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Analysis of Public Reaction to the Newly Amended and Introduced
Urban Land Lease Policy of Ethiopia and Its Future Implications
The Case of Akaki Kaliti Sub-city, Addis Ababa, Ethiopia

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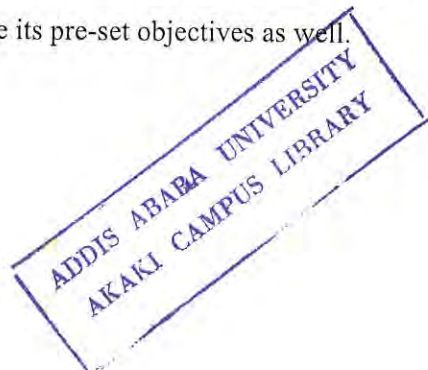
Abstract

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Addis Ababa University, 2012

Ethiopia has been under-taking different urban land policies to address land related problems; and supply urban infrastructure and social services since 1975. Urban land lease policy was first introduced in 1993; and then amended in 2002 due to its inefficiencies to achieve its objectives. The government amended the existing urban land lease policy and introduced it in 2011. This action created debates among different sections of the communities. The central aim of this paper is to analyze the public reaction to this newly introduced urban land lease policy and its possible future implications. This study tries to identify the reason behind introduction of the policy; examine the public reaction to the policy and its possible future implications; and look at the level of the stakeholders' involvement in the policy processes. Mixed research methods; community cross sectional research design; primary and secondary data sources; household survey, focus group discussions and key informants' interviews were used for this study. The results of the study indicated that: this lease policy was designed to meet the ever increasing demand for urban land through proper urban land management; the policy process lacked stakeholders' involvement and public voices; regularization of illegally occupied urban land disappointed the majority; the conversion of old possession to leasehold affected the possessors and the banks. Furthermore, the concepts in the new regulation prepared for implementation of the new proclamation has contradict with that of the proclamation; and research participants doubted on the role of this policy to solve the defects of its predecessor's policies: and achieve its pre-set objectives as well.



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Abbreviations and Acronyms

AACA- Addis Ababa City Administration

CSA- Central Statistical Authority

DFID- Department for International Development

EU- European Union

FAO- Food and Agricultural Organization

FDRE- Federal Democratic Republic of Ethiopia

IIED- Institute of International Environmental Development

MUDC- Ministry of Urban Development and Construction

TGE- Transitional Government of Ethiopia

UN- United Nation

USAID-United States Agency for International Development

CHAPTER ONE

Introduction and Background

1.1 Introduction

Land, which is limited in quantity, immovable and permanent in its nature, is essential to all human activities (Doebele, 1987:7). Land issues are of crucial importance to economic growth and development, poverty reduction, and governance (European Union, 2004:5). Land is one of the most fundamental components of urban and industrial developments (Williams, 1996: 207). The issue of land everywhere in the world is economically, politically and socially the most sensitive and significant aspects of human beings (Yirsaw 2010: 1).

Deininger (2003) cites that how control over land is a source of political power and property, especially in societies where access to other assets is limited. The evolution of property rights shows that landowners have had upper hand in shaping policies that favor their interests, a situation that is still prevalent in some industrial and many developing countries (pp.2-3). Land policy, land rights and land reform have critical bearing on economic development and poverty reduction in urban areas of developing world (DFID, 2002:3).

Despite the huge diversity of regions, peoples, and economies across the continent, land and land-based activities have remained to be the source of livelihoods for all African nations. The ever-growing populations in African urban centers make the quest for urban services to rise from time to time. Land is not just an economic asset and market commodity, but has strong political, social, cultural, and spiritual dimensions in most parts of African countries (Toulmin, 2006:1-3).

Urban centers in the African countries are characterized by overcrowding, congestion, slums, squatting and the inadequacy of basic services, community facilities and civic amenities. The solution to these land-use problems in the cities of tropical Africa will be largely impossible without the formulation of an effective urban land policy by public authorities in the countries of the region (Onokerhoray, 1977: 59).

The transition of many former socialist countries from a command to a market oriented economy has brought radical changes in previous policies; one of which is the issue of urban land (Yirsaw, 2010: 1). Public leasehold, as a system allows governments as a representative of the public and private parties to negotiate the delineation and assignment of multiple land rights through contractual agreements and rent (Hong, 1999:664).

1.2 Background of the Study

In Ethiopia, as elsewhere in the world, enormous socio-economic significances stem from the fact that land is a source of wealth, economic growth, employment and a source of basic survival of the majority of the population. In respect of urban land, this is further accentuated by the rapid urban development that leads to swift and drastic changes in the physical, economic, social, political and administrative structures of the cities (Tefera, Yusuf and Zerihun; 2010:14). The struggle over who controls land has become a significant question in the history of Ethiopia. Zeluel (2000) states that land plays key role in the social and economic life of both rural and urban areas of Ethiopia (p.2). The country has a long legacy of state intervention in land tenure relation; and has exerted considerable influence on local land tenure throughout its different political regimes.

Aneley (2006) states that Ethiopia, one of the former socialist countries in the horn of East Africa had taken many policy measures following the fall of the socialist government, the Derg. The country has undergone different land tenure system: feudal ownership, public ownership first with non-leasing and later with leasing. The demand for land reform was the main economic issue during the 1974 February revolution in Ethiopia when most of the rural and urban population joined hands for making countrywide uprising. Urban land, real estates including extra houses were nationalized and made public properties (pp.3-4).

1.3 Problem Statement

Land belongs to a vast family of which many are dead, few are living, and countless numbers are still unborn; and the way we handle it matters. Managing land and land related resources is a complex problem comprising political, economic, technical, legal and institutional factors; and as a result demands careful consideration. Urban Land policies determine who has legal rights of access to certain resources and under what conditions, and therefore how these productive assets are distributed among diverse stakeholders. Land policy modification is a long-term process that requires sustained support. Political ownership, willingness and commitment are key factors for the definition and implementation of effective land policies. Land policies often reflect political compromises between various objectives and interest groups. It is the responsibility of national governments in interacting with civil society to make their own land policy choices and draft feasible and effective solutions, as it is an issue of central political importance and considerable sensitivity (European Union, 2004: 5).

Since urban land policy is part of overall development policy, it should be viewed within the framework of general urban development policies whose goal is to

mobilize the resources towards the achievements of the overall socio-economic development that serve all sections of urban dwellers (Ogedengbe, 2004: 91).

Adenew and Abdi (2005) state that how land policy has had a significant influence on the socio-economic and political history of Ethiopia. Land tenure closely binds together issues of wealth, power and meaning in the country. Control over land has formed a significant part of the identity and maintenance of urban society in developing countries like Ethiopia. The land question became a major theme in the political discourse during the campaign for the third National Election that was held in May 2005, involving the ruling party, opposition political parties, civil society organizations, academics, the private sector and even some donors (p.7). It is provided by Article 40(sub article 3) of the Constitution of the Federal Democratic Republic of Ethiopia that land is the property of the State and the People of Ethiopia and that its use shall be subject to specific regulation by law (FDRE, 1995).

The present government of Ethiopia applies urban land lease system, which is one form of land tenure systems that enables the government to transfer land use right and benefits from the state to private individuals by retaining state public ownership of land. Leasehold as a form of land tenure is a well-known system applied in many other countries of the world as well. In Ethiopia, for the first time, the leasehold of urban land was introduced in 1993 as, proclamation Number 80/1993 a proclamation to provide for the lease holding of urban land. The lease holding of urban land was revised in 2002, as Proclamation Number 272/2002 Re-Enactment of Urban Land Lease Holding. The main target of the urban land lease policy of the country as reflected in the previous two land lease policies (lease holding of urban land Proclamation Numbers 80/1993 and 272/2002) are to give monetary value for the

utilization of urban land to provide infrastructure and social services to urban dwellers. Nevertheless, the expected infrastructural development and provision of social amenities could not be achieved due to urban land management related problems.

The House of Peoples' Representatives of Ethiopia has passed a newly amended urban land lease holding proclamation in October 2011 that is termed as Proclamation Number 721/2011; a proclamation to provide for lease holding of urban land. This proclamation repeals the previous urban land lease holding proclamation number 272/2002. The new proclamation has introduced some new and controversial articles; like way of managing old possessions, regularization of illegally occupied urban lands and conflict resolution approaches, which all generate lots of discussions and confusions among the people and government officials. Therefore, in this paper attempts are made to analyze the reaction of different sections of communities to the newly amended and introduced urban land lease policy and its possible future implications on the implementation processes in Akaki Kaliti Sub-city Administration, Addis Ababa, Ethiopia.

1.4 Research objectives

The general objective of this study is to analyze the public reaction to the newly amended and introduced urban land lease policy of Ethiopia and its future implications on the efforts of urban development processes in general and land lease policy implementation in particular in the study area.

In line with the above general objective, the specific objectives include:

- to identify the rationale behind the amendment and introduction of this new urban land lease holding policy.
- to examine the public reaction to the newly amended and introduced lease holding of urban land and its possible implications on implementation processes.
- to look at levels of stakeholders' involvement in the amendment processes of the introduced urban land lease policy.

1.5 Research questions

1. Why is it necessary to amend the existing urban land lease policy and introduce it as urban land lease holding proclamation number 721/2011 in Ethiopia?
2. What is the reaction of the public to this amended and introduced urban land lease holding policy? Moreover, what impacts will the public reaction have on the implementation processes of the urban land lease policy in particular and the overall urban development processes in general?
3. To what extent do the concerned stakeholders in the urban development process get involved in the amendment process of urban land lease policy of Ethiopia?

1.6 Research Methodology

1.6.1. Data Collection Methods

This thesis uses both primary and secondary data, as well as qualitative and quantitative research methods. The secondary sources are books, reports, magazines, and the Internet. In order to obtain primary data survey research, focus group discussions, questionnaires and observation were employed.

1.6.2 Sampling Procedure

Purposive sampling technique was employed in this study to get those respondents who are information rich and able to give an insight response to the raised research questions. Akaki Kaliti sub-city has eleven districts and three districts were randomly selected after being grouped in to three land use systems. 123 households, 6 land developers, 5 department heads of banks and two professionals were selected to be considered in the study. Moreover, three government officials at different administrative ladders were involved in the study.

1.6.3 Methods of Data Analysis

Both qualitative and quantitative methods of data analysis were used for this study. The study is largely qualitative in nature. Qualitative data analysis was carried out simultaneously with data collection. System of thematic analysis was used for the data that were collected through focused group discussions, key informant interviews, personal observation and document review. The qualitative data were analyzed through grouping of responses, interpretation and paragraph analysis. The quantitative data was arranged and edited as well as presented in tabular and diagrammatic manners

1.7 Relevance of the Research

Land lease policy should be helpful to improve the provisions of the overall infrastructure and socio-economic services for urban dwellers; and make land supply to be more responsive to demand in a more participatory manner in the urban development processes. Therefore, it is essential to analyze the existing reaction of the public towards the newly amended and introduced urban land lease policy of Ethiopia

and directing towards the requirements of the free market economy within the framework of the constitution of the public ownership of urban land.

Generally, the research has intended to analyze the reaction that the public have concerning the newly amended and introduced urban land lease policy and set out clear recommendations on how the priority objectives of the policy should be achieved. The finding from this research would invoke further studies in the area of urban land policy especially in identifying the reaction from the public that have occurred during designing the new land policy and its implementation processes; as well as it shows pre-requisitions in designing urban land related policies . The result and findings of the research will also be helpful for the responsible bodies of the city to use it as an input for the implementation of urban land lease policy properly.

1.8 Scope of the Study

The scopes of this thesis were limited only to analyzing the reason behind the amendment of urban land lease policy of Ethiopia; the reaction of the public to the newly amended urban land lease policy and its overall probable implications on the implementation processes; levels of involvement of stakeholders in the policy processes; and the concern of concerned stakeholder.

1.9 Thesis Structure

This thesis consists of five chapters with a number of sections and sub-sections.

Chapter One provides an orientation for the research; which includes background, statement of the problem, objectives, research questions, relevance of the study methodology, scope and thesis structure.

Chapter Two presents relevant review literature on land and urban land systems; experiences in urban land lease policies; effects of urban land lease; and urban land lease policy in Ethiopia and concluding remarks about the literature review in tandem with its relation to the research topics and objectives.

The Third chapter presents fieldwork data collection, which includes; study area description, methodology, method and approaches used for this study.

Chapter Four focuses on presenting the findings of the research. The findings of document review, the survey, In-depth interviews, focus group discussions and observation including the analysis of the existing urban land lease policies are the concern of this part.

Chapter Five draws a summary of how the research objectives are achieved. It also gives insights on answers to the raised research questions and recommendations for further research in the area of lease holding of urban lands.

CHAPTER TWO

Review of Related Literature

In this section, attempts were made to review different literature on the topic under study. Accordingly, concepts of land and urban land tenure systems; country experiences in urban land lease policies; effects of urban land lease policies; and urban land lease policy in Ethiopia as well as other relevant issues that emphasized on the urban land lease policies were summarized.

2.1 Land and Urban Land Tenure Systems

2.1.1 Definitions and Concepts

The term land has many meanings, which vary with the worldviews, philosophies, values, goals, concepts, and use that each person, discipline, profession or society has of, for, or does with, land. For instance, economists may see land as a resource to be exploited or conserved to achieve sustainable economic development. Lawyers however may see land as a “volume of space stretching notionally from the centre of the earth to the infinite in the sky, and associated with it are a variety of rights which determine what may be done with it”. To many other people, land may simply be the space for human activity as reflected in the many different forms of land use.

Land has been defined by Lloyd (1962), and the Concise Oxford Dictionary as a delineable area encompassing all attributes of the biosphere immediately above or below the earth’s terrestrial surface, including the soil, terrain, surface hydrology, the near-surface climate, sediments and associated groundwater reserve, the biological resources, and the human settlement pattern and infrastructure resulting from human activity. Land is required for various uses in both the urban and rural areas of all

society. As nations grew in size, rural areas become urban centers, and urban centers become large metropolitan areas, there is always increased competition as well as demand for land for different purposes (Aribigbola, 2008; 2-3). Land is a factor of production and a store of wealth; it is also a source of political power, especially in societies where access to other assets is limited (Tefera, Yusuf, and Zerihun, 2010: 5).

As a concept, the term tenure is derived from the Latin word *tenere*, meaning “to hold” or “to possess”. Land tenure designates the rights individuals and communities have with regard to land, namely the right to occupy, to use, to develop, to inherit, and to transfer land. Land tenure should thus primarily be viewed as a social relation involving a complex set of rules that governs land use and land ownership. While some users may have access to the entire ‘bundle of rights’ with full use and transfer rights, other users may be limited in their use of land resources. Land tenure can be defined as the mode by which land is held or owned, or the set of relationships among people concerning land or its product (Payne, 2000: 2).

At the heart of the question of land-tenure, at all times and in all countries, lies a paradox. Land is essential to all human activities; limited in quantity; immobile and permanent. Surely it is, by its very nature, a public good. Like water in dry regions, land is a commodity that cries for public management and control. Indeed, in the case of urban land, the value of which is so heavily dependent on socially created demand and publicly provided services, the case is even more compelling for strong public intervention, (Doebelle 1987: 7).

