

Urban land and Informality: An evaluation of institutional response options to land Informalization in Ethiopian cities.

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Abstract

Particularly in the last two decades, there has been a clear recognition of the importance of urban land management in helping alleviate poverty in developing countries. Access to land and security of tenure have been identified as two strategic prerequisites for the provision of adequate shelter and for the development of sustainable human settlements affecting both urban and rural areas. The contention of this paper is that the deficiencies of the public land management system (especially the land allocation process) have led to the evolution of informal land markets. This paper seeks to evaluate the institutional response options to land informalization in Ethiopian cities. The study utilized the survey method, interviews with selected officials, and a review of government and municipal documents to generate empirical data. Sixty senior town and city officials drawn across all regions of Ethiopia were enumerated through the application of the Delphi method. Empirical evidence was complemented by a study of ten cities and / towns drawn from Ethiopia. Regional experiences were analyzed using the *Comparative Studies framework*. Content analysis and the Statistical Package for Social Scientists (SPSS) were used to analyze qualitative and quantitative variables respectively. Data from independently drawn samples was collated through *meta analysis*. Results suggest that a large but varying proportion of Ethiopia's urban population is housed in unauthorized and un-serviced settlements. A significant proportion of new housing stock and / or land assets have been provided informally. Informal activities and practices as they relate to urban land may be illegal or extra-legal but are not necessarily perceived as illegitimate by the actors concerned. Major determinants of informality in this analysis include chronic poverty, shortcomings associated with the social housing programmes, unrealistic urban land use regulations and standards, bureaucratic tendencies as well as informality itself. Institutional response options to the emerging informalization process from state and local authorities have taken a variety of forms. These have often ranged from laissez-faire and co-optation to coercion. Irregardless of the response option adopted, the resultant scenario has often taken two forms. On one hand it has resulted in isolation and resistance and on the other in partnerships, cooperation and mutual problem solving. The paper argues that only the path that creates co-operation, partnerships and mutual problem solving is ideal in dealing with land informality. Confrontation and disregard would breed antagonism and resistance. An integrative strategy would however lead to negotiated outcomes that will further assist land administrators to create more options for mutual gain.

Key words

Land administration, informality, Institutional options, challenges, integration, poverty

Introduction

Particularly in the last two decades, there has been a clear recognition of the importance of urban land management in helping alleviate poverty in developing countries. Access to land and security of tenure have been identified as two strategic prerequisites for the provision of adequate shelter and for the development of sustainable human settlements affecting both urban and rural areas (UNCHS 1996b,

Home and Lim, 2004, Adulai, 2006). It is also one way of breaking the vicious circle of poverty (Becker et al., 1994; Cleaver and Schreiber, 1994; World bank, 2005; Abdulai, 2006). Different governments across the globe have shown some commitment to promoting the provision of an adequate supply of land in the context of sustainable land-use policies with varying degrees of success. Approaches to the problem have always varied from one country to the next because of differences in national laws and / or systems of tenure. The proliferation of irregular settlements in many cities of the developing world reflects increasing disparities in the distribution of wealth and resources. Ensuring equitable access to land has always been a daunting task for many governments even though the majority of the obstacles hampering access to land by the urban poor are almost obvious.

It is therefore not surprising how the issue has continued to be part of the international agenda (UNCHS 1996b). The NewDehli conference of 1996 dubbed 'Access to Land and Security of Tenure as a condition for sustainable shelter and Urban Development' signaled an initial commitment by most governments to address anomalies in land access and tenure systems. Since then governments committed themselves to the objective of "Providing legal security of tenure and equal access to land to all people including women and those living in poverty" (UNCHS 1996b paragraph 40).

Despite such efforts, the situation on the ground has always pointed otherwise. The obtaining trends on the ground indicate deterioration in the tenure status and access to land for the poor (UNCHS, 2001). Public and private formal land delivery systems have failed to cope with the needs of the urban poor. One of the notable deficiencies of the formal land delivery system in urban areas of the developing world has been (as argued earlier on), the emergency and proliferation of informal elements. Informality has manifested itself at various scales of the land management system, including land acquisition, land delivery process, land titling among others. Among a host of other symptoms of such deficiencies has been the proliferation of illegal settlements and the unprecedented rise of legal disputes associated with land management issues. Empirical evidence drawn from Peru reveals that the journey toward the lawful acquisition of a plot of land is a long and confusing one. Access to land, registration of land, and getting permission to develop the land, have often been time consuming, unduly cumbersome and costly. Consequently the prevailing legal and administrative climate has often thwarted any meaningful efforts by the poor to access land assets. Peru's legal and land administration environment is such that the adjudication process of state lands take about 43 months, and is the result of 207 bureaucratic steps involving 48 different government offices (JanBaken. R and Linden, 1992).

Early reactions to urban informality were characterized by hostility. Upon the realization that informality in most countries was there to stay, there has been a shift of policies that seek to deal with urban informality. In terms of policy making, the goal has shifted "...from hostility to acceptance, restriction to tolerance, restraining to *enabling*..." (Perera). There is now a general consensus that capturing "...the benefits of harnessing the efficiencies of urban informality" (Roy and AlSayyad) can result in a level of economic efficiency irresistible to entrepreneurial city governments. Governments are increasingly encouraged to embrace, promote, and accommodate informal activities in their urban environments (Perera). The term enablement in this analysis requires or involves a free ride for governments epitomized in such self-help activities as garbage collection, vigilantism, water provision, etc.

The paper seeks to review Ethiopia's urban land policy responses to informality. The paper is premised on the following specific research objectives;

- To determine the scale and magnitude of *informality* in Ethiopia's urban land delivery system

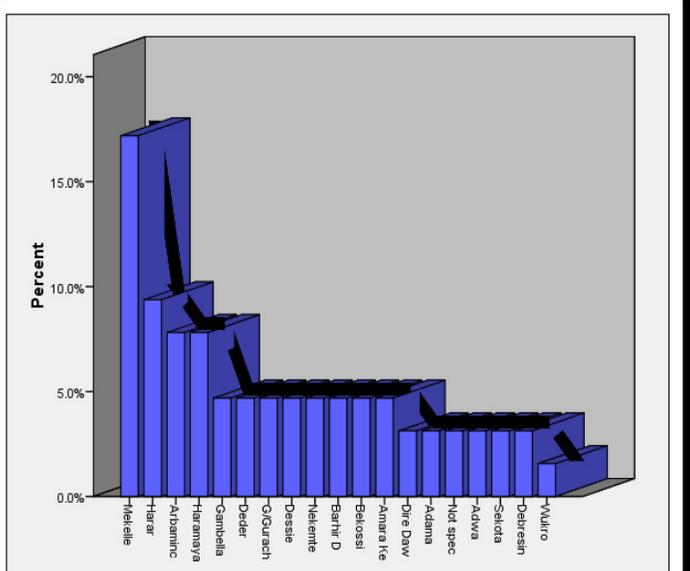
- To ascertain the challenges associated with *informality* in the land delivery process
- To identify and evaluate the utility of each institutional / policy response option adopted in dealing with the challenges of *informality* in the land delivery process.
- To identify an appropriate *institutional mix* of response options that will work for Ethiopia in addressing challenges of *informality* in the urban land management process.

