the incentives individuals face, the types of actions they take, and the outcomes they achieve (Cole & Ostrom, 2012). Exclusion rights for both proprietors and owners produce strong incentives to make current investments in resources, because proprietors and owners can decide who can and cannot enter a resource, or they can capture for themselves for their offspring benefits from investments they make in a resource. In addition, owners and proprietors can devise their own access rights that allow them to capture the benefits produced by the withdrawal rights.

The allocation of rights varies from one property rights regime to another. Right-holders or users of rights in a given property regime can exercise the rights within a bundle either separately or cumulatively, depending on the level of authority provided. Property rights regimes describe how rights to a particular resource are assigned and defined (Ekbäck, 2009). A property rights regime can also describe how the different attributes are distributed among the rights holders. Based on the possibility of assigning property right elements, four property right regimes are identified (Bromley, 1989, p. 872):

- a. **Open access**: it is a non-property system by which all rights are held by no one. In this property regime, there is no defined group of users/owners and so the benefit stream is available to anyone.
- b. **Common property**: all rights are assigned to a community/group of individuals collectively. The management group (collective owners) has the right to exclude non-members, and non-members have a duty to abide by such an exclusion.

- c. **State property:** it is a property system over which the state exercises ownership and governance. In a state property regime, individuals have the duty to observe use/access rules as determined by the controlling/managing agency. Agencies have the right to determine use/access rules.
- d. **Private property:** all elements of property rights are assigned to individual or legal persons such as companies. Right-holders have a right to undertake socially acceptable uses, and have a duty to refrain from socially unacceptable uses.

A private property system which is typically characterised by the alienation of land rights is often considered superior to the other property systems listed above (Demsetz, 1967). Exercising the right of alienation implies that an individual (i.e., owner) can exercise the full set of rights and can transfer any or all sets of rights for a period or permanently. Thus, the possibility of excluding and transferring land rights can generate incentives that tend to lead to higher levels of productivity than other forms of property management (Cole & Ostrom, 2012). The right to transfer land rights can produce a strong incentive for owners to undertake long-term investments on the land. Transferability rights can also ensure that resources are allocated from low to high-yield uses. Moreover, the transferability of land rights permits a resource to be shifted from a less productive to a more productive use.

3 Land rights in Ethiopia from a property rights perspective

The issue of land rights in Ethiopia has been a vital and sensitive topic throughout the country's history. Ethiopia has a long legacy of state intervention in land-to-man relationships (Crewett *et al.*, 2008). The country differs somewhat from a number of other African countries in respect of its property rights system (Jemma, 2004). As Ethiopia was never colonised, it does not have the kind of colonial heritage or legacy which is pertinent in other sub-Saharan African countries and societies – there was no land grabbing by foreigners, and therefore no system to contribute to the establishment of a private property right system. Moreover, the state in Ethiopia has exerted considerable influence on traditional or customary land rights throughout different political regimes (Jemma, 2004).

From a property rights regime perspective, the history of Ethiopia is divided into three regimes (Adal, 2002): the pre-1974 imperial regime; the *Derg* regime (1974–1991); and the current land tenure regime, post-1991. The pre-1974 land right system was characterised by a feudalistic man-to-land relationship, with major inequities based on social class. During the imperial regime land was in the hands of a few individuals or groups of individuals such as the nobility, government bureaucrats, the military and the church. The largest proportions of the population consisted of landless tenants who were subjected to exploitation by land owners. As in many other countries, Ethiopia's land-related tensions were among the key sources of social conflict and political unrest in the early 1970s, culminating in the military coup of 1974 that overthrew the imperial regime.

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The *Derg* government that emerged from the coup abolished the feudal system of land ownership. In 1975, the new government declared that all land, whether rural or urban, is state property, and organised Marxist structures of collective farming and production. In its new land reform measures it announced and executed a subsequent land redistribution programme that has opened up an avenue for landless tenants to have access to land (Crewett *et al.*, 2008).

The current government, which came into power in 1991, eliminated the Marxist aspects of land use and, at the same time, maintained the notion that land is state property to which Ethiopians are entitled access via usufruct (holding) rights. Article 40 (3) of the 1995 Constitution of Federal Democratic Republic of Ethiopia (FDRE) states that the right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the state and in the peoples of Ethiopia (FDRE, 1995). The 1995 constitutional provision asserts state ownership of land and prohibits private ownership. In addition, all national and regional land development policies, legislation and goals are benchmarked on the total and complete state ownership of land. According to the 1995 federal constitution, Ethiopia is a federal state composed of nine autonomous regional states and two city administration councils (see Figure 2).

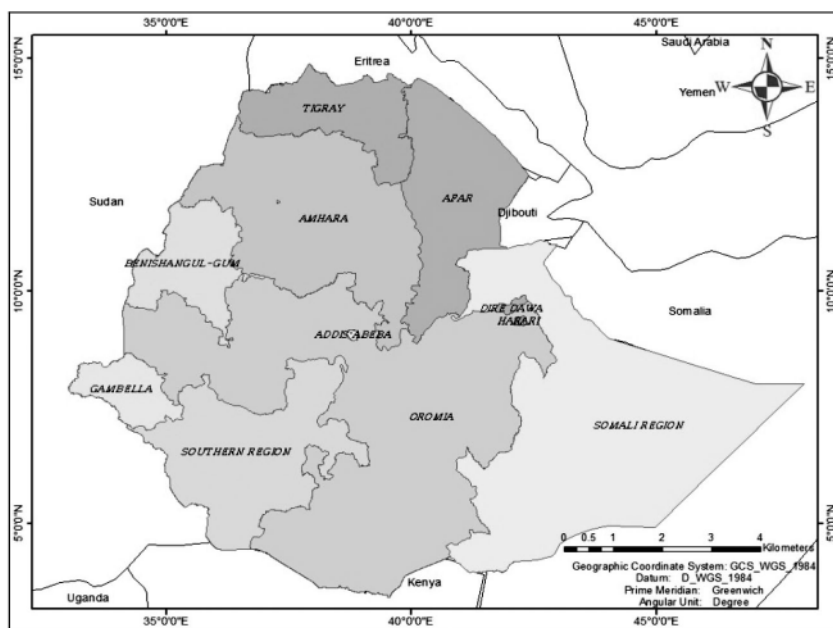


Figure 2: Regional states of Ethiopia

Source: Author.

The state as the owner of land assigns holding rights to the people, mainly without the right of alienation by sale. The way of assigning land rights differs for rural and urban land, and the property system is bifurcated into rural holding/usufruct right

and leasehold right (see Figure 3). Rural land can be granted, with holding rights, free of charge and without a time limit. Any resident of the rural areas who wants to engage in farming activity for his/her livelihood can receive holding rights to plots of rural land for his/her lifetime (FDRE, 2005b). Those who receive rural land for agricultural purposes have the authority to use and harvest the land, to rent it out, donate it, bequeath it and do sharecropping, but cannot sell or mortgage the land. Urban land assignment is carried out by means of the leasehold rights system (FDRE, 2011). Rights to urban land can be transferred through a lease contract, with a fee payable, for the duration specified in the lease contract. Urban land leaseholders can exercise the right to develop on it, the right to bequeath it, the right to donate it, the right to use or develop on it, and the right to use the land as a security for a loan, along with the right to sell any improvements on such land. Therefore, the land-holding arrangement in Ethiopia is divided into rural and urban, with different legislations and institutions governing in each.

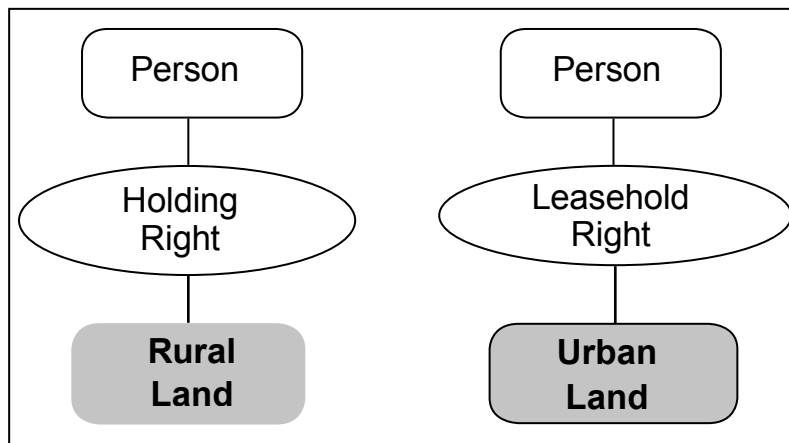


Figure 3: Man-land relationships in the context of Ethiopia

Source: Amended from Henssen (1995)

The power to assign land rights to the people, in accordance with the federal land laws, is given to the regional states. Article 52(2) of the Constitution of the Federal Democratic Republic of Ethiopia empowers regional states to administer land and natural resources within their boundaries, in accordance with federal law (FDRE, 2005b and 1995). Regional states are also empowered to issue their own regional land legislation within the framework of federal legislations. Most regional states have made use of the powers vested in them to formulate their regional land tenure policies in accordance with federal land legislation. All regional land policies validate state ownership of land and the land-holding arrangement is also divided into rural and urban.

In this study, the rights exercised by both rural and urban landholders are analysed using a property rights analytical framework, with the aim of describing the pattern of land right reassignment and transfer from peri-urban areas, for urban purposes.

3.1 Analysis of rural land-holding rights

Rural land rights, both at federal and regional level, are governed by rural land administration and use proclamations. All regional states' rural land administration and use proclamations, issued at various historic stages, grant agricultural land to all rural residents of their respective regions, free of charge, as a holding right. For instance, article 6(1) of Amhara National Regional State's (ANRS) land administration and use proclamation, 133/2006, states that any resident of the rural areas whose livelihood depends on agriculture, and who is above the age of 18 years, shall have the right to obtain land as a holding right, without any discrimination based on gender or any other basis, and for free (ANRS, 2006). The land rights specified as parts of holding rights are the right to use; the right to create an asset on the land; the right to transfer an asset s/he created by gift or inheritance; and the right not to be displaced from such holdings. The duration for exercising holding right is not specified in either the federal or the regional legislation pertaining to land. Thus, the rural landholder is assumed to exercise the holding right without time limit.

Therefore, the contents of rural holding rights from the property rights perspective include rights ordered from access to exclusion and granted to be fully exercised. The rural landholder has a right to use the land for agriculture and natural resource development, to decide what to crop(s) to grow, to withdraw products from it, and to maintain the productivity and fertility of the land. The landholder also has the right to protect and exclude others who want to assert access, withdrawal and management rights on their holding. However, the right to transfer the rural holding right, either for a period of time or forever, is highly restricted.

It is clearly stated in the constitution that rural land should neither be transferred permanently through sale, nor be used as collateral for borrowing money (FDRE, 1995). The permanent transfer of rural land-holding rights is only possible through inheritance and a gift to a family member (FDRE, 2005b; ANRS, 2006). Upon the death of the landholder, the holding rights can be shared among the heirs. If there is a will where land is to be divided among heirs, will is treated as a transfer application, and the land administration office subdivides the rights among the heirs. If there is no will the case is taken to a civil court, which decides who the rightful heirs are and how much they stand to inherit. The court's decision is treated in the same way as a will. In some cases inheritance rights may also extended beyond the core family, for example, land can be bequeathed to people outside of the family who assisted the landholder in times of need.

When it comes to transferability of land rights by gift, two types of gift are prescribed in the law: One, with conditions, is traditionally called a living inheritance; this is when retired parents give their land to family members, often children, with the condition that the parents have the right to remain on the property and to be supported by the children. The second type is an unconditional gift within the family, since the law stipulates that a landholder is only allowed to donate land

to family members. For instance, parents can donate land to their children when they get married, without the precondition that they be supported (ANRS, 2006).

Holding rights, held jointly by husband and wife, can also be subdivided into two parts in the case of a divorce. Holding rights can also be exchanged for another holding right, if the purpose is to improve the structure and productivity of the land. Therefore, the holding rights of rural land can best be represented by the rights to access, withdrawal, management and exclusion (see Table 2).

Table 2: Rural land rights and landholder’s position in Ethiopia

Land rights	Rural landholder’s position
Access	✓
Withdrawal	✓
Management	✓
Exclusion	✓
Alienation	Inheritance and gift to family members
Holder’s position	Strong proprietor

Source: Adapted from Schlager and Ostrom (1992)

As Table 2 shows, rural landholders have the authority to exercise rights ranging from access to exclusion. In addition, they are entitled to transfer holding right through gifts and bequests (inheritance) to family members. Thus, according to the property rights analytical framework of Schlager and Ostrom, the right-holder who is entitled to exercise these lists of rights can be considered the proprietor. A proprietor is someone who holds the rights exercised by authorised entrants, authorised users and claimants together, and in addition has the authority to determine who may have access and may harvest from a resource (Schlager and Ostrom, 1992; Ostrom, 1999). But rural landholders in Ethiopia have certain additional rights that cannot be exercised by proprietors, such as the right to transfer holding rights to family members through gifts and bequests, and the right of exchange. This shows that the position of the rural landholder is neither that of proprietor nor of owner, but is positioned in-between the two right holders and is known as a *strong proprietor*.

3.2 Analysis of urban leasehold rights

Urban land within the administrative boundary of an urban centre is governed by the urban leasehold system (FDRE, 2011) – a means devised by the state, as the owner of land, to transfer urban land rights to the people through lease agreements with lease price payments. The price of the land to be leased is determined either through tender (auction) or allotment (leasehold right transfer without auction). The land needed for residential housing, business (urban agriculture, industry or services), etc. can only be transferred by tender. However, the administration of the city, based on the decisions of the regional state cabinet, may see land being awarded

through the allotment (without auction) of select areas which are of paramount importance to society, such as government office premises, charitable organisations, public residential housing construction programmes, places of worship or religious institutions, diplomatic missions, etc. In addition, people who are displaced from their homes as a result of urban renewal, or expropriation for other public purposes, are entitled to receive land through allotment. All recipients, except the latter, would pay the lease price based on benchmarks set by the municipality/city administration.

Urban leaseholders who are granted land either through auction or allotment would have to conclude a contract of lease agreement with a regional state representative, most likely from city administration (FDRE, 2011). The details of the lease contract include the date of commencement of construction, the completion date, lease price per m², grace period, and the rights and obligations of all the parties. Once the lease contract is signed between the leaseholder and a representative of the state, the leaseholder shall be issued a leasehold right certificate containing the name of the leaseholder, the size and location of the plot, the land use type, the amount of the initial lease price payment, the total amount of the lease price, the date of the final lease payment to be effected, etc.

The duration of leasehold rights varies, depending on the purpose for which the land is requested and the level of urban development. The maximum lease-holding duration is 99 years for the construction of residential houses, science and technology centres, research centres, government offices, and buildings housing charitable organisations and religious institutions. There is a minimum duration of 15 years for urban agricultural land. The lease period can be renewed upon expiry, on the basis of the prevailing benchmark lease price and other requirements at that time. However, the leaseholder may not be entitled to compensation, if the lease period cannot be renewed.

