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ADDIS ABABA UNIVERSITY
COLLEGE OF DEVELOPMENT STUDIES
DEPARTMENT OF URBAN DEVELOPMENT AND MANAGEMENT

**Challenges and Prospects of Urban Land Management: The Case of
Bichena Town Administration, Amhara National Regional State**

By Kefyalew Aklog

June 2012

Addis Ababa University

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**DEPARTMENT OF URBAN DEVELOPMENT AND
MANAGEMENT**

**Challenges and Prospects of Urban Land Management: The Case
of Bichena Town Administration, Amhara National Regional State**

A thesis Submitted to the school of graduate studies of Addis Ababa University in partial fulfillment of the requirements for the degree of Master of Arts in Urban Development and Management Studies.

By

Kefyalew Aklog Gebeyehu

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By

Kefyalew Aklog Gebeyehu

Approved by Board of Examiners

Chairperson, Department Graduate committee

Advisor, Bamlak Alamirew (ph.D)

Signature



Date

13/06/2012

Yirgalem Mahiteme (Ph.D)

Signature



Date

13/06/12

External examiner

Birhane Mahary (Ph.D)

Signature



Date

June 13/2012

Internal examiner

Acknowledgements

Above all, I express my sincere and heartfelt gratitude to Dr. Bamlak Alamirew, my advisor, for his invaluable advice and comments. I am also very much indebted to him for his most valuable insight to the making of my thesis and for his constant professional support and enthusiastic encouragement without whose exemplary devotion and unforgettable approachability, my thesis could not have been what it is now.

My special thanks go to Ato Aderaw Ayalew, who has provided me his Toshiba laptop and other necessary financial and material supports in facilitating my thesis. I also thank my wife Azebeb Belay and my sister Tiruye Akilog for their encouragement through out my graduate study.

I am also indebted to Habtam Taye, Wondimalem Nega, Kasaun Habtamu, Getasew Aklog and all my friends who were encouraging me through out my finally study. I owe a great debt to many people who supported me in developing the idea of this thesis, completion of field work and writing it up.

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LIST OF ACRONYMS

- ANRS-Amhara National Regional Stae
- EMWUD- Ethiopian Ministry of Works and Urban Development
- GIS-Geographic Information Systtem
- GTP- Growth and Transformation Plan
- FDRE-Federal Democratic Republic of Ethiopia
- ESCAP- Economic and Social Cmmission for African Progress
- ECE- Economic Commission for Europe
- FUPI- Federal Urban Planning Institute
- FAO- Food and Agricultural organization
- GLTN- Global Land Tool Network
- GTZ- German Agency for Technical Cooperation
- LREM- Land and Real Estate Management
- masl- meter above sea level
- MDG- Millenium Development Goal
- MOWUD- Ministry of Workes and Urban Development
- SIDA- Sweden International Development Agency
- UN- United Nation
- UNDP- United Nation Development Programm
- UNCHS- United Nation Center for Human Settelement
- UNECA- United Nation for Europe and Central Asia
- WB- World Bank

Abstract

In an urban area, land is a critical resource where all social, economic and environmental activities take place. Studies indicate that, currently, many urban centers are facing different challenges such as limited institutional capacity, poor urban land market, weak urban governance, and poor land information system, which retard desired outcomes of land as a basic resource. The objectives of this study are fourfold: i) identifying institutional capacity of the Municipality in Bichena town, ii) evaluating the land market system of the study area, iii) assessing the problems of good governance, and iv) evaluating the land information system of the Municipality. A sample size of 140 respondents was taken from the local residents. Moreover, professionals and the Manager of the Municipality were interviewed. Both primary and secondary data were collected through questionnaire, interview, and observation. Once the data collected, edited and managed, both quantitative and qualitative analyses were conducted. Findings of the study show that the demand for land for residential purposes is increasing from time to time. But because the demand and supply of land is not balanced leading to informal settlements. Important governance factors contributing to such problems include weak institutional capacity of the Municipality in the field of skilled manpower and financial terms, poor land information system, lack of good governance with regard to transparency and accountability. Findings of the study also indicate that land speculation and the establishment of unstandardized housing are prevalent problems attributed to poor governance of urban land. Therefore, the town administration and the Municipality along with other relevant stakeholders should work together so as to alleviate the aforementioned challenges as per the rules and the regulations set. The ANRS should also support the town administration in terms of long term and short term training to enhance the human capital of the Municipality thereby help bring about an all rounded development in the town.