Following this introduction I present an overview of the materials and methods used in gathering empirical evidence. An overview of Ethiopia’s urban land policy is then given in the next sections. This is followed by a review of the status of Ethiopia’s land delivery system vis a vis informality. A review of institutional response options is given in the next section. The paper winds up by giving some of the major concluding thoughts on the required policy modifications as they relate to dealing with urban land informality in Ethiopian cities.

Materials and methods

The study utilized the survey method, interviews with selected officials, and the review of government and municipal documents to generate empirical data. Data from several independently drawn (but related) samples was utilized. The first major sample comprised of sixty senior town and city officials drawn across all regions of Ethiopia. Through the Delphi approach, a questionnaire was distributed but only 51 were returned. The questionnaire survey was conducted in January / February, 2009 and it exclusively focused on urban land and informality issues. The officials were conveniently drawn from government and local authority officials from various cities and towns of Ethiopia. The panel of experts enumerated came from about 18 cities and / or towns (Figure 1). At least 70 % of the officials had more than 8 years of work in their various government departments and local authorities. Data gathered was complemented by individual research work conducted in a sample of 10 Ethiopian cities and or towns in 2008 / 09. The consolidation of these different findings was achieved through *meta analysis*. Quantitative variables were analyzed through SPSS while qualitative variables were subjected to content analysis.

Figure 1: respondents profile by city / town (n=51)



Urban land policy and the practice of land delivery system in Ethiopia

Land delivery systems in Ethiopia has undergone different land tenure systems. This has largely been a reflection of the prevailing land policy and land holding tenure systems of the country under different governance regimes. Notable examples include the free hold land tenure system (pre-1975), public controlled permit system (1975-1992) and public lease hold system (1993 up to date). Besides, these there are also customary and informal land holding systems, which are commonly known in Ethiopia and other developing countries. The Monarchical feudal regime of Ethiopia had a monopoly of political and economic power for centuries, including the monopoly of ownership of land, (both rural and urban) and other property. It was after the emergency of the capitalist economy at beginning of 20th century that, saw the middle classes of starting to own land parcels by way of concession from the government or contracting from the property owners. At that time extensive areas of urban land and numerous houses were vested in the hands of 16 individual lords, aristocrats, loyal families and high government officials. However, some intellectuals and few emerging owners of capital managed to buy some plots of urban lands. All unused land was presumed to be the property of the state. The monarch and feudal nobilities had the right to allocate or reside wherever they liked in any city. On the other hand, the urban poor or low-income groups were compelled to acquire land for their proprietors as a gift, tenancy, in heritage of family, and informal settlement by group. The bulk of the most productive land assets remained in the hands of a few. The emergency and proliferation of early slum areas and the unprecedented rise in urban poverty can be traced back to the feudal ownership of land (Abay T, 2005). It is now mostly acknowledged that the urban poor in developing countries (Ethiopia inclusive) have resorted to informal means of accessing urban land (Marulanda L. and Stein berg, 1991).

Formal land delivery system in Ethiopia

The major formal land delivery system for residential housing and investment in Addis Ababa and other big cities is through the lease mechanism. But in some smaller towns it is on a rental bases. Land is a public property and an individual can enjoy only the use right of land under his/her possession. Thus, the means to acquire legally (formally) a plot of land for housing development, and investment purpose is dependent on the efficiency of lease policy application. Lease proclamation No 272/2002, is the current active law regarding land provision, and indicates different ways how one can acquire a piece of land. These include auction, negotiation, lottery system and through an award system.

In 1994 new Ethiopian constitution was promulgated. The constitution retains state ownership of the land. Article 40, sub-section 3 of the constitution states that land “is exclusively vested in the state and in the peoples of Ethiopia. It further stipulates that ‘land is a common property of the nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or other means of exchange.’” While every Ethiopian citizen has the right to own private property (article 40, subsection 1 of the constitution), the constitution does not provide for private ownership of land.

The land tenure system for urban areas is comprehensively dealt with by the Urban Lands lease holding Proclamation No. 172/2002. Land is allocated through the leasing system. While the leaseholder of urban land is free to dispose off² part or all of the interest by sale or other means of exchange, the lessee of public land is prohibited by law to sell the land or enter into any contract that binds the land. The policy allows that the government can retain land needed for public interest and individual holdings for better development activities by paying compensation to owners for the properties located on such pieces of land.

The important dimensions of Ethiopia’s urban development policy as they relate to the land policy are;

- Allocating land in a sustainable way through tender, negotiation and permit
- Stabilizing the price of land and marketing of real property.
- Ensuring the equitable distribution of land to both the rich and the poor
- Facilitating mechanisms by which low income groups are allocated adequate land at reasonable cost.
- Facilitating efficient and sustainable delivery of land to investors engaged in the construction of residential and commercial buildings for sale or rent.
- Creating a system for registration and marketing of real property as well as issuance of title deeds.
- Ensuring that land is delivered for construction of residential houses and that commercial uses have adequate provision of infrastructures.
- Bringing economical uses of land for intended development works. (Urban development policy, March, 2005)

The urban land policy gives priority to land allocated (in order of priority) to saving houses, social services, industry, micro and small business institutions, residential houses, commercial organizations and recreational centers. The relationship between land and poverty is clearly articulated in Ethiopia's Plan for Accelerated and Sustained Development to End Poverty (PASDEP) policy document (2005/06-2009/10). Improved access to land, infrastructure and facilities is one of the four pillars of PASDEP that is aimed at ending poverty. The other three pillars include,

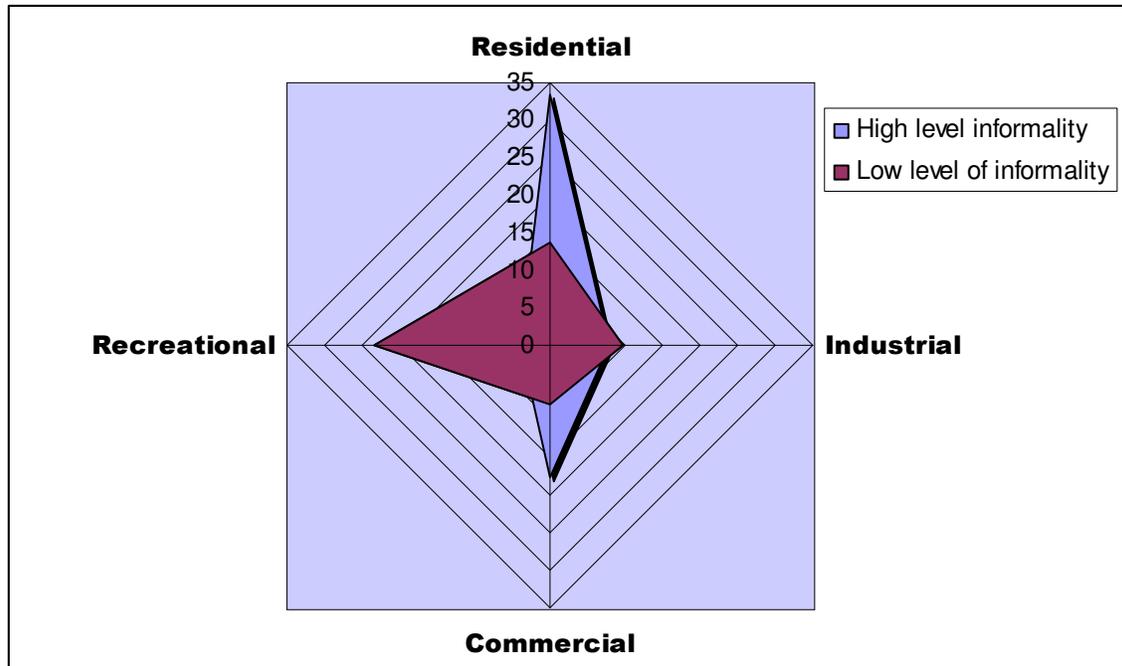
- Promoting urban - rural and urban – urban linkages
- Support for Small and Micro Enterprise and job creation
- Integrated housing development.

