

# Urbanization and the Struggle for Land in the Peri-Urban Areas of Ethiopia

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## Abstract

Like most sub-Saharan countries urban population growth and market development in Ethiopia have created mounting competition for peri-urban land located adjacent to towns and cities by people of diverse backgrounds. As a result of these pressures and rapid socio-economic change, space in the peri-urban area is becoming scarce and conflicts over land rights are also becoming very noticeable. Thus, this research is attempted to identify the challenges imposed on peri-urban land rights as a result of the growing demand of land for urbanization. A mixture of desk review and case study research approaches were employed. The findings have shown that urban boundary expansion into the peri-urban areas has been generating a widespread sense of fear to loss land by local communities. On the contrary, the urbanities or the new recipients of land from peri-urban areas are being provided better and thicker bundles of land rights than the indigenous local peri-urban landholders in the process of urbanization. Therefore, attention will need to be focused, as a matter of urgency on the state of land governance system in the transitional peri-urban areas of Ethiopia. There are two aspects of land governance problems which need to be revisited: namely the state of land acquisition and delivery for urbanization and the efficiency of the laws, structures and institutions for land governance in the transitional peri-urban areas. Both aspects are in dire need of reform in Ethiopia so as to promote sustainable and equitable urban development among all groups of the society.

**Keywords:** Ethiopia, landholder, leaseholder, peri-urban, property rights, urbanization

## 1. Introduction

Peri-urban areas, where there is a rising demand of land for non-agricultural or urban land uses and located at the receiving end of urbanization, form tenure hotspots. It is increasingly evident that peri-urban areas are now becoming places where a lot of changes and activities are taking place 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. The population projection shows that by 2030, about 50% of the population of Africa will inhabit urban centers (UN-Habitat, 2010). The unprecedented growth of urban population in Africa 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 the existing built-up area (UN-Habitat, 2010, Toulmin, 2008).

In Ethiopia, as in several other African countries, urbanization is occurring at a more rapid rate and the competition for land between agriculture and non-agriculture is becoming intense in the peri-urban areas. The growing demand of land for urbanization is primarily intended to be supplied by expropriation and reallocation of peri-urban land through lease contract. 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 the peri-urban areas adjacent to the municipal boundaries, the existing land tenure relation is expected to cease compulsorily (Adam, 2014a). Therefore, land issues in the peri-urban areas of Ethiopia in the process of urbanization involve at least three parties: 1) land provider or the government; 2) land acquirer which is generally a private or joint company and 3) land losers who are local peri-urban landholders or small farmers (Adam, 2014b). Thus, local peri-urban landholders or indigenous small farmers are largely vulnerable to loss their land where their livelihood is based upon in the process of urbanization.

It is clear to understand that the demographic and spatial changes in the urban areas have been shaking the stability of land tenure system in the peri-urban areas. Even though almost all new urban based developments and changes are concentrated in the peri-urban areas, little has been investigated about the impacts of urbanization on land rights of the local peri-urban communities whose livelihood is primarily based on farming. The critical question here is what happens to the 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 residence to large number of urbanities both formally and informally? Therefore, this research is intended to investigate the challenges imposed on peri-urban land rights and land tenure relations as a result of the growing demand for land for urbanization. This research also aimed to explore and recommend an inclusive and equitable urban land development tool that can meet the needs of local peri-urban communities.

## 2. Country context on land issues: from property rights perspective

The issue of land rights in Ethiopia has been a vital and sensitive topic throughout the country's history. From property rights regime perspective, the history of Ethiopia is divided into three regimes (Adal, 2002). The three regimes are: the pre-1974 imperial regime; the *Derg* regime from 1974 to 1991; and the current land tenure regime since 1991.

The pre-1974 land right system was characterized by feudalistic man to land relationship with major inequities based on social class. Land during the imperial regime was in the hands of few individuals or groups of individuals like the nobility, government bureaucracy, military and church. The largest proportions of the population were landless tenants 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. 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 organized Marxist structures of collective farming and production. The new *Derg* regime in its new land reform measure has also announced and executed subsequent land redistribution program that has opened an avenue for landless tenants to have access to land (Crewett et al., 2008).

The current government that came into power in 1991 has eliminated the Marxist aspects of land use and, 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). 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 of land.

Under the umbrella of state ownership of land, different ways of assigning land rights to the people are used for rural and urban land. That means the property system in Ethiopia is bifurcated into rural holding/usufruct and urban leasehold system. The rural land can be granted to the people with holding right free of charge without time limit. Any resident of rural areas of the country who want to engage in farming activity for his/her livelihood can receive holding rights to plots of land from rural areas for life time (FDRE, 1995). Those who receive land for agricultural purpose from rural areas have the authority to use and harvest on it, to rent it, to donate it, to bequeath and sharecropping except sell and mortgage while allocation of urban land rights is carried out by leasehold system (FDRE, 2011). The urban leaseholder can exercise the right to develop on it, the right to bequeath, the right to donate, the right to use or develop on it, the right to use as a security for loan and the right to sell improvements on it for the duration specified in the lease contract..