Policy may be viewed as a set of measures, which aims to achieve the goals formulated by the public authorities. The goals and measures are influenced by the

socio-economic structure and development of a country. Applied to urban areas, land policy may be viewed as one of means of achieving the goals of the overall development level of a given state. The term urban land policy clearly does not refer to a small and isolated urban area; rather it refers to government measures and decisions concerning land, which affect all socio-economic activities, which require the concentration of people, buildings and machines in a relatively small area. It is thus, government-controlled means of harmonizing and regulating use of land in the cities in accordance with the overall interest of the country (Ogedengbe, 2004: 91).

Land policy consists of government actions designed to modify existing land tenure institutions in the interest of national development objectives in general, and particularly as an instrument for achieving greater equity and social justice (Udo, 1990:2). Fabiyi (1990) views urban land policy as an integral part of the politico-economic systems adopted by a country, which bears relation to the achievement of a new national economic and political order whereby the provisions for national land policies will be fundamental (p.1).

A lease may be defined as a contract granting the exclusive right to possession of land for a fixed or determinable period\ shorter in duration than the interest of the person making the grant. The interest created by the grant is formally called a term of years "but is more usually referred to as a" lease" or a "lease hold interest." The grantor is called the "land lord" and the grantee the "lessee" or "tenant". All leases are necessarily derived directly or indirectly from the free hold. Thus A, the free holder, may grant a lease to B for any period of years he thinks fit. B may then grant a lease to C for any period ending before the expiration of his own term. B's lease is then

known as the “head lease,” and C’s an “under lease” or “sublease” (Farvacque, and McAuslan 1996: 38-39).

2.1.2 Forms of Urban Land Tenure Systems

A pioneering UN study in 1973 on urban land policy and land use control measures identified a wide range of formal and customary tenure systems (Payne, 2000: 2-3). As a general working definition, land tenure relates to the mode by which land is held or owned, or the set of relationships among people concerning land or its product. Property rights are similarly defined as a recognized interest in land or property vested in an individual or group and can apply separately to land or development on it. Rights may cover access, use, development or transfer and, as such, exist in parallel with ownership. Different forms of tenure may co-exist in the same country and, at times, even within the same city. Each form of tenure has its advantages and limitations. Most of the common types of land tenures in developing countries include:

- Customary Tenure- Customary tenure is commonly found in most parts of Africa. It evolved from largely agricultural societies in which there was little competition for land, and hence land had relatively no economic value in itself. Allocation, use, and transfer of land have been determined by leaders of the community according to needs, rather than through payment. With urban expansion, the system has become subject to commercial pressures.
- Private Tenure- it permits virtually unrestricted use and exchange of land and is intended to ensure most intense and efficient use of land. The primary limitation of private tenure is the difficulty of access to land by lower income groups.

- **Public Tenure-** It seeks to enable all sections of society to obtain access to land under conditions of increasing competition. In any urban land policy, programs and actions affect the pattern of urban development. Although the role of government differs widely, public policy to regulate and control the pattern of urban development is of considerable significance in all parts of the developing world. Many serious problems of urban land use in developing countries are probably capable of mitigation only through some form of government intervention. Although it has frequently achieved higher levels of equity than the private systems, public land tenure system has rarely achieved the intended high level of efficiency due to bureaucratic inefficiency or systems of patronage and clientage.
- **Non-formal Tenure System** -This type of land tenure allows holdings in the form of squatting, unauthorized subdivisions on legally owned land and various forms of unofficial rental arrangements with varying degrees of legality or illegality. Some of these non-formal categories, such as squatting, emanate from the inability of public allocation systems or land markets that provide for the needs of the poor. Even then, access to lower income groups through such arrangements is becoming increasingly constrained. Despite this, informal tenure categories remain the most common urban tenure category in many countries and accommodate the majority of lower income households, often expanding more rapidly than any other tenure categories.

There may be more than one legally acceptable system operating in many countries.

The co-existence of these different tenure systems and sub-markets within most cities

creates a complex series of relationships in which policy related to any one may have major and often unintended repercussions on the others.

“Secure land rights are a firm springboard for economic, productive activity. They facilitate household income gains, improve food security and act as a safety net in times of hardship. More equitable land distribution across society reduces social inequality. In addition to serving as a basis for secure shelter, for access to services, for civic and political participation, secure land rights can also provide a source of financial security, and a transferable asset, which can be sold, rented out, mortgaged, loaned or bequeathed. Tenure security creates incentives for land users to invest labor and other resources to improve and maintain the productivity of farms, the quality of dwellings and the value of land and property” (UN HABITAT, 2008:13)

Governments in all countries and at all times have felt bound to guide and control the important structural changes taking place in the urban land management by citing main justifications. These include re-distributing society's scarce resources to benefit the disadvantaged groups; eliminating market imperfections to increase operating efficiencies; and removing externalities. So that the social costs for land market outcomes, correspond more closely to private costs. The justifications given are both political and economic. A wide variety of tools are available for governments to implement the objectives of regulating land use, however much limited these may be in practice. Those mechanisms include planning tools, zoning ordinances, building regulations and by-laws, permits, inspections and penalties (Dowall, 1995:1).

The Urban Land and Extra Housing Reform of 1975 was a measure that fundamentally changed both the ownership of urban land and housing and the way

these are administered by abolishing private ownership of urban land and extra houses without any compensation to previous owners, ending a feudal order and the corresponding land tenure system that had existed for years. Following the ouster of the military government in the early 1990's, however, urban land lease holding system was introduced to Ethiopia. Urban land lease system is one of the many types of land tenure arrangements that allow government (as the representative of the public) and private parties to negotiate the delineation and assignment of multiple land rights through contractual arrangements. A government that is the owner of the public land can retain the title of land and lease the right to use, develop, transfer, inherit and benefit from land to private entities. These private lessees can enjoy the assigned land rights only for a specified time and as stipulated in their land contracts.

2.1.3 Need for Urban Land Policies

According to Dowall (1995) land as a key factor of production plays an integral role in almost all types of economic activities and stands as the basis for social and economic development. The fact that the supply of land is fixed makes it scarce and thus necessitates the utilization of an approach that ensures the effective management of this natural resource. Thus, it is of utmost important that land tenure systems encompass concrete policies that safeguard and effectively manage land (p.2).

Land tenure policies express implicitly or explicitly, political choices and the distribution of power between the state, its citizens, and local systems of authority. Governments can provide legislation and enable institutional arrangements that will positively influence the land tenure situation for poor and marginal groups: or they can do the opposite. There is innovation in the institutional landscape in many countries, although not often at a significant scale, and to capture lessons on processes

and instruments that promote productive and equitable systems of land tenure. However, it is important to bear in mind that the critical risks to tenure security come from different sources in any particular context (IIED, 2006:3).

Land policies are of fundamental importance to sustainable growth, good governance, and the wellbeing of and the economic opportunities open to rural and urban dwellers- particularly poor people (Deininger, 2003; 3). Governments around the world pursue urban land policy objectives and they rely on a vast range of policy tools and institutions to achieve them. Many cities use master plans, zoning, subdivision regulations, building codes, and other public policies to shape development. These regulations are normally adopted to help protect the urban and natural environment, gear infrastructure investments with development, and maintain and enhance property values. Other objectives are more difficult to achieve; providing the poor with access to land, controlling land speculation, and land inflation. In the minds of many policy makers achieving these goals requires stronger medicine: nationalization of land, public land development, and highly centralized property registration systems to control and monitor land ownership (Dowall and Clarke, 1996; 1).

2.2 Experiences in urban Land Lease Policies implementation

Urban land administration is a comprehensive system of policies, procedures, and institutional frameworks that deals with the multifaceted process of handling and regulating rights, use, and value of land. This evidently includes determining, recording, and disseminating information about the tenure, value and use of land. Land lease policy implementation can be assessed in terms of its social, economic and environmental benefits. According to Garba and Al-Mubaiyedh (1999) land leasing can be assessed at the policy and at the organizational level: at policy level using

availability of appropriate and coordinated policy, availability of information and policy feedback and responsiveness to the feedback. At the organizational level, they use clarity of organizational mandates; resource situation; inter-organizational coordination; equity in land allocation; availability of land information and level of regulation enforcement; appropriateness of standards, procedures and efficiency in allocation of land resource in urban setting (272-276).

Jogan and Patassiin (1996) state that the effectiveness of public land leasehold within the policy of urban land management may be assessed using seven different criteria. These are : Global productivity of the lease system; Capability in satisfying the demand of land and ever-growing urbanization; Effectiveness in managing land and physical form of urban centers, fairness of the system with various categories of users; Compatibility with various policies, measures of taxation and planning at local, regional and national level; Continuity with respect to tradition and risks connected to sudden changes; and Possibility of maintaining a double regime of land renting and leasing. Few indicators from the above land lease assessment criteria were adopted in this research; availability of information, fairness of the system with various categories of users; and participation of the stakeholders from policy inception to its implementation.

According to Hong (1999), public leasehold systems could allow governments to benefit from a share of future increased land value. The researcher argued that other policy objectives, including stabilizing land prices, controlling land uses and facilitating land redevelopment, could also be achieved through public land leasing. Although these proposals are persuasive at the theoretical level, there is only limited

evidence to prove that governments could achieve these policy goals in practice (p. 663).

Dowall (1995) states that most of public land development policies in developing countries become unsuccessful due to poor conceptualization of the issue, poor coordination between government agencies; and between government agencies and private organizations, both formal and informal; and shortage of enough funds to undertake appropriate execution (p.7).

2.2.1 Unsuccessful Urban Land Lease Implementation Experience

Dowall and Clarke (1996) state that governments in developing countries commonly intervene in urban land development as well as enact and implement land lease laws with three objectives. These are: to direct land and housing at affordable price to low and middle income households; to insure that the land value increases associated with infrastructure provisions were not appropriate by private developers; and redistribute society's scarce resources that the disadvantaged groups can share from the society's output. They added that these sensible goals are based on two important assumptions; the first is that, the fruits of the land development organization actually end up going to low and middle income households; and secondly, those public land development organizations are efficient enough to do so. Although there are great anticipations placed on public land development, there has been failure (p. 2).

The researchers more describe that with all of the pressing problems of poverty, homelessness, debt burdens, and trade deficits, many policymakers dismiss land market problems as issues of secondary importance to be tackled later. Such a view is shortsighted. Over the next decade, most cities in the developing world will confront

major land market problems-shortages, runaway inflation, and environmental and economic crises resulting from inappropriate land development. These problems will stem from rapid urbanization and sagging urban economic productivity (p. 3). The largest public land development agency, the Indonesia's Perumnas, could not operate at scale of production to warrant its massive size. During 1980's, Perumans' housing production was averaged 17,000 units per year, about 4.25 housing units per person per year for 4,000 employees. In contrast, Indonesia's private-sector land and housing developers built an average of 30-60 housing units per year per employee. This can clearly indicate that how public land ownership is working poorer than private land ownership.

Pantuliano (2007) argues that there are many misalignments in land delivery mechanisms in urban centers of developing countries, which in turn affect the urban land development processes. These include: most urban plots are occupied by politically and economically favored individuals; lack of functionality of the land administration both at the central and local levels; the risk that the cadastral and land registry data may disappear in areas where local authorities are being involved in land speculation; and in some cases the documentation is already poor or absent which all could flash a series of land disputes. In Sudan, land access issues and the resulting disputes require urgent attention or they will compound existing problems such as unregistered section of rural urban fringe of the country, land grabbing by specific classes of people who are not going through legal channels like officials, military, land speculators, religious groups, urban residents and private investors (pp. 4-7).

Most of urban centers of developing countries are characterized by substantial public land ownership that appears to be sub-optimally managed. Public ownership and

management of urban land may result in land market failure due to inequity in land access and illegal speculation in developing countries (Garba and Al-Mubaiyedh, 1999: 273-274).

In sub-Saharan Africa, like much of the rest of the third world countries, ambitious land reform policies have become commonplace as one government after another has sought to free up land resources to meet national priorities. Whatever form it has taken, land reform signifies, only a single element in a larger trend involving the expansion of the state at the expense of other, often times competing forms of social authority (Williams, 1996; 207). State intervention in policy arenas as land tenure is just one aspect of a larger trend involving the wholesale expansion of the state in Africa. The extension of the public sector in the continent has consisted of a patchwork of initiatives designed primarily to satisfy the disparate interests of well-placed individuals, their families, and other favored groups. There have been little coordination, accounting, or planned use of land; and the state has therefore been described as “predatory, rather than productive” (Chabal, 1992: 260).

The public ownership of land in Kano Nigeria gives the public sector ultimate control over the allocation and distribution of land for development, which should ideally make it easier for the sector to ensure adequate supply of urban land. The land use regulations and control measures were administered by three organizations in order to avoid land speculation and ensure that developments are carried out as to the approved schemes and to check against any illegal process in development. Nevertheless, due to overlapping of responsibility of different organizations and lack of public participation the output and the means of controlling illegality and speculation were inefficient (Garba, 1993: 2-6).

Scores of developing countries have set up parastatal organizations to carry out land development. Most often, they were established to implement three objectives: to channel land and housing at affordable prices to low- and moderate-income households; to ensure that the land value increases associated with infrastructure provisions were not appropriated by private developers; and that important but risky projects avoided by the private sector are undertaken. Implicit in these sensible goals are two important assumptions: the fruits of the land development agencies actually end up going to low- and moderate-income households and that public land development agencies are efficient. Despite the great hope placed on public land development, success has been elusive. In cases where public land development does seem to work, authorities are locally controlled and managed; and targeted on a limited range of objectives, and are well-capitalized (Wegelin, Wekwete and Vanderschueren, 1996: 14-19).

The failure of public land lease implementation in most of developing countries are attributed to lack of comprehensive land related information; lack of serviced land; procedural delay in land allocation; inadequacy of organizational capacity and coordination; and lack of spatial plan and standards.

2.2.2 Successful Urban Land Lease Implementation Experience

Successful public land development agencies, which are typically the features of Western Europe and North America, are reliant on limited and manageable objectives. It is characterized by an orderly development of land markets, the creation of flexible customer oriented systems of land management, commitment to transparency, accountability, equity and administration in a way of enabling rather than a controlling function for the public sector processes. Adoption of this approach to

governance as a whole will make much easier, the development of a system of urban land management that aims to facilitate the operation of efficient and equitable urban land markets (McAuslan and Farvacque, 1991: 47).

Dowall and Clarke (1996) state that urban development of Singapore and Hong Kong are the best textbook examples of the importance of carefully planning of urban land development to maximize economic productivity. The land development plans are based on short-term projections of land demands, attempting to accommodate future development, but not to hinder it. This orientation stands in sharp contrast to other rigidly planned and regulated cities. Land leasehold in Canberra provides greater capital benefits, as it is one of the few places that have a well-established leasehold tenure system. Successful implementation of land lease enhances the prevention of land speculation; utilization of the under-utilized urban land; and provision of infrastructure and other social services by the obtained revenue (p.5).