The symbiosis that exist between land, housing and support for small and micro enterprise and job creation is obvious. Improved access to land by the poor is therefore recognized as a key to ending poverty, by the federal government of Ethiopia.

Urban land and informality in Ethiopian cities

The level and scale of informality associated with Ethiopia's urban land policy has often been difficult to discern quantitatively. However a more qualitative approach based city / town officials perceptions reveals that the most affected land use has been residential, followed by commercial, industrial and lastly recreation (figure 2). The major cause of such informality has been the challenges or flaws associated with the land administration process among other factors that relate to historical land tenure systems and urbanization. Land administration in this analysis includes the functions involved in regulating the development and use of the land, gathering revenue from the land (through sale, lease, or taxation, etc), and resolving conflicts concerning the ownership and use of the land. It is concerned both with private and public lands and involves land settlement, land survey, land registration, land valuation and assessment, land use control and management, infrastructure and utilities management.

Fig 2; Perceived level and scale of informality in different land use categories (n=51)



The nature and trends in informality tends to vary from one urban area to another. One way of objectively measuring informality would be to look at the proportion of land parcels that conform to the basic planning and building design regulations (Table 1). Available statistics for many towns and cities in Ethiopia are far from pleasing. In Masha town for example the number of registered plots has remained high (over 98 %) and has been on the rise between 2004 and 2007 although 2008 statistics are encouraging (refer to table 1). In other smaller towns such as Abbiy Addi and Nekemte statistics on unregistered parcels of land have however remained relatively low.

Table 1: Compliance / noncompliance to required planning and / or design standards in two sample towns

Number of plots registered, parcels that have / have no site plans in Masha town¹				
Year	2004	2005	2006	2007
# of plots registered	1953	2001	2064	2101
Registered plots with site plan	39	27	31	15
Plots without site plan	1914	1074	2033	2086
% plots with site plan	2	1.3	1.5	0.7
% plots without site plan	98	98.7	98.5	99.3

Use of standard / accepted designs by sample home owners in Abarminch town / 2008 (n=341 home owners).

<i>Design category</i>	<i>No. of homeowners</i>	<i>Proportion (%)</i>
Standard / accepted design	160	46.1

Unaccepted / without standard design	181	53.1
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Reasons for noncompliance by sample homeowners in Abarminch town / 200 (n=181 homeowners)

	<i>Lack of financial resources</i>	<i>prefer own design</i>	<i>Other</i>
No.	145	16	20
%	80.1	8.8	11.1

Registered and unregistered land parcels / plots in sample 3 towns / 2008

	<i>Abiy Addi^{2a}</i>	<i>Abiy Addi^{2b}</i>	<i>Nekemte³ (n=15) Informal plots</i>	<i>Masha^{4a}</i>	<i>Masha^{4b}</i>
# of plots registered	1597 (77)	2136 (68)	4 (27)	1328 (74)	773(84)
# of plots unregistered	466 (23)	996 (32)	11 (73)	349 (26)	121(16)
Estimated loss in revenue (birr)	603936	645408	?	?	?

1 =Municipality of Masha. 2007.

2 = Abiy Addi Municipality, 2008: a = old occupation / registration; b = new allocation / obligatory registration.

3 = Based on informal settler survey, 2008

4 = Municipality of Masha (Finance Department), 2008: a = Residential land plots; b= Business land plots

Related statistics in Arbarminch town show a relatively high proportion of a sample 341 households having structures without an acceptable design. Addis Ababa, the capital of Ethiopia is home to at least 30 % of illegal settlements (table 2) and the trend has been worsening since 1988. The informality situation particularly in the housing sector has been compounded by the failure by the formal land supply to meet unprecedented rise in demand for urban land.

Table 2: Housing stock, squatter settlement expansion and informality status in Addis Ababa

Housing stock in Addis Ababa¹			
	<i>Units</i>	<i>Percent</i>	
Formal sector housing	298000	46.5	
Kebele rental housing	150000	23.4	
Illegal housing (organized)	132000	20.6	
Slums (Disorganized / illegal)	60000	9.4	
Squatter settlement expansion in four former Weredas (1988 -1994)²			
<i>Wereda</i>	<i>1988 – 1992</i>	<i>1992 – 1994</i>	<i>% age change</i>
17	513	3000	485

19	700	3000	328
28/04	3637	4363	20
<i>Total</i>	<i>4850</i>	<i>10363</i>	<i>114</i>

Forms of squatter settlements in Kolfe Keranyo Subcity, Addis Ababa (2004 / 05)³

<i>Forms of land acquisition</i>	<i>Units</i>	<i>Percent</i>
Bought from farmers	78	52
Bought from informal sub dividers	42	28
Bought from former informal settlers	19	13
Granted by peasant association, vendors, speculators	11	7
<i>Total</i>	<i>150</i>	<i>100</i>

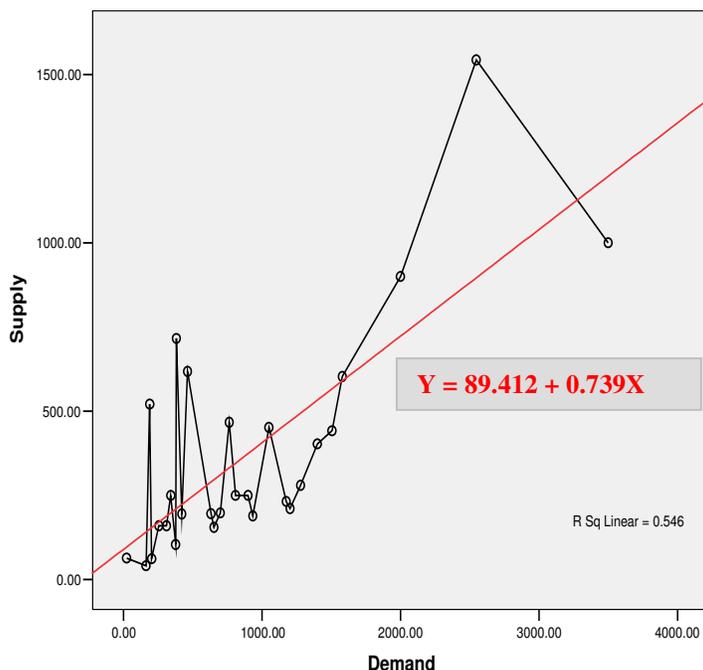
Monthly income status of informal settlers³

<i>Monthly income (birr)</i>	<i>Number</i>	<i>Percent</i>
< 600	29	19
600 – 1040	65	42
> 1041	58	39
<i>Total</i>	<i>150</i>	<i>100</i>

- 1 = AAMPRO, 2000 EC
- 2 = ORAAMP, 2000 EC
- 3 = Kolfe Keranyo Subcity, 2008

Regression statistics between land supply and demand in a sample of 5 cities show a less than perfect correlation between land supply and demand (figure 3).