The leasehold right system defines the rights of the leaseholder over urban land, and the obligation to use the land for the prescribed purposes, within the specified time. The leasehold rights provided to the leaseholder include the right to use and develop on the land. The right to transfer leasehold right through inheritance, gift and sale is also permitted, if there is an improvement or development on the leased land. The leasehold right can also legally be used as collateral for borrowing money from the bank – at least for the lease amount already paid (FDRE, 2011).

The specific rights which an urban land leaseholder is permitted to exercise, and the position of the individual leaseholder can be explained/demonstrated using the property rights analytical framework. Leaseholders, after being granted urban land through a lease agreement, have full rights in terms of exercising use, development and management rights. More specifically, leaseholders have the right to decide what and how to build according to plan and in terms of the lease contract. Despite certain restrictions and preconditions, the permanent transfer of lease rights is also permitted under the leasehold system. That means the urban leaseholder is permitted to transfer rights through inheritance, gift and sale, if – and only if – there is a development or an improvement on the leased land. Therefore, the urban land leaseholder can fully

exercise rights of access, withdrawal, management and exclusion, but the right of alienation only partially (see Table 3).

Table 3: Leasehold rights in the urban areas of Ethiopia

Leasehold rights	Leaseholder's position
Access	✓
Withdrawal	✓
Management	✓
Exclusion	✓
Alienation	Improvements on land can be transferred through bequest, gift, sale; and the lease right can also be used as collateral to borrow money from the bank.
Leaseholder's position	Weak owner

Source: Adapted from Schlager and Ostrom (1992)

Table 3 shows that the rights provided to urban land leaseholders are close to ownership rights, except for restrictions related to transferring land if there is development on it. Although land in Ethiopia belongs to the state and the people collectively, individual urban leaseholders can exercise most of the rights that can be exercised by owners within a private property system. Therefore, in this study the position of the urban leaseholder is categorised as that of a weak owner, due to certain restrictions on the transferability of leasehold rights.

The leaseholder's right to alienate through sale and obtain benefits from it depends on the level of construction and improvement on the land. For example, if a leaseholder wishes to sell his/her leasehold rights before commencing construction or if construction is half completed, the leaseholder will get only the effected lease payment, including interest, but minus the cost of the already executed construction, plus five per cent of the remaining sale value (FDRE, 2011). The remaining 95 per cent goes to the landowner (the state). Thus, transferring only the leasehold rights of bare land, or the leasehold rights with only a half-completed structure on it, has only minor benefits for sellers of leasehold rights. Moreover, the leaseholder's ability to use the lease right as collateral will be influenced by the lease price paid. That means the bank's valuation of the property/building depends on the lease price already paid to the state. The right to transfer lease rights through gift or inheritance is permitted to family members only.

4 Patterns of land rights in the peri-urban areas

The urban development strategy in Ethiopia is largely based on the expropriation of land from the transitional peri-urban areas located immediately beyond municipal/urban boundaries. Before the decision was made to expropriate, land in peri-urban areas was held by local and indigenous landholders and was governed in terms of

a rural land-holding arrangement. The distinguishing features of rural and urban land-holding arrangements are clearly outlined in legislation. However, there is no clear-cut boundary between these two land-holding arrangements, and it does not always align with the usual spatial rural–urban demarcations, due to the continuous conversion of peri-urban areas into urban areas (Solomon & Mansberger, 2003). Land development or the conversion of land use from rural to urban in transitional peri-urban areas involves an institutionalised change in terms of land rights and transfers. Therefore, the land-holding arrangement in peri-urban areas is in a perpetual state of flux, as urban areas expand into the surrounding peri-urban territories.

In peri-urban areas, the land-holding system is governed by rural legislation and institutions. Landholders in the area are expected to exercise holding rights similar to those of rural landholders, which have no time limit. In practice, however, as the land is claimed through urbanisation, the local government/city administration expropriates the land from peri-urban landholders and transfers it to urban-oriented individuals/companies (private residential house developers, real estate developers, government organisations, etc.) through lease contracts. Expropriation is a widespread practice in Ethiopia’s peri-urban areas. In terms of expropriation legislation, the state has the power to expropriate land and to offer compensation if it is in the public interest (FDRE, 2005a). State expropriation is the predominant tool used to convert land use from rural to urban, in peri-urban areas.

The rural–urban dichotomy of the land-holding arrangement forces the government/city administration to expropriate and re-assign land rights every time urban areas expand into transitional peri-urban areas. The re-assignment of land rights from peri-urban areas for urban development purposes passes through three major steps (see Figure 4): 1) land expropriation by the government/city administration from peri-urban areas; 2) changing the land-holding arrangement to a leasehold right system; 3) transferring land between the government/city administration and potential leaseholders – obviously, the potential leaseholders are not the original peri-urban landholders. That means the subjects of right holders will change immediately after the area is included into urban territory and expropriation decision has been made.

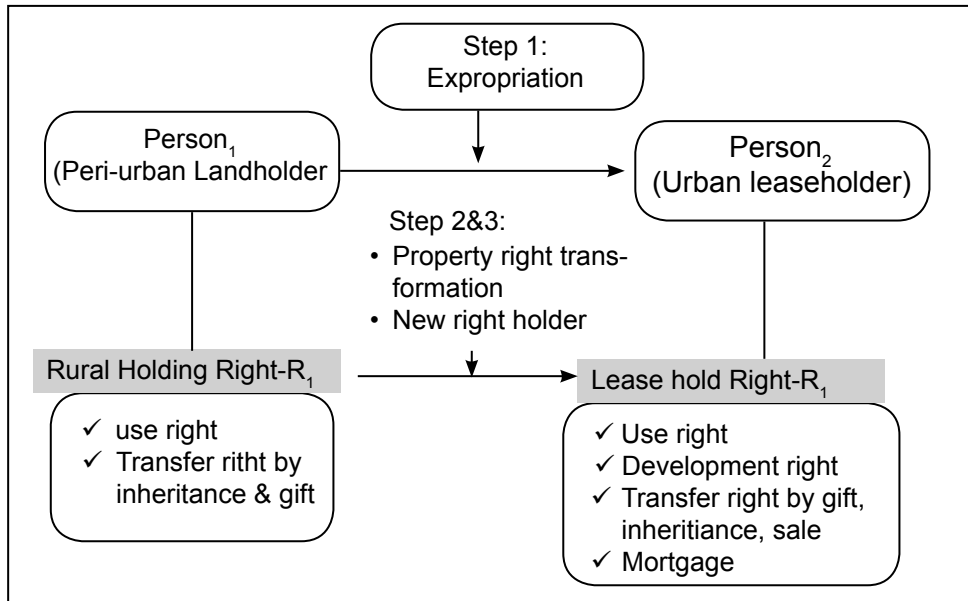


Figure 4: The process of man-to-land connection change in peri-urban areas of Ethiopia

Source: Author.

As illustrated in Figure 4, the peri-urban land governed by the rural land-holding arrangement restricts use to agricultural purposes. Transferability is limited to family members, through bequests (inheritances) and gifts. Once the land is expropriated by the government and transferred through lease contract to the potential leaseholder for urban purposes, the leaseholder enjoys a thicker bundle of rights compared to those of the original peri-urban landholder. For instance, urban land leaseholders can sell the lease right and can use it as a mortgage for borrowing money from the bank.

Another challenge and gap on the peri-urban land rights emanates from the omission of the duration of rural holding rights. Neither in the federal nor in the regional rural land-holding arrangement legislation is any mention made of the duration of holding rights (Dessalegn, 2004). The omission of the duration of holding rights entitles the government/city administration to take land from peri-urban landholders for urban development purposes at any time, thus creating tenure insecurity. Landholders in peri-urban areas are never certain for how long they can keep their holding rights, thus creating the impression that they are temporary. Hence, land which is in high demanded (for improved, high-value urban development purposes) is taken and transferred to urbanites with thicker rights to practise. Local or indigenous peri-urban landholders, on the other hand, receive compensation calculated for agricultural land, without taking into consideration the value of any future development on the land.

Therefore, the rapid rate of urbanisation and the resulting high demand for land for urban purposes have resulted in frequent instances of land dispossession and cases of land contestation in peri-urban areas. In addition, mechanisms to convert peri-urban land rights held by local peri-urban landholders/farmers into urban rights are non-existent in this process of urbanisation. This proves that local peri-urban landholders do not benefit from the increasing value of land and urban development. Land re-assignment and allocation from peri-urban areas seem skewed in favour of urbanites. The vast majority of local peri-urban landholders, who are poorly educated and used to engage in agricultural activities, seem at great risk of losing their livelihood in the face of urbanisation. Thus, the overall process and implementation of urban development has the potential to generate widespread tenure insecurity and land disputes between municipalities and local peri-urban landholders.

5 Conclusion and recommendation

The property rights analytical framework is useful for explaining and detailing both rural and urban land rights in Ethiopia. This study found that the land rights exercised by urban leaseholders are thicker and more similar to the rights of owners in a private property system, than they are to the rights exercised by rural landholder. Moreover, the study investigated the deficiencies of transforming rural land-holding arrangements into urban leasehold systems in transitional peri-urban areas adjacent to municipal boundaries.

Urban expansion and development in peri-urban areas involve a constant change in land-holding arrangements and in the transfer of land rights to new recipients through lease contracts. Land in peri-urban areas is constantly being transferred from the original peri-urban landholders to urban leaseholders through government-controlled expropriation. Although the land in the specific area is held by those who are engaged in agricultural activities for their livelihood, the land is in high demanded for urban development purposes. To satisfy those demands, the government takes and transfers the land to urbanites, granting them thicker rights when it comes to practices such as the right to use, develop, transfer by gift, bequeath and sell land, than the original peri-urban landholders were entitled to. Therefore, original landholders engaged in farming activities have clearly become temporary landholders, who say with certainty how long they will keep their holding rights.

This study also found that the land holding arrangement in Ethiopia favours urbanites, rather than people from the rural/peri-urban areas – particularly as regards the transferability of land rights. Land rights in peri-urban areas cannot be sold or assigned a higher value by local peri-urban landholders themselves, except as a gift or an inheritance to family members, to use for the same agricultural purposes. Moreover, sooner or later land in peri-urban areas adjacent to municipal boundaries is expected to be expropriated by the municipal authority/government for development purposes. Then, high-value urban land will be transferred to urban-oriented leaseholders with better and more relaxed land rights, which can be exercised through lease agreements.

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Finally, the issues raised in this research may provide an updated account of policy changes with regard to land rights in peri-urban areas of Ethiopia. Also, the article offers a foundation for further discussion and academic research. Further studies may include how peri-urban landholders' rights can be brought into line with urban land rights, so that they can also benefit from the urban development programmes, rather than merely receiving cash compensation calculated based on the value of agricultural land.

Biographical note

Achamyeleh Gashu Adam (agachamyeleh@gmail.com) is currently a PhD Fellow in Real Estate Planning and Land Law at the Royal Institute of Technology (KTH), Stockholm, Sweden and lecturer, Institute of Land Administration, Bahir Dar University, Ethiopia.

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Article III



Informal settlements in the peri-urban areas of Bahir Dar, Ethiopia: An institutional analysis



Achamyeleh Gashu Adam^{a,b,*}

^a Bahir Dar University, PO Box 913, Bahir Dar, Ethiopia

^b Royal Institute of Technology (KTH), 10044 Stockholm, Sweden

A B S T R A C T

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Informal settlement
Land transaction
Peri-urban land
Social institutions

Peri-urban land which has been used predominantly for agricultural purposes and held by local farmers is a target area for informal settlements in Ethiopia. An increasing number of people try to solve their housing needs by getting a plot of land informally in the transitional peri-urban areas. The purpose of this study is to explore the principal actors involved in the informal conversion of peri-urban agricultural land into urban built-up property. This study is also aimed at demonstrating the role of non-state institutions in facilitating informal acquisition and development of peri-urban plots. Both questionnaire and document analysis were the main sources of data for this study. The result of this study indicated that traditional social institutions played a significant role in processing peri-urban informal settlements and stabilizing land related conflicts by social sanction measures. The study has also found out that the process of acquiring a plot of land from peri-urban areas passes through its own stages which mainly start with identifying a plot for sale and ends with the confirmation of traditional letter of agreement signed by transacting parties without legal ground to do so.

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Introduction

Peri-urban land, located in the transitional zone between fully urbanized and rural agricultural land is a mushrooming place for new informal settlement (Kombe, 2005: 117). Informal settlements are areas where housing units have been constructed on land to which the occupants have no legal claim or the constructed housing units are not in compliance with the land use planning and building permit requirements of a given country (UN-Habitat, 2003: 196). In other words, informal settlement refers to the contravention of official law that deals with occupation of land, its use, subdivision standard, way of transfer and by-passing of official requirements of building permit.

The contraventions of official law related to land acquisition and development can be classified into squatter settlements and unauthorized development (UN-Habitat, 2003: 196). Squatter settlement refers to illegal occupation of land and/or constructions without permission from owners. Unauthorized development on the other hand, refers to those constructions and developments without plan and building permission from the respective

authority. Most often, unauthorized developments take place on privately owned peri-urban agricultural lands. While squatter settlements are found both in the peri-urban areas and in the centrally located urban areas, mostly on public land and less frequently on private land (Durand-Lasserre & Royston, 2002: 4).

Informal settlements could be considered as a continuation of an intrinsic process of human settlement evolution which passes three different stages: starting, booming and saturating (Fekade, 2000: 142). The starting or infancy stage refers to the construction of low standard wood and muddy houses by low-income house seekers where the houses are often scattered on the agricultural fields. The booming or collective expansion stage is characterized by the construction of formal-like apartments that match to the middle income housing demand. At booming stage, about 80% of the agricultural land is converted into housing. At saturating or consolidated expansion stage, open land for the construction of houses is more or less depleted and additional housing units are primarily resulted in plot densification and extension on public and semi-public spaces.

Governments' limited supply of affordable housing and inefficiency of guiding urban developments are the main reasons for the emergence of informal settlements in the inaccessible peri-urban areas (FIG, 2008: 10). In a situation of inefficient and unaffordable formal housing and land delivery system, informal markets

* Bahir Dar University, PO Box 913, Bahir Dar, Ethiopia. Tel.: +251 918781471.
E-mail addresses: agachamyeleh@gmail.com, achamyelehgashu@yahoo.com.

are the main sources of land for low-income groups of the society (Mooya & Cloete, 2007: 6). The source of finance for building informal residential houses is largely from personal savings and mutual aid arrangements. Thus, informal settlements can be understood as both responses and witnesses to extensive urban poverty and signal to failure of urban governance (Huchzermeyer, 2011).

However, informal settlements are considered to be illegal and chaotic in most Sub-Saharan countries (Rakodi & Leduka, 2003: 15). Most governments are ill-informed with respect to the social rules and institutions governing how people are acting in the informal systems. Informal settlements and developments have their own forms of social ordering and systems (Nkurunziza, 2007: 510). Actors in the informal settlement areas survive with their own initiative management system and land tenure relations (Rakodi, 2007).

