

# **Land Expropriation for Cooperative Housing in Amhara Region, Ethiopia: Process and Impacts on the Peri-Urban Farming Communities**

**ABUBEKER Mohammed Hassen, Ethiopia**

**Key words:** Land Expropriation, Peri-Urban Farmers, Cooperative Housing, Public Purpose, Valuation, Competing Interest

## **SUMMARY**

The urban development strategy of Ethiopia is mainly based on expropriation of peri-urban agricultural land from local peri-urban farmers. However, its economy still depends on agriculture, which accounts for more than 42% of the GDP, 90% of the exports and 85% of total employment.

In Amhara region, cooperative housing program has been implemented in almost all towns of the region to solve the current affordable housing problem of urban residents based on the existing urban land lease policy. The Government delivers land for this program through taking compulsorily the nearby agricultural land from local peri-urban farmers who have given a lifetime right through giving cheap price as compensation in advance. In this case, those farmers lose their main means for generating a livelihood totally when the compensation is in cash; and the compensation calculated with high negotiation between the evicted and the new settler parties. The main aim of this paper is to critically assess and examine impacts of expropriation for the current extensive cooperative housing program on peri-urban farming communities in Amhara region. The methodology employed here is mainly case study and analysis of legislations using both primary and secondary data to make the analysis more reliable.

This paper reveals that there is high competing interests on peri-urban areas; peri-urban farmers to sustain their life with agriculture and urban residents especially the members of housing cooperatives for their basic need (shelter). This competing interest should be balanced through conducting reform on land expropriation laws mainly the compensation payment and rehabilitation support for those farming communities to build sustainable urban development, social stability and to get win-win outcome.

# **Land Expropriation for Cooperative Housing in Amhara Region, Ethiopia: Process and Impacts on the Peri-Urban Farming Communities**

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## **1. INTRODUCTION**

Ethiopia as the nine regional states and two city administrations, becomes the second most populous country in Africa with a population estimated at 99.39 million out of which over 19.4% live in urban areas (Projected, 2017). Its economy still depends on agriculture, which accounts for more than 42% of the GDP, 90% of the exports, and 85% of total employment (CSA, 2016).

In agrarian country like Ethiopia, land is not only the main means for generating a livelihood but often also used to accumulate wealth and transfer it among generations. In urban areas also, most of human activities are meaningfully linked to land. It is the starting point for all urban development activities that provides the physical location for shelter, commercial, industrial and other public services. Therefore, land lies at the heart of social, political and economic life of the nation at large (Daniel T., 2006).

In Ethiopia, the right to ownership of urban and rural land to be vested in the State and people, and is not subject to sale (FDRE Constitution, art. 40(3)). Hence, rural farmers and pastoralists may acquire a plot of land free of charge with usufructuary right (rights to use, enjoy, rent, donate and inherit the land) while urban residents through ground lease arrangements with fixed period and specified payment (Daniel W/G, 2009).

Housing is a basic human need next to food and clothing. It is the foundation of all urban development that occupies the largest portion of land, the greatest levels of government investment in infrastructure, the priority concern of all citizens, and typically a family's single largest investment (Giovana, 2013). Access to adequate and affordable housing/land is a critical and growing problem in Ethiopia at large and in all towns of Amhara region in particular. To solve this problem, different housing programs and real estate's has been developing by public and private sectors respectively. Cooperative housing program also implemented to solve affordability problem in the country.

## **2. STATEMENT OF THE PROBLEM**

In Amhara region, cooperative housing program has been applied in almost all towns of the region to solve the current affordable housing problem of urban residents based on the current urban land lease policy (Lease Proclamation 721/2011 art. 12(3)). The urban residents who don't have residential housing unit in the town and the region shall become in group of 10 to 24 even numbers of members to acquire land. Each member or housing cooperatives have to save up to 35% of the

proposed construction cost in advance and also have to cover the compensation cost for the evicted farmers that will be considered as a lease payment (Revised Cooperative Housing Directive No. 28/2017, art. 7 and 8).