Figure 3. Relationship between residential land Demand and Supply in a sample of five towns



NB: Data drawn from independent sample statistics gathered during the period between 1994 to 2008.

The demise of the formal land supply has subsequently seen the emergence of opportunistic and informal of land supply tendencies. Many households have turned to the informal land markets to compensate for the deficits of the formal land supply market. Rent seeking behavior has also been on the rise in the private market, with the bulk of private land suppliers resorting to speculative behavior responsible hiking the value of land parcels (Table 3). The deteriorating land supply situation in towns and / or cities such as Adama, Yeka subcity of Addis Ababa, Jimma, Bahir Dar, Debre Tabor, and Nekemte have seen many getting the land from informal sources such as buying from surrounding farmers, occupation by force, allocation by rural Kebele Administration among other means (Table 3).

Table3: Forms of land acquisition in selected cities and / or towns (2008)

Acquisition of land by sample informal settlers in Adama city / 2008 (n=75)			
	<i>Kebele 03</i>	<i>Kebele 14</i>	<i>Total</i>
Rural Kebele Administration	1 (2)	3 (10)	4 (5)
Buying from farmers	24 (53)	10 (33)	34 (45)
Buying from speculators	14 (31)	7 (23)	21 (28)
Gift from relatives	4 (9)	6 (20)	10 (13)
Occupation by force	2 (4)	4 (13)	6 (8)

Acquisition of land by sample informal settlers in Yeka subcity / 2008 (n=110)			
	<i>Kebele 19</i>	<i>Kebele 20,21 Abada & Tafa</i>	<i>Total</i>
Rural Kebele Administration	1(2)	1(2)	2(2)
Buying from Peasants	19 (35)	10 (18)	29 (26)
Buying from speculators	21 (38)	29 (52)	50 (45)
Inherited from parents	11 (20)	16 (28)	27 (24)
Occupation by force	2 (4)	-	2 (2)

Acquisition of land by sample informal settlers in Jimma city / 2008 (n=60)			
	No.	%	
Bought from speculators	17	28	
Gift from / granted by relatives	14	23	
Occupation through force	29	48	

Acquisition of land by sample informal settlers in Bahir Dar city / 2008 (n=186)			
	No.	%	
Bought from farmers	54	29	
Bought from speculators	30	16	
Inherited / Gift	20	11	
Occupation by force	82	44	

Acquisition of land by sample households in Debre Tabor / 2008 (n=100)

	No.	%
Municipal allocation	49	49
Purchase from private individuals	31	31
Inheritance	14	14
Compensation	2	2
Gift	2	2
Other	2	2

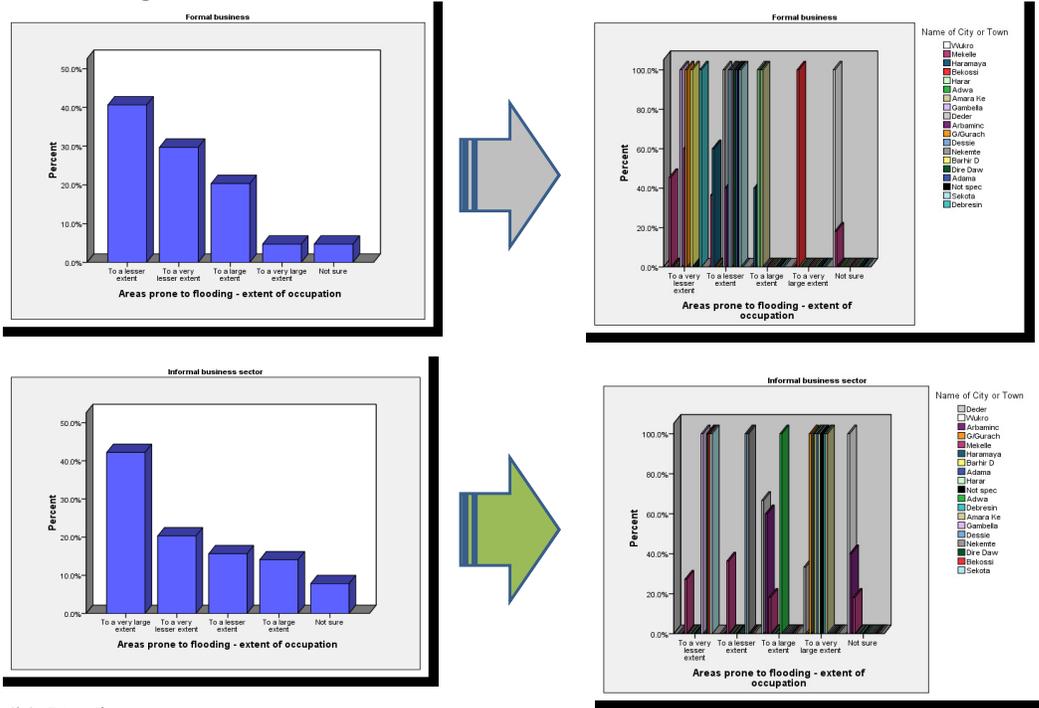
Acquisition of land by sample households in Nekemte / 2008 (n=100)

	No.	%
Purchase of land / house	37	23
Inheritance	9	6
Gift	11	7
Municipal allocation	55	34
Other (Renting of gvt. or private house)	49	30

Urban informality and perceived ecological implications

The problem of informality as perceived by the panel of experts has had some ecological consequences. Both the formal and informal housing sector occupies some of the areas designated as ecologically sensitive areas. The perceived extent of occupation of flood prone areas by both formal and informal housing (figure 3a) and formal and informal business (figure 3b) is portrayed in figure 3. The most affected sectors are the informal business sector and the informal housing sector. Never the less, some few cities and or towns formal housing and business sectors are occupying these flood prone areas including other ecologically sensitive areas such as wet lands and hilltops. The perceived proportion occupying structures prone to hazards in the housing and business sectors of various urban local authorities is no pleasing either. Here the most affected sector was perceived to be informal housing (Figure 4).

Figure 3. Perceived extent of occupation of flood prone areas by the; (N= 51).
 (a) Housing sector