Like that of most Sub-Saharan countries, the illegal and unauthorized conversion of agricultural fields into urban built-up property is very observable and vast in the peri-urban areas of Ethiopia (UN-Habitat, 2011). However, little in-depth research and analysis has been conducted on the actors involved in the process of informal urban development in the peri-urban areas. A research on non-state institutions that are facilitating and regulating the process of land acquisition and development is also very limited. The key activities and patterns of behavior of key actors as well as rule-structuring processes through which households acquire and keep a plot of land that enable them to erect structures for habitation is not well studied. Therefore, this study aims to show the process of informal settlement and development in the peri-urban areas. To achieve the aim of the study, a combination of secondary and primary sources of data such as document analysis, questionnaire, interview and focus group discussion were employed.

Theoretical framework: institutional analysis of informal settlements

Urbanization by its very nature leads to massive conversion of immediate peri-urban agricultural fields into urban residential use both formally and informally (Gough & Yankson, 2000: 2496). Both formal and informal conversion and transaction of land usually operate based on social rules that are understood and complied by actors in the system. The system under which actors interact based on the social rules can be considered as institution. Institutions are devised to shape human interactions into a predictable and manageable way (North, 1991: 97).

Institutions enable transactions to occur and regulate relations between the transacting parties. Institutions are evolved with a purpose of governing transactions so that markets operate with a kind of fluidity and efficiency (Klein, 1999: 466). From the point of this study, transaction can be seen as the alienation and acquisition of land ownership or holding rights between individuals. Any type of transaction requires some kind of governing mechanism to protect the transacting parties from various hazards associated with exchange. Three principal forms of interpersonal relations that can do play a role in governing transactions are trust, violence and social sanctions based on collective action (Bernier, 2000: 8). In the informal ways of acquiring land where the process is apparently outside of the formal regulatory framework, trust as norms of behavior is an important source of stability in human interaction. It is only trusting agents that can enter into transactions or cooperate each other (Rakodi & Leduka, 2003: 14).

However, trust by itself offers no solution if disagreements among the transacting parties arise. The other forms of interpersonal relations, social sanction or violence can play a role in solving disagreements among transacting parties in the informal market

(Bernier, 2000: 9). Violence is a very expensive and insecure mode of governance even for those who employ it. Nobody will enter into transactions if he/she expects to be robbed violently. Therefore, social sanction measures against rule breakers are widely practiced as predominant modes of solving conflicts and stabilizing human interaction.

Even though it is merely difficult to separate the informal institutions from formal ones (North, 1991: 97), this study focuses on how informal land development and transaction in the peri-urban areas is governed. Informal land development and transaction might seem unregulated and chaotic but it has often been regulated by social rules that are developed and understood by the actors involved (Rakodi & Leduka, 2003: 15). Actors in the informal settlement areas survive with their own initiative management system and social ordering that are consistent with the expectations of transacting parties (Nkurunziza, 2007: 510). Parties entering into exchange relationships are likely familiar with the social environment in which their transactions occur and possess knowledge of their rights and obligations in the things being transacted under existing social conditions (Rakodi & Leduka, 2003: 14).

Formal urban land and housing delivery in Ethiopia

To understand why informal settlement areas are booming in the peri-urban areas of Ethiopia, it is necessary to make some explanations about the status of urbanization as well as the urban land and housing delivery strategy of the country. Ethiopia is the second most populous country in Sub-Saharan Africa with an estimated total population of 90 million. It is only about 17% of the population that lives in urban areas. Although the population is predominantly rural, the country is witnessing one of the fastest rates of urban growth that the urban population is growing far more rapidly than its rural population. The urban population projection shows that by 2020 one out of every five Ethiopians will be living in urban areas, and by 2030 about 30% of the country's population will be living in urban centers (UN-Habitat, 2010: 138). This fast rate of urbanization has resulted in very high demand for residential housing. As a response to the growing demand of urban residential housing, the government has formulated urban development policies and strategies. The urban land lease policy is one of the major policy interventions made by the government to allocate urban land for residential housing. The urban land lease policy is also intended to create a steady source of revenue for municipalities that can be used for the improvement of urban facilities (FDRE, 2011).

The condominium housing program is another policy intervention intended to address the urban housing challenges. The program has the aim of constructing multi-storied housing units mainly for low and middle income households in large urban centers. The condominium housing program is mainly funded by the Commercial Bank of Ethiopia (CBE) with an agreement made between the city administration which is in charge of running the program and the CBE. Condominium unit beneficiaries are required to make an initial payment (down-payment) which is about 10% of the total price of a unit from personal savings. For the remaining payment, the beneficiaries are also required to enter into a contractual loan agreement with the CBE. The amount of initial payment and the monthly interest and principal repayments to the bank vary according to area and total price of the unit.

However, both the lease policy and condominium housing programs have remained insensitive to the housing demand of the urban poor (UN-Habitat, 2007: 30). In order to acquire a plot of urban land through a lease contract or a condominium unit, a substantial amount of lump sum fee or initial/down-payment is required from personal saving. The allocation of plots through lease contract and allocation of condominium flats seem to provide

greater benefits to the urban middle and higher classes not to the low-income communities (Kassahun, 2010: 78). The insensitivity of the formal land and housing supply for the poor has led to the proliferation of new informal settlements in the peri-urban areas (UN-Habitat, 2011: 3). In addition to the pushing factors stated above, availability of illegally subdivided plots with a relatively cheap and affordable price for the poor has created a favorable condition for the emergence of new informal settlements in the peri-urban areas (Ayonga, 2008: 39).

Therefore, the peri-urban land which has been used predominantly for agricultural activities and held by local landholders/farmers is becoming a preferable place for the urban poor to erect unauthorized and sub-serviced structures for habitation. The process of acquiring a plot for informal settlements does not follow the legal/formal requirements. Even, the practice of informal settlement in the peri-urban areas is aggravated by the expectation of the rightful local landholders themselves that the city administration may expropriate their land for urban expansion programs (Adam, 2011: 72).

Research methodology

Description of the case study area

Peri-urban agricultural areas are places for emergence of new informal settlements. The booming of informal settlements on peri-urban agricultural lands calls for analysis of the actors involved in the informal market and those social institutions facilitating the process of informal urban development. For this purpose, Bahir Dar City was selected as the case study area. Bahir Dar City is located in

the northwestern part of Ethiopia and it is the capital of Amhara National Regional State (ANRS) (see Fig. 1). It is also one of the fast growing urban centers in the northern part of Ethiopia both demographically and spatially. Based on the figures from the Central Statistical Agency of Ethiopia (CSAE), this city including the peri-urban areas, is inhabited by an estimated total population of more than 250,000 (CSAE, 2008).

The rapid urban population increment and the resulting demand of land for housing and other purposes in the peri-urban areas around Bahir Dar, are witnessing a dramatic land use change from agricultural field to urban settlement area. Peri-urban agricultural land around Bahir Dar has been held by local farmers engaged in farming. The constitutional right of the local farmers on land is to retain and use the land only for farming purpose. However, several local farmers appear to be engaged in the unauthorized subdivision of agricultural land into small pieces and selling of these pieces to newcomers.

Currently, new informal settlement areas are largely emerging and growing in the peri-urban areas of Bahir Dar City. According to the recently finalized cadastral surveying work by PRIME Consultants, more than 30% of the houses (10,000) in Bahir Dar city are identified as informal houses. These houses are constructed either on land possessed by local peri-urban landholders/farmers or state land without formal requirements and procedures. These houses are also not recognized by the city administration as legitimate properties. Most of the informal houses are found in the western, north-western, and southern edges of the main city (FUPI and BDMCA, 2006: 214).

Of the peri-urban informal settlement areas of Bahir Dar City, 'Weramit' informal settlement area, located in the west and North

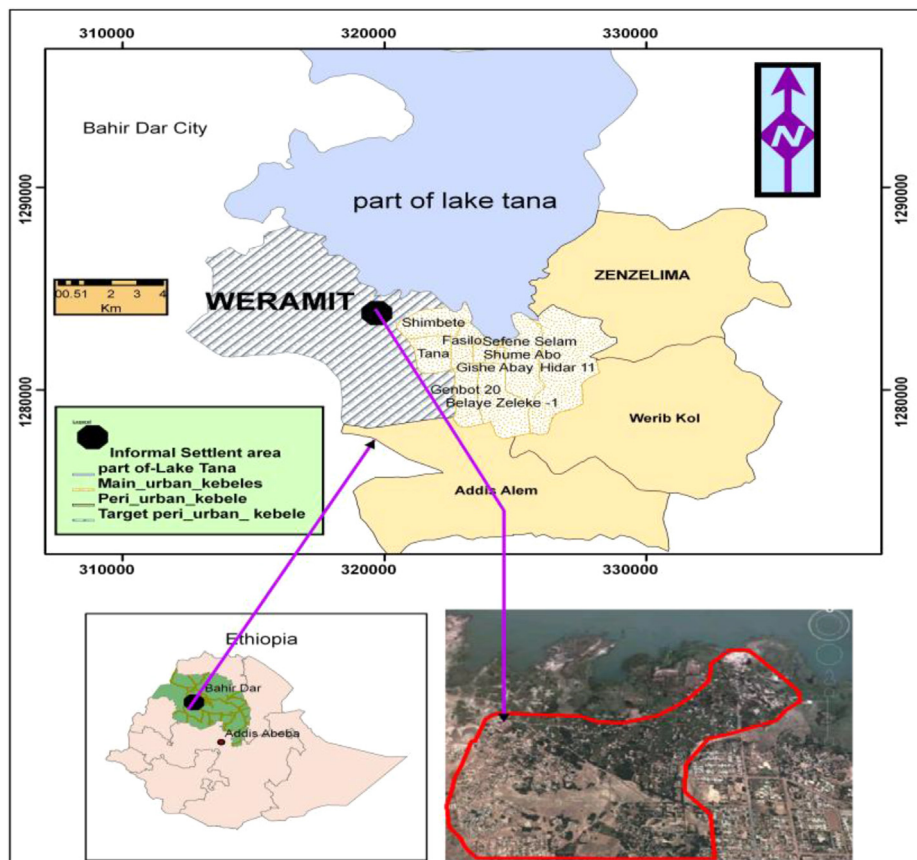


Fig. 1. Location map of the case study area.

West direction of the main city, is the largest one. It is also growing rapidly from time to time. There are about 2000 unauthorized and substandard houses built on agricultural land of Weramit. Based on information obtained from FGD, most of the houses in the area were constructed within 15 days on the eve of the 2005 national election. Even, peri-urban agricultural fields in the study area are highly subjected to further subdivision and conversion into urban built-up properties outside the formal regulatory framework.

Research data and materials

Given the wide range of issues covered by the study, it was necessary to employ a methodology allowing for combination of different data sources. Combined sources of data provide the most effective way of gaining the necessary understanding of the problem under study. Based on the above understanding, this study has employed different data collection instruments so as to generate both secondary and primary empirical data. Secondary sources of data entailed review of published literature on informal settlement issues in the transitional peri-urban areas. Likewise, government reports, policies, legislations were reviewed. On the other hand, questionnaire, interview and focus group discussion (FGD) methods were employed to collect primary data.

The questionnaire was designed based on literature review on informal urban development, urban land use policy and legal rights on land. The items in the interview and FGD were also reflection of the questionnaire. One hundred twenty households, selected purposefully from informal settlement area, filled out the questionnaire. The FGD was conducted with the four officers of land administration and delivery department in Bahir Dar City Administration. Besides, interview was conducted with three elders in the village and three land brokers with a total of six individuals. Moreover, documents related to land and housing legislations and policies were also reviewed to generate additional empirical data for this research.

Combination of simple descriptive statistics and qualitative content analysis methods were employed to analyze the data collected by different instruments. The results of the analysis are displayed in tables and figures in the text. Finally, the final conclusion and recommendation of the study is drawn based on the facts from the data analysis and interpretation.

Results and discussion

Peri-urban land which has been used predominantly for agricultural purpose and held by local farmers is now becoming a target area for informal settlement. The process of informal subdivision, transactions and development of land in the study area was examined mainly from the perspective of the principal actors' behavior. The study revealed that the process of getting a plot of land in the informal way has its own patterned and broken-down activities and stages. The key activities and patterns of behavior of key actors as well as rule-structuring processes through which households acquire and keep plot of land that enable them to erect structures for habitation are the central themes of discussion in this section.

Profile of informal settlers in the peri-urban areas

The actors interested in acquiring a plot of land from peri-urban areas have multifaceted profiles. Examining the profile of actors involved in acquiring a plot of land would provide a clear structure and insight about the characteristics of actors and institutional arrangements governing informal transaction and development of land. The profiles of actors involved in the informal acquisition,

Table 1
Respondents' occupation and monthly income ($n = 120$).

Respondents' occupation	Respondent's monthly income				Total
	<500 Eth. Birr	501–1000 Eth. birr	1001–2500 Eth. Birr	>2500 Eth. Birr	
Government employees	0%	9%	7.00%	0%	16%
Farmers	1%	6%	0%	1%	8%
Daily laborers	19%	23%	0%	%	42%
Small scale business	7%	24%	2%	1%	34%
Total	27%	62%	9%	2%	100%

Source: Questionnaire Survey.

transaction and development of land are mainly analyzed based on socio-economic characteristics. Socio-economic features such as occupation, monthly income, prior residence of informal settlers, reasons for selling or buying a plot of land from informal market were given emphasis for analysis.

The questionnaire survey result in (Table 1) shows that informal settlers in the peri-urban areas are engaged in various occupations to earn income for their livelihood. Self-employed households engaged in small scale commerce and daily laborers working mainly in the construction sector and they account more than 75% of the informal settlers. The remaining proportions of informal settlers are mainly government employees and local residents engaged in farming activity. The majority of informal settlers engaged in the above occupations earn very low monthly income. Out of the total sample respondents about 89% of them have a monthly income of below 1000 Ethiopian Birr (US\$53). It is only for 11% of the respondents that their monthly income is above 1000 Ethiopian Birr (US\$53).

An attempt to assess the prior residence of the informal settlers was also made. The largest proportion respondents which account about 92% of informal settlers used to live in the inner-city with rental houses. There are also housing units constructed by local residents themselves whose prior residence is from the same locality. Local residents or local informal settlers are those actors who built muddy house either on their own farm land or on a plot received as a gift, or on a plot bought from other local peri-urban landholder. The housing units constructed by local residents account about 7% of the houses in the area (see Fig. 2).