Hong (1999) states that Hong Kong's government is able to minimize the corruption problem by establishing a tight internal control over the operations of leasing of urban land. It also provides public officials with generous remuneration and fringe benefits to reduce the temptation of corruption. What we can learn from the experience of the above countries which have a perpetual leasehold system is that, they not only undertake a decision on urban land lease policy as the alternative land tenure system but also consider the degree to what extent the lessee can enjoy all the rights of the leased land (p.668). Virtanen (2003), states the land lease experiences of Finland as follows:

Land ownership and its legal protection

The Finnish property system is based on private land ownership. The ownership is protected by the constitution. Finland has less restrictive constitutions that allow the coexistence of leasehold and freehold. Private landownership in Finland is also well protected. According to the renewed 2000 constitution, any expropriation of private property for public purpose must be based on law, and compensation must be paid in full (that is, the property's market value.) If there is no compensation or the compensation is below market value, municipality must justify its action according to the special legal procedures regulated by the constitution. Since there is no constitutional restriction on private land ownership, municipalities sell off leasehold land to lessees as fee simply when they find it appropriate.

Lease term and lease payments

In Finland, the leasehold act governs all land leases. It prescribes the duration of different types of land contracts. Lease terms for residential land range from 50-60 years; 50 years for commercial land leases and 20-30 years for industrial land contracts. Although the law does not prohibit total or partial prepayment of rent at the beginning of the lease, lessees seldom make such a prepayment to municipalities. If the lessee is not making a total or partial prepayment of rent at the beginning of the lease, it should pay 4-5% of estimated land value as the land rent to the lessor. The leasehold act permits periodical adjustments of land rents. Land rent determination Negotiation between the lessor and lessee determines the rent. There is no legal restriction on the maximum rent, but the law contains a section about the arbitration of rents and other rental terms to protect the interests of both lessee and granter.

Lease termination and Renewal

The leasehold act of Finland contains provisions that make the cancellation of leasehold agreements difficult. A grantor has the right to cancel a land contract only if a lessee fails to pay rent, neglects land maintenance; uses the property in a manner contrary to the contractual agreements; or does not develop the land within the specified period. If a lessee fails to fulfill this condition, the municipality may cancel the land contract and lease it to another party. These lease conditions encourage timely land development and prevent land speculation. If the municipality has to terminate leasehold agreements due to compelling public interests, it can either negotiate with the lessee for a transfer of land rights or use compulsory purchase. However, compulsory purchase is extremely rare in Finland. The lessee has the right to cancel the contract if the possibility of using the leased area has diminished. When a lease expires, leases for housing are renewable if grantor does not need the land for other public purposes. For industrial lots, land contracts are not automatically renewable.

Compensation and Transferability

In Finland, the law and special lease agreements govern the compensation for leasehold improvements. Since land improvements belong to lessee, if the contract is not renewed, the leaseholder will compensate the lessee for improvements made to the land. For industrial leases, compensation will be available only if the contracting parties have specified this right in the lease. If there is no special agreement in advance, the lessee must demolish existing buildings and structures from the site when the lease expires. Lessees have the right to transfer their contracts. They can also use their leased land rights as collateral to secure a mortgage loan. According to

the Finland basic code of land laws, the leasehold agreement and the transactions must be registered in the public land register. The leasehold needs not be registered if the period of the leasehold is less than two years.

Public attitude toward public land leasehold

Despite smaller municipalities prefer free hold as leasing incurs high administration costs, attitude is mainly positive among public authorities and municipalities. In Finland, lease conditions play no role in controlling land use. Land use is controlled by the detailed plan.

As it can be understood from the above examples of successful urban public land lease implementation; flexibility, customer oriented plan, commitment to transparency and equity in a way of enabling rather than controlling is vital for efficient use of urban land as well as to bring socio-economic and environmental development in urban settings.

2.2.3 Effects of Urban Land Lease Policies

Urban land lease policy, as type of land tenure systems throughout the world has both merits and limitations. Ding and Lichtenberg (2008) state that Local officials in China have increasingly turned to land transaction as means of financing both investment and the provision of public services. Public land leasing in the Socialist Republic of China has served as an important source of revenue for local government where they have taken in hundreds of billions of profits from taxation and sale of land lease since 1980's. In some localities, it accounts as much as 60 percent of local revenues (p.2).

Similarly Wu (2003) states that large proportion of leased land is used by foreign investment and the land lease system has been used effectively so as to attract foreign

investment in Shanghai whereby it lets the local governments to raise public funds for financing public infrastructure and social services. The state has substantial control over land supply and land use. Public ownership of urban land provides a strong tool for state intervention in land markets in urban centers. The most distinguishing feature of the Chinese urban land administration is the breakthrough it registered in making land rights assignable, expediting for transfers through exchange, sale, mortgage, gifts and inheritance (pp.13-15).

Hong and Bourassa (2003) argue that public lease holding of urban land in Holland, Finland and Sweden help municipalities generate public funds for financing public infrastructure and social services for urban dwellers (p.28). Public lease holding of urban land has provided local governments with useful tools to balance both public and private interests in the land. Neutze (2003) states that urban land leasing in Canberra are set within the consideration of broader public objectives, especially with regard to maintaining low land cost for the construction of public facilities and housing (p. 3).

On the other hand, Li (2009) claims that massive urban land leasing activities in china have been providing opportunities for corruption as well as a property boom, as private interests find opportunities to capture and to chip away state assets using de facto power to decide whether, how to whom and at what price often yield into informal income. Moreover, it lacked computation with public land leasing to higher property price due to concentration of land resources in the hands of few monopoly developers (p.45).

According to Peterson (2006), the municipalities in China used land allocation to developers primarily by private negotiation. Private negotiation with developers however provided fertile ground for corruption, with consequent revenue loss to government (p.4). Government has repeatedly issued policies to increase the transparency of land market operation though land is still transacted in a non-transparent way (Xu and Yeh, 2009: 563). Rent seeking activities in land transfers lead to huge loss of assets in most of Chinese urban centers. Higher officials and city administrators were accused of causing loss of hundreds of millions because of their interference with land transfer after accepting bribes. Ling and Isaac (1994) argue that transferring large tracts of urban land in china through negotiation not only reduces the market prices of the land but also pave the way of abusing the urban land resources (p.14).

2.3 Urban Land Lease Policy in Ethiopia

Land has enormous socio-economic significance as a key productive asset and source of income. In Ethiopia, as elsewhere in the world, this enormous socio-economic significance stems from the fact that land is a source of wealth, economic growth, employment and a source of basic survival of the majority of the population. In respect of urban land, this is further accentuated by the rapid urban development that leads to swift and drastic changes in the physical, economic, social, political and administrative structures of the cities (Tefera, Yusuf, and Zerihun, 2010: 14).

According to Yigremew (2002), following the downfall of the socialist government of Ethiopia, nobody was certain what course the new government would take regarding land tenure. The transitional government itself had declared that the issue of private versus public ownership would be settled in the process of developing the new

Federal Constitution. When the new Federal Constitution came out, the issue was settled in favor of public ownership of land. Then, like the socialist oriented government Derg, the present government maintained the state ownership of land (p. 42). Since 1991, Ethiopia has been following the free market economy. Following the free market philosophy, the present government of Ethiopia had taken so many policy measures related to land. Among the policy measures, urban land lease policy was one and undertaken concerning urban land management issue in relation to a market oriented land allocation policy.

Warden (2001) states that the political structure in Ethiopia has been transferred since 1991 from highly centralized state to become a Federal Democratic Republic, with power devolved to the regions. The intention of the federal structure is to share power of administration between central and regional states (p.75).

Both central and regional governments being autonomous in certain extent clearly defined areas of decisions. Urban land policy was made and urban land lease holding system was introduced under proclamation No. 80/1993, designed to belong all land to nations, nationalities and peoples of Ethiopia. The Transitional Government of Ethiopia(1993) announced that how allocating urban land by lease for a fair price, consistent with the principles of free market, will help the expansion of investment and urban development in particular and overall economic, social and environmental development in general.

The constitution of Ethiopia clearly states that any person can have the right to acquire and use land through lease agreement. Any leasehold possessor may transfer and sub-lease, under a security on his right of leasehold; and he/ she may use it as a

capital (equity) contribution to the amount of the lease payment he/she has made. The role of the states in land management is to administer land and other natural resources in accordance with the federal laws. Therefore, constitutionally land administration has the power of acquiring, developing and allocating or transferring land to the ultimate customers in the name of the states or urban local governments (TGE, 1993).

2.3.1 Objectives of Urban Land Lease in Ethiopia

The Transitional Government of Ethiopia (1993) states that all urban land is public property and transfer will only be carried out through the lease system. Warden (2001) cites that in urban areas this is for the first time entitles equal access to land for all citizens; the right to acquire charge free land on which to construct their houses. Investors, developers and business firms lease land and these leaseholders have the right to use over the land they hold for long periods. The lease price of urban land varies from place to place and is determined by competitive market values through auction systems, negotiations and free charge lease are applied in providing land to the lessee. Some of the objectives stipulated in the new policy as reflected in Transitional Government of Ethiopia (1993) and land lease proclamation No.80/1993 as revised by FDRE (2002) in proclamation No. 272/2002 are to give market-exchanged value to land. One of the basic objectives of the first urban land lease policy is to turn land from timeless and costless resource into formally exchangeable commodity right with both cost and time limit.

2.3.2 Urban Land Lease Implementation in Ethiopia

Peterson (2006) describes that urban land lease implementation in Ethiopia is characterized by non-requirement of full upfront payment of the land lease amount, uncharged interest, and it is designed to give longer-term right to land occupancy

without surrendering public ownership (p.12). Yirsaw (2010) argues that despite the existing policies that are aimed at eradicating poverty through improved access to land, most towns and cities in Ethiopia are still struggling with a number of challenges. These are general inadequacy of land related information; shortage of skilled work force; limited financial capacity, weak monitoring and evaluation mechanisms; bureaucratic tendencies, alleged favoritism; and lack of participation by the low income group in decision-making processes (p. 22).

Aneley (2006) critically stated that the absence of reliable information especially land related is the most crucial impediment for the preparation and implementation of urban plans in many urban centers of Ethiopia. The researcher added that the slow land supply with exorbitant price in urban centers of the country is attributed to inappropriate land use, building standards and regulations; low amount of land revenue tax as compared to other countries; cumbersome and expensive procedures for land and property transfer; inability to certify and give property ownership; and increasing illegal construction and squatter settlement (pp. 1-2).

2.3.3 Urban Land lease in Addis Ababa

According to Yirsaw (2010), Addis Ababa, as the seat of the Federal Government and as the economic, social and cultural centre of Ethiopia, has to fulfill a national role and be equipped with a comprehensive and integrated urban land management system, detailing policy directives and strategic actions. The city is also expected to fulfill the demands of an international city as a diplomatic center of African Union and other international organizations. Social Services and infrastructure facilities should also be fulfilled and provided to its dwellers. In addition to that, the city should be able to adequately contribute to the socio-economic development of the entire

nation. In accordance with the power given to national/ regional self-government to issue regulations and directives necessary to implement the provisions of the pro.No.80/1993 and other proclamations, Addis Ababa city administration has enacted two regulations. The first one which deals with new land allocation is entitled, “the urban land lease holding regulations No 3/1994; and the other one which operates during a transition period until all land comes under the leasehold systems, and only applies on all previous possession is called “rent holding of urban land and the fixing of rate of rent regulations No 4/1994” (p. 24).

Urban Land Lease Holdings Regulation No. 3/1994

- New land allocation: With the objective of limiting the expansion of the city, and using land efficiently and equitably, the regulation provides a minimum plot of 73m² free of charge. When the demand is between 73m² and 175m² the payment will rise to 0.50 birr/m²/ year. For those who want a plot bigger than 175m² for a dwelling house, for business and other activities the lease price will be the current tender price.
- Lease payment: The leaseholder can pay at once (at the signing of the contract), or periodically with bank compounded interest on the unpaid portion. For residential dwellings with a plot between 73m² and 175m², the payment is done annually.
- Previous possession: The only previous possession to be governed under the lease holding regulation is when a previous landholder wants to enlarge his investment by demanding more land for expansion, and is accepted. In this case, the whole possession has to be put under the lease system.

- Privileges: contrary to the federal government's lease policy decisions to appropriate all extra gain from land transfer, the city administration regulation allows 60% of the profit made to the lessee and the rest 40% for the municipality.
- Compensation: If the land is required for public purpose, those who acquired a plot of land which does not exceed 175m² for the dwelling house are compensated only the market value of the structure while those who acquire land through the tender (lease) are compensated either the current market value of the property on the land plus the amount of rent outstanding for the remaining duration of the lease with its bank compound interest or the current market value of the property on the land plus and equivalent land as a substitute to the land taken. The lessee may choose one of the two alternative compensation schemes.

Rent Holding of Urban Land and the Fixing of Rate of Rent Regulation No. 4/1994

Based on the infrastructure development and the economic benefit, the Addis Ababa master plan has divided the city into five zones. Each zone is again divided into three grades. The rate of rent the regulation imposes is therefore in accordance to the zone and grade of the land. The rent for the different land uses are as follows:

- Land rent for business activities: Any person holding urban land for business activities shall pay a maximum of 4 birr /m² and a minimum of 0.80 birr/m².
- Land rent for industry: To encourage industrial activity, the maximum rent to be paid is 2 birr/m² and the minimum is 0.40 birr/m².
- Land rent for residential activities: For dwelling houses, the rent ranges from a maximum of 2.38 birr /m² to a minimum of 0.90 birr/m²

-Privilege: previous landholders do only have the use right. If they want to benefit from their possession, they have to transfer their property to a lease holding system by paying the average current tender lease price of the area. However, the transfer can only be effected when the Bureau grant a written permission.

-Compensation: When the land is required for public or any other purpose and compensation is to be effected, the amount to be paid is the market value of the property on the land.

Tefera, Yusuf and Zerihun (2010) argue that although fundamentals in the general policy direction of urban land administration and management in Addis Ababa are relatively progressive and promising, the city is still confronting many challenges such as governmental office inefficiency in implementing land lease policy, corruption and land speculation. The organizational structure and the institutional capacities of the land development authority of the city and the land development departments at sub-city level are inefficient in implementing the urban land lease policy. Yet in the Addis Ababa setting, it is utterly difficult to downsize the demand for land as an asset diversification and as a store for wealth, anticipating good return later (p.43).

2.4 Concluding Remarks

Generally, the reviewed land lease experiences depicted that most of the urban land policies in developing countries become unsuccessful due to complicated challenges. Governments in most of these countries are still struggling to overcome land related conflicts by designing different policies and approaches. Achieving efficient urban land use, encouraging investors for investment, and realizing the cost of urban land

and making an efficient use of it are some of the major national and regional goals in Ethiopia. To achieve these goals, the government of Ethiopia has applied urban land lease policy as the alternative land tenure system to provide a room for individuals and investors to enjoy land use rights through transferring from the state to land users. The reviewed document on Ethiopian urban land policy experience showed that the policy still lacks achieving its overall objectives and it rather becomes a specious promise for most of the urban dwellers. Having all these, the current government of Ethiopia amended the existing urban land lease policy and brought it for enactment in 2011.

Analyzing the public reaction to this amended and introduced urban land lease policy of Ethiopia is of vital: and the overall intents of this paper are to look at the reason behind the amendment of the existing urban land lease policy and introducing it as proclamation number 721/2011; levels of stakeholders' participation; and public reaction to the new policy and its possible implication on the implementation efforts.

CHAPTER THREE

Research Methodology

This chapter consists of description of the study area and research design, which includes sampling procedure, data collection methods, data organization and methods of data analysis.