(b) Business sector

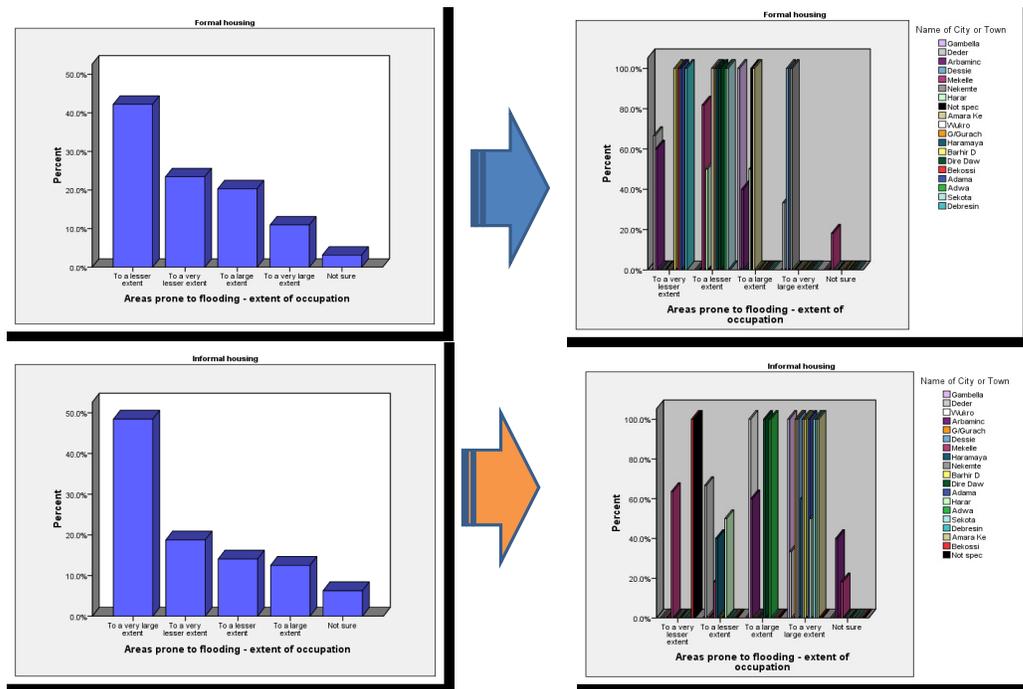
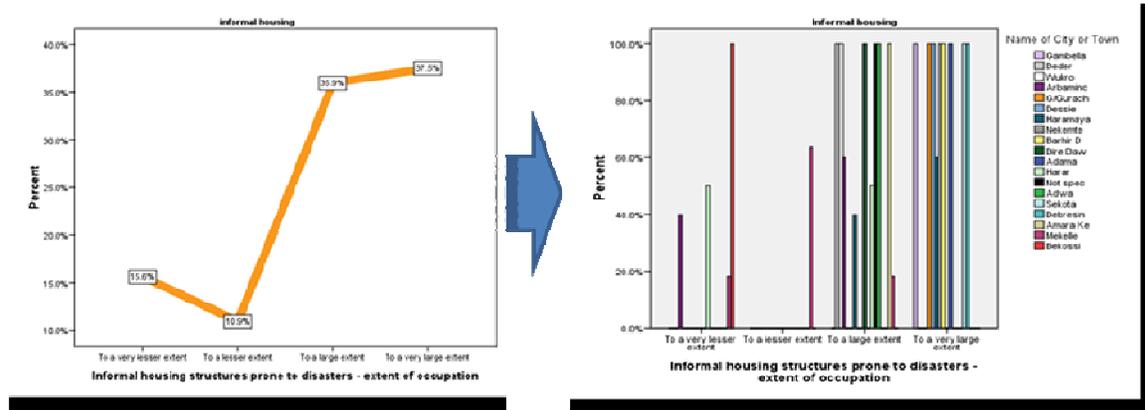


Figure 4. Perceived extent to which informal sector households are occupying structures prone to disasters (N = 51).



Major determinants of informality

The major cause of informality has been the failure by many to get access to land assets. Specific challenges are multifarious and their relative significance varies from region to region and from one local authority to the other (Table 4). One of the inhibiting factors is that the poor have a low propensity to save and hence a low propensity to borrow money from lending institutions. This situation has also been compounded by the increases in inflation levels. The general inflation rates in the a single five year period for instance reached 12.1% in which peaks were registered during 2006/07 (17.85) and 2003/04 (15%). Both food and nonfood items contributed towards the increase in inflation (figure 5). Regarding the general price indices at regional level during 2006 / 07, the highest inflation rate was recorded in Oromia (19.8 %), Amhara (18.8 %), Addis Ababa (18.6 %), SNNP (17. 6%) and Tigray (9.9 %) which accounted for 95.9 % of the country wide Consumer Price Index (Ministry of Finance and Economic Development, 2006 / 07).

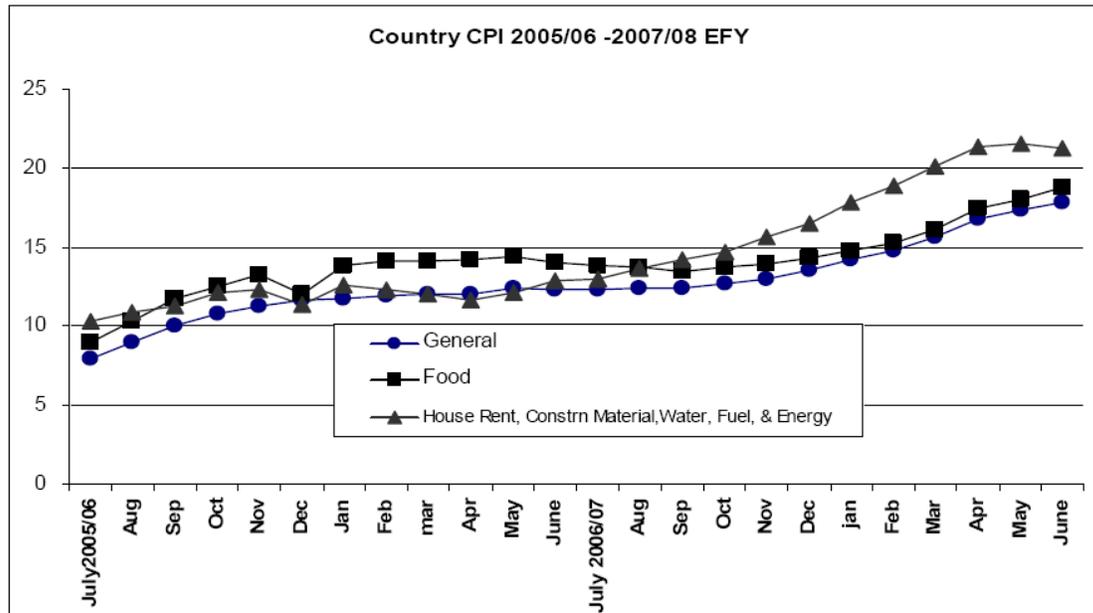
The cost of borrowing money has also been on the rise, following the interest liberalization at the end of 1992 (Proclamation no. 29/1992; NBE, 1992b, 1994a, 1994b). Empirical evidence from elsewhere reveal that the dominant strategy for financing for the poor is own savings. This is seen as a poor strategy in a country where the marginal propensity to save is low (Teshome Mulat, 1994). Mituki, 1996 reports that the second most important finance for any investment in Ethiopia after own savings is formal financial institutions. Lack of collateral security by the poor and high interest rates renders this option unviable. In addition to high collateral requirements, other well known problems with banks include, long times and in some cases lack of genuine assessments of assets by some bank officials.