The urban development strategy of Ethiopia is mainly based on compulsory land acquisition. The government takes the nearby peri-urban agricultural land from local peri-urban farmers who have given a lifetime right to use, bequeath and rent the land through giving cheap price as a compensation and transfers same to urban residents who have fulfilled the criteria at more price through lease system (Achamyelch, 2014; Daniel W/G, 2016; Cooperative housing directive No. 28/2017). In this case, the peri-urban farmers lose their main means for generating a livelihood totally when the compensation is in cash. In addition, the compensation for those farmers calculated through ten times of the previous five years' average annual income of the peri-urban farmers with high negotiation between the dispossessed (evicted) and the new settler parties. The competing interests on the peri-urban areas and the expropriation, valuation and compensation practices may affect the peri-urban farming communities' for sustaining their life without land and the agrarian economy of the nation.

### **3. OBJECTIVE OF THE STUDY**

The main objective of this study is to critically assess and examine impacts of land expropriation on peri-urban farming communities particularly for the current extensive cooperative housing program in Amhara National Regional State (Ethiopia) for the development of affordable housing. In doing so, the process, the major challenges and kinds of support to the affected farming communities by the government/others to assure sustainable urban development and social stability had assessed.

### **4. METHODOLOGY**

Conducting assessments on land expropriation theme especially the issues pertained with evicted peoples is challenging due to difficulty to get addresses of those evicted communities. Case study method is a systematic and closely examination of an event within a specific context which aims to explain the phenomenon of interest in detail (Zaidah, 2007). The case study region and towns for this study were selected purposively on the basis of the possibility to acquire reliable data rather than statistical generalization. This study had conducted without any financial support.

Amhara National Regional State (hereafter may be cited as Amhara Region) is one of the nine regional states in Ethiopia. It divided in to eleven zonal administrations including the two special zones and its capital is Bahir Dar city. Since 2013, it has been applying cooperative housing program in almost all towns. Bati and Chefa-Robit towns from Oromo Nationality Zones are selected as the case study towns.

The study used both primary and secondary data. The primary data collected mainly using questionnaire, interviews and observation; and government reports on cooperative housing program in the region and case study towns, journals and report books used as the secondary data sources. The researcher had conducted interviews with peri-urban farmers', urban residents (the new settlers through cooperative housing program) and relevant land administration and management experts at regional, zonal and town levels.

## **5. CONCEPTUAL AND LEGAL FRAMEWORK**

### **5.1. Farmers in Ethiopian Land Tenure Systems**

Land tenure is the relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to a given plot of land. It is an institution (rules) that define how property rights to land are to be allocated within societies and how access is granted to rights to use, control and transfer land, as well as associated responsibilities and restraints. In simple terms, land tenure systems determine who can use what resources for how long, and under what conditions (FAO, 2002). A bundle of rights is a set of legal rights afforded to the real estate title holder. It can include the right of possession, the right of control, the right of exclusion, the right of enjoyment and the right of disposition.

In Ethiopia, different land tenure system has practiced since the beginning of the twentieth century. Many researchers (Teshome, 2009; Girma, 2011; Daniel W/G., 2012) states that, classifying the Ethiopian land tenure systems as before the 1974 revolution, during the Derg regime and the current EPRDF period since 1991 may help us to understand easily. Here, the land tenure systems from the farmer's point of view remain as the main focus of this review.

#### **Pre-1974 Imperial Period**

Until the 1974 revolution, the Ethiopian land tenure system was mixed and complex where the nature of the tenure arrangement encompass private, state, church land and other forms. The *rist* and *gult* system were the two dominant land tenure systems in the northern and southern part of the country respectively (Girma, 2011; Daniel W/G., 2012).

During this era, land was used to serve as a means to run the state functionary through allocating to different peoples on the condition of serving the state including churches. This system leads to concentrate land on hands of few individuals and institutions than the small holder farmers who are working on land (Daniel W/G., 2012).