3.1 Description of the Study Area

The establishment of Addis Ababa was associated with the founding of the hills of Entoto mountain to be chosen by Menelik II, as a military strategic place in the last quarter of the 19th century. Lack of raw material to construct houses and scarcity of fire wood coupled with the extreme cold climate of the area forced empress Taytu (Menelik's wife) to move to the south; place abounded in rich natural splendor having hot mineral springs and ample greenery. The empress started to settle here with the member of shewan royal court, while her husband was in south east of Ethiopia for incorporating Arsi and Bale. It has been in this circumstance that Addis Ababa became the capital city of Ethiopia, during the coronation of Menelik II as emperor of Ethiopia in November 1889.

The city is astronomically located at the geographical centre of Ethiopia (8°55' N–9°05'N and 38°40' E–38°50'E). It has also the highest rate of urbanization in the world and even in Sub-Saharan African's standards where provision of housing, infrastructure and services is no more in pace with the growth of the city. The city is now situated on total area of 540km² and consists of approximately 3.5 million population (extrapolated from a population of 2,738,248 in 2007; CSA).

Addis Ababa is one of the primate cities in Africa, whereby it dominates the overall socio-economic and political conditions in the country. The administrative structure of the city has three levels. These are the central city administration, sub-cities and Kebeles (currently re-named as Districts). The city is divided into 10 sub-cities and about 116 districts (figure 3.1).

The study area for this research is Akaki Kaliti sub-city; and three districts were selected from this sub-city. The origin of Akaki town is attributed to the construction of Addis Ababa-Djibouti railway about a century ago. The town is of veteran in age for it was the last destination in the installation of the railway in 1907. Akaki- Kaliti sub-city had experienced a variety of administrative names in different times before it came to obtain its current administration name as Akaki Kaliti sub-city Administration. In effect, it was when Addis Ababa was restructured in to ten sub-cities in 2002 that Akaki-Kaliti has become one of the sib-cities and began its efforts to ensure the benefits of its residents in the political, economic, and social aspects through the decentralized administration concept. The Sub-City is performing its duties by 13 offices and a chief executive officer where all municipal affairs are ran under the Administrator's office. The Sub-city is assumed to house 60% the industries at country level and at the same time 80% of the industries of the capital city, Addis Ababa.

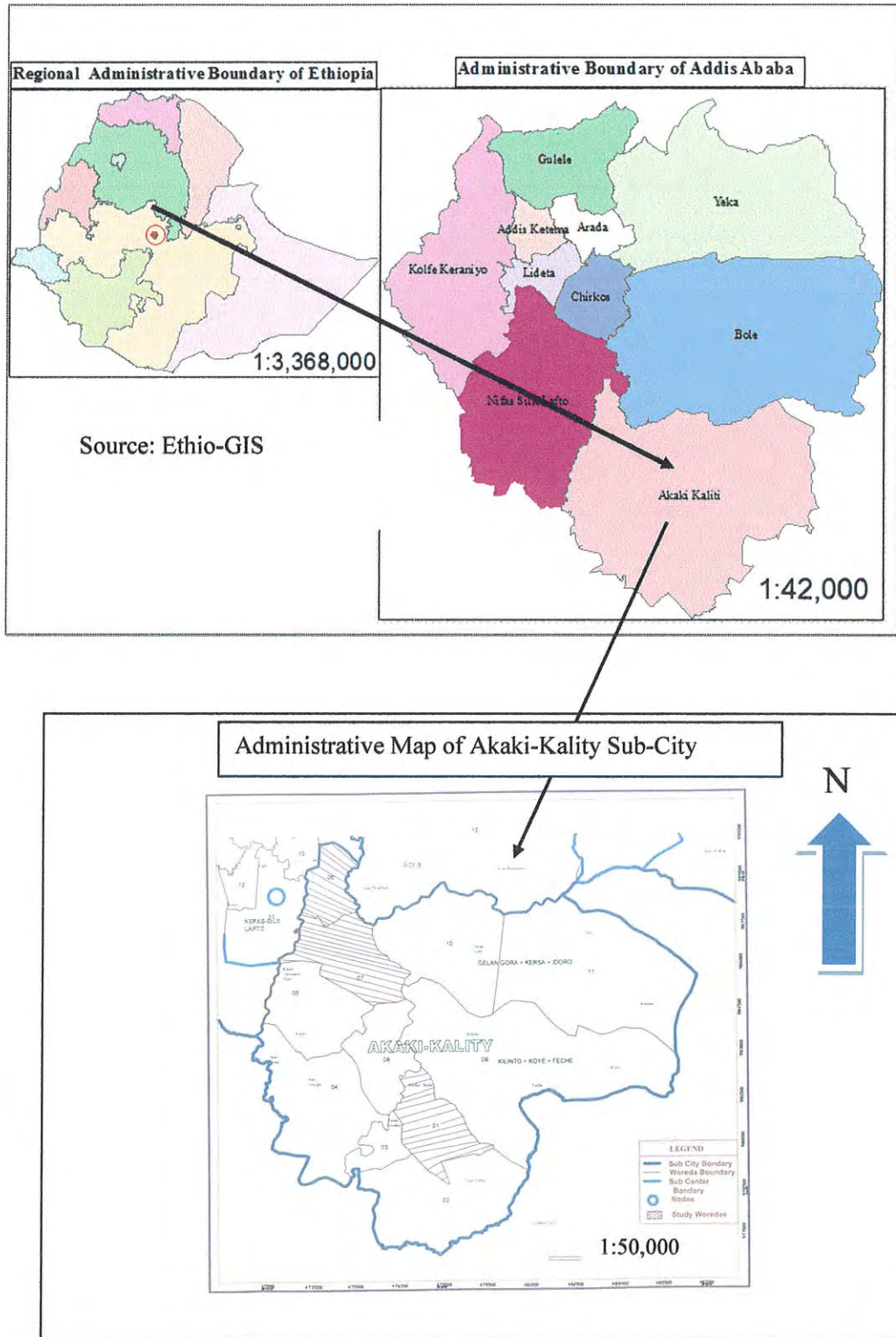
The sub-city is bordered by Bole sub-city in the northeast, Nefas Silk Lafto sub-city in the northwest and Oromia regional state in the south (figure3.1). The administration falls on total area of 118.08 km² and is the largest of all sub-cities. There are 201,044 residents where 96,501 are males and 104,543 are females in the sub-city in 2011, according to data obtained from the sub-city communication bureau. The

administration is composed of 11 districts (the smallest administrative level) as of restructuring of the 2010. The sub-city is found 1900-2200 meter above sea level; and it has temperate type of climate. The annual rainfall of the sub city ranges between 900-1000 mm.

The overall living standard of the dwellers of in the sub-city is poor. Since the Sub-city is a zone for agriculture, industry and real estates, most of the residents make their living by working in the industries and factories and as farmers as well. The houses of most of the residents are slums although currently symptom that the Government is constructing private and public condominiums. As the Addis Ababa Administration has cascaded its power to sub-cities and kebeles with complete autonomy, the Sub-city of Akaki enjoys its annual budget and makes use of the budget for its prioritized development plans. The sub-city is entitled with authority of allocating budgets, collecting revenues from different sources and administering restricted financial sources but it cannot formulate its own policies and laws.

Three woredas (Woreda1, 6 and 7) were selected for this study based on their relative land use type. Woreda 1 is situated nearly on the southern part of the sub-city where there is mixed land use system (farmlands, residential areas and to some extent industries). Wereda 6 is on the northern margin of the sub-city, which is predominantly residential and business place in the sub-city. This wereda is close to the centre of the city and is the most accessible of all districts in the sub-city where the value of the land is relatively high. Wereda 7 is situated on the northern part of the sub-city, which is pre-dominantly industrial zone. There are both governmental and privately owned industries in this district. Figure 3.1 below indicates the selected districts for this study in Akaki kality sub-city.

Figure 3.1 The location of Addis Ababa and Akaki Kaliti Sub-city in the Administrative Maps of Ethiopia and Addis Ababa respectively



3.2. Research Approaches

Mixed research methods were employed to get detail and diverse information on the same issue for this study. Use of mixed methods also helps to triangulate the reliability of data that was gathered. It is usual for researchers to employ mixed method designs to investigate different aspects of the same phenomenon (Oslen, 2004: 12). This study applies mixed methods to broaden the understanding by incorporating both qualitative and quantitative research. Structured and Semi-structured interviews, Focus Group Discussions, closed ended questionnaires, key informant interviews and personal observation methods were used to gather the required data. Community cross sectional research design method was used.

3.2.1 Sampling Procedure

Purposive sampling technique was used in this study to get respondents who are information rich and able to give an insight response to the raised research questions. The study area, Akaki Kaliti sub-city, is purposively selected from the ten sub-cities of Addis Ababa city Administration since it is the fastest growing and expansion area having diversified land use systems as well as most residents occupy large tracts of land. Marshall (1996), states that purposive sampling is concerned with information richness, for which two key considerations should guide the sampling methods i.e. appropriateness and adequacy. It requires identification of appropriate participants, those who can best inform the study to address the research question and develop a full description of the phenomenon being studied (p. 8).

Three weredas were selected using simple random sampling from each land use system; namely mostly residential, industrial and mixed (residential, agricultural and industrial) and the respondents were again purposively selected for this study.

Accordingly, thirty respondents (ten non-lease landholders, ten lease landholders and ten renters) from each weredas were selected to respond to closed-ended questionnaires. Twenty-four households (eight from non-lease landholders, eight from informal settlers and eight from renters) were purposively selected for focus group discussions. Three key informants for in-depth interviews were purposively selected from each district. Moreover, six land developers in the study area, three department heads of private financial institutions, two department heads of government financial institution and three government officials as well as two professionals were interviewed to get an insight about the issue. A total of 139 sample respondents were chosen for this study (Table 3.1).

Table 3.1: Actors and number of samples taken for this study

Actors	Sample
Private non- lease land holders	41
Leasehold land owners	41
Renters	41
Land developers in the study area	6
Financial Institutions	
▪ Private banks	
- Abyssinia Bank	1 Department Head
- Dashen Bank	1 Department Head
- Wogagen Bank	1 Department Head
▪ Government bank	
-Commercial Bank	2 Department Heads
Government Officials	3 (one from MoUDC and one from Addis Ababa land Development Bureau and one from Akaki Kality sub-city land lease office)
Professionals	2(one lawyer and one urban land policy specialist)

Source: survey data

3.2.2 Data Collection Methods

Multiple sources of evidence were used to substantiate any insight provided by informants and to detect divergent interests. Qualitative data were collected using focus group discussions and individual interviews. Data concerning the reaction of the public towards the newly amended urban land lease policy was collected from purposively selected households by distributing closed-ended questionnaires. Structured interviews were made with officials from Akaki Kaliti sub-city land lease office, Addis Ababa Land Administration Bureau and Ministry of Urban Development and Construction of Ethiopia to get an insight about the overall issues of the newly amended and introduced urban land lease policy.

Semi-structured interviews were conducted with land developers and heads of both governmental and private financial institutions in the study area. The interviews were on their reaction to and concern about the amended and introduced urban land lease holding policy; as well as levels of their involvement in the amendment processes of the introduced urban land lease policy; and its possible impacts on the implementation processes of the policy.

Focus group discussions and key informant interviews were conducted to supplement the data. Key informant interviews are made to deal on sensitive topic and get respondents' candid information about the issue (Johnson, 1996: 36). Conradson (2005) argues that focus group discussions as research methods are valuable in offering researchers a means of obtaining an insight of a wide range of views that people have about a specific issue as well as how they interact and discuss the issue (p.56). The discussions were made with purposively selected people having different view about the urban land lease policy, which include non-lease landholders;

informally settled households and with those who are still in rental houses being abided by different urban land related laws, policies, regulations and directives of the government. In all the above data gathering sessions and interviews hand written notes, automated logging like audio recordings; and task matrix that shows the proposed order of tasks for the study were used as data capturing methods.

Secondary data were obtained from the published and unpublished urban land lease policy related documents from respective offices such as the existing proclamations, rules and regulations, directives, publications and internet.

3.2.3 Data Organization

The collected data were thoroughly checked for completeness and accuracy and corrected immediately after being captured: and then systematically organized. Transcripts were used in organizing the data from individual and group interviews. Tapes of interviews and focus groups were processed as soon as they are archived. Responses to closed- ended questions were organized based on their correlation to be ready for analysis. The whole processes have supported the researcher to analysis the existing situation, to identify the findings and to reach at conclusion.

3.2.4 Method of Data Analysis

Both qualitative and quantitative methods of data analysis were used for this study. The study is largely qualitative in nature. Qualitative data analysis was carried out simultaneously with data collection. System of thematic analysis was used for the data that were collected through focused group discussions, key informant interviews, personal observation and document review. The qualitative data were analyzed through grouping of responses, interpretation and paragraph analysis. Qualitative data

analysis involves a process designed to condense raw data into categories or themes based on valid inference and interpretation (Creswell, 2009: 204). The quantitative data was arranged and edited. The quantitative data were presented in tabular and diagrammatic manners.

3.2.5 Research Matrix

Multiple methods were used to obtain answers to the raised research questions. The research questions and the corresponding methods applied to answer the research questions are stated in table 3.2 below.

Table 3.2 Research Matrix

Research Objectives	Research Question	Approach	Types of Analysis
This study analysis the reason behind the amendment of urban land lease policy; and the reaction different sections of the communities towards it and levels of stakeholders' involvement in the policy amendment processes.	- Why is it necessary to amend and introduce the urban land lease policy?	-Document analysis	Qualitative
	- What is the reaction of the public to the amended urban land lease policy? What possible impacts will it have on implementation efforts?	- literature review - structured, moderately structured and unstructured interviews	Qualitative and Quantitative
	-to what extent did the concerned stakeholders get involved in the amendment processes?	- closed-ended questions	
	- What are the major concerns of the public in view to the newly amended urban land lease policy?	-Focus Group Discussions	

CHAPTER FOUR

Research Findings and Analysis

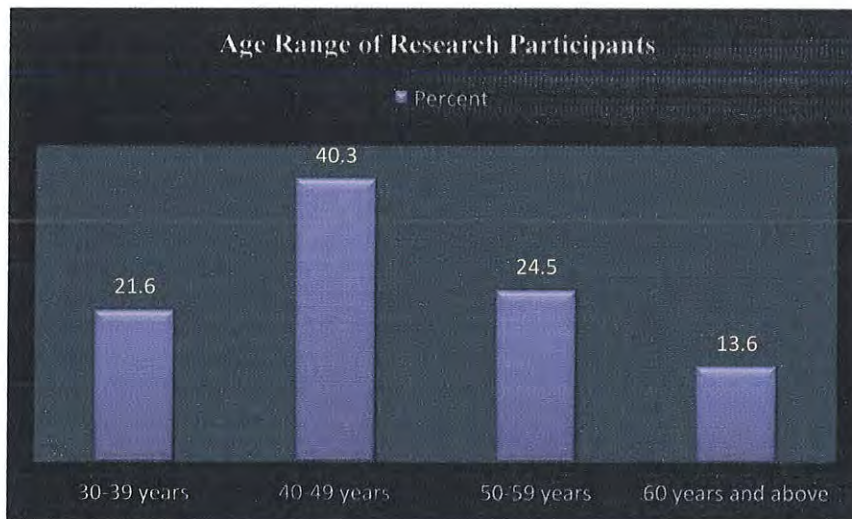
This chapter presents the key findings from document review, household survey, focus group discussions, key informant interviews and observations.