Key words: land management, good governance, land speculation, informal settlements, sub-standardized housing

Chapter One: Introduction

1.1 Background of the study

Land is a scarce natural resource that needs to be managed properly. The case is more so when it comes to urban areas where land serves as the platform for the provision of all social and economic services. This can be justified by the following arguments. First, land plays an important role for the manufacturing of goods and scenery. Second, it is a resource that provides in the form of rent, sale or harnessing its fruit from gains. Third, land as a resource provides public amenities and infrastructure and a range of functions. These activities may directly or indirectly impact on the wealth of any nation, and its economic development relies on it (UN, 1996).

The World Bank (1999) asserts that urban land has become the base for socio-economic development serving as the main revenue source for Municipalities. However, the security and fixed nature of land in supply is a big challenge to ful-fill the existing demands of different and competing land uses. Moreover, as the demand for land rises and the supply is limited, low income groups may be forced to occupy land illegally, but without serviced sub-divisions of land at the periphery of towns tend to be most vulnerable to both natural and man made hazards.

In most African countries, land lies at the heart of social, political and economical life; it also has a major historical and spiritual significance. At one time, land was deemed as an almost inexhaustible resource in Africa, but the rapid population growth and market development are creating mounting complication and pressures on it, especially on land close to towns and cities and land of high productive value (World Bank, 1999).

During the feudal era of Ethiopia, the land ownership system was free hold. Land was concentrated in the hands of the federal land lords, the nobility, the royal families and the church. When the feudal government gave way and replaced by the socialist system (1974), excess land was distributed to the landless tenants, whereas the new government took over the ownership of all urban land and extra housing in terms of proclamation No 47/1975. But during the socialist era, land tenure was highly insecure as the arbitrary evictions by the government posed a serious threat and many plots of land were severely underutilized (Delninger *et al.*, 2003). The system did not encourage private investors and land lords to develop their land parcels due to the threat of eviction and insecurity of land tenure. The complex nature of the system was also noted as having played a major role in hindering any progress towards a meaningful land reform. After the downfall of the Dergue, many stakeholders expected significant changes with respect to land development and supply; and it was under the transitional government that the command economy had changed.

According to the constitution of Ethiopia (1995), the right to own rural and urban land as well as natural resources belongs only to the state and the peoples of Ethiopia. Land is an inalienable common property of the nations, nationalities and peoples of Ethiopia. Infact the right of Ethiopian peasants to free allotment of land and not to be evicted is guaranteed. Therefore, inorder to overcome the aforementioned problems, the new system requires a modern land information system, skilled manpower that implements the system, adequate land market, and good governance for proper land management inorder to promote sustainable development through preventing land speculation, squatter settlements and unplanned urban expansion.

1.2 Statement of the problem

Land management includes the formulation of land policy, the preparation of land development and use of plans, and the administration of a variety of land related programs. Land administration on the other hand, includes the functions involved in regulating the development and use of land by resolving conflicts concerning ownership and use of the land (Dale and McLaughlin, 1988).

Urban land is a scarce natural resource, which is required for all economic, social and cultural activities of any city. This scarce natural resource needs to be properly managed in order to optimize the benefits from these activities through minimizing environmental and other social problems caused due to the improper management of urban land. While this is the case, most developing countries encounter many constraints in using land resources effectively and efficiently. That means their management system is poor or inefficient (Dale and McLaughlin, 1988).

As indicated by Holger (2002), cities of many developing countries face many challenges in land management which hampers their sustainable development. There is rarely a clear urban land policy that takes into account activities of all agencies involved in land management. Land administration is also often centralized. This situation is worsened by the limited enabling capacity of central governments and the absence of a clear distinction of responsibilities between sectoral policies (ministries), between national and local levels of the governments as well as between the state and civil society giving rise to the duplication of some efforts, while ignoring others. Besides the weak institutional and professional capacity to manage land, there is lack of adequate financial resources,

especially at the local level. In addition, complex land regulations and lengthy procedures are hindering fast and cost effective solutions. To overcome these problems, norms of good governance such as effectiveness, transparency and accountability have to be incorporated in urban land management (Njenga, 1999).