The informal settlers have also reflected their views of why they preferred to come to the inaccessible and unplanned peri-urban areas. Unregulated rising of housing rent and inability to buy a condominium flat in the inner city were the most significant factors that expelled them to the peri-urban areas in search of shelter. They

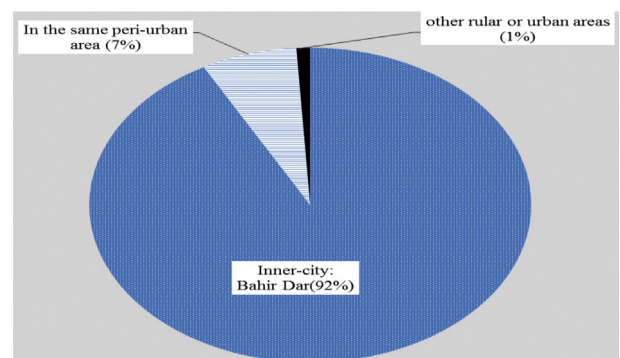


Fig. 2. Respondent's prior residence ($n = 120$).

Source: Questionnaire Survey.

claimed that the initial (down) payment they were asked to pay for condominium flats was unrealistically high as compared to their ability to pay. The initial lump sum payment they were asked was an average of 15,000 birr (about US\$800) which they could not afford to pay at once, rather they were forced to come here and purchase a plot for price about 5000 birr (about US\$300).

The profile of actors involved in the construction of informal housing units and the nature of the houses built in the study area revealed that the stage of settlement and land development is at its infancy where the area is inhabited mainly by low-income households (Fekade, 2000: 142). All house structures built in the area are sub-standard and temporary shelters constructed of muddy and wooden walls and roof of iron sheet scattered on the agricultural land and inhabited by low-income households. Moreover, basic amenities such as school for children and other basic facilities such as electricity, road and sanitation services are not available.

Modes of informal plot acquisition

Informal settlers in the study area have been using different ways or modes of acquiring a plot of land from the informal market. For example, about 78% of informal plots are bought from rightful local peri-urban landholders, and about 8% of plots are received as a gift from relatives. Even, the local landholders may also transfer the land to those people who are engaged in construction of informal houses with expectation of profit in the future. That is why about 9% of informal houses are built on plots bought from previous informal buyers with some profit. The remaining 5% of sub-standard houses are constructed by local landholders themselves on their own agricultural field (see Table 2). Therefore, the largest proportion of the land occupied by informal settlers was neither public land nor vacant, but it was privately possessed by local peri-urban farmers and destined to be used for agricultural purpose only.

The action of local peri-urban landholders/farmers is against the constitutional provision that forbids land sale. Article 40(3) of the constitution of the Federal Democratic Republic of Ethiopia states that all land is a public property in which citizens enjoy only use rights without the right to sale the land itself (FDRE, 1995). However, local peri-urban landholders are not only the primary suppliers of land to the informal market but also they are involved in the unauthorized subdivision and construction of sub-standard residential houses on agricultural fields without permission to do so. The construction of unauthorized houses by the local landholders themselves on agricultural fields is partly due to an interest in generating additional revenue by renting rooms and partly due to an interest in capturing future land value increase resulted from the incorporation of the land into urban jurisdiction.

It is also worthwhile to see the factors that push local peri-urban landholders to subdivide their agricultural fields into pieces of plots and later on to transfer it through sale and other mechanisms of transaction. Local peri-urban landholders' expectation that their land would not stay with them for longtime in the future is the most important pushing factor to subdivide peri-urban agricultural

land into pieces and sale it in the informal market. The largest proportions of local peri-urban landholders feel that sooner or later the city administration would take their land for urban expansion program. They have also a feeling that the compensation is not only enough but it will not be paid at the right time if their land is taken. As a result, they prefer to subdivide and sell their plots so that they can collect more cash by themselves.

Information on the availability of plot for sale and negotiation process

Various aspects of decision-making processes involved in the informal plot acquisition process are identified in this study. The most important ones are issues related to search behavior of a buyer such as seeking to have information about plot availability for sale and the behavior of the seller. Information about the potential land sellers like reputation for good behavior and reliability are among the important issues that buyers want to know. It is only after the informal buyer has developed trust on the behavior and reliability of the seller that the process of negotiation for transaction would start. Here, social norms like trust and reciprocity seem to play a prominent role in the coordination of land transaction and regulation of the behavior of transacting parties (Rakodi & Leduka, 2003: 10).

Having accurate and reliable information about plot availability for sale and the reliability of the seller are the preconditions for initial negotiation to be started between seller and buyer in the informal market. Local residents play a key role as information centre for the newcomers who want to buy a plot of land from the area. Local residents are either the rightful local landholders themselves or informal settlers who came to the area some time earlier. Local residents also act as sub-brokers who supply information to the main brokers. The questionnaire survey shows that about 72% of the informal land acquirers obtained information about plot availability for sale from local residents and rightful local landholders directly, while the remaining 28% of the respondents got information from brokers (see Table 3).

The FGD made with main brokers and land administration experts in Bahir Dar City Administration reveal that the contribution of land brokers to the informal market is even greater than that of the one reflected in the questionnaire survey result. Land brokers are the main diffusers of information about availability of plot for sale. Once they obtained information, they disseminate it by talking to everyone they meet. Land brokers, in the area, have wide range of social interactions through which they can get information about plot availability for sale.

Once the seller and the potential buyer come to a negotiation table and being introduced, what follows is a process of bargaining. In the process of bargaining, that is each party tries to secure the best deal as much as possible. The central point of the negotiation is usually the price of the plot. There are a number of issues that are taken into consideration during price negotiation process. These

Table 2
Ways of plot acquisition ($n = 120$).

Ways of plot acquisition	Percent
Bought from local peri-urban landholder	78
Received as gift from relatives	8
Bought from previous informal buyer	9
Own rightful holding	5
Total	100

Source: Questionnaire Survey.

Table 3
Sources of information about plot availability for sale ($n = 120$).

		Frequency	Percent	Valid percent
Valid	Local landholder	50	41	44
	Local resident	32	27	28
	Land broker	32	27	28
	Total	114	95	100
Missing	Not responded	6	5	
Total		120	100	

Source: Questionnaire Survey.

include plot size, location, and distance from public facilities like public road networks. The questionnaire survey result reveals that most of the buyers do not like to take the negotiation by themselves during the initial phase, and about 63% of the prospective buyers use brokers and local residents to open initial negotiation with the sellers. The negotiation conducted directly between sellers and buyers accounts for about 37% of the informal transaction (see Fig. 3).

Plot demarcation and documentation process

After negotiation about plot price has been concluded, demarcating the spatial extent of the plot and preparing traditional letter of agreement (contract of sale), locally known as 'yemender wule', would follow. Land brokers and local residents who facilitated the transaction are responsible to prepare letter of agreement (contract of sale). The letter of agreement is expected to be signed by seller and buyer as evidence of transaction at the presence of three witnesses who are locally known as 'shemagelewoch.' Elders of the village or leaders of traditional social institutions are often preferred as witnesses of transaction. The buyers and sellers receive copies of the agreement, and a third copy is made and kept by one of the witnesses of transaction.

Different strategies have been used to document the informal acquisition of land. Most commonly, two different types of agreements or 'yemender wule' would be prepared and signed simultaneously by transacting parties for single transaction in an attempt to secure the transaction. These agreements are fake/false loan agreement and contract of land sale. The statement in the fake/false loan contractual agreement would be stated as if the seller has borrowed some amount of money from the buyer that would be repaid back within a given period of time. The amount of money stated in the contractual agreement is usually greater than the real purchase amount with an intention to consider future increase in the value of land. The content of agreement also states that if the borrower could not pay back the loan within the agreed time, he/she agreed to convey his/her piece of land to the lender in an exchange to the money borrowed.

The content of the agreement also contains a written description of the extent of the plot measured in meter or feet. The spatial extent of the plots are demarcated and delineated by different actors involved in the transaction. The plots are demarcated using different types of markers, such as poles, plants, stone marks and fence either by sellers and buyers themselves or elders/witnesses of transaction. The questionnaire survey result shows that about 27% of plots are marked by the buyers and sellers themselves, while

about 67% of the plots are measured and demarcated by elders in the village. The non-demarcated plots in the area are very few and constitute only about 6% of the informal plots (see Fig. 4). The plots which are not measured and demarcated are mainly those plots where unauthorized residential houses are constructed by the local peri-urban landholders themselves. In such a case transaction of land has not undertaken yet. Such land is still in the hands of rightful local landholders and there is no need to physically delineate these plots.

The contractual agreements signed by buyers and sellers either in the form of sale or loan or mortgage transfers have no legal ground due to two main reasons. First, land in Ethiopia is not saleable property (FDRE, 1995). Second, the contracts related to any transaction of immovable (building and land) should follow some formal requirements that includes the transaction to be in writing and be registered by concerned public bodies (Civil Code, 1960). Currently, the registration of urban land is delegated to municipalities while permanent or temporary transfer of rural land is registered by district level rural land administration office. Thus, registration of any kind of land transaction is mandatory requirement to inform the municipality about the mortgage or sale of immovable properties so that the latter to put some information on the file.

Even though both purchase and fake/false loan contractual agreements have no legal ground, they give protection against conflicts arising between the transacting parties. All written contractual agreements are not registered by municipality but signed in front of socially respected witnesses/elders. Thus, when conflict arises the affected parties will take their cases to the elders in the village and the elders try to solve the problem by urging the conflicting parties to be governed by their letter of agreement. If the parties cannot reach into agreement, they may face problems like being excluded from participating in different social affairs with the society. Therefore, social sanction measures play a significant role in stabilizing the society in the informal settlement areas where the formal regulatory system is inefficient.

Local traditional social institutions in the informal settlement areas

The potential sellers' involvements in the local traditional community association like in "idir and iqub" are some of the behaviors (elements) that the potential buyers want to know. Both *Idir* and *Iqub* are the oldest traditional social and financial institutions which have been widely practiced in Ethiopia. *Idir* is established by a group of neighbors to provide financial support and funeral services for death of anyone of family members and raise funds that

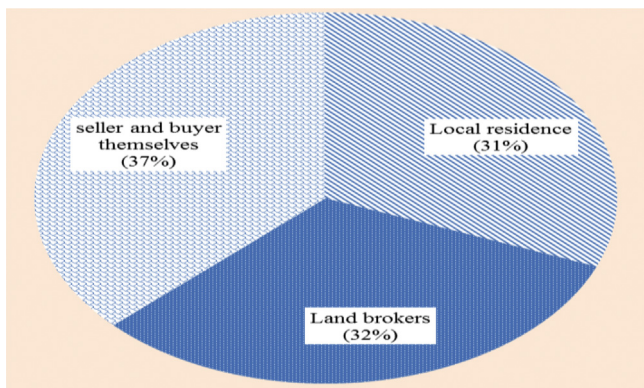


Fig. 3. Actors who facilitated and negotiated land transaction ($n = 120$). Source: Questionnaire Survey.

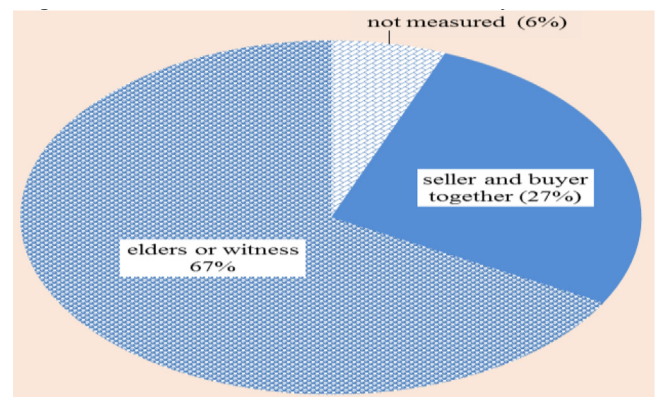


Fig. 4. Plot measurement and boundary delineation ($n = 120$). Source: Questionnaire Survey.

will be used during emergencies on the basis of monthly contribution. While *Iqub* is established by a small group of interested people in order to provide substantial rotating funding for members on the basis of monthly or weekly contributions.

An attempt to assess the role of these traditional social institutions in the informal settlement areas was made. An interview with leaders of traditional social institutions in the study area shows that '*Idir*' and '*Iqub*' have a very significant role in mobilizing social capital and being used as a source of finance for the informal transaction of land. '*Idir*' and '*Iqub*' also help to resolve land disputes. That is, land related disputes could not be taken into the court, as both parties have no legal grounds to seek justice in the formal judiciary system. The conflicting parties rather prefer to take their cases to the socially respected elders and leaders of '*idir*' in the village and the elders and leaders social institutions are quite efficient in solving such conflicts. Informal settlers in the area also use the local social institutions (*idir* and *iqub*) to act together and to pursue shared objectives and interests. These local social institutions also play a significant role in making negotiations with government bodies claiming for formalization and organizing resistance against forced eviction. Moreover, these institutions provide the members (residents) an identity of belongingness to the area. It is only through these associations that the residents in this settlement area are recognized and registered as residents of the village.

Conclusion and recommendation

Large fraction of peri-urban agricultural land which has been held by local farmers is highly demanded for informal settlements. An increasing number of people try to solve their housing needs by getting land informally from peri-urban areas. The principal actors interested in acquiring a plot of land informally from the inaccessible peri-urban areas are low-income households seeking for residential house. They are largely urban poor who couldn't afford to pay either for the increasing housing rent or to buy condominium flat in the inner city. On the other hand, local peri-urban landholders (farmers) who received land for agricultural purpose are the principal suppliers of land for the informal market. They are also playing a vital role in the construction of unauthorized and sub-standard houses on their own agricultural fields. The prevailing practice of informal settlement in the peri-urban areas shows that the formal land and housing delivery system seems not efficient enough to accommodate the interests of urban poor as well as the interests of local peri-urban landholders. Therefore, this study appears to confirm the idea that informal settlements are responses and witnesses for the inefficiency and inadequacy of the formal urban land and housing delivery system (Huchzermeyer, 2011).

The profile of actors involved in the construction of informal housing units and the nature of the houses built in the study area reveals that the informal settlement area in the peri-urban areas of Bahir Dar is at its infancy stage (Fekade, 2000). The houses are largely built and inhabited by low-income urban dwellers for whom the existing formal housing delivery systems are hardly realistic options. All housing structures built in the area are sub-standard and temporary shelters constructed of muddy and wooden walls and roof of iron sheet scattered on peri-urban agricultural land. The houses are built by the inhabitants themselves from their personal savings and mutual aid arrangements, often in spite of eviction threats from public authorities.

This study also identified the patterns of behavior of key actors and the key activities and rule-structuring processes that enable households to acquire and keep plots of land to erect structures for habitation. The key activities/stages in the process of informal acquisition and development include identifying a plot for sale,

showing an interest on the plot, studying the behavior of the seller, undertaking price negotiation and documenting the transaction by letter of agreement or contract. Even though the different contracts signed by transacting parties are not valid, these documents play a significant role in avoiding future land related conflicts between the transacting parties. Thus, land transaction in the area is mainly built on trust without any legal document of exchange. It is only after the informal buyer has developed trust on the behavior and reliability of the seller that the process of negotiation for transaction would start. Therefore, social norms like trust and reciprocity seems to play a prominent role in the coordination of land transaction and regulation of the behavior of transacting parties (Berner, 2000; Rakodi & Leduka, 2003).