Regional states have given the power to assign land rights to the people, in accordance with the federal land laws. According to the 1995 federal constitution, Ethiopia is a federal state composed of nine autonomous regional states and two city administration councils (Figure 1). Article 52(2) of the constitution of Federal Democratic Republic of Ethiopia empowers the regional states to administer land and natural resources within their boundaries in accordance with the federal law (FDRE, 1995, FDRE, 2005). The regional states are also provided a power to issue their own regional land legislations within the framework of the federal legislations. Most of the regional states have made use of the powers vested in them and formulated their regional land tenure policies in accordance with federal land legislations. All regional land policies validate state ownership of land and the land holding arrangement is also divided into rural and urban. The rights exercised by both rural and urban landholders are analyzed using property rights analytical framework in details in the following sub-sections. The purpose of analyzing the rural and urban land holding arrangement is mainly to picture out the pattern of land right re-assignment and transfer from peri-urban areas for urban purposes.

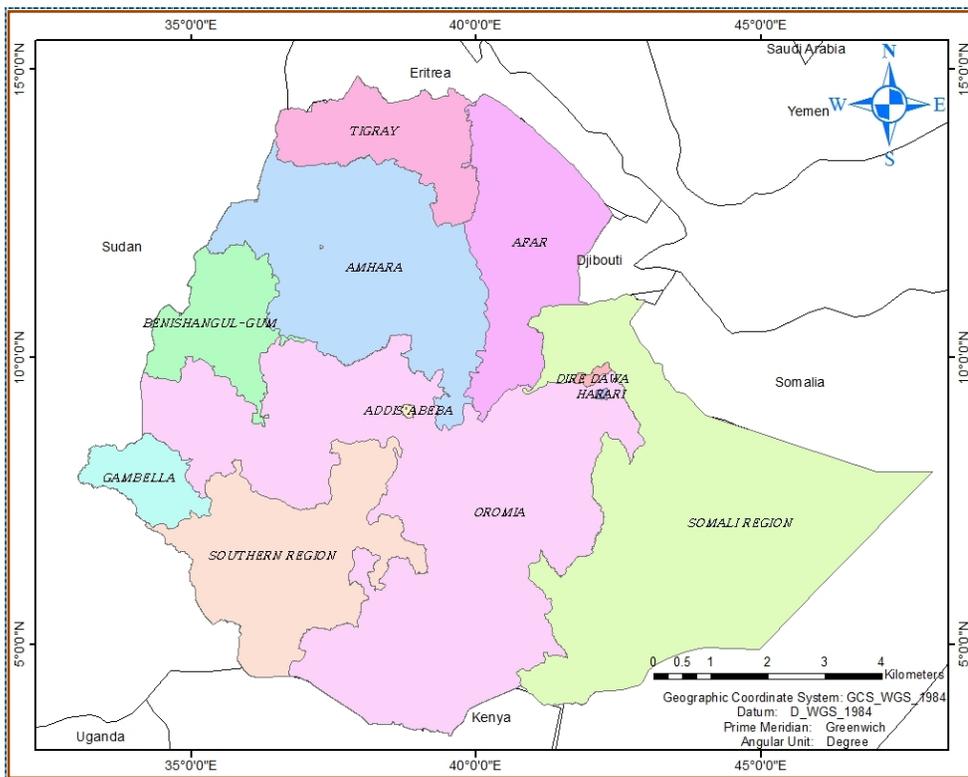


Figure 1: Location Map of Regional States of Ethiopia

### **3. Theoretical perspectives**

#### **3.1. The Socio-spatial concept of peri-urban zone**

The term '*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. *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 result, it is difficult to establish clear and more or less permanent institutional arrangements that strictly deals with the peri-urban land (Narain and Nischal, 2007). Consequently, peri-urban dwellers are confronted with both urban and rural laws and institutions which have been breeding a situation of legal pluralism and conflicts. For instance, in many African countries, statutory and customary laws co-exist in the transitional peri-urban areas whereby both formal and informal land market transactions are equally important (Tacoli, 2002).

Peri-urban areas are of capital importance in modern societies because it is there that most of the transformations resulting from the dynamics of society are concentrated. Much of the current urban growth is taking place in the peri-urban areas and as a result the competition for land between agriculture and non-agriculture (urban housing) is intense there. Urban expansion and the lively competition for land which may latter on result in changes in land use, ownership, property rights regime and land tenure (Wehrmann, 2008). The competition for secure, serviced land as a result of rapid urbanization increases the importance of peri-urban land still further (Payne, 1997). Thus, peri-urban areas are the centre of almost all new developments that range from urban expansion both formally and informally to the decline of agricultural land and rural employment opportunities (Allen, 2003).

The penetration of urban areas into the peri-urban areas is also affecting the existing land tenure relations in the area (Cotula and Neve, 2007). Peri-urban areas are places where new property rights emerges and at the same time the existing traditional or customary rights may disappear or dissolve. As a result two contending perspectives have been reflected on the impact of rapid urban growth in peri-urban areas (Maxwell et al., 1998). The first perspective sees urbanization and growth in population as a factor for the development of new markets, and the conversion of property rights from rural/customary tenure into various forms of privately held rights. Both of these forces lead to greater entrepreneurialism, and the transformation of the local economy from agrarianism to a bustling, dynamic free market of commerce, services, small-scale industry and commercial agriculture. Another perspective sees rapid urbanization as the destruction of the existing property system and agricultural livelihoods without necessarily replacing

them with any alternative form of economic activity. Loss of agricultural livelihoods leads to the rapid growth of an informal economy that often grows only by absorbing more participants without an accompanying increase in overall economic output.