In most African countries, the nature of urban land use indicates a strong adherence to the traditional land use planning approach. Many cities in Africa have been developing with the traditional land use approach. This has generated diverse urban, manifesting in the form of deterioration of cities into slums, pollution, congestion, unsanitary condition and epidemics (Jiboye, 2003).

In Africa, though land lies at the heart of social, political and economic life of the people, customary land management is under pressure and the coverage of formal land institutions is generally very limited. As a result, land tenure and shelter are insecure for many ordinary Africans in both the rural and the urban areas. Property rights are weak or unclear, which provides a major obstacle for promoting investment. Despite being central to peaceful development, economic growth and sustainable resource use, land issues have been ignored (Jiboye, 2003).

Ethiopia is one of the most rapidly urbanizing countries in Africa. A study by Abraham (1995) indicates that the practice of urban land management in the country is still at its lower stage. It is also fragmented and inefficient due to constraints in current planning approaches. The prevailing urban planning approaches in our country were traditional master plan and development plan. These plans are vague, poor in financial resource for implementation, little or no attention is paid to project implementation, programming and

financing. The plans are too static to cope up with the rapid urban development and investment adjustment. Regulatory and procedural systems for modifying and updating and revising the plans are absent due to the overall poor management system.

The Federal government of Ethiopia is intended to bring an overall development in the country and the local government is a focal point for that development. But the current and past experiences have shown that land management system of the local government of the country is not development responsive. The improper implementations of urban planning, underdeveloped land, and vacant land for speculation purpose are features of many towns. As it is indicated in the literature review part, land speculation occurs when the demand for land at the present time or in the near future outstrips the supply of land. This can be caused by several factors both on the demand and supply side. On the demand side, land speculation can be triggered by excess rapid economic growth or by slowly growing economies (UNESCAP, 1994, cited in the Real Estate Management Hand Book (2008). The challenges associated with the provision of land for housing and infrastructure and other services are among the major ones that the government and Municipalities are facing from time to time (NUPI, 1995).

Slums and other informal settlements are the other challenges of Ethiopian towns. They are often described by their low standard housing, acute shortage of basic physical and social services, high environment and health threats, non-compliance to planning regulations, insecurity of tenure, faulty alignment of streets, social composition (especially in relation to rural to urban migration) and unfavourable socio-economic and living condition (Remy, 2005). Slums are urban residential areas which are

environmentally unfit for residential purposes owing to the poor quality and/or the absence of basic physical, economic and social amenities (MOUD, 2006). Informal settlements are the other problems in Ethiopian towns. The basic reason for the occurrence of informal settlement is lack of financial, material and other resources for investment and the consequent lack of access to conventional housing (UN-HABITAT, 1997). Studies indicated that institutional capacity in terms of skilled man power and finance, urban land market, good governance, land information system, etc are the main challenges of urban areas in the country. But the problems are not still minimized.

Regarding the study area, the development of the town is not as expected. For many years, the development of the town had been hindered. Its investment activities find at its infantile stage. From the different factors that affect the development of the town, the most important issue is the inefficient utilization of land resources and its contribution to urban development. The Municipality, which is a responsible body for administration of urban land, has shortage of skilled manpower which resulted in limited capacity to implement the development plan. This leads to the inefficient utilization of the scarce land resources which highly affects social, economic and environmental development of the town. The need of effective land management for planning, development control and urban management is very important. So, urban land management is the core issue in city development and the key task of urban Managers.

Though Bichena is an emerging town and is more attractive to investors and encourages the Municipality administration to manage their land resources effectively, the town is still facing many challenges such as weak institutional capacity, poor recording system

(poor information system), limited land supply and weak governance practices that hinder the town from managing the land resources effectively and efficiently. However, there is no research done on the issue yet in the study area. Having these constraints in mind, this study sought to show the major challenges of urban land management in the study area and tried to address the extent to which the Municipality is able to achieve its goals.

1.3 Objectives of the study

The general objective of the study is to assess the major challenges of urban land management in the study area.