#### **Derg Era**

The inequitable land holding system had pushed the Ethiopian peoples to struggle for centuries and finally removed the feudal system in 1975. The Derg immediately passed a proclamation that

nationalized all rural land and transferred same to state ownership. “Land to the tiller” was a big slogan, and via, land owners who got rural land through old system evicted without any compensation and transferred the same to peasant and tenants to maintain and held land which they were farming. However, sale, lease and mortgage of land were abolished and a prohibition of hiring people for agriculture work was established (Daniel W/G., 2012).

### The Current EPDRF Regime

After the downfall of the Derg regime in 1991, the Ethiopian People’s Revolutionary Democratic Front (EPRDF) came to power and launched the urban land reform with maintaining public ownership of land of the previous era with free market economy (Zelalem, 2014). In 1995, the current government enacted new Federal Democratic Republic of Ethiopia Constitution as proclamation No. 1/1995 (hereafter may be cited as FDRE Constitution) all urban and rural land is the property of the state and the Ethiopian people (Article 40(3) of the FDRE Constitution). Hence, like the previous regime, sale and mortgage of land are also prohibited.

In general, whatever decreases the tensions on the farmers, the past and present land tenure systems of Ethiopia doesn’t give to those farming communities full ‘bundle of rights’ on their land. The following table may summarize the farmers land rights in the three periods of regime.

**Table 1:** Summary of farmers land rights in different regimes

Period	Region	Use	Lease	Donate	Inherit	Mortgage	Sale
<b>Imperial Era</b>	North	√	√	√	√	x	X
	South	√	√	√	√	√	√
<b>Derg Regime</b>	All	√	x	x	x (√)	X	X
<b>Current</b>	All	√	√	√	√	X	X

X (√) No Inheritance except to minor children and a widow

**Source:** Daniel W/G (2012)

### 5.2. Land Expropriation as A Source of Land for Public Purpose

Sustainable development requires governments to provide public facilities and infrastructure that ensure safety and security, health and welfare, social and economic enhancement, and protection and restoration of the natural environment. An early step in the process of providing such facilities and infrastructure is the acquisition of appropriate land (FAO, 2008).

Land Expropriation, which is also termed as compulsory acquisition, eminent domain, compulsory purchase, compulsory land acquisition or resumption in different legal system and countries, has been defined as a compulsory taking of private property by the government for public purpose activities without the willingness of its owner through giving advance payment of fair compensation to the property owners (Daniel W/G., 2011). It is a constitutional power of

government which found in the FDRE constitution under Article 40(8); “*The government may expropriate private property for **public purposes** subject to payment in advance of compensation commensurate to the value of the property*”.

Accordingly, the federal and Amhara National Regional State enacted the following laws;

- Expropriation of landholdings for public Purposes and payment of compensation proclamation No. 455/2005;
- Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes Council of Ministers Regulations No. 135/2007;
- Amhara National Regional State Payment of Compensation for Property Expropriated for Public Purposes, Regional Council Directive No. 35/200;
- Amhara National Regional State Expropriation of Rural landholders for public Purposes, Rehabilitation and Administration Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes, Regional Council Directive No. 26/2015

The word “public purpose” stated as the main motive for expropriation in Ethiopian laws from the superior constitution to the lower directives, manuals, standards, etc. It can be defined as the decision of the government body in conformity with urban structural or development plan in order to ensure the interest of the peoples to acquire direct or indirect benefits from the use of the land and to consolidate sustainable socio-economic development (Expropriation Proclamation No. 455/2005).