4.1 Demographic Characteristics of Research Participants

4.1.1 Age Distribution of the participants

The research considered participants from different age groups in order to get diversified views on the matter under discussions. 40.3 percent of the participants are those whose age range from 40-49years; followed by 24.5 percent those of ages ranging from 50-59 years. Those participants whose age range from 30-39 and above 59 years constitute 21.6 and 13.6 percents respectively (figure 4.1).

Figure 4.1 Age Range of Research Participants



Source: survey data

4.1.2 Sex Distribution of the Research Participants

The research tried to consider both sex in analyzing their reaction to the newly amended urban land lease policy. Accordingly, 69.8 percent of the research participants were male and the rest 30.2 percent were female participants (Table 4.1).

Table 4.1 Sex distribution of research Participants

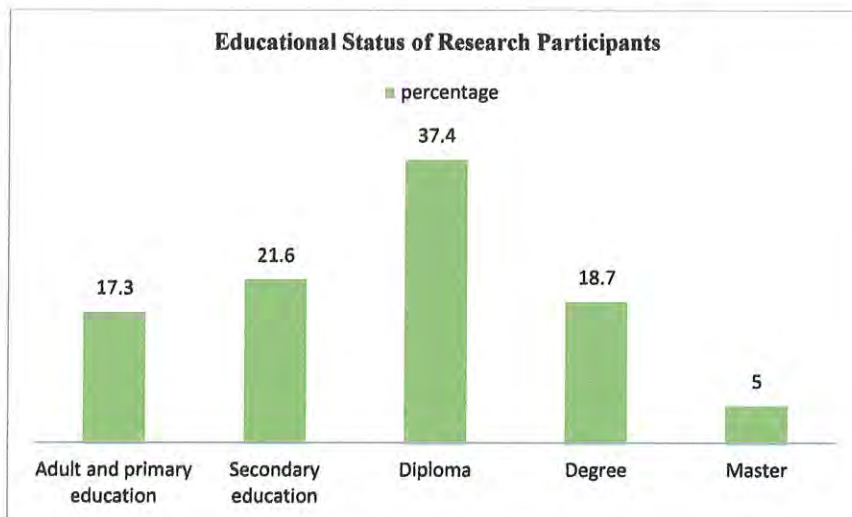
Sex	Number	percent
Male	97	69.8
Female	42	30.2
Total	139	100

Source: survey data

4.1.3 Educational background of Participants

Participants from different educational background were involved in this study to get diversified view on the points under investigation. From the total participants, 37.4 percent are diploma holders followed by 21.6 percent of secondary education levels. First-degree holders constitute 18.7 percent of the total participants. Adult and primary education level; and second-degree holders constitute 17.3 percent and 5 percent of the total participants respectively (figure 4.2).

Figure 4.2 Educational Backgrounds of Research Participants



Source; survey data

4.2 Existing Urban Land Lease Policy Analysis

Central governments have a key role in defining land related policies whilst most land management related operations take place at the municipal level. This has special significance in the case of Ethiopia, which has a unique land management related experience: and where the current Federal Constitution provides for the public ownership of urban land; and the management of urban land by municipal and regional administrations, which could be considered as one of the aspects of decentralization.

Before the nationalization of urban land in 1975, urban land could be sold, rented, leased, inherited or transferred as a gift. Proclamation 47/1975, which introduced the monopoly of land ownership by the state, abolished private ownership of land and banned any form of transaction in land. The state took over total responsibility for land provision, development, and control. Accordingly, urban land management became a highly centralized operation under the then Ministry of Housing and Urban Development that oversaw the implementation of the policy through its regional branches and urban dwellers associations established at the city and neighborhood levels (Daniel, 2012:8).

Following the downfall of the socialist government of Ethiopia, nobody was certain what course the new government would take regarding land tenure system. The transitional government of Ethiopia had declared that the issue of private versus public ownership of land would be settled in the process of developing the new Federal Constitution. Judging from the process of the 'post-socialist transition' that had been carried out by the Transitional Government and above all the free market economy type of policy that it embraced ,many hoped that the new constitution would

allow private ownership of land. However, when it finally came out in 1995 it decided to keep all rural and urban land under public ownership (Yigremew, 2002:42).

The 1995 Constitution of the Federal Democratic Republic of Ethiopia draws a broad framework for land policy in the country and enshrines the concept of public land ownership and the inalienability of landholdings. The constitution asserts state ownership of land; and ascertains that there are no private property rights in land. Article 40 sub article 3 (which is about property right) states, “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. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange”¹.

Proclamation No.80/1993 of the transitional government of Ethiopia introduced the first urban land lease holding policy that opted for the transaction of land between the government as the sole owner of urban land; and transfer use rights among private individuals through leasing and sub-leasing arrangements. The main objective of the urban land lease holding policy was to provide monetary value for the utilization of urban land. In this respect, the leasehold policy of land is one-step ahead of the previous policies that the country had on land and land related resources. The main features of the leasehold policy (as stipulated in proclamation number 80/1993, which lacked constitutional base) as it relates to urban development include its scope of application, property rights related to transfer, mortgaging, compensation and associated duties, ways of acquiring new development land, manner of fixing rates and modalities of lease fee payment, and duration of lease period. The proclamation

¹ 1995 constitution of Federal Democratic Republic of Ethiopia

enabled the government to transfer urban land administration from permit system to leasehold system. This urban land lease policy has been under implementation since the early 1990's with the following main objectives. These include:

- embracing market principles in the management of publicly owned land and thereby abolishing speculation in land transactions;
- expediting efficient and effective use of scarce urban land thereby controlling urban sprawl and pre-empting potential urban rural boundary conflicts that could be resulted from spontaneous encroachment of urban centers to the surrounding farming lands;
- creating conditions where by adequate financial resources could be mobilized for the provision of public infrastructure and other social services; and
- encouraging private investment by providing terms of tenure that are long enough and that allow the planning in advance of activities in order that capital expenditures on land are recovered².

While few are expected to disagree with these lofty principles, the level of implementation of the proclamation, particularly during the initial period, was not as expected. Although the Addis Ababa City Administration was the first to issue regulations that provided for its implementation, most businesspersons and potential investors were ambivalent about the urban land lease holding policy. The basic reason for such a position was reckoned, among others, to be familiarity with and the continued operation of the permit system that many businesspersons perceive to be more predictable and affordable than the new system.

² Proclamation number 80/1993 of the Transitional Government of Ethiopia

Proclamation No.80/1993 was amended in 2002, as it proved ineffective. This amended urban land lease policy in 2002 termed as proclamation number 272/2002, a proclamation on the re-enactment of lease holding of urban land, could not also move on as expected. The previous two urban land lease policies' objectives could not have been largely achieved. Private land speculations; accumulation of wealth in the hands of few individuals due to illegal transaction of urban land; poor infrastructure and social amenities; horizontal encroachment of urban centers to surrounding farming communities that in turn exert pressure on the livelihoods of the nearby farmers; government officials' corruptive behaviors on land and land related resources; chronic housing problems; and artificial land scarcity have been prevailed in urban centers of the country (Nega, 2005: 14-16).

Having observed all these urban challenges resulted from improper implementation of urban land lease policy, the government again amended the existing urban land lease policy and introduced it as proclamation number 721/2011; a proclamation to provide for lease holding of urban land. The following table depicts the comparisons among the three proclamations as well as the new regulation to implement the new urban land lease policy of Ethiopia designed by the current government of the country within the past two decades based on some selected criteria (table 4.2).

Criteria	Proclamation No.80/1993	Proclamation No.272/2002	Proclamation No.721/2011	New Model Regulation
Lease rate and provisions for housing	Minimum rate of rent to be set. Actual rate to be set by public tender only. For low cost housing lowest rate. For higher cost-similar to other uses.	Rate of lease to be set by city administrations or Regional governments. No minimum lease rate. Regional or city government can permit land up to nil lease payment.	respective Regions and City administrations shall regulate benchmark lease price based on location. benchmark lease price shall be updated at least every two years to reflect current conditions.	regulated by respective city and regional administration having considered land use types, zonal, socio-economic progress...etc.
Leasehold permit	Public tendering only	Public tendering and Negotiation For housing to be regulated by City or Regional governments.	Through modality of tender or allotment based on its conformity with urban plan guidelines; or regulated by the region or city administration.	Through modality of tender or allotment based on its conformity with urban plan guidelines; or regulated by the region or city administration.
Launching of construction	Period to be regulated by city regional governments.	Period to be regulated by city or regional governments.	Period to be regulated by city or regional governments.	rely on the scale of construction, ranging from 6 months for small scale to 18 months for large scale construction
Grace period	Not specified	Period to be regulated by city or regional governments.	Period to be regulated by city or regional governments; commenced from the date of the conclusion of the lease contract and may not last beyond the date of completion of construction.	ranges from two-four years based on the scale of construction.
Size of holding	Not regulated	Not regulated	Not regulated	Not regulated
Scope of application of the policy	All new developments. Existing possession upon transfer of title in ways other than inheritance.	All urban land under the rent system and leasehold system. For lands not in the leasehold system, period of transfer to leasehold to be decided by city or regional governments.	It shall be applicable to all urban centers with in Ethiopia with regard to urban land	It shall be applicable to all urban centers with in Ethiopia with regard to urban land
Title transfers and Income from land held through lease	Lessee can transfer right; can mortgage the holding ,or collect income for up to the lease rent only.	Lessee can transfer right for the period the lease is valid. Can mortgage the holding. income from transfer of rights has no maximum.	Lessee can transfer his lease hold right or use it as collateral to the extent of the lease amount already paid based on pre-set agreements.	Lessee can transfer his lease hold right or use it as collateral to the extent of the lease amount already paid based on pre-set agreements.
Lease period	Based on level of urban center and type of use class. Period fixed for each level of urban center from 50-99 years.	Category of towns limited to Addis Ababa level and others only. Use classes for A.A level from 50-99 years, others from 70-99 years.	It shall vary depending on the level of urban development and types of activities. Use classes for A.A level from 60- 99 years, others from 70-99 years may be extended for services requiring long lease period on accounts of their unique nature.	It shall vary depending on the level of urban development and types of activities ranging from 5 years for short term to 99 years for residence.

Table 4.2 Comparisons of the Three Proclamations and the new model regulation on Urban Land Lease Policy in Ethiopia.

4.3 Causes for Amending and Introducing this Urban Land Lease policy

In Ethiopia, the objective of the previous lease proclamation 272/2002 was two-fold: to collect enough money to run urban infrastructure; and to transfer all urban land holdings into lease system. Indeed, as was witnessed then after, the government had shown efforts to use urban land lease as a source of revenue to finance the supply of dwelling houses and infrastructure. Moreover, large cities and towns, designated by Federal and States as lease towns, faithfully practiced the second objective. Urban land has been transferred to individuals by lease agreement (Daniel, 2012:15).

Now a day, however, the government argued that urban municipalities become corrupt and inefficient in land delivery. Demand for land in urban areas has been greater in huge amount than the supply of land given by the land authorities. Besides corruption, non-transparency and injustice were reined in the system that created a safe haven for few urban speculators and brokers. Urban speculators fetched profit by selling bare land without adding value to it. Government has been complaining that it was not the beneficiary of the share of the profit reaped by the above agents. For this reason, the FDRE Government initiated the revision and passage of new urban land lease proclamation.

The government has been repeatedly admitting its failure in the effective implementation processes of urban land lease policy and the reality on the ground is the direct manifestation of its ineffectiveness and inefficiency. Organizational structural problems and corrupted government officials coupled with private land speculations made the achievement of the objectives of the previous urban land lease policies impractical. The expected infrastructural and social service provisions for urban dwellers could not move on as presumed. The fruits of the overall development

in the urban settings of the country could not have reached to the urban dwellers, especially where by the poor and less disadvantaged groups have been neglected for long periods.

The existing urban land lease policy with all its regulations and directives is not in a position to bring such expectative overall socio-economic and environmental progress by exploiting the existing land and land related resources in urban setting. Moreover, the urban land lease policy could not combat land resource related corruption and private land speculation that become bottlenecks to bring the overall progresses in urban centers to attain the pre-set objectives of the lease policy well.

It has been clearly ascertained by the government in proclamation Number 721/2011 that the sustained economic growth registered across all economic sectors and regions in the country has necessitated continuously and increasingly the demand for urban land that requires such an appropriate administration that is efficient and responsive to the ever-growing land resource demand. Moreover, the prevalence of good governance is a foundational institutional pre-requisite for the development of an efficient, effective, equitable and well functioning land and landed property market, the sustenance of a robust free market economy and for building transparent and accountable land administration system that ensures the rights and obligations of the lesser and the lessee³.

The prime reasons behind the amendment and introduction of the current urban land lease policy as explained above and stipulated in proclamation number 721/2011 are

³ Proclamation number 721/2011

to assure the overall socio-economic and environmental progress in urban setting through good land administration that could be attained by:

- controlling land speculation and illegal land transaction from the governmental officials and private land speculators.
- raising revenues by converting all urban land into leasehold system with current urban land market value which in turn help the city governments to provide different infrastructure and social amenities for the dwellers.
- delivering urban land for developers in a manner that supports the achievement of the goal of urban land lease policy⁴.

Generally, the objectives of this new urban land lease proclamation, as envisaged in the preamble, are two: to satisfy the growing urban land demand resulted because of the fast economic growth of the country; and to ensure good governance for the development of efficient land market and a transparent and accountable land administration system⁵.

4.4 Modalities of land Acquisition

Previously, there were five modalities of urban land acquisition: auction, negotiation, assignment, award, and lot. Auction and negotiation were the two most important methods for cities to collect income from land lease agreement. In bigger cities auction is still the most utilized method to transfer land from municipalities to investors. City authorities may assign Land to civic associations, charitable organizations, embassies, and international organizations as a sign of good will,

⁴ AACA, Answers to questions raised concerning urban land lease holding proclamation number 721/2011

⁵ Negarit Gazeta of the FDRE

Award was the least utilized method of land transfer by urban land authorities. It happened when a person contributed extraordinary accomplishment to his country. Lot or lottery used to provide land to the majority of urban dwellers to construct single residential houses. The point is that urban dwellers should get land to build their own home, and in all the cities this was done free of charge (Yirsaw, 2010: 19).

Now, however, since most of them are categorized as bad practices that paved the way for corruption, government argued, the law recognizes only tender (auction) and allotment (land lease transfer without auction) as the two basic means of lease transfer from government to citizens (art.7 of Proc 721/2011). As a matter of principle, every land needed for residential, commercial (agriculture, industry, or service), and others will be transferred by tender. Bidders will use the minimum lease price as a base to offer their price. However, as exception, city municipalities may give land by allotment to selected areas of paramount importance to society such as government offices, religious institutions, public residential housing programs, diplomatic mission and so on (art.12). Besides, a person who is displaced from his house because of urban renewal shall get a land by allotment. All of them would pay lease price based on the benchmark set by the city⁶.