Moreover, this study shows that land conflicts are mainly solved by the intervention of elders and/or leaders of traditional social institutions in the village as mediators. The mediators bring the conflicting parties together face to face and urge them to reach into agreement by proposing solutions. If the conflicting parties could not reach into agreement or if one of the conflicting parties does not accept the solutions suggested by mediators, the party may face problems like being excluded from different social affairs and relations in the community. Such social sanction measures are important mechanism to force the conflicting parties reach into agreement. Thus, this result seems to confirm Berner's (2000) idea that social sanction measures play a very significant role in maintaining social stability in the informal settlement areas where the system is apparently outside the formal regulatory framework.

Finally, the informal transformation of peri-urban agricultural land into urban built-up property is benefiting the lower income groups in a way the formal system cannot since these groups have been ignored by the formal system. The process of informal settlement and development does not only indicate the shortcomings of the formal system but it also contribute valuable lessons to improve it. Thus, the hostile attitude of the government or the municipal authorities towards informal settlements and implementing demolition as a solution should have to be revisited. There has to be a shift towards viewing these settlement areas are results of inefficiency and inadequacy in the formal land and housing delivery system. That means, the government's formal housing and land delivery system should have to consider the financial ability and the needs of the urban poor. Unless these considerations are taken aboard, the ambitions of urban policy makers, urban planners, land managers and other concerned bodies to shape the spatial structure and form of urban areas shall by and large remain a wishful thinking.

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Article IV

Land Readjustment as an Alternative Land Development Tool for Peri-Urban Areas of Ethiopia

Achamyeleh Gashu Adam

Structured Abstract

Purpose - The rapid urban population growth in Ethiopia is causing an increasing demand for urban land, which primarily tends to be supplied by expropriation of peri-urban land. The process of urban development in Ethiopia is largely criticized for forced displacement and disruption of the peri-urban local community. Thus, the purpose of this study is to introduce how Ethiopia's urban development system could be built on the participatory and inclusive approaches of land acquisition.

Design/Methodology/Approach - The study has employed questionnaire survey results, FGD with panel of experts and previous research reports to examine the peri-urban situations and then to show why an alternative land development approach is needed to be introduced in the urban land development system of Ethiopia. Desk review on land readjustment was also made to explore best lessons from other countries applicable to the peri-urban contexts of Ethiopia.

Findings - This study has explored that land readjustment is potentially an appropriate land development tool to alleviate peri-urban land development limitations in Ethiopia.

Practical implications - Researchers, policy makers and government bodies that are interested in peri-urban land would appreciate and consider implementing the adapted land readjustment model as an alternative land development tool. Consequently, the local peri-urban landholders' rights would be protected and maintained in the process of urbanization.

Originality/Value - Although land readjustment has the potential to achieve participatory peri-urban land development, awareness of the method in the Ethiopian urban land development system is inadequate. This study contributes to fill this gap and create an insight into the basic conditions for the adaption of the tool.

Key words: Ethiopia; inclusive; land readjustment; participatory; peri-urban.

Research Type: *Research Paper*

1. Introduction

Currently, Ethiopia is experiencing a very fast rate of urban expansion both demographically and spatially. The urban population projection shows that by 2020 one from every five Ethiopians will be living in urban areas and by 2030, about 30% of the country's population will be living in urban centers (UN-Habitat, 2010). This rapid growth of urban population is causing an exceptionally high increase in the demand for land and housing which in turn has been exerting a pressure on peri-urban land located next to the municipal boundaries.

Providing decent and affordable land and housing to the rapidly growing urban population is one of the greatest challenges to the governments and urban policy makers

in the global south (Durand-Lasserve, 2003). In most African and other developing countries, land and housing is largely provided by state controlled expropriation methods (Toulmin, 2006). The conventional state controlled land delivery mechanisms, however, have proven to be grossly inadequate and inefficient in coping up with the demands imposed by rapid urbanization (Midheme and Moulaert, 2013).

In Ethiopia, like elsewhere in the sub-Saharan region, urban land and housing delivery is largely state controlled on the ground that all land belongs to the state (FDRE, 1995). Expropriation is the only way of trading between the dichotomized urban lease holding and rural holding/usufruct tenure systems. Transitional peri-urban areas are those places where expropriation measures are largely implemented as a response to the growing urban land and housing demands induced by rapid urbanization. As urban territory extends into the adjacent peri-urban areas, the landholding rights of local peri-urban landholders is expected to be automatically canceled and transferred to the people who can afford to pay for land lease.

Moreover, the urban development process in Ethiopia is also criticized for being unfair for those from whom land is compulsorily acquired (Fekade, 2000). As a result, the limitations in the formal land and housing delivery system has resulted in the proliferation of informal settlements in the inner cities as well as in the peri-urban areas (Adam, 2014a). In addition, the compulsory land acquisition measures implemented largely in the transitional peri-urban areas are becoming the source of contestation pitting various interest groups against each other, which has been also dissipating sense of land tenure security in the area (Adam, 2014b).

Therefore, the unpleasant urban development practices and trends in the peri-urban areas of Ethiopia call for re-thinking of outside the box and introduce an alternative land development method. In connection to this, this study mainly geared to answer the following basic research questions: 1) what are the current peri-urban land development challenges? 2) What kind of land development tool can have the potential to convert the local peri-urban landholders into urban land rights in the process of urbanization? In face of the rapidly growing urban population with the rapidly growing demand of land from peri-urban areas, these research questions have acquired prime importance.

The analysis of the short comings of the existing peri-urban development process based on the findings from questionnaire survey, focus group discussion and previous research results have shown the need to introduce land readjustment as an alternative land development tool to the peri-urban areas of Ethiopia. Global experiences about land readjustment have shown that it is an efficient and effective land development tool to address the current rapid urbanization requirements in the peri-urban areas (Home, 2007). It basically encourages participatory and voluntary contribution of land by landowners themselves for urban development (Sorensen, 2000). Therefore, an adapted and modified land readjustment model composed of seven stages is developed and proposed as a solution to the peri-urban land development problems in Ethiopia.

2. Research Methods and Materials

Land readjustment has been practiced by many countries as urban land development tool for more than a century. However, the application and awareness of the method as an alternative urban land development tool is inadequate in Ethiopia. Moreover, the availability of literature and supporting legislation on the tool is not only

limited but also non-existent. Therefore, this research is intended to introduce and develop a land readjustment model which can be applicable to the contexts of peri-urban areas of Ethiopia. To attain the purpose, the study has employed desk review research approach and questionnaire survey results from the case study area. Focus group discussion (FGD) with urban and rural land administration and delivery and planning experts¹ was also undertaken. The experts have reflected their views on the limitations of the existing land acquisition procedure from peri-urban areas for urban development purposes. They have also reflected their views on what ought to be in the process of peri-urban land development.

The desk review in this research has focused on exploring and looking into the best international experiences on the application of land readjustment as an urban land development tool. Countries selected for this purpose are Japan and Germany on the basis that these countries have a long history and reputable experience on the application of the tool. An overview of South and West African experience is also made to highlight the practice in Africa. The review of country experiences is structured and presented in a similar way focusing on the implementation procedure and basic aspects in each country. The review, however, is not in any way intended to be exhaustive, as such an attempt is neither possible nor desirable to present in this study.

The existing land acquisition and delivery process in the peri-urban areas was also analyzed based on questionnaire survey results, previous research results and reflections from experts who participated in the FGD. In this section, it was mainly attempted to identify the existing deficits of the urban land acquisition and development system in Ethiopia. A total of 70 sample landholders from peri-urban areas of Bahir Dar, whose agricultural land was expropriated for urban development, were surveyed using a set of structured questionnaire. The respondents were selected by purposive non-random sampling technique targeting on those who lost their land for urbanization through government's expropriation decisions. Bahir Dar City was chosen as the subject area as it is one of the fastest growing urban centers both demographically and spatially in Ethiopia (see Figure 1). As a result, large tract of land is demanded and expropriated from peri-urban areas for different urban development purposes every year.

Based on the review of country experiences and analysis of the existing peri-urban land development challenges conceptualized within the framework of land readjustment characters, an adapted and modified form of land readjustment model is proposed as a solution to the existing peri-urban land development problems. The study also explains why this alternative approach of land acquisition is needed to be introduced for peri-urban areas in Ethiopia instead of the existing conventional method.

¹ Mr. Gebru Tsehayneh, Mr. Ayenew Alemu, Mr. Abe Yeshambel, Mr. Workeneh Demeke (from Bahir Dar City Administration) and Mr. Getahun Alemneh (ANRS Rural Land Administration and Use Bureau)

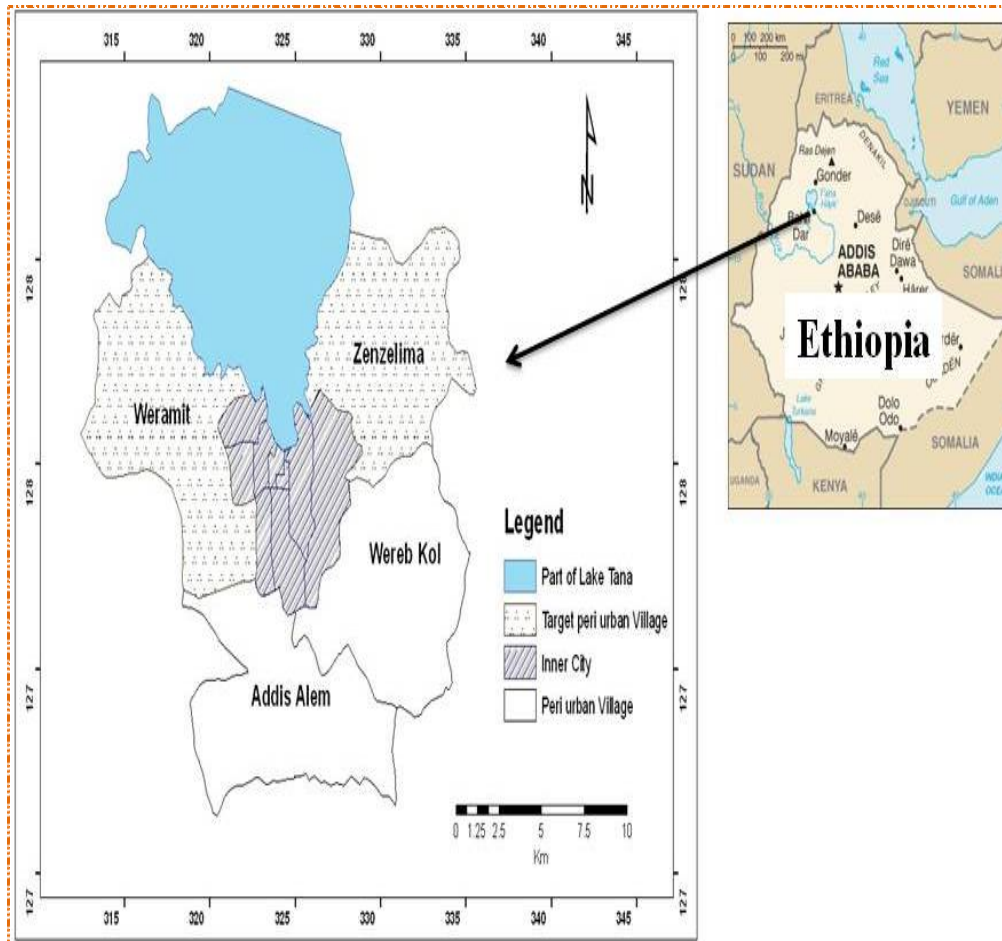


Figure1: Location Map of Bahir Dar City (Author produced)

3. Theoretical Framework: Land Readjustment as Land Development Tool

3.1. The Concept of Land Readjustment

The concept of land readjustment has evolved out of rural land consolidation as an instrument to assist urban growth situations (Home, 2007). Land readjustment is also known as land pooling, replotting, land re-assembly, parcellation, repartition, kukaku seire (in Japan) and Umlegung (Germany). Different authors have expressed the concept of land readjustment in different ways.

Land readjustment is a land development method by which a public authority assembles numerous small parcels of raw land without paying monetary compensation to the owners, services and subdivides the land for urban use, returns part of the building sites to the original owners in proportion to the value of their land contributions, and sells the remaining sites to recover all public costs, and it encourages the participation of all stakeholders in the process of urbanization (Doebele, 1982).

Land readjustment refers to a land development technique which is used for both new developments in the peripheral areas of the city and redevelopments of the structured urban areas (Larsson, 1993).

Land readjustment/pooling can also be defined as a technique for managing the urban development of urban-fringe lands, whereby a group of separate land parcels are assembled for their unified planning, servicing and subdivision as a single estate, with the sale of some of the new building plots to recover the costs and the redistribution of the other plots back to the landowners (Archer, 1988).

All the above definitions about land readjustment commonly refer to the process of land reformation and rearrangement. It involves rearrangement and adjoining of parcels held with fragmented ownership or holdings with the aim to assist urban growth situations. Conceptually, land readjustment is an approach whereby an irregular pattern of agricultural land holdings or unplanned urban land is assembled, re-parceled and rearranged into regular building plots on the participatory basis in a rational and planned way (UN-Habitat, 2003). It is widely applied to expand urban boundaries at the periphery of cities (Lozano-Gracia et al., 2013). It can also be applied in a variety of situations across land tenure systems (Alterman, 2007).

Land readjustment also involves a consensual contribution of land for urban development by land owners themselves (Sorensen, 2007). The contributed land can be used either for public property like open space or for financial resources of land that can be sold to others to collect funds to finance basic facilities as well as other development costs. The size of contribution for public space and cost recovery purposes vary from country to country depending on the national legislation (Hong, 2007). It is obvious that contribution of land for a readjustment project would result in reduction of the size of the original plot. Although the size of the remaining area decreases after contribution, there is a substantial increase in the value of land due to the construction of urban infrastructure after readjustment (Sorensen, 2000).

Land readjustment as a multi-purpose tool can provide a number of benefits in the urban development process: including land assembly for different public purposes, fair and equitable sharing of costs and benefits, land title registration, and timely development of land (Home, 2007; Archer, 1988). The benefits of land readjustment from the point of land owners are the considerable increase in value after the land readjustment process despite a reduction in the size of the land. The conversion of lands into serviced urban plots in regular forms and size, the ease of marketability and the continuation of the ownership after land readjustment are also additional benefits of land readjustment (Turk, 2008). Moreover, applying land readjustment as a land development tool is an easy way of addressing physical, social and financial and/or economic aspects of sustainable development simultaneously (see Figure 2).