Compensation is the payment to be made in cash or in kind or in both to a person for his property situated on his expropriated landholding (Expropriation Proclamation No. 455/2005). The sales comparison method, the income method and in certain situations with no market activities the cost method are the three basic valuation methods may be used to determine the market value. The *Income capitalization approach* is the most applicable to agricultural land and investment properties which depends on the quality and quantity of the expected income to generate over the life of the property at issue (Mugisha J., 2015).

$$\text{Land Value} = \text{Net Income} / \text{Capitalization Rate} \quad \text{or} \quad V = I/R$$

Land is public property in Ethiopia. Due to this, the government may pay compensation in case of expropriation only to the properties attached to the land. Crops, trees, fences, protected grass, permanent improvement on land; houses are the main compensable interests (Compensation Regulations No. 135/2007, Art.3-9). The formula for calculating the amount of compensation for crops in accordance with the proclamation, regulations and directives shall be

$$= \text{Total Area of Land (m}^2\text{)} * \text{the amount of crop per m}^2 * \text{Value of Crop per Kg} \\ * 10 \text{ years}$$

## **6. RESULTS AND DISCUSSION**

In this section, the process of land acquisition for cooperative housing, land valuation for compensation, kinds of post-expropriation support and the major challenges for those expropriated peri-urban farming communities in the case study region and towns has been critically assessed and analyzed.

### **6.1. Land Expropriation for Cooperative Housing in Amhara Region**

Land is fundamental to the provision of housing (UN-Habitat, 2011). The Government (Municipalities) may deliver land for housing and other urban development activities based on compulsory land acquisition approach through transforming the existing land tenure system to another especially from agriculture to urban uses. The main motive for this action shall be public purpose.

Housing is a critical problem for millions of people in developing countries, and Ethiopia is no exception (Bihon in Zelalem, 2012). To solve this problem, Ethiopia has been implementing an ambitious government-led low- and middle-income housing programme that is known as the Integrated Housing Development Programme (IHDP). Specifically, this program has implemented in 12 cities of the Amhara region through constructing 20,314 housing units (UN HABITAT, 2011). However, due to its cost and the number of housing supplied, these were not affordable for the low and middle income groups, mainly who are living in small cities. Considering this, the Ethiopian government sets cooperative housing program including self-help cooperative housing as a system to provide affordable housing to all citizens.

In Amhara region, land delivery especially for housing was prohibited for the past five years from 2013 due to the problem of land speculating and other land related problems. In 2013, the regional government enacted the first cooperative housing law (Cooperative Housing Directive No. 9/2013) based on the current urban land lease policy, then revised in January, 2017 with the aim of amending and solving the concentrated affordable housing problems.

Once the housing cooperatives fulfilled the required criteria of cooperatives and land laws, the Government has to deliver land for those cooperatives through expropriating and transforming the nearby agriculture land to urban uses. But, those evicted peri-urban farmers have the right to get commensurate compensation for what they lost in advance. The following table shows, the expropriated areas of land and the number of benefited housing cooperatives and individuals through evicting peri-urban farmers in Amhara region since 2014.

**Table 1:** Expropriated peri-urban agricultural land for cooperative housing in Amhara region

<b>Year</b>	<b>Expropriated Land (ha)</b>	<b>No. of Housing Cooperatives</b>	<b>No. of Members</b>
<b>2006 (2013/14)</b>	576.94	1,506	23,426
<b>2007</b>	1,304.78	2,607	52,194
<b>2008</b>	570.74	1,370	24,757
<b>2009</b>	600.66	1,530	29,217
<b>Total</b>	<b>3,053.12</b>	<b>7,013</b>	<b>129,594</b>

**Source:** ANRS Urban Development, Housing and Construction Bureau, (Sep. 2017)

The above table revealed that, 3,053.12 ha of agricultural land is expropriated from above 1500 peri-urban farmers and transferred to 129,594 urban residents through lease system in the region. This data may help us to understand the existing cooperative housing program has been applied in large scale and has immense pressure on the peri-urban farming communities. Furthermore, the following case study section may give us the reality what's going on the ground and practical implication on the peri-urban farming communities.

## **6.2. Competing Interests on Peri-Urban Areas: Bati and Chefa Robit towns**

The hugeness of the existing cooperative housing program leads two different parties to contest the same interest on the same area. This means, competing interests created on the peri-urban areas due to the farmers intend to sustain their life with agriculture and the urban residents to fulfill their basic need (shelter). Practically, the Government has been implementing this program to solve the housing problems of urban residents through evicting those farming communities and giving compensation in advance. The desire of both parties' should have been seen in the same eye with 'public purpose' viewpoint. To examine these in detail, the researcher had assessed the reality from the two case study towns using questionnaire survey with peri-urban farming communities, interview with urban residents (including the new settlers) and different land administration and management experts. The researcher field observation of the study areas also incorporated.