4.5 Conversion of Old Possessions to Leasehold

The proclamation clearly declares that all land in urban areas shall henceforth be transferred into lease system⁷. The concept is that land held during the socialist era and before as well as land held through informal means and not certified must be registered as leased land. The same idea was, of course, incorporated in the previous

⁶ Urban land lease proclamation number 721/2011

⁷ Article 5 of proclamation number 721/2011: Prohibition of Land Possession other than Lease holding.

proclamation number 272/2002 as well. The primary objectives of converting old possession to leasehold are simply: to prevail fair and equitable enjoyment of land use right among citizens; and increase the revenue of the government by transferring income from occupants to the landowner (the state). The difference between the previous and the current lease proclamations is that the current lease proclamation attaches mandatory lease payment to the status. Transfer of land holding into lease system means that all land in urban areas, after being identified and registered by the municipality, shall be registered as lease land and the holder shall enter with the government a lease contract that among others includes lease period and lease price to be paid. The lessee will then be issued a "lease certificate" that shows name of lessee, land size, location, land use purpose, lease price, lease period and the like.

Although the time of transferring all land which are outside transaction is not yet decided, the proclamation declares that the following land related activities shall be subject to payment of lease price: when land is transferred to third person other than inheritance, when old possession and newly leased land are merged, and when informal settlement land is being regularized⁸.

The opinions collected from the focus group discussions and interviews made with old possessors of urban land revealed that how this action of the government affected their constitutional rights on their property that they have been using for the last four decades. The groups indicated that how they are expected to be charged extra payment when their land is under leasehold as well as it restricts them to use their property as collaterals, which in turn affect their income. Therefore, the decision

⁸ Article 6 of proclamation number 721/2011: Conversion of Old Possessions to Leasehold.

greatly influences the right we had enjoyed from the land resources, they replied. The group showed the discomfort they felt on the overall lease principles associated with conversion of old possessions like its impact on property transfer, compensation paid for reduced land as well as payment to be paid for additional land to be obtained while parceling in accordance with approved national standard and urban plan.

The interview made with the department heads of both governmental and private banks clearly stated that how the conversion of old possession influences their overall collateral relation with the possessors as they can deal on the property on the land rather than the land resource itself as of the previous time. In practice, the lion's shares of the collateral agreements were on land use right transfer itself rather than the property on the land most of the time. Now, the proclamation clearly states how it will not be possible to deal on bare urban land as before and this condition totally cuts the money that would be given to the possessors: and hence influenced the income they expect from the land resource. This condition also created impact on the income that the banks expected through such agreements, as the possessors are no freer now onwards to enter in to such contract with banks. One of the private bank's department heads replied that time is approaching when banks will immediately revise their loan policies and manuals to address the impact of the proclamation on their values given to the ground. There is no doubt that the amount of the loan that has been provided will be shrunk down, that in turn affects the investment in urban centers.

The response of higher officials from Ministry of Urban Development and Construction on the issue indicated that how the decision passed by their government was right and convincing from the point view of the constitution of the country that highlighted the just distribution of land and land related resources among citizens.

They added that since land is the property of the state and the peoples of Ethiopia, there should be fairness and equity in assuring use right of the public at large. There need not be dichotomy between the leaseholders and old possessors (free holder) in benefiting from the common property of the people, the officials replied.

On the other hand, the interviews made with professionals on the matter revealed that how there had been time where those people who occupied urban land in any circumstance paid unreasonable payment to the government and enjoyed the benefit from the land for long period. However, others (the majority) who did not have such access were unable to enjoy from the common land resource of their country as that of their counterparts. Therefore, the decision taken by the government was fair and rational; no matter how there is some group of the community who got discouraged by this action. Nevertheless, the compelling points here are that the government could not consider those groups who bought land from old possessors through mediation of itself.

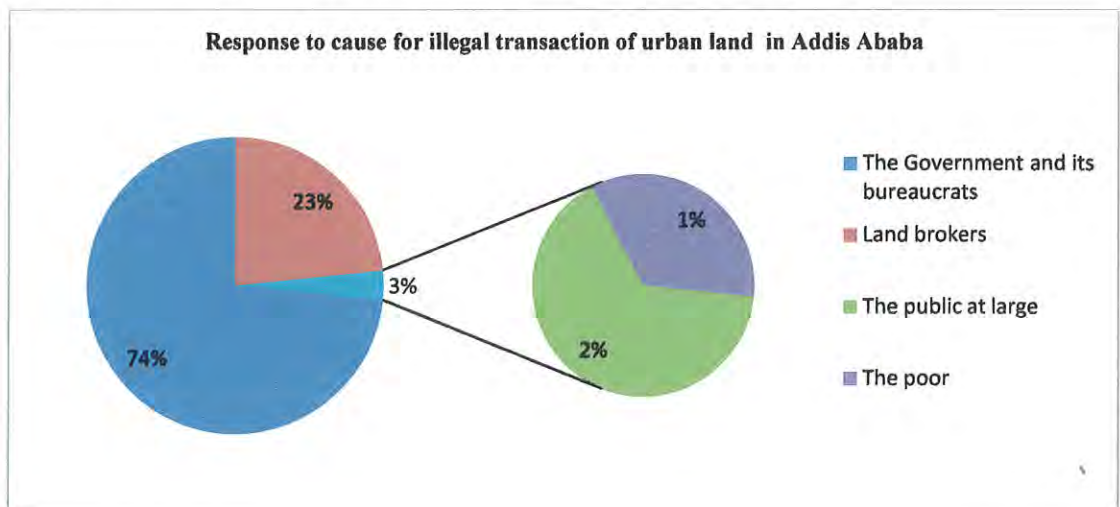
4.6 Urban land lease policy and abuse of urban land resource

The new urban land lease policy of the Federal Democratic Republic of Ethiopia clearly states that how there are many individuals who became rich through the transaction of urban land illegally. Some people who are from both government bodies and private sector have accumulated a lot of wealth within a short period through unethical and illegal transaction and grab of urban land, which is assured in the constitution as the common property of the public and its use should be in a manner that serve the public at large⁹.

⁹ AACA, Answers to questions raised concerning urban land lease holding proclamation number721/2011

The causes could be attributed to different factors. Nearly three-quarter (74 percent) of the respondents attributed the case of illegal land transaction to the malfunctioning of government and its bureaucrats. This figure clearly indicated that the responsibility of government in regulating illegal transaction of urban land by some group is so weak and as a result, it takes the lion's share responsibility for the current land management problems that results in the accumulation of wealth in the hands of the few people. Moreover, the result showed that land brokers have their own contribution in the ill-treatment of urban land resource use in the country. The public at large and the poor contribute very scanty contribution to the illegal urban land transaction (figure 4.3).

Figure 4.3 Percentage of response to cause for illegal transaction of urban land



Source: Survey data

The focus group discussants exhaustively highlighted on the overall responsibilities of the government on the issues where by fragmented group of the community became affluent within couple of years through illegal transaction of land while there are laws

in place. The groups strongly argued that the existence of laws, regulations and directives without thorough follow-up for implementation is merely of political game that would bring no change for the public, especially the poor. The groups added that although land is the common property of the public; and there should be just distribution of urban land and land related resources among the urban dwellers in the constitution of Ethiopia, the reality observed on the ground has been far apart. One of the respondents replied, “The government has been silently watching while people (including government officials) are grabbing our common urban land resource rather than taking legal action by applying the pre-set policies and laws well”.

On the other hand, the survey data from the key informants’ interview confirmed that the procedural and long chained as well as non-transparent activities of the government organization resulted in the abuse use of urban land resource in the country, including the capital city. Many individuals including government officials have benefited a lot by using their positions unlawfully in exploiting the common property of the people of the country. They replied, “The government and its bureaucrats are fully responsible for all the mistreatment of urban land, for which the communities at grass root level (especially the poor and neglected groups) have been unable to benefit as that of their counterparts”.

The interview made with officials from the Ministry of Urban development and Construction also revealed that how there is existence of misuse of urban land, especially due to unethical act of legal brokers as well as few government officials in collaboration with some land developers under the framework of legality. The officials added that how the newly amended land lease policy as well as its attendant’s regulations and directives will have great impact on the case and they hoped that the

current deep-rooted urban land related problems would be solved in the forthcoming implemented urban land lease policy. The response of the officials from the Addis Ababa Land Development Authority affirmed the prevalence of illegal transaction of urban land; and how the city administration has been taking proportional action on the transaction activities as to the law. The officials are hopeful that the coming urban land lease policy will fill the observed gap in a positive manner.

Although the officials are hopeful and it is stated in the current urban land proclamation number 721/2011 that how there will be no more room for rent seekers in urban land management, the opinions collected from the respondents indicated that the mere consecutive designing of policy by itself will have no impact on fighting rent seeking behaviors. Accordingly, 74.4 percent of the respondents worried about the role that the new urban land lease policy will have in fighting rent-seeking behaviors in urban land management system as well as illegal transaction of urban land. The rest percentage of respondents is optimistic in the appropriateness of the new urban land policy to fight rent-seeking behavior (table 4.3).

Table 4.3 Respondents' response to appropriateness of current urban land lease policy in combating rent-seeking behavior.

Response	Lease holders	Old possessors	Renters	Total number	Total Percent
Yes	6	13	4	23	25.6
No	24	17	26	67	74.4
Total	30	30	30	90	100

Source: Survey data

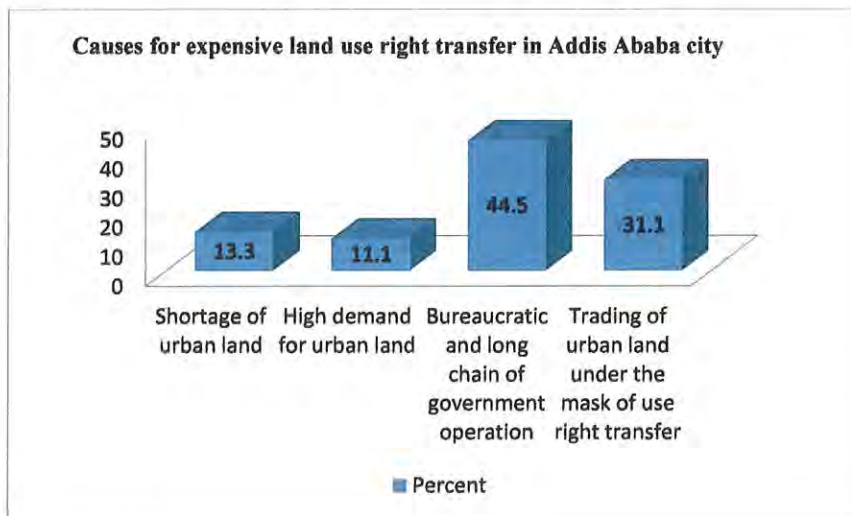
The focus group discussants stated that how the mere putting of golden and striking words on the paper would not have solved the rent seeking behavior in the urban land management of the country. The group responded that how there has to be sorts of action and follow up that need to be done by the government to divert the behavior of the groups as well as taking legal and bias-free punishment where needed. The key informant interview, on the other hand, indicated that how the new urban land lease policy is not free from blame in its effort of fighting rent-seeking behavior. Accordingly, the points listed in the new urban land lease proclamation especially in relation with the roles of the so-called appropriate body have on deciding on the overall conditions of commencement and completion of the construction by the lessee may again pave the way for rent seeking, even for rational and committed bodies. The appropriate body in their dealing with the lessee on the commencement and completion of the construction within the specified time may act out of law. Moreover, those people who are going to be assigned to look after the commencement, half completion and full completion of the construction within the specified time by the lessee may act out of the law and deal on their personal interests, especially when the lessee fails to do so.

4.7 Urban land use right transfer in Addis Ababa

It is obvious that the price of urban land use transfer in the capital city is of the highest where there is no window of opportunity for both the poor and middle-income groups to have access to the land. The respondents were asked on the expensiveness of land use right transfer in Addis Ababa as compared to many other cities in the world. Accordingly, 44.5 percent of the respondents associated the cause to the bureaucratic and long chain of government operations that create hopelessness in

expecting the service of the government and push them to an action of engaging into getting land through short cut with exorbitant price. On the other hand, 31.1 percent of the respondents cited that how the trading of urban land under the mask of use right transfer resulted in the skyrocketing price of land use transfer in the city, which in turn affects the poor in having access to the resource. 13.3 percent and 11.1 percent of the respondents related the problem with shortage of urban land and high demand for urban land respectively (figure 4.4).

Figure 4.4 Percentage of response to causes for expensive land use transfer in Addis Ababa



Source: Survey data

The data obtained from both the focus group discussions and key informant interviews showed that the high price of transfer of land use right in the city is attributed to the inefficient and time-consuming service delivery of the government organization. The groups added that the artificial urban land scarcity in the city is due to the malfunctioning of the land administration in the proper allotment of the existing

land resource as well as controlling unlawful public land transaction by some sections of the communities. The groups were also asked on the role of the new lease policy to avert the problem; and responded that how there is sort of panic due to lack of follow up as of the previous policies. One of the key informants responded that how people are now getting confused on the action the government has been taking on land issues.

The opinion collected from government officials at different organizational levels on the matter indicated that the continual expensive value of urban land use transfer in the city is associated with the overall socio-economic progress shown in the country. The officials replied that how the law of supply and demand forces determines the value of land use transfer in urban settings. The main reason behind expensive urban land use transfer is the increment of the income of the individuals, which has been accompanied by the high demand for large tracts of land for further development. The officials were also asked on the contribution of land speculators to the exorbitant urban land use transfer and responded that how there are difficulties in identifying land speculators as most of them are performing their businesses behind the curtain. "Most of the speculators in urban land transaction processes are invisible actors who work behind the curtain and it is difficult to get in touch with them. These groups sometimes acquire land formally from government for informal subdivision and transaction", Yirgalem, 2009:8. The newly amended urban land lease policy will greatly solve the problems observed now in connection with high price for the transfer use right of urban land, according to the response obtained from the officials.

The other critic raised against this urban land lease policy is the impact it will have on property transfer. Proclamation number 721/2011 clearly states that all sorts of property transfer except in the form of inheritance, should be under the supervision of

the appropriate body, even including lease right transfer of which prior to commencement and half completion of construction¹⁰. A lessee can transfer his land use right or use it as collateral for value not exceeding the down payment, considering penalty of seven percent of the total lease price in addition to a lease amount that covers periods from the date he took possession of the land. The discussion made with focus group discussants as well as the key informants with reference to the impacts of this newly amended urban land lease policy on the transfer of property in urban setting indicated how it creates sorts of restriction, as the lessee cannot transfer the property as before. This policy has greatly influenced those people who fetched lots of money by selling the land they got through lease in the name of transfer system without adding any value on it.

4.8 Stakeholders' involvement in the urban land lease policy

Officials from Ministry of Urban Development and Construction as well as those at different levels of the ladder were so tight in discussion with different sections of the public in the country and even abroad on the overall issues of the newly amended and introduced urban land lease policy after its ratification by the House of Peoples' Representatives of Ethiopia. The officials were promising to incorporate the inputs obtained from the stakeholders in the forthcoming prepared regulations and directives to implement the policy. The interviewed higher officials from Ministry of Urban Development and Construction explained the failure of their government in inviting the stakeholders in a simple and plain language as, "we did not expect that it would create such sorts of discomfort and discussion among the public at large". They were admitting in the discussion made with different sections of the community. This

¹⁰ Article 24 of proclamation number 721/2011

action creates some sorts of confusion and illusion among the public and almost all of the respondents viewed that how “bringing the dead agenda to the table for discussion is simply the indication of the government’s consideration of uselessness of the voices of the grass root community from the outset in the urban policy affairs of their country”. The opinion collected from respondents indicated that how the expectation of the public opinion by the government at this level in bringing the agenda for public discussion is simple for pretention and media consumption. Therefore, expecting active participation from the public in the implementation is going to be an unsolved dream for the governing bodies, the respondents added.