Both perspectives see urbanization as a driving force for the emergence of new property system and institution both formally and informally. In many parts of the developing world mainly in Sub-Saharan Africa, 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 practices and related property rights. Thus, urbanization largely in sub-Saharan Africa is accompanied by the erosion of the existing local peri-urban land tenure relations and implantation of new and urbanized form of land/property rights (Kasanga et al., 1996).

### ***3.2. Land Rights Governance and administration from peri-urban context***

Land tenure administration in sub-Saharan Africa and other developing countries in the era of rapid urbanization and social transformation is a critical importance. Peri-urban areas face distinct land governance challenges because of the complex and rapidly changing nature of land tenure arrangements (Nkwae, 2006). Some of the basic issues pertaining to land governance in peri-urban areas are:

- Haphazard, sprawling residential development with insufficient social services and infrastructure;
- Acquisition of land by the economic elite and politicians for speculative purposes;
- Illegal and extra-legal land subdivisions and transactions;
- Illegal land occupations by squatters;
- Unauthorised change of use from agricultural to residential land use; and
- Unauthorised land transactions without knowledge of the land administration authorities.

Peri-urban land is the playing ground for urbanization by multifaceted actors having conflicting and complementary interests. As a result the possibility of clashes between different institutions, actors and cultures or values is much more higher than the prime urban and rural areas (Home, 2004). Moreover, the land market or transfer in the peri-urban areas is more active and the trend of conversion of land use from agricultural use into urban built up property is so rapid and observable. The land tenure in general in the peri-urban areas is unstable which is always in a state of change. Thus, peri-urban land tenure is unique and it requires introducing a system of land administration that can fit to the changing contexts in a sense that is participatory, flexible, coping with the pace of the time and meeting the changing demands of the society.

Experiences largely from global north show that land readjustment can help to ensure good governance in peri-urban land tenure administration by incorporating pro-poor, inclusive and gender-responsive decision-making elements in the process of peri-urbanization (UN-Habitat, 2012). Thus, the multifaceted peri-urban land tenure problems emanated from rapid urbanization and the resulting huge demand of land can better be managed by adopting land readjustment as land development tool. The three main motivations exist for adopting land readjustment in the global South as an alternative land development tool to the contexts of peri-urban and urban areas in the era of rapid urbanization are (Ibid):

- Land tenure system in the peri-urban areas must change to meet current and future demands for basic services generated by urban expansion;
- Peri-urban areas need land administration and development options that engage, not marginalize, property owners and users.
- Peri-urban areas need land tenure administration and development approaches that create less public opposition than the traditional methods.

Therefore, participatory approach of land tenure administration through land readjustment is a promising means to strengthen or create platforms where stakeholders in the peri-urban areas can easily participate in decision making at local level (Hong and Brain, 2012, Sorensen, 2007). The process of land readjustments entails grassroots mobilization and giving the urban poor real bargaining power. This encourages the government to pay special attention to the needs of the poor, women and local communities 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 governor* and *land user*.

## **4. Research Methodology**

### **4.1. Description of the case study area**

The case study area for this study was selected on the basis of the possibility for analytical/procedural replication rather than statistical/result generalization. For this purpose, the selection process was oriented towards acquiring the richest possible data rather than the representativeness of information for the researched phenomenon. Based on this rationale, Bahir Dar, the capital city of Amhara National Regional State, was selected as the case study area by using purposive non random sampling principle. Bahir Dar is one of the fastest growing cities in Ethiopia both demographically and spatially. Even though the current population of Bahir Dar city including the peri-urban areas is estimated to be about 322,900 (CSA, 2013 projection), this number is expected to grow more than 4 fold by 2040 (UN-Habitat, 2010). The built-up area under the city's jurisdiction is also expected to expand even at a faster rate than its population.

Moreover, large numbers of peri-urban land holders have been losing their usufruct/holding right for expansion programs. It is also one of the metropolitan area in Ethiopia that has manifested very fast change in land use (from agricultural fields to built-up property both formally and informally outside the legal framework. The transformation of local peri-urban land rights into urban leasehold right through governments expropriation decision is so rapid and immense in the peri-urban areas of Bahir Dar than any other place in the northern part of the country due to the increasing demand of land for urban space.

The contemporary master plan of the town encompasses largely peri-urban and rural agricultural land. Four immediate peri-urban kebeles (villages) namely, Zenzelima, Woreb Kol, Addis Alem and Weramit are included into the city administration jurisdiction since 2005. From these four kebeles, this study has targeted on the two peri-urban kebeles (smallest administrative organ in Ethiopia) namely Weramit and Zenzelima (see figure 2). These peri-urban kebeles are predominantly rural in nature but they tend to be at the direct receiving end of urban expansion and development. Therefore, the selection of the specific peri-urban kebeles/ villages was based upon: 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.