The expropriated peri-urban agricultural land, evicted farmers and the number of benefited housing cooperatives and communities in the case study towns described in the following table.

**Table 2:** Expropriated and transferred land to housing cooperatives in the two case study towns

<b>Town</b>	<b>Expropriated Farmers</b>	<b>Number of Cooperatives</b>	<b>Number of Members</b>	<b>Remark</b>
Bati	12	21	504	also used from land bank
Chefa-Robit	27	11	240	
<b>Total</b>	<b>39</b>	<b>31</b>	<b>744</b>	

**Source:** Bati Industry Dev't and Urban Service Office & Chefa-Robit Municipality (Sep. 2017)

The researcher was attempted to conduct questionnaire survey with all of the above evicted peri-urban farming communities of the case study towns to get full and reliable information from the source. However, absence of information about their address, the researcher intention was unattained. Even though, the following expropriated peri-urban farming communities are actively participated in this study. This covers 25% of the total evicted farmers of the two towns.

**Table 3:** The main characteristics of the respondents (peri-urban farmers)

Characteristics	Frequency	Percentage	Characteristics	Frequency	Percentage
<b>Gender</b>			<b>Age</b>		
Male	7	70%	40-50	0	0
Female	3	30%	Above 50	10	100%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>Total</b>	<b>10</b>	<b>100%</b>

**Source:** Field Survey (Aug. 2017)

From the above table we can see that, all of the peri-urban farmers' age is above 50 years and above 60 family members' live under those farmers. The elderly head of the families' are the main source of income for their family and they don't have any prior experience on other livelihood than agriculture. The surviving challenges begin when they evicted from their holding.

Based on the data collection methods, the researcher had assessed and analyzed the following key issues and challenges of the peri-urban farming communities of the study areas:

### **Urbanization, Housing and Tenure Security**

Urban areas are the most dynamic regions in the world. Always, there is a rapid change in both demographically and spatially with serving as the social and economic centers of our modern life. This characteristic has been shown on the two case study towns and observed by the researcher. One regional land management expert said that, "particularly due to the current cooperative housing program, towns are expanded horizontally up to two-third (2/3) of their size especially the smallest towns of the region".

Happiness and sadness are the two opposite feeling of the peri-urban farmers when the urban centers expand toward their holdings. Their proximity to the city for market and other modern services are the main reasons to be optimist; and to the contrary, the alert to loss their holding for housing and any other investment of the city may lead them to feel sadness or they will be pessimist.

This pessimist attitude leads the peri-urban farming communities to be tenure insecure on their holding. All of the respondents (100%) confirm this challenge.

### **Negotiation on Valuation and Inadequate Compensation**

The main sources of revenue for municipalities or urban land administration institutions are land and urban service charges. Most of the time, the revenue collected from urban land doesn't spend on land preparation. They don't have different budget or financial system to manage their land. The inability or budget deficiency of the municipalities to pay compensation for those evicted farming communities leads the members of housing cooperatives to negotiate and pay the compensation to those farmers hand to hand. This practice creates the farmers to face with unnecessary negotiation with those parties and to be paid inadequate compensation. The following an individual case study may help us to understand the land valuation practice.

In Chefa-Robit town, one anonymous peri-urban farmer loses 1 hectare of agricultural land. He was using this land for mixed farming (crop farming and livestock's). He was producing an average of 20 quintals (2,000kg) annually and he also get at least 30,000 ETB (1 Ethiopian Birr (ETB) =about 27USD) from the livestock's (milk, fattening, poultry, etc.). If the land productivity is 20 quintals of teff (a crop used to produce enjera/dominant food in Ethiopia), the current market price of 1 quintal teff is 2,000 ETB and also if there is no improvements made on the land (like soil conservation...).