Regarding stakeholders’ involvement, the actions of the government puzzled the great majority of the key informants and the group discussants. With respect to the points they obtained from the afterward discussions with government officials at different levels of organization, the groups reflected that how the discussions were simply for pretention and the situation would rather erode the trust that the public at large have on the government. The groups added that how discussion on dead agenda for which they had no role would be simply joking and for media coverage to get acceptance from other groups, by neglecting the concerned bodies here. One of the key informants responded:

Policies have not been implemented in vacuums, rather on the public at large: and those policies designed without the active involvement of the community are futile efforts and merely wastage of scarce resources. The government’s inability to invite the public and concerned stakeholders on the design of this policy is the direct indication of looking-down the voices of the community at the grass root. Therefore, it is going to be all up to the government to take corrective actions in case a problem

such as public resistance arisen during the implementation of this urban land lease policy, as the policy was designed without our active participation.

Data obtained from the interviewed land developers and heads of both governmental and private banks in the study area revealed that how they had no participation in the overall processes of the newly amended and introduced urban land lease policy. The groups replied how it is going to be challenging situation for government to achieve the objectives of this policy, as there is no sense of belongingness on the community and other stakeholder's sides. One of the interviewed private bank's department head astonishingly explained how he had gotten information about the amendment and introduction of the urban land lease policy from the newspaper. They were asked on the future implementation process of the policy, and replied that how it is going to be so tough for the government to mobilize resource and convince the public to engage them in the implementation of the policy.

4.9 Regularization of illegally occupied urban land

Although the right to occupy, use and develop land could be obtained through legal process from the owner of the land (the government), occupying land in illegal manner is a common phenomenon in most urban centers of Ethiopia, though the condition has been aggravated in the capital city. Most of the houses constructed on these illegally occupied urban lands are made from sub-standard construction materials and termed as moon houses, since most of them are constructed in the nighttime. The response of the city government to such land occupation had been demolition of these houses in collaboration with the sub-city and district level government bodies, with no compensation for dislocated people. Therefore, such occupants were fully responsible for all sorts of actions that the government has been

taking up on them. “The relationships between the governing body and the informal settlers were like tricky games of hide and seek”, one of the key informants replied.

The urban land lease policy proclamation number 721/2011 gives evidence on the regularization of such possessions held without the authorization of the appropriate body if they fit with urban plans and parceling standard following the regulations to be issued by regions and city administration within four years ¹¹. This action of the government entertains both the agony and ecstasy among different sections of the public. It created happiness on the side of illegal occupants while sorts of discomfort on the side of those people who are still in rental houses of either government or private renters by respecting and being abided by the policies and laws the current government has been designing concerning the common public resource, land.

Discussions made with informal settlers on the issue of regularization of illegal land occupation by the government indicated that how the action is promising for most of them. They expressed their feeling as follows:

The government had been taking serious actions up on us for being occupying this vacant but unsecured urban land. We occupied these areas because we could not enjoy the land use right we have as of the constitution. Beggars cannot be choosers; we came and started living here, as it is better than leading street life. We could not pay the house rent in private houses as well as could not have access to condominiums and other government houses. The action the government has been taking in regularizing the urban lands occupied without the authorization of appropriate body is really a blessing; and compensation for most of people like us.

¹¹ Article 6(sub-articles 4 and 5) of proclamation number 721/2011

On the other hand, discussion made with renters showed that how the action of the government in regularizing the illegally occupied urban land has created disappointment on their side. The response of the group indicated that how such action of the government aggravates the prevailing illegal urban land occupation processes in the city, as it is rather encouraging wrongdoing activities than taking legal and proportional actions up on wrongdoers. The focus group discussants leading their life in rental houses by expecting the government to let them have access to the constitutionally assured urban land use right, have become pessimist; and get awkward about their futurity. The group argued that:

Illegality could be seen from different angles. Some become informal settler to get access to basic needs (i.e. shelter), whereas others (the majority) engage themselves for illegal transaction of urban land to accumulate wealth; and still there are people who are waiting for better price by occupying the land illegally. “ድርጊቱ ህገወጥነትን በመሸለም ህጋዊ ሆኖ ህግ አክብሮ መኖርን የሚቀጣ ነው፤, which is to mean that the decision of government has been really the indication of punishing and disappointing us (who are acting as per-law) while praising and motivating others (illegal occupants) well. Therefore, achieving the objectives of urban land lease policy through proper allocation of urban land on one hand, and regularizing illegally occupied urban land (while the majority are expecting the government for just distribution of urban land resource) on the other hand become a bitter pill to swallow for most of us.

Data from key informants' interview revealed that the decision of the government not only created dichotomy between the renters and informal settlers but also intra-informal settlers. On one hand, the decision dichotomized the public as renters and informal settlers as explained above by each group. On the other hand, it created

division among the settlers as those land occupants whose locations fit urban plans and parceling standards; and those of which their occupations move against these rules. Therefore, what could be easily understood from reaction to government's action of regularizing illegally occupied urban land is that the decision met the interest of small section of the communities.

4.10 Roles of the Amended Urban Land Lease Policy in addressing the problems of the previous policies

As stated above, among the reasons of introducing this urban land lease policy are those inefficiencies and corruptive activities of urban municipalities in relation with land delivery. Besides, these conditions pave the way for land speculators and brokers in the illegal transaction processes of urban land. The opinions collected from the respondents indicated that how the newly amended urban land lease policy would not bring such expectative solution to the deep-rooted urban land management problems in the country. Accordingly, 44.5 percent of the respondent replied how the policy rather aggravates and complicates the land management problems, where as 34.4 percent supported how it would partly solve the problems. About one-fifth of the respondents replied how the policy will bring no change on the prevailing problems.

Table 4.4 Responses to role of the amended urban land lease policy in addressing the current inefficient and high prevailing of corruption in urban land management.

Response	Lease holder	Old possessors	Renters	Number	Total Percent
Yes it will effectively address the problem	1	-	-	1	1.1
Yes it will partly solve the problem	16	11	4	31	34.4
No it will further aggravate and complicate the problem	7	13	20	40	44.5
No it will not bring any change	6	6	6	18	20
Total	30	30	30	90	100

Source: Survey data

Data collected from the key informants' interview on the matter were to some extent conditional. It revealed that how the mere admittance of the problem by designing of consecutive policies would not have been enough as it would be specious promise for the public that would add no such expectative value to their life. The key informants added that:

The government needs to revise its approach as well as develop commitment among the concerned stakeholders and the public at large. It would also take legal punishment where needed and reach such decisions to the public since it may create some sorts of awareness whereby the community actively participates and contributes to the mitigation of the urban land management problems. The manner in which disagreements between the lessee and the lease granter (the state) are going to be solved must be clearly indicated as this condition may lead the government officials to

act out of the law. The expropriation mechanism the government has been taking was unfair as observed in many circumstances. Unless these and other associated problems are considered, this policy will also be as of its predecessors' that would be limited from achieving its targets.

4.11 New urban land lease policy, investment and government revenue

Some of the critics against the newly amended and introduced urban land lease policy are discouraging investment and reducing the government revenues. The opinions collected from the respondents indicated that 63.3 percent agreed up to somehow on how this policy discourages investment and reduces the government's revenue. On the other hand, 21.1 percent of the respondents strongly agreed upon the matter and the rest 15.6 percent disagreed on the matter under discussion (table 4.5).

Table 4.5 Percentage of critics against newly amended urban land lease policy in discouraging investment and reducing government revenue

Response	Lease holder	Old possessors	Renters	Number	Total Percent
strongly agree	3	6	10	19	21.1
agree somehow	18	21	18	57	63.3
disagree	9	3	2	14	15.6
strongly disagree	-	-	-	-	-
Total	30	30	30	90	100

Source: Survey data

The interview made with key informants about critics against the newly amended urban land lease policy indicated that how the new proclamation is simple to think of such tenure arrangement work in a black and white term to increase government revenue. The question that has been emerged is on how the applied bid system addresses government's principal objectives. Lease proclamation enacted at different time confirmed that the highest bidder should be declared as a winner based on his or her bid price. However, the point is such provision underestimates the prevailing situation of the country because currently the urban economic development of most of the city where lease policy being implemented do not only need the investments of the highest bidders, but depend on the investment of a possible large number of investors. As per the lease proclamation, the second and third highest and so on bidders are left without land, and at the same time the system is favouring of investors who pay in advance over those who could not afford to do.

What could be understood here is that the Ethiopian land lease policy has not been appropriately framed to achieve diverse objectives simultaneously. Hence, contradictions and paradoxes among its objectives have been witnessed. For example, on the one hand, the lease policy underlines that the private sector needs to play a major role with urban development and there is a need to expand and strengthen the participation of private investors in the areas of urban development, housing and construction sectors. On the other hand, the implementation of policy only keeps and addresses the interest of the few. It is also argued that having the contemporary economic development, the applied principle of land allocation definitely reduces the total amount of investments in the city and the country as well. Instead of keeping the interest of few highest bidders, it could be good to consider other investors' interest.

Hence, through this it is possible to collect the required amount of revenues from lease that shall be used to finance the construction of infrastructure and low-cost housing. Without this improvement in the future, public revenue collected from land lease is much lower than expected, which in turn cut backs the allocation of the budget for the public infrastructure development and provision of other social amenities.

4.12 Proclamation Number 721/2011 and the afterward Model Regulation to implement the New Urban Land Lease Policy

The new model regulation prepared by the Ministry of Urban Development and Construction for the proper implementation process of the new urban land lease policy comes up with concepts that contradict with that of the proclamation number 721/2011: which is perceived as corrective mechanisms of the points missed in the proclamation. The gaps between new regulation and proclamation are on meaning of lease benchmark price; way of conversion of old possession; construction start up; displacement due to urban renewal; land provision through allotment; public interest; appropriate body versus concerned body and special auction and weakness of government in applying lease policy in all urban centres on regulation but not on the proclamation. The professionals and the key informants have doubt as the gap between points of the proclamation and the new regulation may give loopholes for some would be assigned officials to act out of the law by using their positions, which in turn to be one of the defects of this new urban land lease policy.

CHAPTER FIVE

Conclusion and Recommendations

5.1 Conclusion

Land remains the single most important source of material wealth and social prestige in many societies of the world. It has paramount impacts in determining the social, economic, political and overall environmental progress of any nation; and as a result demands special treatment, especially in urban centers where its value is of very vital in influencing the provision of infrastructure and social services. The manners in which land policies are designed greatly determine the overall development processes in an area. Ethiopia, in its effort of alleviating poverty in urban setting and assuring the efficient and equitable distribution of land and land related resources among its citizens has been taking measures by designing different urban land related policies. Transitional Government of Ethiopia first introduced urban land lease policy in 1993 with the intention to capacitate urban governments to provide infrastructure and social amenities for the increasing city population through ground lease and efficient allocation of urban land.

As the first urban land lease policy had become inefficient, the government amended it in 2002 with objectives of collecting enough revenue to run urban infrastructure and provide social services. Indeed, as was witnessed then after, the government had shown efforts to use urban land lease as a source of revenue to finance the supply of dwelling houses and infrastructure, though it was not as expected due to inefficiency in land delivery and abuse of urban land resources. These conditions forced the government to revise and introduce new urban land lease proclamation with objectives to satisfy the growing demand for urban land ; and to ensure good

governance for the development of efficient land market and a transparent and accountable land administration system. The introduction of this proclamation has created sorts of uncertainty, agony and ecstasy among the citizens of the country.

The central aim of this thesis is to analyze the reaction that different sections of the public have concerning the newly amended and introduced urban land lease policy. In other words, the paper deals with analyzing the main reason behind the amendment and introduction of the urban land lease policy; examining the reaction of the public to the lease policy and its possible future implications; and looking at the level of stakeholders' involvement in the policy processes. The findings of the research are summarized in the following manners.

Reasons behind amending the existing urban land lease policy and introducing it as proclamation number 721/2011

The main reason behind the amendment of the existing urban land lease policy was the prevalence of deep-rooted land related corruptive behavior and inefficiency in the delivery of urban land to meet the ever-growing demand for it. The government itself has been admitting its failure in meeting the pre-set objectives of the lease policy in such expectative manners. Although urban lands had been transferred to individuals through lease agreement, the expected infrastructural development, social service provisions and equitable distribution of land and land related resources could not show such drastic progresses. Therefore, the government has introduced this policy to avert land management related problems, to turn all urban land to lease holding to raise urban revenue for provision of more infrastructure and social services. Nevertheless, the opinion gathered from research participants indicated that designing

consecutive policy by itself could not be the mere solution to these deep-rooted urban land management problems and wastage of scarce resource. This action rather erodes the confidence that the community at grass root have towards their government.

The results in connection with urban land speculation, illegal land transaction that resulted in the accumulation of wealth in the hands of the few; and urban land policies inefficiencies in achieving the pre-set targets are all attributed to the bureaucratic and long chain operation of the government systems. Majority of the respondents have doubts on the achievement of the objectives of this newly amended and introduced urban land policy, having learnt from their experiences.

Stakeholders' involvement in the urban land lease processes

The government has been admitting its inability in inviting the concerned stakeholders to involve in the policy processes from the very beginning. Almost all of the respondents have been astonished not only by their inability to involve in the policy processes of the public resource but also by the government's failure to deliver them with convincing reason behind its inability to let stakeholders participate in the policy processes. This action contradicts with the constitutional right that the citizens have to participate (directly or indirectly) in the decision making processes of their concern. Therefore, the policy lacks involvement of concerned stakeholders in particular and that of the whole community in general.

Regularization of urban land occupied without authorization of appropriate body and its outcomes

The decision of regularizing urban land occupied without the authorization of appropriate body totally disappointed groups of community who are still in rental

houses being governed by the principle of rule of law. The response obtained from officials of Addis Ababa City land Administration revealed that the decision was to serve the community at grass root level as most lands in the city are occupied in either illegal or informal manner. This action has also been considered as encouraging illegality but discouraging legality, which is again against the constitution. The regularization process also created dichotomy between the illegal occupants in terms of those fitting the urban plans and parceling standard; as well as those of which their occupation move against the principles.

Conversion of old possession to leasehold

Evenhanded land resource distribution among the citizens is one of the objectives of the lease policies of Ethiopia. Although the 2002 lease policy announced the conversion of urban land to lease policy, the government (knowing that it was not benefiting from the process) was involving in the transfer of urban land use right of old possession to the third party for long periods. The opinions gathered from old possessors and banks' department heads indicated that how this decision has exerted pressure on the property transfer as well as collateral processes. This decision will let banks to revise their policies and manuals to address the impact of the proclamation on their values given to the ground. The amount of the loan that has been provided will be shrunk down.