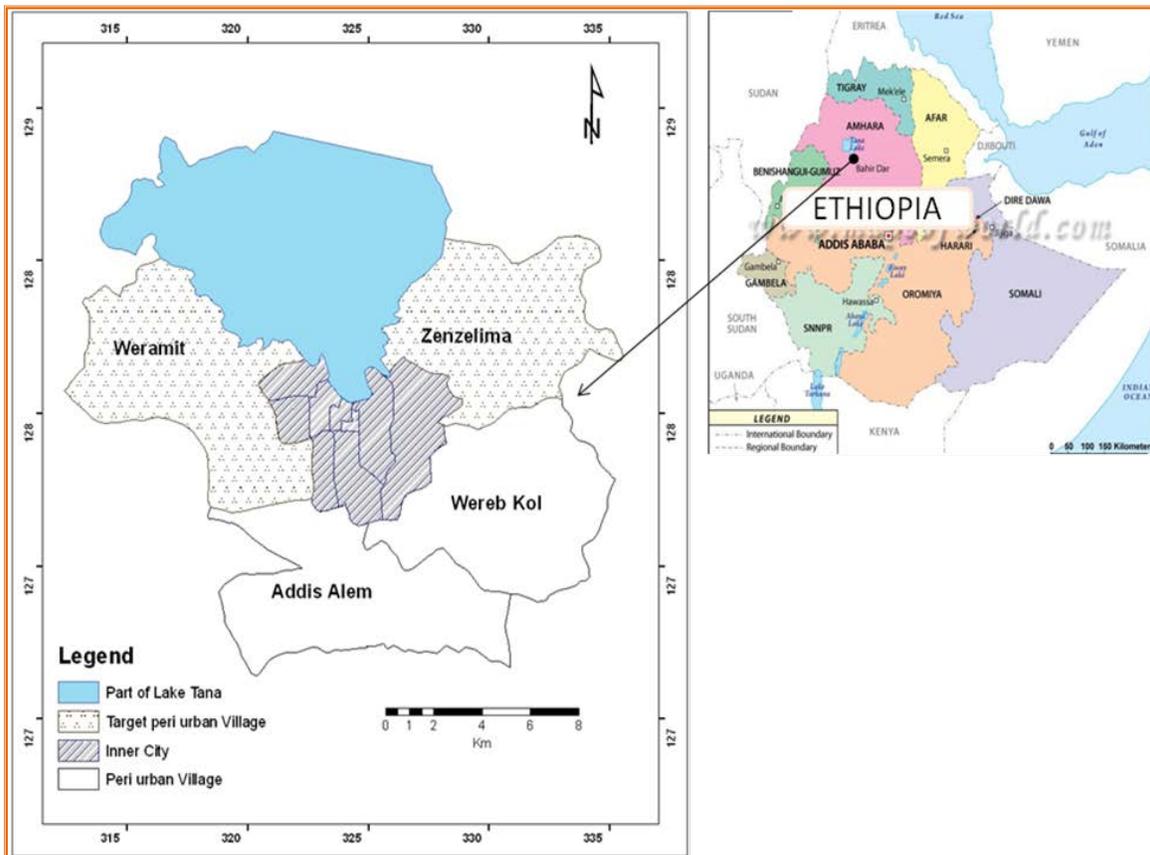


Figure 2: Location map of Bahir Dar City Administration (author produced)

#### 4.2. Data collection and analysis methods

One of the principal advantages of using case study approach is allowing the researcher to use a mixed and multiple sources of data (Denscombe, 2007). As a result both quantitative and qualitative data was collected from both primary and secondary sources of data were employed in this research. The main sources of data and data collection instruments used for this paper were questionnaire survey, FGD, Key informant interview (both structured and open ended) and direct field observations in the case study areas.

For the purpose of questionnaire survey two different groups of sample respondents were participated. The first groups of sample respondents for the questionnaire survey were 120 peri-urban landholders who lost their land partially for urban and other development purposes in the last 10 years. They were selected by purposive non random sampling technique. It was because of the difficulty to get complete and accurate population frame that purposive non random sampling method was employed. It was also believed that

fresh and live feelings about the process of land acquisition for urbanization and its effects on land right of the local peri-urban communities can better obtained from these samples. The second major group of sample respondents for this research was selected from the informal settlement areas with the aim to gather information about the process of informal settlement and development in the peri-urban areas. Similarly, 120 sample respondents were selected from informal settlers by purposive non-random sampling technique. The sample respondents were selected focusing on those household heads that have constructed or bought an informal house in the peri-urban areas for habituation.

With regards to the data analysis, this research has employed largely a mixture of qualitative and quantitative data analysis techniques so as to capture the complex and multifaceted peri-urban land tenure realities. Qualitative data was analyzed by using triangulation; concepts and opinion interpretation; and compare and contrast methods and were presented using texts. On the other hand, the quantitative data collected through questionnaire survey was analyzed by using simple descriptive statistics by using percentages and means. The quantitative technique was aimed to quantify the process of urbanization and land acquisition process both formally and informally and its impact on peri-urban land tenure system. Finally, the results of the analysis are displayed in tables and graphs.