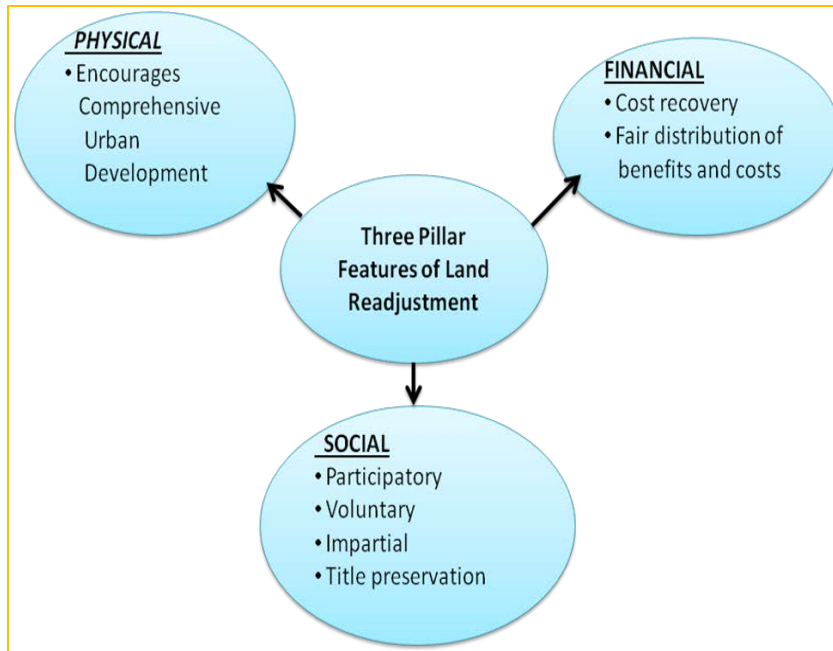


Figure 2: Three pillar features of land readjustment (modified based on Larsson, 1993)

The procedures to accomplish a land readjustment process vary from country to country based on national policy and institutional context (Hong, 2007). Policy makers may also modify the principles to match to the existing institutional contexts. Even though, every country has its own unique ways of structuring, the process of land readjustment generally has the following seven components or stages (Home, 2007):

- i.* Project initiation by municipality or majority of landowners in the project area.
- ii.* Declaration of the boundary limits of the project area under enabling legislation, by public or private agency;
- iii.* Preparation of a redevelopment scheme, determining future uses and re-planning the road and plot layout.
- iv.* Measurement and calculation of plot areas before and after readjustment.
- v.* Estimation of future market value of re-adjusted plots, and costs of infrastructure.
- vi.* Allocation of fully serviced plots back to the landowners, usually located as nearly as possible to the original position;
- vii.* Implementation: The enabling agency funds the infrastructure costs through the sale of reserve or cost-equivalent plots, generally by advertisement and public auction.

3.2. Country experiences on land readjustment

Land readjustment is not a new instrument and concept but has been widely practiced in many countries. Since the early 20th century, many Asian and European countries are applying land readjustment as an alternative land development tool. Some of the most successful countries in implementing land readjustment are Germany and Japan. This section is devoted to review the practices and experiences of land readjustment in these countries. An overview of the South and West African countries experience is also made to highlight the practice in Africa.

3.2.1. Land readjustment practice in Germany

Land readjustment has been used in Germany for a century since 1902. Basically it was adapted from rural land consolidation methods to the urban situation (Doebele, 1982). Today, it is used primarily in peripheral areas for urban expansion and renewal purposes. The legal basis for land readjustment in Germany is the building code of 1986 and it includes paragraphs on planning, building, urban renewal, expropriation and valuation.

The formal initiative to implement land readjustment projects comes from local authorities or municipalities with intensive negotiation with all landowners in the land readjustment project area (Larsson, 1997). If landowners are unwilling to adjust and modify their properties by themselves, municipalities may adjust compulsorily (Davy, 2007). All landowners who fall within the project area must participate in the readjustment since there is no way to exempt oneself from the process. The executor of land readjustment projects is either an appointed committee or the proper cadastral or consolidation authority (Larsson, 1997). Usually, the responsibility for all important decisions in land readjustment projects is mandated to independent land readjustment board appointed by municipalities (Müller-Jökel, 2004). Members of the board consist of five persons: a lawyer, a land evaluator, a land surveyor and two members of the local parliament.

Even though land readjustment projects in Germany seem to be compulsory, the municipal office undertakes an intensive negotiation with all landowners within the project area before the final decision is made by the land readjustment board (Doebele, 1982). The central issues of discussion with landowners focus on the general principles of land readjustment, market value of each plot, claims of every landowner and options of cost and benefit share. Based on the results of discussions and negotiations with all landowners, a draft of a land readjustment plan composed of all property units and owners involved in the project can be designed (Seele, 1982).

The contribution of land for public infrastructure is based on the size of each property unit. Land for public infrastructure such as traffic areas, parking spaces and green spaces can be deducted from each property unit proportionally. Landowners in the aggregate may contribute up to 90 percent of the total costs of providing public facilities. No more than 30 percent of the market value of the land or the land itself can be taken for public use and cost-equivalent land from private landowners. The remaining constitutes the distribution mass or net building land area. The redistribution mass or the net building land has to be redistributed to the original landowners (Müller-Jökel, 2004). Each land owner would have a share in this mass, proportional to the size or value of former plots. There are two different criteria to redistribute the building land to the original landowners: the relative size or the relative value of the former plots. This means that those landowners who owned a greater part of the original project area will receive a greater part of the new (building) plots.

Those landowners who are not satisfied with the decisions of the land readjustment board or the land readjustment plan have the right to object and if necessary, to make a legal appeal. If the situation is very complicated, the landowners and municipality cannot accept the judgment, the final decision will be made by the Federal Court of Justice.

3.2.2. Land readjustment practices in Japan

The concept of land readjustment in Japan is known as Kukaku-Seiri (KS). It was started by the end of the 19th century, partly connected to the renewal of Tokyo (Schnidman, 1988). It was also started as a method for developing residential land in the urban fringes, and evolved into a technique for improving infrastructure in built-up areas. The 1954 Readjustment Act and the 1968 City Planning Act are the legal basis for land readjustment as land development method in Japan (Sorensen, 2007).

The initiators of land readjustment projects include individual landowners, associations, municipalities, administrative agencies (the Ministry of Construction), and public corporations such as Housing and Urban Development Corporation (Miyazawa, 1982). The first two initiators are considered to be private executors, while the latter three are considered to be public executors. Of these initiators, associations have been dominant and cover almost one-half of the land readjustment projects implemented in Japan. Projects initiated by private association must obtain the agreement of two-thirds of the landowners and leaseholders in the project area (Sorensen, 2000). In addition, the amount of land owned by the concerned landowners or lessees must exceed two-thirds of owned or leased land.

Privately implemented land readjustment projects primarily focus on residential land development in the sub-urban areas and city center redevelopment, while the implementation by public or quasi-public bodies is generally related to the improvement of public facilities (Miyazawa, 1982). All land development projects initiated by either private or public bodies require public notice of the development plan and an opportunity for comment by the public before the final review by a designated public authority.

Contribution of land through land readjustment is the dominantly used method of acquiring land for public facilities and cost recovery purposes in Japan (Sorensen, 2000). Most often every landowner is expected to contribute about 30% of the original land for public facilities such as roads, parks and reserves and for cost equivalent purposes. Contribution ratios are higher for undeveloped sites, non subsidized projects, and it is lower for projects in older, developed areas or government assisted projects.

3.2.3. Experience from some African countries

After independence most countries in Africa inherited dualistic land tenure and management systems consisting of customary land tenure administered by traditional leaders and statutory or modern land tenure systems controlled by organs of central governments (Kalabamu, 2000). Contrasting views have been reflected whether modern land tenure and management systems are better than traditional ones or vice versa. Customary land tenure systems were viewed as primitive and retrogressive, while statutory/modern land tenure systems were considered alien, discriminatory, complicated and unfavorable to indigenous populations. Consequently, most post-independence governments were uncomfortable with the existence of the two systems and have amended their land tenure rules on access, ownership, administration and transfer of land rights in various ways and approaches. They sought to undertake a reform either in the form of replacement where by previous land tenure rules were completely replaced with new ones or in the form of adaption by which modifications or changes are being introduced based on both indigenous/traditional and modern/exogenous tenure rules,

rights and management structures. Especially, in peri-urban customary areas where large-scale urbanization is taking place, an adaptation approach which aims to create a system that does not reject the customary rule completely, like land readjustment is suggested as an appropriate form of land reform measure (Fourie, 2004).

Peri-urban areas in Africa are displaying continuous transformation as a result of rapid urbanization and as a result the need for an adapted type of reform based on both customary and modern rules is inevitable. However, there is too little experience of land readjustment as a land development tool in the continent, except those attempts in some South and West African countries. From South African counties, Botswana is one of the few countries that opted for land readjustment as an alternative land instrument for customary peri-urban areas. It is used as an important conflict management instrument between customary and statutory authorities (Ibid). In connection with conflict management strategy, land readjustment is used as a means to develop partnerships between different stakeholders interested on peri-urban land (Kalabamu, 2000).

Some West African countries are also trying to use land readjustment in relation to the development of customary land in the peri-urban areas. The tool used in these West African countries has created positive public-private sector partnerships. Innovative approaches like creation of dedicated agencies, partnerships between central and local government, customary leaders and professionals have been started in countries like Senegal, Cameroon, Ivory Coast and Benin, which realize the implementation of land readjustment (UN-Habitat, 2003). In these countries, partnership-driven settlement upgrading zones have been undertaken, which might have benefited from land readjustment procedures.

Land readjustment projects in West African countries have also made it possible to overcome the traditional tension between the government and the customary authorities residing over peri-urban land (Ibid). Land readjustment has made it possible to open more negotiation between local authorities and customary authorities for land in these areas. The customary owners have been involved in negotiations about the release of customary land for urban development. They are also involved in discussions over the tenure regularization process, including planning and servicing of the area. Plans have been made for the development of primary and access road networks that allow for the subdivision of land into super-blocks, which in turn shall be subdivided into smaller blocks and sites or plots in a detailed structure plan at a later stage.

3.3. Lessons Learnt from the review of country experiences

From the review of the country experiences, several good aspects of land readjustment can be extracted for developing a land readjustment model workable for the peri-urban areas of Ethiopia. The first fundamental aspect of land readjustment is fostering participatory urban land development. A starting point of land readjustment is participation of landowners or holders. The Japanese experience shows that land readjustment is on the basis of voluntary approach, and it is called as voluntary participation in land readjustment. From the experience of German, land readjustment is a mandatory approach in urban development, but still participation of landowners is essential to achieve the success of land readjustment implementation. Participation of the landowners is a valuable asset as a result local governments in both cases play a more active role in persuading and assuring the benefits to the willing landowners

The responsibility to initiate a land readjustment project may come from either a public body or a private entity. The Japanese experience has shown that both parties are equally important to initiate the project to start. In the context of Germany, the initiation of land readjustment projects is rested mainly in the hands of local authorities. Depending on which group has initiated the project, the purpose of land development can appear substantially different. In most cases, the motivation behind a government-initiated land readjustment project is to update land uses or to obtain land for constructing local infrastructure, whereas projects initiated by private landowners are typically targeted to seek for profit (Hong, 2007).

Another feature of privately initiated projects is that it requires the consent of the supermajority of landowners in the project area. The Japanese experience has shown that an association could be formed after two-thirds of the landowners have agreed to readjust their properties (Sorensen, 2000). The association attempts to build consensus and partnership as the project moves forward. For publicly-initiated projects practiced in Germany, the agreement of the affected landowners is not a mandatory requirement, although the project program is open to an intensive negotiation and discussion with landowners. When an individual's interest in land against that of the community at large, consensus building through persuasion and negotiation should first be made to resolve the disagreement (Sorensen, 2007). Therefore, exhaustive negotiation and consultation with all affected parties are the way to maintain balance in protecting both public and private property rights (Hong, 2007).

Fair distribution of development benefits and costs between landowners and municipalities is another most noticeable aspect of land readjustment (Hong, 2007). After all property units are structured and readjusted, updated, local infrastructure is provided and the market value of all newly subdivided lots is assessed, the new structured plots will be redistributed back to the original owners (see Figure 3). The redistribution can be based on either relative size or relative value of the former plots. That means those landowners who owned a greater part before readjustment receives a greater part after readjustment either in size or value. For example, if plot size is chosen as criteria for redistribution, each owner receives a new plot proportional to the original size.

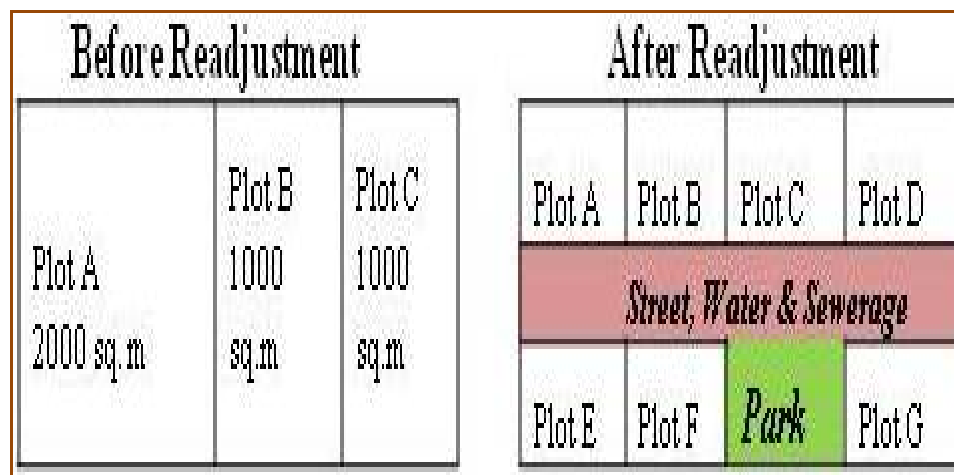


Figure 3: Property Structure before and after readjustment (author produced)

A simple illustration on how to redistribute development benefits to the landowners who participated in the land readjustment project is provided in Box 1. After assessment of market value of the readjusted properties is completed, every landowner who participated in the land readjustment project will receive a value or development benefits proportional to the old property.

Box 1: Redistribution of benefits based on area

Suppose in Figure 3 above, value after readjustment = 100,000 euro/plot then total value of plots after readjustment will be 700,000 euro.

- Total infrastructure and procedure costs = 120,000 euro
- The cost for infrastructure and procedure shall be covered by selling 1 plot plus 20,000 euro;
- The redistribution mass shall be 580,000 euro.
- Land owner 'A' shall receive half of the redistribution mass which is 290,000 euro. Because 'A's part before readjustment was half of the whole (4000 sq.m.). Landowners 'B' & 'C' shall receive one-fourth of the total redistribution mass for each. Thus,
 - Land owner 'A' shall receive 2 plots + 90,000 euro cash;
 - Land owner 'B' shall receive 1 plot + 45,000 euro cash; and
 - Land owner 'C' shall receive 1 plot + 45,000 euro cash.