New Model regulation and proclamation number 721/2011

As a rule, models and directives should be prepared under the framework of the proclamation for its effective implementation rather than making modification on the concepts stated in the proclamation. But the new model regulation prepared to implement the proclamation consists some concepts that either contradict with the

points stated on the proclamation or pave the way for city or regional governments to follow their own path (may be out of the proclamation) which in turn open door for some misbehaved body to mistreat the land as well as the customers.

5.2 Recommendations

- The motive behind the amendment and introduction of this new urban land lease policy has been attributed to the inefficiency of the previous policies in addressing the pre-set objectives as to the deep-rooted land resource abuse by private speculators and government officials. Higher government officials have admitted this even in parliamentary session. Consecutive policy designing should not be taken as the mere averting mechanisms of the problem since it could not show expectative outcomes, especially for the majority of poor urban dwellers. Therefore, in line with this issue the government should rather find the system whereby the designed policies, regulations and directives are implemented properly like:
 - Taking prompt and serious legal actions up on urban land speculators, illegal land brokers and all corrupted government officials in a transparent and convincing manner.
 - Promoting active participation of the public at large in the fighting effort against ill-treatment of urban lands.
- This policy lacked the involvement of the concerned stakeholders in particular and the public at large in general. Feedback from meetings and forums indicated that public input on the matter was lacking and this has created confusion about the contents of the lease policy. In the first instance, the public should be consulted on the draft of the policy before its enactment. After while, the government should put convincing response to the factors that

let it not invite the stakeholders in the policy processes. Finally, the government should incorporate the feedbacks obtained from the discussion on the would be appearing directives to implement the proclamation.

- Regularizing those urban land occupied without the authorization of appropriate body has created disappointment on the majority of the urban poor who are still in rental houses by expecting the government to let them enjoy the constitutionally ascertained usufruct right of urban land. In the first instance, the government should have system that let the citizens to enjoy their right in the formal manner. Secondly, in case formal system could not function well and people are forced to move to illegality, the government should take corrective actions that would not have impact on those people who are acting as of the law.
- The conversion of old possession of urban land created sorts of panic on the income of the occupants as well as their collateral activities with the banks. Therefore, the concerned body should give solution to those occupants who bought land use right from others through direct mediation of government not to let them charged twice. Appropriate means should be also prepared on how occupants deal on collateral services with banks.
- Some of the concepts stated on the newly prepared model regulation contradict with points stated on the proclamation, and rather considered as means of filling the gaps seen on the proclamation. This condition paves the way for some officials to use their position out of the law. Therefore, the concerned body should look into the proclamation and the model regulation thoroughly: and take corrective actions even up to modifying the proclamation itself as it lacked some important elements as the findings indicated.

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Appendices

Appendix 1. Questionnaires for Households

Appendix 2. Sample Respondents interview Schedule

Appendix 3. Guidelines for interview with Land Developers in the study area

Appendix 4. Guidelines for interview with both Private and Governmental Financial Institutions' Department heads in the study area

Appendix 5. Guidelines for interview with Officials from Akaki Kaliti Sub-city and district Level Land Lease Office

Appendix 6 Interview Guideline for key Informants on newly Amended urban land lease policy

Appendix 7 Guidelines for interview with Officials from Ministry of Urban Development and Construction of FDRE on the Amended urban land lease policy

Appendix 8. Guidelines for interview with professionals

Appendix 9. Guidelines for Focus Group Discussion

Appendix 1. Questionnaires for Households

This questionnaire is prepared to gather the public opinion on the newly amended and introduced urban land lease policy proclamation number 721/2011. The objective of gathering the opinion is to help the researcher in the analysis process of public reaction to the new urban land lease policy and its possible future implications. Therefore, the purpose of gathering this opinion is purely for academic and respondents should be free to reflect his/her feeling and all the responses will be kept confidential. Your candid and genuine response will have great importance for the validity and reliability of the research.

I. Respondents, Characteristics

Name----- (optional)

Sex -----

Age -----

Educational background (tick it)

Adult and primary education	<input type="checkbox"/>	Degree	<input type="checkbox"/>
Secondary education	<input type="checkbox"/>	Master	<input type="checkbox"/>
Diploma	<input type="checkbox"/>		

Occupation Status (tick it)

Civil servant	<input type="checkbox"/>	NGO's employee	<input type="checkbox"/>
Self employed	<input type="checkbox"/>	Unemployed	<input type="checkbox"/>

Land tenure status (tick it)

Renter	<input type="checkbox"/>	Private Non-leaseholder	<input type="checkbox"/>
Leaseholder	<input type="checkbox"/>	Dependent without any tenure status	<input type="checkbox"/>

II. Circle the answer of your response(s)

1. The land lease proclamation number 721/2011 is; (multiple responses are possible)
 - a. a pro-poor proclamation
 - b. it favors the rich and marginalizes the poor
 - c. it may have danger of complicating the existing land management system
 - d. it will built strong partnership between the state and other actors
 - e. It will build suspicious relationship between the state and the public
2. Do you think that the land lease proclamation 721/2011 solve the chronic housing problems which the poor have been facing in Addis Ababa?
 - a. Yes
 - b. No
3. The city administration of Addis Ababa claims that the lease policy is very considerate in enabling the poor to access urban land or low cost housing. Do you agree with this?
 - a. Yes
 - b. No
4. Some of the objectives of the urban land lease policies are to maintain equity and accessibility of urban land by citizens. Do you think these objectives have been achieved through consecutive urban land lease policies?
 - a. Yes
 - b. No
5. Today land lease transfer is the most expensive in Addis Ababa compared to many capital cities of the world. What do you think could be the reason?
 - a. Shortage of urban land
 - b. High demand for urban land
 - c. Bureaucratic and long chain of operation
 - d. Trading of urban land under the mask of use right transfer
6. Among many criticisms of the land lease proclamation 721/2011, the following are some of them. Discouraging investment, reducing government revenue, complication of property transfer and the like. What is your opinion on this?
 - a. I strongly agree
 - b. I agree somehow
 - c. I disagree
 - d. I strongly disagree
7. One of the most controversial issues of the urban land lease proclamation 721/2011 is how to manage old land owned before the first proclamation of leasehold of urban land in Addis Ababa. What is your opinion on this issue? (Multiple responses are possible).
 - a. The proclamation has clear provision on the issue of managing it.
 - b. The proclamation is rather confusing on how to handle such ownership
 - c. The city administration has no clear position on how to manage such case.
 - d. Even though the proclamation has clear provisions on the issues, the public has perceived it differently and in a suspicious manner.
8. According to the urban land lease proclamation 721/2011, many individuals became rich through the transaction of urban land illegally. In your opinion, who should take the blame? (Multiple responses are possible).
 - a. The government and its bureaucrats.
 - b. Land brokers.
 - c. The public at large
 - d. The poor

9. Do you think the currently introduced land lease policy is appropriate to fight rent-seeking behavior?
 - a. Yes
 - b. No
10. The urban land lease proclamation was open to public discussion after it has been enacted as a regulation to govern urban land administration. Do you think that the participation of the public at this stage is relevant? (multiple responses are possible).
 - a. Their participation was at appropriate level.
 - b. The public opinion at that level was crucial.
 - c. It was just for media consumption and pretention.
 - d. It is the direct indication of the consideration of the irrelevance of public participation from the outset.
11. Given the current inefficient and high prevalence of corruption in urban land management, do you think the newly amended and introduced urban land lease policy addresses the problem?
 - a. Yes, it will effectively address the problem.
 - b. Yes, it will partly solve the problem.
 - c. No, it will rather aggravate and complicate the problem.
 - d. No, it will not bring any change.

Appendix 2 Sample Respondents interview Schedule

Instructions:

- Make a brief **introduction** to each Respondent before starting the interview; greet them in the local way; know each other and ask his/ her name; tell them the **purpose** and **objective** of your study:
- let them give you whatever opinion they have about the issue under discussion by assuring them the confidentiality of their responses:
- After getting the informed consent of respondents, please, ask each question so clearly and patiently until the respondents understand it well:
- Please, fill up the interview schedule according to the respondents' reply (do not put your own opinion):
- Please, do not try to use technical terms while discussing with respondents and do not forget to
 - Write and record** the answer of the respondents,
 - Ask & write** details where required,
- Prove that all questions are asked and the interview schedule format is properly completed; and

-At the end, leave respondents with words of thanks.

General Information

Name of Respondent: _____ (optional)

District: _____

Date of interview: _____

Questionnaire code: _____

Appendix 3 Guidelines for interview with Land Developers in the study area

1. What do you think could be the reasons for exorbitant urban land use transfer and broad land related corruptive activities in most urban centers of the country including the capital city? How do you view the land related service delivery of the land administration offices of your district and sub-city?
2. What sorts of information did you have about new urban land lease policy of Ethiopia, before its promulgation by the governmental bodies?
3. The government clearly admits its inability to invite the concerned stakeholders of the overall urban development processes to involve in the new urban land lease policy design and enactments. So;
 - a. Why do you think the government could not invite the concerned stakeholders (you) in the policy processes from the beginning; and rather brings an already enacted urban land lease policy to public discussion?
 - b. What kinds of agreements have been reached on your discussion with the government officials about the overall issues of the new urban land lease policy especially concerning the inability of the government to involve the concerned stakeholders and its would be ability to fill the gaps of the previous urban land lease policies?
4. What impacts will this new urban land lease policy have on your organizational activities and productivity?
5. What do you think will be your concern in the implementation processes of this urban land lease policy?

Appendix 4 Guidelines for interview with both Private and Governmental Financial Institutions' Department heads in the study area

1. What sorts of information did you have about new urban land lease policy of Ethiopia, before its announcement by the government?
2. What is your opinion the government's action of bringing the enacted urban land lease policy to public discussion? What kinds of agreements have been reached on your discussion with the government officials about new urban land lease policy issues (especially concerning the inability of the government to involve the concerned stakeholders and the policy's would be ability to solve the drawbacks of the previous policies?)
3. Who do think be benefited from this new urban land lease policy?
4. What impacts will this new urban land lease policy have on your organizational activities; for instance on your lending process to land developers and private homeowners? Does it bring any sort of impact on your businesses from the date of its announcement until today?
5. What do you think will be your concern or contribution in the implementation processes of this new urban land lease policy?

Appendix 5. Guidelines for interview with Officials from Addis Ababa City Land Administration and Akaki Kaliti Sub-city Land Lease Office

1. Are you serving your urban land case related customers as to the laws, rules and regulation set down by the government and your organization?
2. What sorts of information did you have about the new urban land lease policy of Ethiopia before its promulgation by the government?
3. Why do you think your government was unable to involve the public at large on the policy processes from the very beginning? Why is it significant to bring it now after its enactment? What sorts of feedbacks were obtained from the discussion about the issue with the communities?
4. What do you think would be expected from the community at large in the implementation process of this new urban land lease policy?

5. What is your view on the conversion of old possession into lease holding as well as regularization of illegally occupied urban land?
6. What is your outlook on the over urban land lease policy and urban land management of Ethiopia?

Appendix 6 Interview Guideline for key Informants on newly Amended urban land lease policy

1. What have you observed from urban land management of Addis Ababa City Administration in relation to:
 - a. just distribution of urban land and land related resources among its citizens (especially the poor).
 - b. controlling corruptive governmental officials and land speculators.
 - c. commitment of officials in serving their customers as to the laws, rules and regulations set down by the government and their organizations.
2. The government admitted its inability to invite the stakeholders to participate in the amendment processes of new urban land lease policy from the beginning but bring it later on for discussion. Why do you think is it significant to bring the case for public discussion after its enactment? What sorts of impacts do you think will this have up on the implementation efforts of the policy?
3. Who do think benefited from urban land lease policies of Ethiopia?
4. Do you think this new urban land lease policy will solve the prevailing urban land management problems and acute housing shortage in the capital city? If yes How? If no why?
5. How do you view the conversion of old possession of urban land to lease holding? Does it have impact on land inheritance and land management?
6. How do you see the regularization of the illegally occupied urban land in view of those who still are in rental houses being respecting the laws?
7. What effects do you think could this new urban land lease policy have up on the community?

8. What do you think could be expected from each stakeholder in the implementation efforts of this new urban land lease policy?
9. What challenges do you think would face this lease policy during its implementation in the future?

Appendix7. Guidelines for interview with Officials from Ministry of Urban Development and Construction of FDRE on the newly amended urban land lease policy

1. Although laws, policies, directives and regulations are in places on how to administer and use urban land in Ethiopia, there have been illegal urban land occupation, land speculation and land related corruption; and acute housing problems in most urban centers of the country including the capital city and even the government is admitting it on many occasions. So;

- a. who do you think be blamed for the inefficiency and ineffectiveness of previous urban land lease policies in bringing the expected results (as set down in their objectives)?
 - b. regularization of illegally occupied urban land in view of those who still are in the rental houses by respecting the laws, proclamation policies, regulations as well as directives of the government.
 - c. in what aspects does this new urban land lease policy solve all these deep-rooted land management problems and acute housing shortage in the capital city?
2. What sorts of assessments about the existing land and land related facts were made to design and enact this new urban land lease policy?
3. It has been observed that officials from Ministry of Urban Development and Construction on their discussion with public are continually admitting the failure of the government in involving the concerned stakeholders of urban development processes in the newly amended urban land lease policy. They have even promised to integrate the feedbacks obtained from the community in the would be prepared regulations and directives to implement the policy. So;
- a. Why could not the office invite stakeholders to participate in the new urban land lease policy processes from the beginning?

- b. Why is it significant to discuss with the public in the country as well as abroad on already decided and enacted urban land lease policy?
 - c. What sorts of feedbacks are being obtained from the discussion with stakeholders concerning the overall issues of the new urban land lease policy?
 - d. To what extent did you consider the feedbacks obtained from the public in the preparation of regulations and directives to implement the proclamation (as there are some sorts panics from the public from their experiences)?
 - e. What impacts will the feedbacks have on the implementation processes of the new urban land lease policy?
4. What sorts of preparation have been made to implement this new urban land lease policy, for instance in terms human and physical capital?
 5. What do you think will be expected from the public at large in the implementation process of this new urban land lease policy?
 6. What would be the next step if the public resist this policy during its implementation?

Appendix 8 Guidelines for interview with professionals

1. How do you view the general framework of the urban land lease policy of Ethiopia?
2. How do you see the components of proclamation number 721/2011?
3. Do you think this newly amended policy will solve the prevailed urban land related problems in the country?

Appendix 9. Guidelines for Focus Group Discussion

How do you see the overall components of the new urban land lease policy of the current government of Ethiopia? For instance in terms of:

- Liable or responsible bodies for all defects of the previous land lease policies.
- Involvement of concerned stakeholders in the lease policy processes.
- Beneficiary groups from the new urban land lease policy.
- Addressing chronic housing problems in the capital city.
- Combating land and land related corruption by government officials; and land speculation by land brokers.

- Conversion of old urban land possession to lease holding.
- Regularization of illegally occupied urban land in view of those who still are in the rental houses by respecting, tolerating and being governed by the laws, proclamation policies, regulations as well as directives of the government.
- Treating the displaced urban landowners for redevelopment processes.
- Urban property inheritance.
- Future implementation challenges and opportunities.
- Government revenue condition.
- Investment atmosphere in the capital city.
- Concerns of each stakeholder in the implementation processes of the land lease policy

Declaration

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university, and that all sources of material used for the thesis have been duly acknowledged.

Name: Abebe Kebede

Signature: _____

June 2012