## **5. Results and Discussions**

As a consequence of rapid urban growth, a vast number of people are moving towards the peri-urban areas, changing the land use and which often implicates a change of the land tenure relations as well. Rural land holding system which has been exercised in the transitional peri-urban areas has been evolving into urban leasehold system compulsorily by government as a response to the growing demand of land for urban development purposes. More detail discussions on the relationship between urbanization and land tenure and property right system in the peri-urban areas of Ethiopia based on the empirical data gathered from the case study area is presented in the following subsection.

### **5.1. Urbanization Vs peri-urban land rights**

The urban development and growth strategy of Ethiopia is largely dependent on compulsory expropriation and re-allocation of peri-urban land. The transitional peri-urban areas in Ethiopia are 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 formal way of trading between the strictly dichotomized rural and urban tenure systems. Urban growth and development process in Ethiopia is at least a three step phenomenon. First, it requires including the peri-urban area into the city's master plan; second, expropriation and redevelopment; and third, reallocation of the expropriated land to private developers,

investors, and other urban groups through lease contract on the basis of annual ground rent for a specified lease period.

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 supposed to be exercised for lifetime can be canceled at any time by expropriation decision if the land is demanded for urban expansion purpose. As urban boundary approaches to the peri-urban territory, local landholders at this territory are assumed to be subjects of expropriation. As a consequence, sense of land tenure insecurity is a prevalent problem in the transitional peri-urban areas than any other geographic area in Ethiopia. The response from 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 3). They expect that their land shall be taken by city administration at any time when the land is needed for urban expansion programs. That means the largest proportion of local peri-urban communities are not certain for how long their land would stay with them.

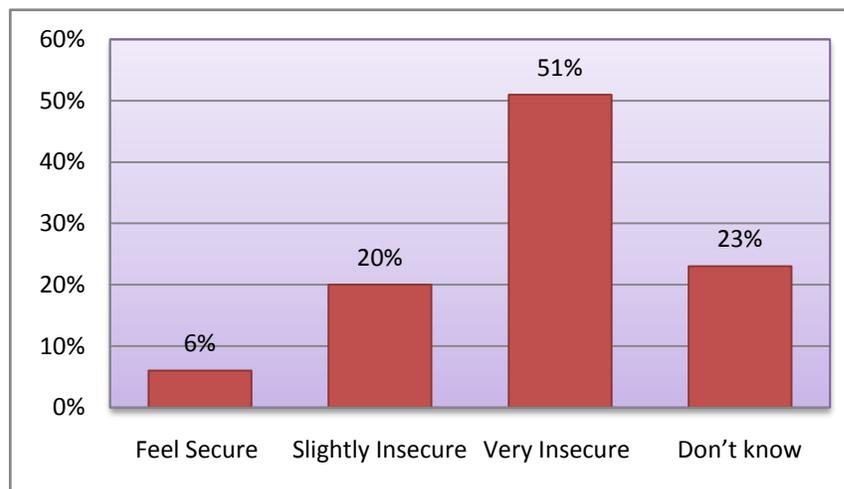


Figure 3: Land tenure security level of peri-urban land holders (n=120)

Moreover, the comparison between the contents/attributes of rights in the bifurcated urban and rural land holding systems was made by using property rights analytical framework (Schlager and Ostrom, 1992). The analysis of the attributes of rights reveals that the new recipients of land from peri-urban areas through urban land lease system are provided to enjoy better and thicker bundles of land rights than the indigenous local peri-urban landholders. The land rights provided to the local peri-urban landholder are restricted to use the land only for agricultural purpose with very limited transferability to their family members only through inheritance and gift. While after the same land is expropriated by the government and transferred through lease contract to the potential leaseholder for urban purpose, the leaseholder enjoys a thicker bundle of rights such as use and development rights than the original peri-urban landholder. Moreover, urban

leaseholder can sell the lease right and can use it as a mortgage to borrow money from the banks (see figure 4). The land rights provided to urban land leaseholder are close to the rights that can be exercised by an owner in private property system.