Specifically, the study seeks to:

- ❖ evaluate the institutional capacity of the Municipality to manage land and land development in the study area,
- ❖ assess the effectiveness of the Municipality in managing land and land related taxes,
- ❖ Evaluate the nature of demand and supply of land by the Municipality,
- ❖ identify the problems of good governance (accountability and transparency) and its influence on land management in the study area,
- ❖ assess the land information system of the Municipality in land development.

1.4 Research questions

In order to achieve the above-mentioned objectives, the following research questions are set for investigation:

- What is the capacity of the Municipality to achieve its goal in the study area?
- What is the effectiveness of the Municipality to manage land and land related taxes?

- How is the supply and demand of land for development in the town and how is it managed?
- How does good governance (transparency and accountability) affect land management system in the town?
- What major consequences do the challenges of land information system have on urban land management of the Municipality?

1.5 Significance of the study

The study will make contributions to urban land management policy formulation and implementation in urban land management. The study seeks to identify the main challenges hindering the efficient and effective land management of the town and, its prospects for the development of the town. Bichena town Municipal officials can think on the respective local polices to address the problems. Economically, this can attract investment activities to the town; promote effective use of land resources and enhances Municipality's services to residents of the town.

In the town there is no research done on the title yet. Hence, the academic significance of the study can be described as an input to professionals and other individuals who shall under take further studies to examine issues related to the development of the town.

1.6 Scope and limitation of the study

The scope of the study is spatially limited to Bichena town administration and the study addresses the main challenges of urban land management in the town. The town has four urban kebeles. Even though, the obstacles of land management are many, only the major challenges of land management related to the limited urban land market, land information

system, institutional capacity and good governance of the town were considered as the main study variables.

As far as limitation of the study is concerned, respondents were reluctant to provide relevant information and in this case the researcher was encountered with difficulties to collect the distributed questionnaire as well as to find secondary documents from the Municipality. More than a month had passed in order to find the documents and the distributed questionnaires, but it was difficult to get the needed data. Finally the analysis and interpretation time was affected and hence this work has full of ruches and limitations had encountered.

1.7. Organization of the thesis

This paper is organized as follows. The first part is the introduction part which deals with the general aspect of the study followed by the statement of the problem and objectives of the study. The second part is the literature review which deals with the secondary data that provides detailed information about the topic. The third part deals with the methodology part of the paper and it encompasses the study design, sampling technique and size determination, data collection techniques and method of data analysis. The fourth part deals with data analysis and presentation and the final part of the thesis provides conclusion and recommendations which are summarized and suggested by the researcher (author).

Chapter Two: Literature Review

This chapter is divided into two sections. The first section discusses the theoretical literature, where as the second section presents empirical literature.

2.1 Theoretical Literature

2.1.1 Urban land as a resource

According to UN (1999), land management relates to the activities associated with the management of land as a resource from both environmental and economic perspectives towards sustainable development. Land is the most crucial resource which sustains life. People consider land both as a physical commodity and an abstract concept. In the case of the latter, the right to own or use it is as much a part of the land as the objects rooted in its soil.

2.1.2 Urban Land Management

Land management is the process by which resources of land are put in to good effect. Land management encompasses all activities associated with the management of land and natural resources that are required to achieve sustainable development. Land administration systems are institutional frame works complicated by the tasks they must perform by the national cultural, political and judicial settings and by technology (Enemark, 2005, in UN-ECE, 1996).

Similarly GLTN, 2008, argued that land management is the issue of putting land resources into efficient use; mining, producing food, shelter and other products or preserving valuable resources for environmental or cultural reasons. Land administration

is the governmental responsibility which provides security of tenure and information about tenure issues for property markets and governmental and private business activities. For this, information is necessary, which is to be provided by land information systems, sometimes called cadastre. In other words, the government at local and central levels needs to provide an institutional set up including policy and legislation, organization for implementation of the policy and enforcement of the legislation and dissemination systems to make the information available in society to benefit tenure security, property, land use planning and taxation and business in general.

Sevatdal (2002) described land management as the activities associated with the management; land as a resource from environmental, economical and social perspective towards sustainable development. From a professional point of view “land consolidation”, or “land readjustment” as it is often called when applied in urban areas, traditionally are important components of land management.