Land readjustment is the cheaper option to provide land for urban development (UN-Habitat, 2006). Voluntary contribution of land for sale and public facilities by landowners themselves through land readjustment makes it less expensive than cash compensation based on expropriation. After land is pooled, readjusted, and serviced, the residents will be invited back to the neighborhood to rebuild their homes or receive an apartment unit with legal title. This is a win-win approach because it allows former landowners or landholders to improve their living conditions and tenure security, and it enables the city to obtain much land for urban expansion voluntarily (Hong and Brain, 2012).

Moreover, land readjustment operates within a decision-making framework that is more speedy, fair and efficient in its outputs and processes than the conventional compulsory purchase or expropriation process (Connellan, 2002). It encourages governments to pay special attention to the needs of the poor from the outset and minimizes forced expropriations, evictions and displacements (UN-Habitat, 2012; Hong and Brain, 2012). The process entails grassroots level mobilization by giving the urban poor real bargaining power to approve land readjustment proposals. It is also an important means to ensure good governance in urban land administration by incorporating pro-poor, participatory and inclusive decision-making packages into the land development process. Thus, it is less opposed and less disruptive to the existing local community (see Table 1).

Table 1: Advantages of land readjustment as compared to expropriation

Expropriation	Land Readjustment
Reliance on coercion	Reliance on community participation and empowerment
Cash-based transaction that imposes a heavy fiscal burden on local governments	Equity-based transaction that reduces upfront capital requirements for land acquisition
Relocation of the urban poor to remote areas with limited access to jobs and public services	Relocation provided within the same neighborhood with improved tenure security and housing conditions for the urban poor
Redefinition of existing occupants, often through gentrification of the redevelopment area	Preservation of the existing community
Exclusive rights against the existing community	Inclusive obligations to the existing community

Source: (Hong and Brain, 2012)

4. Peri-Urban Land Development and Administration in Ethiopia: Empirical issues and debates

The property system in Ethiopia is strictly bifurcated into rural and urban landholding systems under the umbrella of exclusive state ownership of all land (FDRE, 1995). Land located in the rural territory is governed by the rural land holding system and rural landholders are provided to exercise use/possession right only without the right to transfer through sale or without the right to convert it into non-agricultural use by themselves (FDRE, 2005b). While the urban land in the urban jurisdiction is governed by a leasehold system by which allocation of urban land is carried out through auction and government allotment based on surface-based annual rent for a specified lease period and allows development rights according to a land use plan (FDRE, 2011). The authorities responsible to govern land are also divided into municipal authorities and rural land administration authorities for urban and rural land respectively.

The separation of land governance institutions and land tenure systems into urban and rural has created confusion in the land tenure and governance system in the transitional peri-urban areas where the land is highly demanded for urbanization and being converted into urban built up property rapidly. The authority and the land tenure system in the transitional peri-urban areas lacks clarity and the two land tenure systems may co-exist. Sometimes this transitional area may also fall under neither rural nor urban jurisdictions.

Moreover, the transitional peri-urban areas in Ethiopia are those places where expropriation measures are being largely implemented as a response to the growing demands of land and housing imposed by rapid urbanization. State controlled expropriation decision is the single way of trading between the strictly dichotomized rural

and urban tenure systems. As urban territory extends into the adjacent peri-urban areas, the landholding right of local peri-urban landholders is expected to be terminated through expropriation measure and transferred to the people who can afford to pay for land lease.

The mechanism to convert peri-urban/rural land rights held by local peri-urban farmers into urban rights in the process of urbanization is non-existent. The use right of the local peri-urban landholders which is supposed to be exercised for a lifetime can be canceled at any time if the land is demanded for urban development through expropriation. As urban boundary approaches to the peri-urban territory, local landholders at this territory are assumed to be subjects of expropriation. Thus, the sense of insecurity on their land is so prevalent in the transitional peri-urban areas where the land is highly demanded for urban purposes. The response from the questionnaire survey shows that about 94% of the local peri-urban landholders in one way or the other feel insecure for their land right (see Figure 4). They expect that their land would be taken by city administration at any time when the land is needed for urban expansion programs.

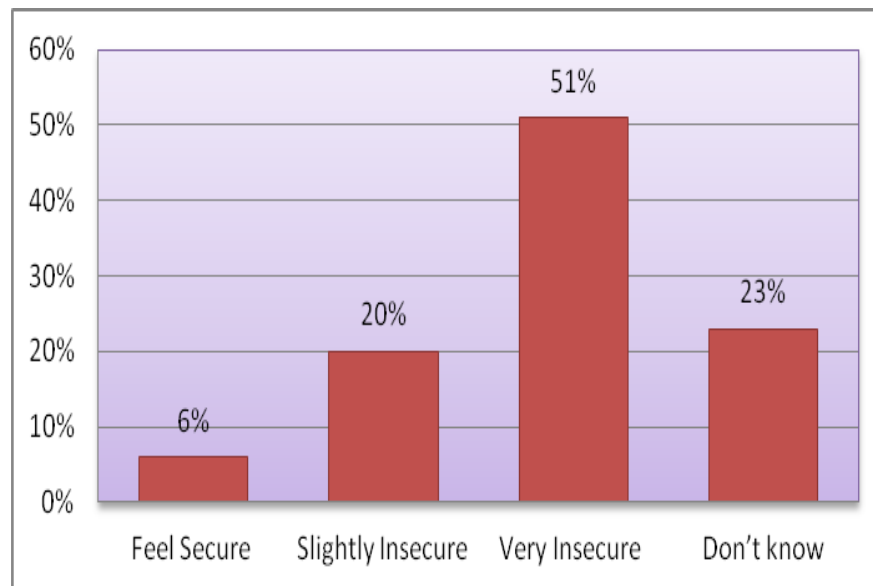


Figure 4: Peri-urban landholders land tenure security level (n=70), (Questionnaire, survey)

Unjustifiable disregard of land value in the amount of compensations paid to those people expropriated from their land is another problem in the process of expropriation for urban development in Ethiopia (Anteneh, 2007). Due to the assumption that all land belongs to the state (FDRE, 1995), local peri-urban landholders can be provided compensation only for improvements on land, i.e. buildings and structures on the land (FDRE, 2005a), without taking into consideration the land values. The practice also shows that there is a considerable variation on the rate and amount of compensation paid to the expropriated landholders (Alemu, 2013). For example, if the land is taken for a federal purpose, landholders would be compensated at a rate determined by the federal government; if the land is taken by regional or local authorities, the rate would be determined by regional or local authorities. The allocation of budget for local level authorities for compensation and other purposes is smaller than that of the federal

government. It appears that land losers are better compensated when their land is needed for federal development projects rather than regional or township-scale projects.

Another pressing challenge in peri-urban areas is the proliferation of informal settlement areas. The expectation of peri-urban local landholders that their land shall be taken by urban administration compulsorily on the one hand, and on the other, the inefficiency to provide affordable houses to the low-income people in the inner-city, have created an increasing pressure upon the peri-urban land to be sold in the informal market (Adam, 2014b). Even though land sale is prohibited constitutionally (FDRE, 1995), peri-urban landholders (farmers) are largely involved in subdividing and selling of their land illegally to urban speculators and urban poor (Adam, 2014b). Local peri-urban landholders by weighing the amount of compensations that they will be paid upon expropriation of their land and the sales price they are receiving by their own prefer to sell their land in the informal market.

The reflections form FGD also shows that the separation of land governance into urban and rural institutions is another favorable ground for the widespread practice of informal transaction of land in the transitional peri-urban areas. Sometimes a power vacuum peri-urban zone might be created when the urban administration adopts a revised master plan that includes the periphery into the urban center without expropriating and putting the land into its land bank. Then, this newly created zone falls under no one's jurisdiction. For this reason, local farmers try to transform their agricultural land to residential plots by subdividing and then selling the plots without any interference from government bodies. Such illegal subdivision and transfer of agricultural plots have created unplanned and haphazard developments without public facilities and infrastructures (Ibid).

Furthermore, urban growth and land development in peri-urban areas are not built on socially and economically acceptable participatory approaches. The inability to make a direct involvement and negotiation with the affected landholders with a sense that land is the exclusive property of the state and can never be definitely negotiated by anyone has created uncertainty on peri-urban landholders located next to the municipal boundaries (Adam, 2011). That means the land acquisition (expropriation) decision made by municipal authorities is a top-down one without persuading the local peri-urban landholders. The practice shows that reaching consensus and agreement with the affected local landholders before the final decision of land acquisition is most often non-existent. That is why government's expropriation decisions are highly resisted and objected by the local landholders in the peri-urban areas. For instance, about 84% of sample local landholders from peri-urban areas of Bahir Dar have shown their reaction against the top-down decision of expropriation (see Table 2). Therefore, it is crystal clear that the largest proportions of local peri-urban landholders were upset by the conventional cash based compulsory land acquisition approach of urbanization.

Table 2: Landholders' reaction for expropriation decision (n=70)

<i>Reaction of peri-urban landholders</i>	<i>Percentage</i>
Fully agreed	0
Partly agreed	16
First objected but later convinced	7
Objected but forced to leave	77
Total	100

Source: Questionnaire survey

Sample peri-urban landholders were also asked to reflect their preference in the type of compensation they would opt for when their land is needed for urban development. The majority of the landholders in the peri-urban areas would like to have either land-to-land compensation from other areas or keeping reasonable portion of land within the urban boundary. The questionnaire survey result shows that about 91% of sample respondents do not want to have cash compensation (see Table 3). This indicates that they would like to preserve their land rights rather than just only receiving cash compensation which later on implants them from the locality. In addition, they want to transfer their land to their sons and daughters as they have received it from their parents.

Table 3: Compensation preference of peri-urban landholders (n=70)

<i>Preference in the type of compensation</i>	<i>Percentage</i>
Cash compensation	9
Replacement land from other areas	28
Preserving reasonable portion of land	63
Total	100

Source: Questionnaire survey

The overall result obtained from the questionnaire survey as well as the reflection from the panel of experts in the FGD shows that the current urban development process in Ethiopia seems to be ignoring the land rights and livelihoods of the local peri-urban communities and skewed to the urban people. The discussants have also reflected that an appropriate land development method which can encourage participation of all stakeholders needs to be introduced in the urban planning and development process of Ethiopia.

In general, the process and practice of land acquisition from peri-urban areas for urban growth in Ethiopia seem not compatible with international standards and experiences. Urban land development practices which rely on compulsory acquisition or expropriation is criticized for being onerous and coercive (Hong and Brain, 2012). Coercive measures imposed by public authority are not acceptable by the contemporary liberal society. Since coercion is a dirty and intolerable action and its dirtiness can only be cleansed by persuasion and participation of stakeholders (Hardin, 1968). Moreover, acceptable international practices maintain fair distribution of development benefits by converting former land owners/holders into urban land rights (World-Bank, 2012). Even from the government's point of view, relying only on expropriation as a land development tool requires a readily available budget for compensation (Hong and Brain, 2012; Sorensen, 2000). Building upon the existing limitations of urban land development

system, this study argues that it is high time for Ethiopia to think outside the box and revisit alternative participatory and inclusive land development approaches like land readjustment. It is also crucial to look into experiences from other countries that may be appropriate to the peri-urban realities of Ethiopia.

5. Towards introducing land readjustment for peri-urban areas of Ethiopia

The theoretical framework described in the previous section has provided an overview on the concept and purpose of land readjustment. It also became clear that land readjustment has been a widely used approach in many countries for more than a century as a means to provide land for urban expansion. In spite of the global experiences, the urban land development strategy in Ethiopia is solely dependent on expropriation or compulsory acquisition of land from the adjacent peri-urban areas by municipal authorities.

Considering the difficulties and limitations with the existing urban development process, the need for introducing and suggesting a land readjustment model that fits with the context of peri-urban areas of Ethiopia is so strong. On the basis of the lessons drawn from the review of country experiences and theoretical reviews, an adapted and modified land readjustment model applicable to the peri-urban contexts of Ethiopia is proposed. The proposed land readjustment model is composed of seven key components and stages (See Figure 5).

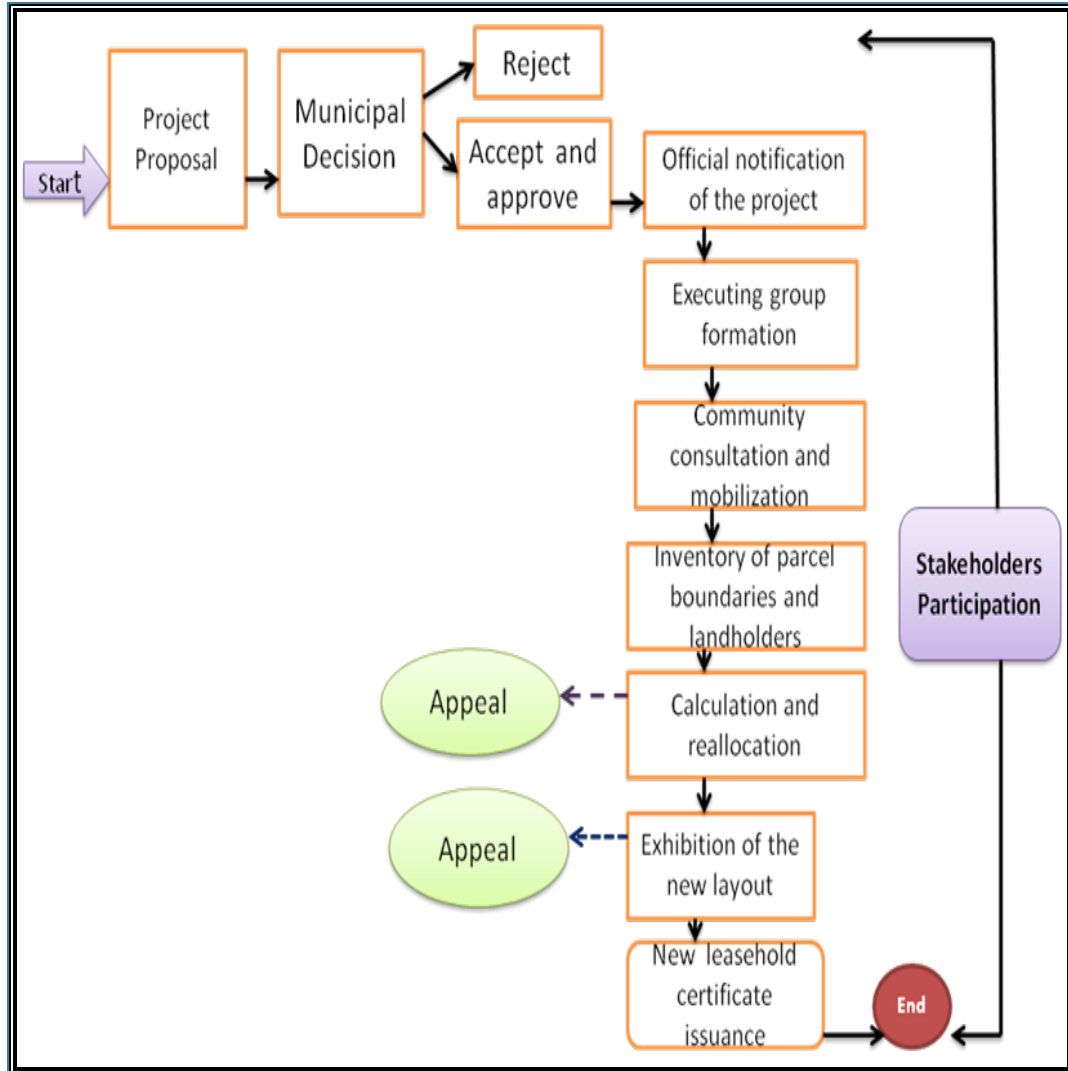


Figure 5: Conceptual land readjustment model for peri-urban areas of Ethiopia (author produced)

Seven stages of the proposed land readjustment model

Stage 1: Decision and notification by municipal authorities

When there is a real land demand for urban development purposes from a particular peri-urban area, the municipal authority needs to pass a decision to start and implement a land readjustment project. Since all land in Ethiopia belongs to the state, the municipal authority, which is the state representative at the local level, should have to take the initiative to start a land readjustment project. The land administration branch in the municipality that is responsible for land acquisition and delivery tasks shall design and propose a land readjustment project to the municipal authority/city council. Then the city council discusses on this alternative approach and makes a decision about the project. If the project is approved by the council, all peri-urban landholders in the project area need to be informed with an official notification letter signed by the head/mayor of the municipality. Moreover, the notification letter needs to explain about the purpose of land

readjustment, and the benefits obtained from being involved in the project. The notification letter should also request all peri-urban landholders included in the land readjustment project area to collaborate and contribute part of their land willingly for the ongoing urbanization.