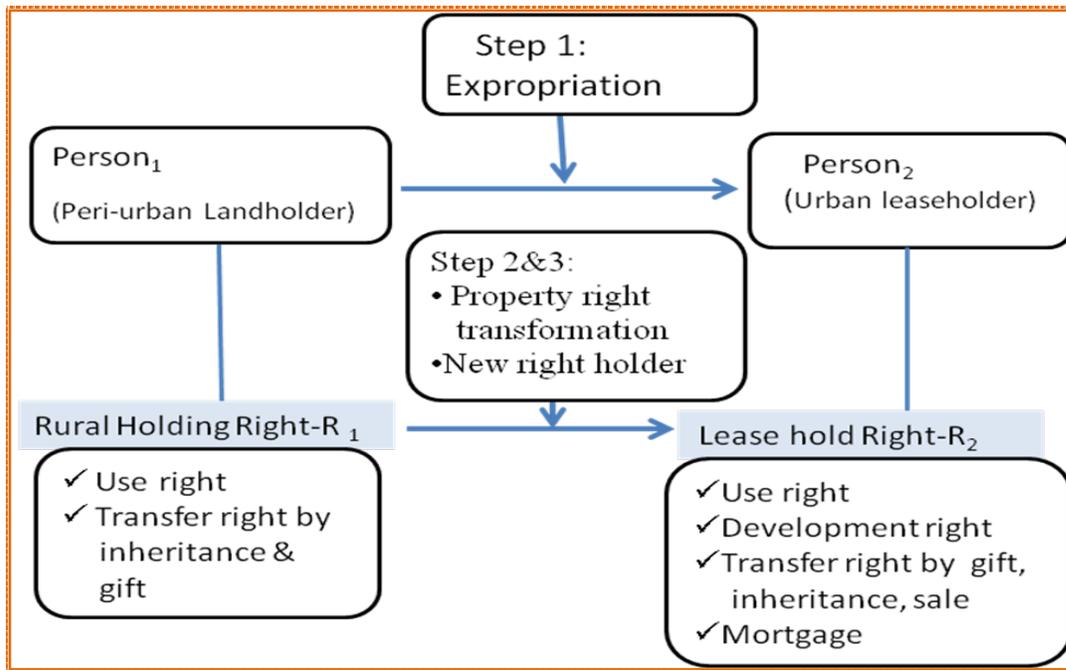


Figure 4: The process of converting peri-urban land rights in Ethiopia (Author produced)

The overall discussion in this research 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 urbanities than the local peri-urban farmers. Local governments or city administrations seem to stand primarily to maximize city administrations or local government's revenue, by expropriating and leasing the peri-urban land located adjacent to the municipal boundaries at the expense of local communities. Therefore, the process and practice of land acquisition from peri-urban areas for urban growth purposes seems far beyond good international standards and experiences (World-Bank, 2012). Acceptable international practices maintain fair distribution of development benefits by converting former land owners/holders into urban land rights. Therefore, land rights in the peri-urban areas seem to be neglected and not recognized in the process of urbanization and this is a serious problem that undermines tenure security which has been fostering land conflict in the peri-urban areas of most sub-Saharan African countries (Tibaijuka, 2004).

## 5.2. Increasing pressure and competition for peri-urban land through the informal channel

Peri-urban land which has been used predominantly for agricultural purpose and held by local farmers is also a target area for informal development. The expectation of peri-urban local landholders that their land shall be taken by urban authorities compulsorily, on the one hand, and the inefficiency to provide affordable houses to the low income people in the urban areas have created an increasing pressure upon peri-urban land to be sold in the informal market. The process of acquiring a plot of land in the informal way has its own patterned and broken-down activities and stages. Therefore, 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 is analyzed in detail.

The unregulated urban expansion and development is the most commonly seen phenomena in the transitional peri-urban areas of Ethiopia. The restrictive and prohibitive conditions to convert the rural land rights into urban land rights by local peri-urban farmers themselves have led to large scale unauthorized subdivision and transaction of agricultural fields by the local landholders. The local peri-urban landholders' anticipation of expropriation of their land by city administration has discouraged them to keep and use the land for agricultural purpose only as it is permitted. They usually prefer either to subdivide or sell their farm land and collect cash by themselves or construct an authorized house on it. As a result, the largest proportions of informal plots in the peri-urban areas are directly supplied by local peri-urban landholders (see table 1). This figure also indicates that 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 discussion in this research also shows that local peri-urban landholders are not only the principal suppliers of land to the informal market but also they are involved in the unauthorized construction of sub-standard residential houses on their agricultural fields or on others without permission to do so.

Table 1: Ways of informal plot acquisition from peri-urban areas (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

The proliferation of informal settlement areas in the transitional peri-urban areas of Ethiopia are driven by the pull and push factors. As a pulling factor, the behavior and the illegal act of local peri-urban landholders has attracted large number of households from the inner-city and other parts who seek an alternative source of shelter. An illegally subdivided plots located outside of the municipal boundary which can be supplied by local peri-urban landholder is relatively cheap and affordable to the urban poor for construction of a residential house. As a pushing factor, the deficiency of the formal land and housing delivery system in the urban areas is one important factor for the emergence of new informal settlement areas in the peri-urban areas. Large numbers of the urban residents largely the urban poor have been pushed to the unplanned peri-urban areas to live due to the unaffordability of the formal housing delivery system. The formal land and housing provision seems to be skewed towards the segments of the society who can pay for lease or condominium housing for the government. Therefore, the case study analysis in this research illuminates the idea that informal settlements in the peri-urban areas are both responses and witnesses to extensive urban poverty and signal to failure of urban governance (Huchzermeyer, 2011).

Moreover, the key activities and stages of acquiring an informal plot to erect structures for habitation in the peri-urban areas are indentified in this research. These 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. That means the informal 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 (Rakodi and Leduka, 2003, Berner, 2000).