The operational functions of land management are for making and implementing land polices; protecting, acquiring, using, transferring, and distributing rights and interests in land; and carries out the distributive functions by planning, organizing, coordinating, directing, and controlling the use of land. Such operational functions are defined, monitored and enforced by the traditional authority systems, political, economic, environmental, and cultural factors of the community including their world views, values, aspiration, interests, belief, systems and goals within an institutional framework (Sevatdal, 2002).

2.1.3 Urban land management features

Urban land management actually faces many problems in most developing countries as well as in countries in transition which hamper sustainable urban development. There is rarely a clear urban land policy that takes in to account activities of all agencies involved in land management (Holger, 2002).

The organizational structures for land management differ widely between countries and regions throughout the world, and reflect local, cultural, and judicial settings. The institutional arrangements may change over time to better support the implementation of land policies and good governance within this context, the land management activities may be described by the three components: land policies, land information infrastructures and land administrative infrastructures in support of sustainable development (Enemark *et al.*, 2005).

As per the previous studies, the urban land management practice in Ethiopia is still at its lower stage. It is fragmented and inefficient due to constraints in the current planning approaches. The prevailing urban planning approaches in our country are traditional urban plan and development plan, action plan and detail plan. These plans are vague, poor in financial resource for implementation, little or no attention is given to project implementation, programming and financing. The plans are too static to cope up with rapid urban development investment adjustment. Regulatory and procedural systems for modifying and updating and revising the plans are absent.

2.1.3.1 Institutional capacity

There are different meanings and interpretations of capacity depending on the users and context in which the term is used. Some authors described capacity as the ability of organizations or organizational units to perform functions effectively. Efficient and sustainable capacity relates to the abilities, skills, attitudes, values, relationships, behaviors, motivations, resources and conditions that enable individuals, organizations, sectors and broader social stems to carry out functions and achieve their development objective over time (Balger, 2000).

Institutional capacity determines the failure or success of a government policy, rules, regulations and programs. Plans are meaningful only when they can be implemented successfully. In this regard institutional capacity is a critical component in the implementation of a development program (NUPI, 2003). Sound institutional capacity can be determined by the elements of good governance such as insuring sustainability of urban development, ensuring equity, with regard to resource utilization, efficiency and effectiveness in service delivery, transparency and accountability, participation and consensus building with the society, ensuring rule of law and security (MWUD, 2006). Efficient implementation and effective outcome of certain activity is dependent more on institutional capacity than on legal frame work. The presence or absence of this capacity highly influences the urban land management in the city or town.

According to the Global environment facility (2006), capacity can be defined as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably. Global environment facility (2006) elaborate this,

as limited individual, institutional and systematic capacities frequently undermine a developing country commitment to institution sustainable land management. At the national levels, government institutions and ministries often lack personnel with technical or policy skills. At the same time inter- institutional and intersectoral coordination and cooperation is lacking as local level empowerment. Further, good governance strategies are generally weak or non-existent. Similarly at local level, the stakeholders knowledge of sustainable land management practices relies on time tested traditional techniques and knowledge that has been transferred through generations. Lack of financial resource to change land management policy in most developing countries was another problem of urban centers.

2.1.3.2 Effectiveness of the Municipality in Managing Land and Land Related Taxes

Cities must be financially sound and cost-effective in the management of revenue sources and expenditures, the administration and delivery of services and in the enablement based on comparative advantage of the government, the private sector and communities to contribute formally or informally to the urban economy. A key element in achieving efficiency is to recognize and facilitate the specific contributions of women to the urban economy (Holger, 2002).

The efficiency measurement can be applied to urban land management through; development of efficient, simplified land delivery mechanism including cadastral systems, land registration mechanisms, land transactions, legal frameworks, land valuations and taxation as well as land consolidation and readjustment, delivery and public services regulation of public services through partnership with the private profit

and non profit (civil society) sectors, while supplying sites with or without services for the urban poor or during physical upgrading of informal settlements ; promote integrated urban planning and management; improving the effectiveness and efficiency of local revenue collection(coming from taxation on land and buildings) (Holger, 2002).

2.1.3.3 Demand and supply of urba land

The interaction of urban and market demand and supply determine urban land prices. If urban land supply is very responsive to demand, land prices will tend to reflect the productive value of land. On the other hand if urban land markets are constrained and cannot effectively respond to the demand pressure, land prices will tend to be much higher exceeding their productive value. These constraints are often the result of restrictive land use regulations, inadequate network infrastructure to support urban land development, unclear property ownership and titling records and the actions of land owners to drive urban land prices by withholding land from the market (Serra, in WB, 2004).