Stage 2: Formation of executing group

Another important component in the process of land readjustment is establishing an executing and management group with the objective to manage and implement the land readjustment process in the peri-urban areas. The management team should have to include; two representatives from the local peri-urban community; two land administration experts from the rural land administration authority; and four land administration experts (planner, surveyor, lawyer and valuation experts) from the city administration.

Stage 3: Community consultation and mobilization

Community mobilization and participation of peri-urban landholders in the process of urbanization help to maintain power balance between city administration or municipal authority and the local peri-urban landholders. This phase is aimed to create public awareness about the consequences of urbanization on the livelihoods of the local peri-urban people. It is also aimed to foster partnership between local peri-urban landholders and municipalities. The municipal authority should have to be fully responsible and committed for community mobilization when the land in the peri-urban areas is needed for urban expansion and development purposes. Therefore, undertaking an intensive discussion and negotiation with local landholders about the ongoing urban development and the benefits obtained from it should be the core component of the land readjustment process in the Ethiopian context.

After the area is declared for land readjustment project to be implemented, the management team established earlier should make dozens of meetings and consultations with all landholders in the area as part of community mobilization. The discussions in the meetings should intend to create awareness on the objectives of the project, how the project would be implemented and the gains obtained by each participant step by step. It is believed that undertaking continuous consultations and meetings will reduce resistance from the local peri-urban landholders and help to convince them to contribute land willingly. It will also help to develop a sense of ownership for the ongoing urban development.

Stage 4: Inventory and registration of parcel boundaries and landholders

After a consensus has reached with all landholders about the implementation of land readjustment through consecutive meetings and consultations, inventory and registration of all parcels and landholders shall be undertaken at this stage. In this case, all parcels included in the project have to be identified, registered and mapped. In the process of registration basic property information such as parcel ID, name of landholder, location and addresses, and other interests should have to be precisely identified and registered. Moreover, the areal coverage of every parcel should have to be measured and registered.

It is usually said that an efficient land registration system has to be in place before land readjustment is done. However, instead, such a system could be established as a first step to land readjustment and in parallel with it. Thus, land readjustment can also help to clarify land rights and improve the documentation held in the registry. Therefore, registration of all the existing peri-urban landholders and their parcel boundaries has to be an important component in the process of land readjustment.

Stage 5: Land reallocation and calculation

After a draft of new layout is created, some of the newly created small parcels shall be redistributed to the landholders included in the land readjustment area. At this stage, serviced parcels are expected to be reallocated to the landholders. In the process of redistribution, each landholder would receive plots in the newly urbanized area in accordance with the size of the land contributed for urban development. The size of serviced urban plots reallocated to the original local peri-urban landholders would obviously be less than that of the size of the parcels before readjustment. However, landholders participated in the process of land readjustment shall receive an area of at least equal value after the basic urban infrastructure has been provided. Since the value of an urban plot is considerably higher than that of the agricultural plot, the local peri-urban landholders shall receive urban plots of surface which is equivalent to 30 percent of the former rural agricultural plot size.

The procedure to determine the amount of redistribution follows three steps: first, putting together all parcels to form a whole; second, deduction of public space areas such as hospitals, schools, roads and cost recovery and municipal revenue generation purposes from the whole; and third, deciding the amount redistribution mass to the original landholders. Then, the key to calculate and redistribute shall be done as follows:

- 30% of the land shall be reserved for public space such as hospitals, schools, roads, etc.;
- 40% for lease/sale with the objective to cover basic infrastructure, administrative costs and for municipal revenue generation purposes; and
- 30% for redistribution/reallocation to original landholders.

Stage 6: Exhibition of the new layout and appeal system

A new layout showing the location and size of new shares, land reserved for public space and, cost recovery purposes and municipal revenue purposes should have to be displayed to the public for 30 days for comment. Those landholders who are not satisfied with the process of land reallocation have to be treated by the appeal system. Landholders can object to the new layout and other procedures by writing their objections. In this case, a special unit with a responsibility to hear complaints about the implementation of land readjustment has to be institutionalized.

The appeal hearing organ should professionally and administratively be structured to handle the dissatisfactions about land reallocation and other issues in a fair manner and in a relatively speedy and efficient way. The appeal hearing organ should be able to appoint arbitrating professionals so as to enable to reach a clear-cut and fair decision. Thus, introducing an appeal system and creating a neutral body to settle dissatisfactions in the process of land readjustment is expected to open up the possibility to improve justice and increase transparency in the land administration system in the country.

Stage 7: Issuance of new a leasehold certificate

After reallocation of new parcels to the landholders who participated in the land readjustment project and all appeal cases are solved, a final land holding certificate is expected to be issued to the original landholders. After all possible corrections are made, new cadastral maps are drawn and new lots are registered by the land administration unit in the municipality, a certificate of leasehold shall be issued. Since all land included in the municipal boundary is expected to be governed by lease system, new leasehold certificates need to be prepared and issued to the original landholders by the municipal authority at this final stage. With regards to lease price, the minimum lease price of the area determined by the municipality is expected to be paid.

6. How important is land readjustment for peri-urban areas of Ethiopia?

Given the limitations of the conventional expropriation method applied largely in the peri-urban areas as an urban development and growth strategy, land readjustment as an alternative tool is not well known in the Ethiopian land development system. Thus, this section is devoted to explain and justify the significance of introducing land readjustment as land development tool to the changing peri-urban areas of Ethiopia.

a) It is Participatory and negotiable

Land readjustment is implemented through a structure where landholders contribute their property for urban development voluntarily (Sorensen, 2007; 2000). The tool encourages participatory and consensual urbanization through continuous negotiations between local landholders and municipalities rather than simply implementing compulsory acquisition of land in the newly designed urban territory. Negotiation helps to bring municipal authority officials and peri-urban landholders in person. Negotiation and persuasion help to release land for urban development purposes without a sense of displacement is created within the local community. Moreover, the process of negotiation helps to balance power relations between municipal authority and local landholders' interest.

Negotiations on how to release land for urban expansion is an important component of land readjustment. Negotiation is also the way to create awareness about the ongoing urban development and urbanization. One of the risks of taking land compulsorily and paying cash compensation to the losers (local peri-urban landholders) is that it is easy for them to lose their money through reckless spending or inappropriate investments (Adam, 2014b). Because the conventional approach of land acquisition will not create a chance to know about the ongoing transformation ahead of time for local peri-urban landholders. Thus, consistent and realistic community participation and consultation in the process of land readjustment develop a sense of ownership for the ongoing urban development, and side by side it provides an orientation about the urban type of livelihood to the local peri-urban people.

b. It protects land rights of the local peri-urban community

Land readjustment is found to be useful in protecting the land rights of the local people in the peri-urban areas. Peri-urban farmers engaged mainly in agriculture could

contribute part of their land for urban development consensually, and they would also be given part of their land. That means, local landholders in the area designed for urban development would have the chance to receive serviced urban land. A critically important element here is that landholders whose land is included in the urban territory and whose livelihood is dependent on it can retain part of their land after readjustment, even if in a different form. Thus, land readjustment can serve as a means to convert peri-urban landholders' land right to urban land right which in turn promotes a sense of tenure security on local peri-urban landholders. It is also a fair solution to minimize loss of livelihood security and community disruption. Therefore, the possibility to apply land readjustment as a land development tool in Ethiopia implies that the land rights of local peri-urban landholders in the peri-urban areas can better be understood and recognized.

c. It is a means to minimize illegal land transaction

One of the pressing challenges in the peri-urban areas of Ethiopia is the practice of illegal/informal subdivision and selling of agricultural lands. The principal actors in the process of informal market in the peri-urban areas are local landholders/farmers themselves. Peri-urban landholders (farmers) whose legal right is only to use land for agricultural purpose are being involved either in the construction of substandard informal houses or selling of subdivided plots. There are a number of reasons that encourage peri-urban landholders to subdivide their farm land for sale. First, the rapidly growing demand of land imposed by urbanization is exerting pressure on peri-urban land. Second, peri-urban landholders are aware of the pressure and the demand for their land. They are also aware that the government/city administration will sooner or later expropriate their land and allocate it to those people who can pay for better lease price. They are further aware, from previous experiences, that they will be either relocated to far-off places or given minimal compensation. Thus, for peri-urban landholders, the rational thing to do is selling now in the informal market rather than waiting for relocation and/or small compensation.

Therefore, the introduction of land readjustment as a peri-urban land development tool can potentially minimize the involvement of local peri-urban landholders' in the informal transaction of land. The implementation of land readjustment would have the potential to create confidence on local landholders /farmers that they can have a plot of urban land when their land is included into urban territory. In addition, adapting land readjustment as peri-urban land development can create a chance to share development benefits or the increased value of the land after its conversion from farming fields to urban building plots rather than receiving simple compensation money (cash compensation) calculated to the current agricultural value. With this knowledge in mind, the landholders in the peri-urban areas, certainly, would not prefer to sell their agricultural land informally. Therefore, land readjustment can be the most promising land development instrument in the peri-urban areas as a means to reduce informal land subdivision and transaction of land in the area.

d. It generates more desirable urban development

The landholders/farmers in the peri-urban areas are encouraged to contribute part of their land for urban development voluntarily without a sense of displacement is being created. In return, everyone gets a new parcel proportionate in size or value to what they

put in. The size of the land returned would be obviously smaller than the one they had contributed, but its worth is greater because of the improvements and infrastructure that have been put on it. In this manner, land readjustment generates more desirable and efficient development, increases land values, and minimizes displacement of people.

Usually, compulsory purchase or expropriation and voluntary exchange through property market have consistently failed to solve problems to the benefit of the poor, women and disadvantaged (UN-Habitat, 2012). Thus, as an alternative to the conventional methods of land acquisition, provision of comparable urban land right for housing or other purpose through a land readjustment process helps to minimize community disruption and displacement. For example, if peri-urban parcels are pooled or consolidated voluntarily, the area can be redeveloped. That means roads can be widened, infrastructure upgraded and higher-quality (but still affordable) multi-storey housing built. Moreover, if land readjustment can be applied, the same people (local residents) shall be allocated rights to the re-parceled land, so they can continue to live in the same area afterwards. Thus, implementing land readjustment in the peri-urban areas can help to achieve desirable and sustainable urban development with a minimal need to evict people from their neighborhoods.

7. Conclusion and Recommendation

Urban areas in Ethiopia are expanding, and over spilling into the peri-urban areas located in between urban and rural jurisdictions. The national urban growth strategy is mainly built on expropriation of peri-urban land and then reallocation of the expropriated land to the urban oriented people who can afford to pay for land lease. As a result, the mechanism to convert the local peri-urban communities into urban land rights is non-existent in the process of urbanization. Moreover, the urban land development process in the peri-urban areas involves heavily top-down approach, which gives little room for genuine peri-urban community participation and involvement. Consequently, urban expansion programs in the peri-urban areas have often precipitated a wave of dispossession and displacement of local peri-urban landholders.

The shortcomings of the existing urban development process and the reviews of country experiences on the application of land readjustment have shown the need to introduce land readjustment as an alternative land development tool for peri-urban areas of Ethiopia. Hence, land readjustment is one of the most promising urban land development tools that can operate across land tenure systems within a variety of situations (Hong and Brain, 2012; Alterman, 2007). It has also the great ability for solving problems related to land right in the peri-urban areas when new and redesigned urban settlements are needed (Fourie, 2004). Therefore, an adapted and contextualized land readjustment model that composed of seven stages is developed and proposed for peri-urban areas of Ethiopia. The rationale for introducing land readjustment as an alternative land development tool to the rapidly transforming peri-urban areas of Ethiopia is also elaborated in this study.

In this study it has been found out that land readjustment is potentially the key way to convert peri-urban landholders into urban land rights without dispossession and displacement. Upon the completion of land readjustment project, part of the readjusted land proportionate in size or value to the original one shall be returned to the local landholders. Even though the size of the new parcel is smaller than that of the original

one, the value of the new parcel is greater due to improvements and infrastructure created by the project. In this way, land readjustment generates desirable urban development patterns, increases land values, allocates these increments to the involved parties fairly and limits displacement. In other words, land readjustment is a means to achieve fair distribution of land development benefits and costs between the municipality and the local peri-urban community.

This study has explored that introducing land readjustment as a peri-urban development tool builds up a participatory and voluntary partnership between the municipality and local peri-urban landholders. Partnership arrangements through land readjustment, in which the peri-urban landholders can have a stake and say is welcomed, indicating that implementation of this tool would be well accepted by the local community. Fostering partnering relationships between different actors who have a stake on land is the basic feature of land readjustment (Hong and Brain, 2012). It helps to organize all landowners to act collectively in cooperation with a municipality or local government. Therefore, introducing land readjustment to the peri-urban areas not only can reduce the local landholders' resistance to urban development, but can also minimize the involvement of the local peri-urban people in the informal transaction and subdivision of land. Making an intensive negotiation and consultation through consecutive meetings with all stakeholders helps to persuade and reach in consensus about the ongoing urban development with the community. Finally, creating a chance for consecutive meetings, negotiations and consultation through land readjustment helps to maintain the power balance between the municipalities and local peri-urban landholders.

Finally, the reviews of country experiences reveal that the implementation process of land readjustment is country specific. This indicates that conditions for effective introduction of the tool in the context of Ethiopia require further detailed research and assessment. This study is an initial research, and it is intended to invite researchers and urban development policy makers for further discussion on the implementation and application of the tool.

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