### **5.3. Overlapping formal and informal land tenure systems in the peri-urban areas**

The property right system in the peri-urban areas in Ethiopia like that of most developing countries is lacking stability and it is always in the process of continuous change both through the formal and informal channels (see figure 5). Peri-urban areas are breeding ground for new types of formal and informal tenure systems (Wehrmann, 2008, Kasanga et al., 1996). As peri-urbanization is penetrating into the countryside, agricultural lands in the peri-urban areas have been highly demanded for non agricultural urban purposes. The

competition for land between local peri-urban/rural villagers who want to continue in agricultural practices and urban agents who are interested on this land for residential and other non-agricultural purposes is fierce. Therefore, the discussions in this research also prove that peri-urban areas are largely characterized by a wide range co-existence of formal and informal land transaction and development practices.

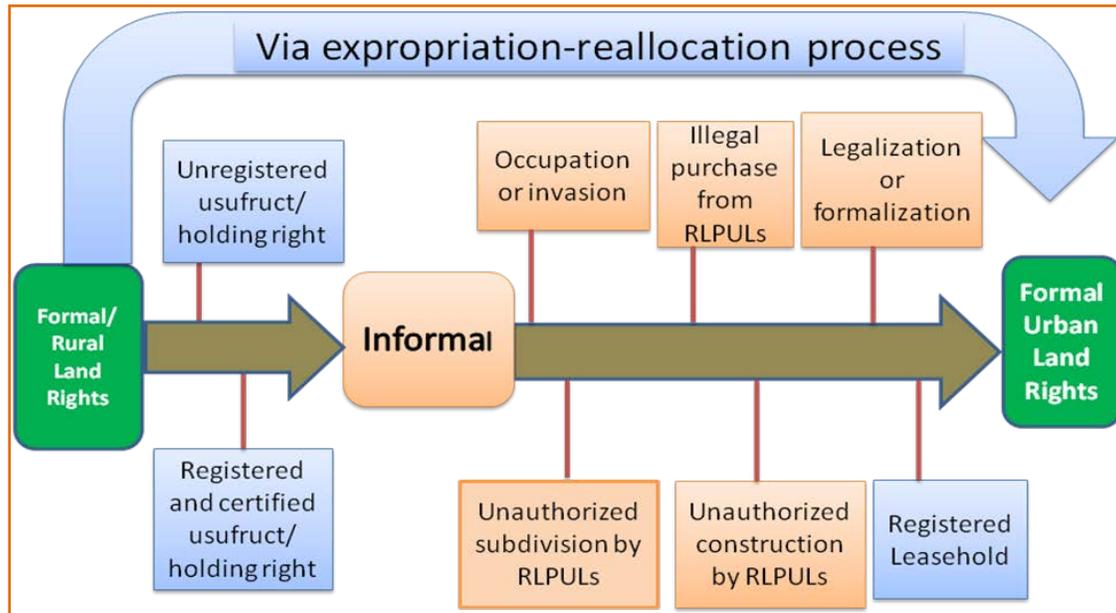


Figure 6: The two ways by which peri-urban land can be transformed into individualized rights in Ethiopia

The existence of informal channels of land transaction and development in the peri-urban areas of Ethiopia is largely because of the inability of the formal land tenure system to fit to the requirements of the current rapid rate of urbanization. For instance, all land including peri-urban in Ethiopia is state or national property (FDRE, 1995). Formal private property does not exist; likewise neither does customary tenure as Ethiopia went through a monarchy, feudalism and socialism to a market economy based on national land ownership. Since 1993, individuals have been granted access to urban land largely from peri-urban areas based on 99-years leasehold contracts for residential housing. The introduction of this leasehold market was supposed to replace the inefficient socialist allocation system. However, the state controlled expropriation and reallocation of urban land through lease contract seems to be inefficient and corrupted. The poor have not been able to afford land for housing. Even for the middle class, it is increasingly becoming difficult to acquire land through formal lease system.

On the other hand, there is a great demand for cheap and easily available land, which is being intensified by in-migration from rural areas and other urban areas. This demand is partly indeed met by the supply of land from peri-urban areas through the informal channels such as forced occupation on state land and purchase of illegally subdivided

agricultural plots. Peri-urban farmers fearing expropriation (revocation of their agricultural use rights/holding rights) by the state without adequate compensation prefer to subdivide their farm land into building pieces and transfer their land in the informal (black) market. Local peri-urban land holders have also been involved in the unauthorized construction of substandard residential house for sell or rent. Moreover, the discussion in the papers shows that different groups of actors such as brokers, speculators, corrupt government officials, peri-urban residents have been involving in the process of informal transaction and development of land in the peri-urban areas.

Furthermore, the bifurcation of the land administration institutions into urban and rural land and lack of coordination between the two institutions on the matters of peri-urban land has further exacerbated for unauthorized subdivision and construction in the transitional peri-urban areas located in between the two jurisdictions. The existence of two different and separate institutions concerning the governance of land and lack of clarity in the responsibility of the two institutions on peri-urban land matters has created a favorable condition for the mushrooming of informal settlements in the peri-urban areas. For example, 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, the newly created zone falls neither in urban nor in rural jurisdiction. Due to the creation of power vacuum peri-urban zone under no one's jurisdiction, peri-urban farmers try to transform their agricultural lands to residential plots by subdividing and then selling the plots without any interference from government bodies.