Table 4: Summary of major determinants / cause of informality in a sample of 5 cities and / or towns in ethiopia

City / town	Leading cause(s)	Second	Third
Addis Ababa (Bole subcity)	<ul style="list-style-type: none"> - The poor lack the ability to pay for the land / the minimum required deposit. - There is no conscious effort by town and city officials to target the poor - increased rural urban migration resulting in increased demand for land versus limited supply - Inhibitive house rentals - Restrictive leasing system - increasing levels of poverty 	<ul style="list-style-type: none"> - Lack of transparency in service delivery - Increasing cases of land related corruption - Increase in speculative behavior leading to higher prices of land. - Over emphasis on land for investment rather than for housing the poor. - local authorities lack financial capacity to service and pay compensation for acquired land. 	<ul style="list-style-type: none"> - the poor are less active / not engaged in the land delivery process. - Land delivery system biased towards the educated and government employees.
Yeka subcity	<ul style="list-style-type: none"> - Bad governance and corruption- - Shortage of land - high land values - Increasing levels of poverty, unemployment and underemployment - Inefficient land administration procedures - High cost of building materials 	<ul style="list-style-type: none"> - Most land allocation procedure based on the bidding system which favours the most affluent. - existing standards requirements are still too high for the chronically poor. - weak law enforcement mechanisms 	<ul style="list-style-type: none"> - Unclear land boundaries - Inconsistent policies towards dealing with informal settlers.
Adama city (n= 75)	<ul style="list-style-type: none"> - Local authorities have limited capacity to develop and deliver adequate supplies of land to the poor. - Unwarranted delays and inefficient land delivery process. - poor land administration procedures - Increase in the number of illegal land transfers - increased demand for land owing to increased rural – urban migration. 	<ul style="list-style-type: none"> -High cost of building materials -Bureaucratic tendencies resulting in slow land delivery procedures. - the inability of the poor to afford minimum land assets. - The poor have no collateral security to borrow money from financial lending institutions. - Excessive regulation and standards - illegal purchases of land 	<ul style="list-style-type: none"> -Corruption by city officials and land speculators. - Weak administrative control mechanisms.
Jimma city (n=60)	<ul style="list-style-type: none"> - high cost of building materials - Increased rent seeking behavior - Weak law enforcement mechanisms - Unaffordable rentals - delays in the land delivery process and a generally inefficient land administration process. - poverty, unemployment and underemployment 	<ul style="list-style-type: none"> - No explicit assessment procedures in qualifying beneficiaries - The desirer to obtain large parcels of land 	<ul style="list-style-type: none"> - local authorities lack adequate capacity to develop and deliver land.

Bahir dar	<ul style="list-style-type: none"> - Limited land supply -Required standards are still too high for the chronically poor. - Lengthy formal land delivery system - High house rentals - low household income and inability by the poor to save 	<ul style="list-style-type: none"> - High cost of building materials - 	<ul style="list-style-type: none"> -Local authorities have limited financial capacity to compensate for acquired land.
Ambo town (n=200)	<ul style="list-style-type: none"> -Lack of collateral security by the poor limiting their ability to borrow money from financial institutions. - low savings. - high cost of land - limited supply of land - inefficient land delivery process and cumbersome procedures involved. - high prices of land in the formal market - absence of affordable housing 	<ul style="list-style-type: none"> - lack of clear legal directives on informal land transfers. -inappropriate land delivery policies. - municipality providing small pieces of land 	<ul style="list-style-type: none"> Lack of transparency and accountability in the land administration process.

Fig 5: Country Consumer price Index 2005/06-2007/08 EFY



Source: Ministry of finance and economic development (2006/07)

Information systems as they relate to the land market are generally inadequate. This problem has been compounded by a slow computerization process as well as the shortage of skilled manpower. Despite their strategic position in the land market, the potential role of local governments has not been fully realized. Their efforts have been stifled by limited financial resources. Most local authorities do not have capacity generate revenue and where a meaningful revenue base exists the collection mechanism has often been weak. Their limited financial muscle has seen most of them continuously relying on government funding. Consequently acquiring more land for allocation as well as servicing has been difficult. Land supply has as a result always lagged behind demand. Bureaucratic tendencies, shortage of manpower, corruption by some officials, alleged nepotism and the absence of an adequate information system are other factors that have rendered efforts by local governments in the land market inadequate.

Procedures relating to access to land, registration and permission to develop have been dismissed by some officials as time consuming and flawed. This has largely been attributed to bureaucratic procedures that are involved and alleged corruption activities by some officials. The majority of the sampled officials (68.96%) acknowledged having witnessed anomalies in the land delivery system. Only a small proportion (31.04%) had not witnessed problems with the land delivery system in their respective regions.

Limited public participation in planning and urban services has been one of the most crucial constraints in the effectiveness of policies and programmes relating to land delivery. The poor have not been taking an active role in the land delivery process. Their role has largely remained passive. Currently, the urban poor are viewed as land beneficiaries as opposed to active stakeholders in the land administration process. Lack of participation by the chronically poor was identified as one of the major factors

hindering the urban poor from accessing land. Most local authorities do not have explicit mechanisms for engaging the poor in the land delivery process. Where institutional arrangements for popular involvement exist, the poor are usually unable to use these effectively because they lack viable political organization.

The existing institutional arrangements have not been responsive enough to deal with land allocation disputes. The majority (70%) of the sampled officials dismissed the institutional setup for dealing with land disputes as ineffective. A weak monitoring and evaluation system in urban areas is another significant institutional constraint. Federal government agencies, public enterprises and urban local governments lack adequate capacity to suggest timely corrective actions to ensure access to land by all. In all the sampled regions, it is reported that land is beyond the financial reach of the urban poor, and is thus monopolized by the relatively better off groups.

Institutional response options adopted

The challenges posed by informality in the land delivery system have been dealt with in different ways by various urban local bodies across Ethiopia. This analysis will only focus on institutional response options. Four such groups of response options can be discerned (Table 6). No action in this analysis refers to a situation where the concerned bodies consciously or unconsciously ignore the problems of informality either due to lack of capacity to tackle the problem or failure to recognize the existence of the problem in terms of its scale, intensity and severity. All forms of refusal to interfere, and practices that allow people to do as they wish fall into this category. We shall later refer to such a response option as *laissez – faire approach*. Bulldozing is defined as all forms of coercive actions targeted at destroying illegally built physical structures. It also extends to include all legal and or non legal measures that result in the forceful eviction of illegal land owners. The use of law and courts refers to the application of law enforcement mechanism in dealing with land disputes. This also covers lawful measures that result in the relocation of illegal land occupiers. The bulldozing strategy and the use of law and the courts imply some element of fighting and can be summarized as *coercion strategies*. The negotiation strategy refers to all collaborative efforts that seek to bring all affected parties to the drawing board so that they can solve their problems in a mutual manner. Such an accommodative approach seek to engage and / or co-opt all stakeholders and shall later be referred to as *co-optation* measures.

Table 6: Response options employed / all sample regional states (n=51)

<i>Response option</i>	<i>Proportion of respondents identifying the frequently employed response options¹</i>			
	<i>1st</i>	<i>2nd</i>	<i>3rd</i>	<i>4th</i>
No action	37.3 (19)	7.8 (4)	29.4(15)	25.5(13)
Bulldozing	21.6 (11)	27.5 (14)	33.3 (17)	17.6 (9)
Law and the courts	17.6 (9)	35.3 (18)	19.6 (10)	27.5 (14)
Negotiation ²	33.3 (17)	19.6 (10)	29.4 (15)	17.6 (9)

Standard deviation 4.76 5.97 2.99 2.63

Most frequently used response option in each regional state²

Neg. No act. No act. Bull. Neg. Law.