#### ***How much compensation shall be paid for this farmer according to the current laws?***

According to the expropriation and compensation laws, this farmer can be compensated only for the crops, which can be calculated as: *Compensation*

$$\begin{aligned} &= (\text{Area} * \text{Average annually produced Crops} * \text{Price of Crops per Quintal} * 10) + \text{Improvements} \\ &= (1 \text{ ha} * 20 \text{ quintal} * 2,000 \text{ ETB} * 10 \text{ years}) + 0 = 400,000 \text{ ETB} \end{aligned}$$

So, the farmer only gets 300,000 ETB as compensation. The livestock's hasn't included in the compensable assets. As a result, he loses income from livestock's and if this assumed as the above item =  $30,000 \text{ ETB} * 10 \text{ years} = 300,000 \text{ ETB}$

If the government uses scientific and appropriate valuation method for these kinds of asset, income capitalization approach shall be applied. The farmer can be paid if the bank interest rate is 5%; the compensation from farming and livestock can be calculated as follows;

$$\text{Compensation} = \frac{\text{Income}}{\text{Interest rate}} * 100 = ((40,000 + 30,000) / 5) * 100 = 1,400,000 \text{ ETB}$$

Accordingly, the Ethiopian government gives the compensation for the evicted farming communities through calculating the original purpose of the land. This compensation system doesn't consider the landed assets like camel, cows, oxen, goats, hens etc. and its income generating character. This peri-urban farmer got only 300,000 ETB from crop production in view of his next ten years income, but the other income hadn't included here. So, this man should sale his livestock's immediately because of his landlessness. The farmer will be valuable asset less. The income capitalization approach is scientific and appropriate valuation method that gives better compensation (800,000 (only from crops) < 600,000 (from livestock) < 1,400,000 (both)) to the farming communities.

### Land Transfer and Unfair Profit Sharing

On the other hand, the Municipalities transfer this land to urban residents (housing cooperatives) through lease system. Whenever it's questionable on the way to develop the lease bench mark price in Ethiopian lease system, the two case study towns has the following town and land grades with the lease bench mark price based on the revised lease bench mark price directive of ANRS.

**Table 4:** Lease bench mark (BM) price with town & land grades of Bati and Chefa-Robit towns

Town	Town Grade	Land Grade	Residential Land Grades & BM Price (ETB)				
			1	2	3	4	5
Bati	3	5	200	150	100	80	60
Chefa-Robit	4	4	150	100	80	80	--

**Source:** ANRS the revised urban land lease bench mark directive no. 7/2006

As we have seen in the above case study (in Chefa-Robit town), the municipality takes the land from the peri-urban farmers through giving 300,000 ETB (30 ETB per 1m<sup>2</sup>) as compensation. However, the municipality transfers the same without substantial change through lease system in range between 150 to 80 ETB per 1m<sup>2</sup>. This shows that, there is state monopoly in value capturing from land transfer even if the FDRE constitution sets joint ownership of land. This scheme leads the peri-urban farmers to participate in informal land market (informal settlement) earlier to government bad treatment.

### Loss of Main Means of Livelihood, Unemployment and Food Insecurity

The field surveys proved, above 50% of the respondents doesn't have livelihood experience other than agriculture. When those farming communities evicted from their holding, they will be faced with 'question of surviving'. The livelihood of those communities after expropriation is completely declined. Those evicted farmers engaged in daily labor, farming by land renting, and work as government institutions guards. Few of them still not engaged and also migrate to other urban centers.

The engagement of those communities to employment other than agriculture what they were living may be the principal reason for their inability to fulfill families food consumption and livelihood decadence.

### **Post-Expropriation Support and Follow-Up**

In the case study region and towns, there is no linkage between government and evicted peri-urban farming communities after compensation payment. There is no positive attitude between them. Recently, ANRS had enacted new directives to support and rehabilitate the expropriated peoples through giving plot of land for housing in the urban areas. However, many land administration experts and the evicted farmers believes and suggests, this rehabilitation system isn't enough due to the inadequate compensation restricts them to build housing units or any other investment on this land in accordance with the standards of the towns.