## **6. Conclusions**

This research was primarily inspired and motivated to investigate the effects of urbanization and the resulting compulsory acquisition of peri-urban land on property rights system in the peri-urban areas of Ethiopia based on the empirical data gathered and analyzed from the case study area. The findings revealed that land rights in the peri-urban areas are shaken and challenged by distinct sparking power which 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 been precipitating a wave of dispossession and termination of the existing land rights in the peri-urban areas. As a city boundary expands into the adjacent peri-urban areas, expropriation decision that discontinues the usufruct right of local peri-urban communities follows and then a new urban leasehold system will be introduced with better and thicker rights to practice. Thus, the local peri-urban land holders' ability to use their land for agricultural, residential or other uses depends more on the rate of urban population and spatial expansion and the resulting demand for urban purposes than the local peri-urban communities' ability and interest to keep and use their land. This evidenced the fact that local peri-urban farmers are holding their land temporarily as a result they are experiencing drastic reduction in the amount of land at their disposal.

The findings of this research also show that urban development process in the case study area in particular and in Ethiopia at large seems not participatory and inclusive to all stakeholders in the peri-urban areas and peri-urban villagers have been expected to assume some of the costs of urban expansion. It also appeared that local peri-urban landholders were not well represented and involved in the process of land acquisition for urbanization.

## **7. Policy Implications and Recommendations**

This study has revealed several critical issues that need urgent policy attention. The findings of this research have proven that urbanization and urban land development process in Ethiopia seems to be inclined to the urban people. Since priority has been given to urban based economic development, local peri-urban landholders/farmers have suffered and scarified their lives to the urban residents. The multifaceted peri-urban land tenure problems associated with urbanization requires introducing appropriate land governance and urban development approach which can help to address conflicting and dynamic interests in the peri-urban areas fairly. Land governance and policy issues recommended from the perspective of protecting land rights of the local peri-urban agricultural communities are the following:

### **1. Incorporating peri-urban land right and livelihood issues as a priority agenda**

One of the key findings and discussions of this study has shown that urban expansion programs in the peri-urban areas creates better livelihood opportunities for the urbanities than the local peri-urban communities. That means urbanization is becoming a livelihood constraint to the local peri-urban people. In particular, the loss of landholding rights or farmlands which used to be the livelihood base of the local communities by expropriation decisions of city administrations is becoming the major constraint experienced by local peri-urban farmers in the process of urbanization. Unfortunately and largely, peri-urban livelihood issues are hardly addressed in urban development policy making and planning which usually focuses on physical issues such as land use, housing supply to the urbanities and infrastructure development to the area. Therefore, to ensure equitable development, the MoUDHC in general and City Administrations in particular need to incorporate peri-urban livelihood issues into urban policy formulation and implementation process.

### **2. Introducing participatory and inclusive land development tool**

The urban growth strategy of Ethiopia which is largely based on compulsory acquisition/expropriation of peri-urban land by government as a mechanism to supply land for different urban purposes should have to be revisited and replaced by participatory and inclusive approaches of urban land development and urbanization. Thus, the 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 is acute and timely. In connection with this recommendation, peri-urban land tenure problems in Ethiopia in the era of urbanization should have to be tackled from two main directions.

- i. First, unbiased policy guidance and legal mechanism have to be established that would automatically convert legitimate peri-urban/rural land holding rights into urban land rights when a peri-urban territory within rural jurisdiction is planned to be included into urban jurisdiction.
- ii. Second, land development techniques based on voluntary participation and contribution of land by local peri-urban landholders themselves (like land readjustment and other tools) should be introduced, instead of state controlled expropriation measure which results in massive dispossession and displacement.

Therefore, 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.

### **3. Avoiding hostile measures and moving towards formalization/regularization**

The findings of this study 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 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 as 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 as a preventive measure for the emergence of informal settlement areas in the peri-urban areas. Moreover, for those already established informal settlement areas there has to be mechanisms to cure this problem either by regularization or formalization of the illegally occupied land or by providing alternative residential place. Thus, those violent and demolition measures which lead to eviction of the poor and there by prevalent existence of tenure insecurity in the area have to be minimized as much as possible.

#### **4. Improving and unifying the land governance institutional framework**

The bifurcated institutional arrangement for urban and rural land governance and loose coordination between the two institutions is one of major cause for creation of power vacuum zone, without anyone's jurisdiction, in the transitional peri-urban areas. The disconnection of the urban and rural land administration institutions, policies and legislations, has also resulted in ill-informed and biased decision on land acquisition and delivery process. Moreover, the bifurcation of urban and rural land governance institutions does not stimulate integrated land development process in the peri-urban areas.

Therefore, it is logical to recommend the establishment of a unified rural and urban land administration entity at federal and regional level that can handle all land administration matters including peri-urban land in the long run. In the short term, peri-urban land matters should have to be handled by specialized office/unit called peri-urban land administration unit/office that is accountable to the respective city administration. The establishment of this unit may ease the coordination between urban and rural administrations and it may also avoid the creation of power vacuum zone in the transitional peri-urban areas. This unit should also work out to strength the urban-rural linkages. This unit should also be mandated to work closely with the local peri-urban landholders on the matters of rehabilitation of the dispossessed local peri-urban communities.

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