Empirical data from table 6 shows that the majority of sampled Ethiopian cities have relied more on *laissez faire* approaches followed by coercion rather than co-optation in dealing with issues of informality in urban land. The ***expected utility approach*** was employed to evaluate the widely used response options in a sample of cities in various regional states. Results show that coercion has been applied in two regional states of Oromia and Tigray. A *laissez faire* approach has largely been applied in select cities and towns of Amhara and Harar. Addis ababa and SNNP have taken a co-optation stance to challenges of informality.

An evaluation of institutional response options to dealing with land informality

The goal achievement matrix (GAM) tool was used to evaluate the perceived performance of each identified response option. Results are portrayed in figure 7.

Fig 7: Perceived performance of response options adopted (n=51)

		PERCEIVED PERFORMANCE			
		NONE	LOW	MEDIUM	HIGH
Selected response attribute	No Action	X			
	Law and the courts		X		
	Bulldozing of illegal structures			X	
	Threatening plus eviction			X	
	Threatening only		X		
	Relocation			X	
	Negotiation with affected stakeholders				X

GAM results indicate that both *laissez faire* and *coercion* response options have not been effective enough in dealing with challenges posed by informality. *Cooptation* on the other hand has been viewed as the only strategy that results in mutual solutions. Unfortunately results on the ground that indicates that most towns and cities have resorted to coercion both *laissez faire* and *coercion* response options. For example details in table 8 shows that all the 5 sampled urban areas had at some point resorted to coercive strategies through eviction or demolition of illegal structures or the uses of courts. Where

resources have been inadequate, no action has been taken as with the case with the city of Bahir Dar. The ineffectiveness of the two widely applied response options has often dealt a blow to the poor who constitute the majority of those who aspire to own a piece of land. Land registration as a strategy has not worked as evidence of informal settlers, selling off their properties and occupying new illegal land is rife in a number towns and cities. The failure of land registration has been acknowledged by many (West, 2000; Tanner, 2002; Abdulai, 2006).

Dealing with urban informality: A synthesis of analysis

A proactive way of dealing with challenges of informality is required and a systematic and intelligent way of doing so would be to adopt a more collaborative approach. Such an approach would however require that land administrators go through a three step process. The proposed three stage process starts off with the *recognition* that urban informality exists and that it operates in a known legal, policy and institutional environment. Resigning to the fate of these external factors (as often is the case with most land management initiatives in Ethiopia) would not assist. It is important for land administrators to take a constructive stance on these dimensions. This would entail an appreciation of the fact the legal, policy and institutional dimensions are not necessarily impediments, but rather constitute a container or support of any process taking shape within their fortresses. The next step is *awareness and identification*. I characterize this as a deliberate *search and examine exercise*. The ultimate objective of this conscious exercise is to come up with an inventory of the major and minor determinants of informality and the challenges likely to be encountered in dealing with such impediments.

The resultant audit would then be *assessed* for its significance to the land management process. Three possible impact scenarios are ‘no effect’, ‘positive effect’ and ‘negative effect’. It is important as well to document the scale of influence by quantifying the magnitude of effect. This would give land administrators a clear picture as to what to expect from the legal, policy and institutional dimensions of informality. This exercise alone would facilitate the prioritization of possible actions to take and would put the land administrator in a better position to determine when to be proactive / anticipatory, to take remedial action or to be reactive.

Why cooptation?

Having taken stock of the various dimensions of urban land informality land management practitioners would then need to intelligently respond to issues that crop up during the land management process. Experience from sample regional states in Ethiopia has revealed three possible response options (Figure 8).

Whatever response option is adopted the resultant scenario for dealing with informality in the land management process takes either of the following two forms;

- Isolation and resistance
- Partnerships, cooperation, and mutual problem solving

The path that creates co-operation, partnerships and mutual problem solving is ideal (Carlsson L., and Berkes F., 2005; Natcher *et al*, 2005). Confrontation and disregard would breed antagonism and resistance from affected parties. Some practical symptoms of this include threats, destructive criticism of land policies, manipulation and development of regressive climates in collaborative meetings and non action. Negotiated outcomes are often a characteristic of accommodative strategies. Land managers should adopt an integrative strategy that would at all times ensure collaboration with the major actors of land management. Such integration usually breeds negotiated outcomes that are characterized by constructive criticisms, progressive negotiation climates, good attendance in meetings, action. Such a stance also promotes joint outcomes and will often assist the land management practitioner to create more options for mutual gain.

Among the three possible response options (1) avoid (2) compete / confront and (3) accommodate, experience drawn from elsewhere has shown that ignoring urban land informality issues as they crop up is a more attractive option as it is less taxing and less controversial. This however leads to sterile land management processes and the common manifestations of this is the complete breakdown of the land management process itself.

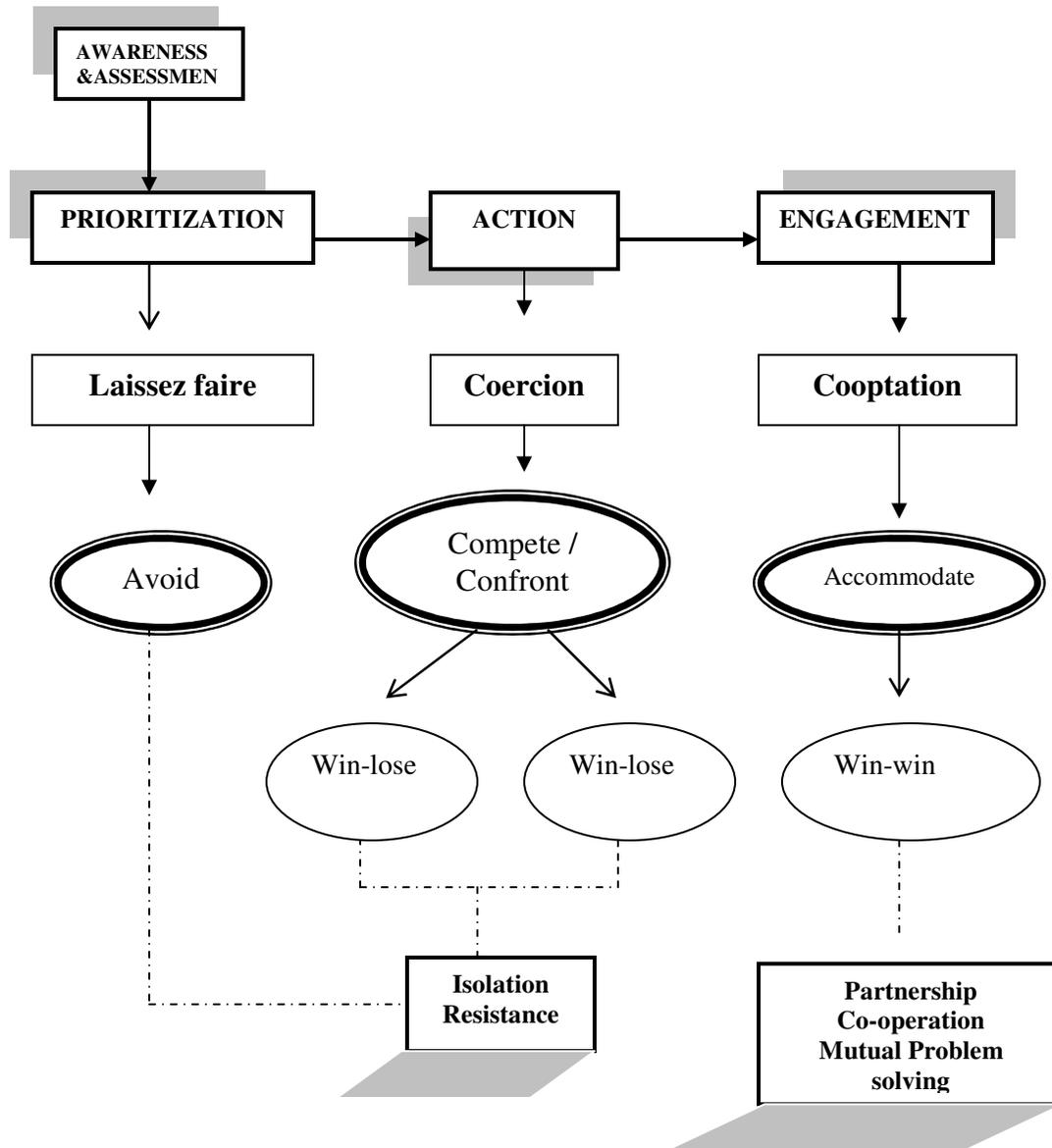
When issues and concerns are swept under the carpet, they would often resurface in later stages of the land management process. This normally creates an unwarranted demand for attention that breeds inconveniences at various stages of the land management process (Perera, 1994; AlSayyad, 2000). This would force land management practitioners to engage into a damage control kind of an exercise.