## **7. CONCLUSION AND RECOMMENDATION**

### **7.1. Conclusion**

The struggle of the peri-urban farmers to sustain their life with agriculture and urban residents to fulfill their basic necessity (shelter) creates competing interests on the peri-urban areas. Based on the foregoing discussion and analysis, the researcher concluded the followings;

Similar to the pervious Era's, the Ethiopian farmers still restricted to get full 'bundle of rights' on their holding especially the right to mortgage and sale. Public purpose is the main motive for any expropriation. However, the housing demand of urban residents had given high attention than replying the peri-urban farmers question to sustain their life with agriculture.

The valuation of expropriated agricultural land for cooperative housing calculated with high negotiation between the evicted and the new settlers, based on ten times of the previous five years' average annual income of the peri-urban farmers. This compensation system doesn't consider the farmers lifetime right in land with life-long income from their land, livestock's, other landed assets and the right to pass it to the coming generations.

The ineffective housing cooperatives and municipalities budget deficiency to pay compensation for those evicted farming communities gives space to the members of housing cooperatives to negotiate and pay the compensation to those farmers hand to hand. This practice leads the farmers to face with unnecessary negotiation and to be paid inadequate compensation.

Urban centers especially in Amhara region have been expanding rapidly and horizontally at the present time due to the concentrated hosing demand with the current extensive cooperative housing program, rises up to two-third of their extent (especially the smallest towns) by incorporating the nearby peri-urban agricultural land. This rapid urban expansion with unfair profit sharing

(compensation) in case of expropriation leads the peri-urban farmers to become tenure insecure and to involve in unauthorized land marketing: they subdivide and sell out their holdings before they evicted from it.

There is no post-expropriation support and follow-up to those evicted farming communities in the study areas. Absence of technical training and follow up leads the farmers to spend their compensation money on unnecessary things and finally they become the ‘two losers (land and compensation money)’.

## **7.2. Policy Implications and Recommendations**

Balancing the competing interests on the peri-urban areas is critical to get win-win outcome. Therefore, based on the forgoing discussion and case study analysis in this paper, the following specific recommendations are forwarded:

- The competing interests on the peri-urban areas should be balanced through revising expropriation laws mainly the compensation payment for agricultural lands; by considering disadvantageousness of those evicted farming communities, what they are losing their main means for generating a livelihood, valuable assets (livestock’s,..) and their lifetime right. This balancing is very important for assuring sustainable urban development and social stability.
- The Government should pay the compensation rather than confronting the evicted and the new settlers in case of compensation. The valuation should be calculated in line with the legal framework and scientific justifications rather than negotiation.
- The municipality shall focus to include suitable and enough urban agricultural lands in the land use plan of the city; which may help some of the evicted peri-urban farmers to sustain their life with urban agriculture. At the same time, this may lead the country to attain the current ‘Green Economy’ development.
- To save and use this scarce resource wisely, the cooperative and other housing development programs shall be developed towards vertical. This also may decrease the pressure on peri-urban farming communities.
- The Government shall support and follow up those evicted farming communities through giving land with financial and technical trainings as a small enterprises especially support them to engage in urban agriculture like horticulture, vegetables, poultry, fattening etc.

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## **BIOGRAPHICAL NOTES**

Abubeker Mohammed Hassen is an assistant lecturer at Ambo University, Department of Land Administration, and currently MSc student at Addis Ababa University, Institute of Technology (AAiT), Ethiopia. He has got his BSc in Land Administration from Institute of Land Administration, Bahir Dar University, Ethiopia. He is certified Cadastral Surveyor and also has above three years’ practical experience on Land Administration and Surveying.

## **CONTACTS**

Abubeker Mohammed Hassen  
School of Civil and Environmental Engineering  
Addis Ababa University, Institute of Technology (AAiT)  
Addis Ababa, Ethiopia  
Mobile: +251912484031  
Email: abu\_fewzan@yahoo.com