Active and open fighting is the next attractive response option. Such a confrontational approach is geared towards subduing the root causes of the problem. The usual objective is to try by all means necessary to smoothen the terrain for land management. Experience has shown that this often breeds tangible results at least in the short term. Unfortunately the land management process is often long and dirty and can not be facilitated by such temporary and insufficient strategies. They are bound to resurface at any one stages of the land management process, leading to new battles and a possible diversion of resources to sort out these complications. The land management process itself should thrive on relationship building processes at every stage, right from the acquisition of land through to land servicing, issuance of title deeds and monitoring, evaluation and reflection. Adopting a competitive strategy would not result in a relationship building process. The major outcome of such a strategy is always a win-lose situation. What is however required is win-win situation that can only be forged through a negotiation process.

Table 5: A snippet of institutional response options adopted by a sample of 5 cities and / or towns and perceived performances

City / town	Response option (s)	Perceived performance and / or challenges
Addis ababa / bole subcity / Yeka subcity / Kofle subcity	<ul style="list-style-type: none"> - bulldozing / demolition of illegal structures - use of law and the courts to ensure compliance - Engagement of self help and religious organization in providing minimum standards in illegal settlements. 	<ul style="list-style-type: none"> - A single campaign launched in Yeka subcity in 1994 EC costed the authorities an equivalent of 78 736 birr. - 13440 illegal houses in Addis Ababa have been demolished. - The demolition attracted resistants and anger among the affected.
Adama city	<ul style="list-style-type: none"> - Demolition of illegal structures (carried 3751 demolitions within a single 5 year period). - Regularization of informal land / formalization of security of tenure (implemented in Kebele 3). 	<ul style="list-style-type: none"> - The demolished structures were soon replaced by fresh ones. - Regularization resulted in more informality.
Jimma city	<ul style="list-style-type: none"> - Eviction - Demolition of illegal structures - Legalization of squatter settlements - Threat of eviction 	<ul style="list-style-type: none"> - Regularization of squatter settlements attracted more informal settlers. - Because the demolition of illegal structures is not done consistently, affected families tend to re-assemble and start all over again. - Eviction in some cases led to social and political strife.
Bahir Dar	<ul style="list-style-type: none"> - Threat of eviction - Eviction - Demolition of illegal structures (up-scaled in 1995 in Kebeles 11 and 13). - no action 	<ul style="list-style-type: none"> - Not evaluated and therefore not known.
Ambo town	<ul style="list-style-type: none"> - demolition of illegal structures (Demolished 1050 housing units) 	<ul style="list-style-type: none"> - Has not brought desired results
Masha town	<ul style="list-style-type: none"> - litigation / mediation by the municipality - Use of law and the courts (between the period August 1/ 1997 and May 10/2000EC, 412 land related cases were filed in courts. 	<ul style="list-style-type: none"> - Use of law and courts not effective. Of the 412 case filed only 22.5% were settled. - Delays in other parts of the judiciary proceedings a big challenge. -

Fig 8: Response options to urban land informality in Ethiopia



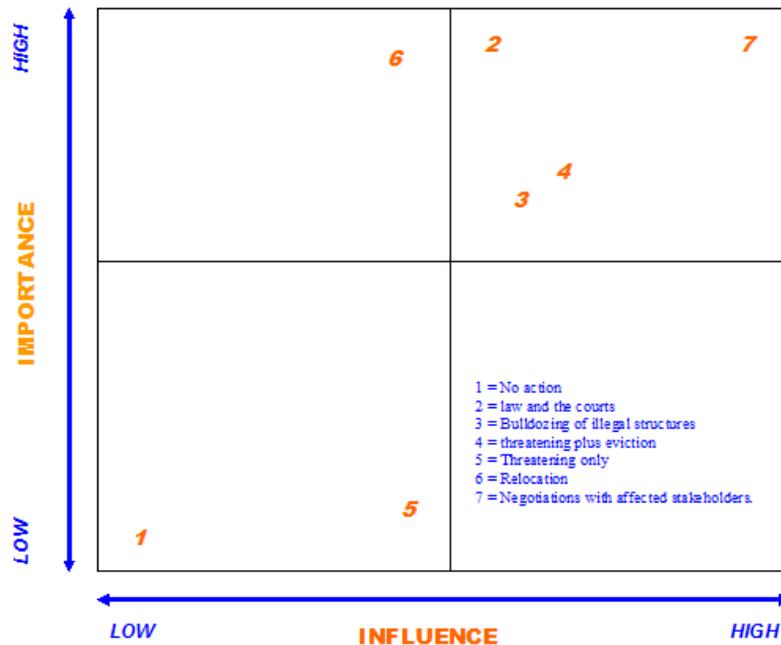
Negotiation is by no means the best response option. The principal result of the negotiation process is consensus or compromise. When the legal, policy or institutional environment is posing a threat to the land allocation process, the key is to shift the situation to a win-win scenario even if it appears like a win-lose. Adopting the cooptation process does not however mean those other strategies are irrelevant. They still remain relevant if they are considered as valuable alternatives through a collaborative process. Figure 9 shows the relative importance and influence of each identified response option.

Cooptation is therefore by no means the best institutional response option that is likely to yield sustainable solutions in dealing with the complex problems of informality in the urban land management process.

Conclusion

Just like many other developing countries, Ethiopia's land management process has not been immune to the growing phenomenon of urban informality. Empirical data from the study has shown that urban informality in the land management process is plural and characterized by multiple linkages. Not only does it have to be explicitly recognized by land management practitioners, but it has to be responded to as well. Its multiple dimensions affect the content, process and outcomes of the land allocation process. Accordingly, the land management process has to respond intelligently to this framework

Fig 9: Influence and importance matrix for gauging the value and effectiveness of institutional response options.



right from situation analysis through to land development, land allocation, land registration or titling to monitoring and evaluation. The best way of responding to informality has been identified as a negotiation or cooptation process as this would result in forging cooperation and partnerships that are ideal for dealing with associated challenges.

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