An imbalance in the land market often leads to land speculation. In fact, as it became evident recently in the South -East and East Asian Economies, if land and property markets are not properly regulated, they contribute considerably to the collapse of capital markets and cause unemployment in the labour markets. A poorly functioning land market leads to several ills including land speculation, creation of slums and squatter settlements, environmental deterioration and an inefficient urban development pattern which increases the cost of doing business in the city and adversely affects urban land

management (Serra, in WB, 2004). The problems observed in these countries are the same in our country too.

Unlike other markets however the ease of entry or exit is controlled by local and national government policies. An efficient and effective land market can therefore be characterized by the local of easy of entry to the system and of carrying out land markets transactions both of which depend on the availability of adequate land information, secure tenure arrangements, and appropriate *registration*/recording mechanisms. On the other hand, non performing land markets are plagued with a number of problems easily recognized and commonly found has over centralization of management and administration inappropriate, over detailed, and inflexible regulatory and legal frame work; lack of in appropriate use of resources and politics will to tackle problems; administrative system lacking efficiency, equity, accountability and probity; and a failure of reluctance to encourage participation from the urban poor (World Bank, 2004).

2.1.3.3.1 Demand for Land

Faravacque and MC (1992) described that the demand for land is determined by the product or service produced on the land; in other words, by the use of the land. This characteristic in itself represents a fundamental difference between land and other commodities. The demand for residential land taken from the demand for housing and is affected by the demographic and economic pressure such as the rate of the household formation, the level of house hold income, the capacity for mobilizing house hold savings and access to credit. It is also affected by the number of people wanting to hold land as an

investment and therefore by the incentives to do so, such as form of security of tenure and a good recording and registration system.

Nowadays the demand for urban land is increasing at a very rapid rate in every urban center throughout the world. This demand for land is to meet the demands of the society. The problem is to balance the public facilities and the development activities. The aggregate demands for land have resulted from asset of global and national sources that have tended to concentrate human activities in urban centers creating intensive pressure on the supply of urban land.

Land is a major source of income of the public through efficient and effective property tax, direct tax on land, rent on public land, development land tax, capital gains tax that need to be guided by the available land policy and management. Good land management helps to improve the social and economic lives of millions of poor people. But little seriousness is shown for rational land management. The result of this is shown in a continuous increase of land prices leading to land speculation, scarcity of developed urban land particularly for housing and to the proliferation of slums and extra illegal settlements with little or no infrastructure services.

2.1.3.3.2 Supply of Land

The quantity and price of land are affected by the spatial pattern of infrastructure (the constraints on infrastructure capacity frequently impede land development); the topography, which determine the extent to which the land can be developed physically; the willingness of land owners to make land available on market (speculators may keep land of the market in anticipation of a substantial price appreciation); and by the

government's restrictions on the use of land by means of zoning and other land use controls (Catherine and Patrirk, 1992).

2.1.3.4 Land information System

One central point has to be made. No accountability, transparency, and effective management are possible without adequate knowledge about the qualities and quantity of public land, related legislation and regulations (where is what and what is where). Many governments share a common problem. They do not know where and how much public property they own and what rights are attached to it, where all of the existing information is located in a complex institutional environment and how complete, accurate, reliable and relevant the information is for planning and decision making. There is wide divergence in approaches and institutional arrangements for managing state land information (Treasury Board of Canada, 2000).

Dale and McLaughlin (1996) also explain as the interaction between people, data, technology and procedures that control the flow of land related information in organizations to support production and service delivery or is a companion of human and technical resources, together with asset of organizing procedures which produces information in support of some managerial requirements such system has mechanisms for collecting, storing, monitoring, processing data and retrieving and disseminating information that can be used for decision making.

According to the suggestion of SIDA (2009) basic information on land use is essential for proper urban land management in order to:

- provide settlements for the growing of urban population

- improve environmental condition for human activities;
- protect natural resources from degradation and
- improve productivity in trade and industry etc

An efficient system for land administration and geographic information is important in the economic development of a country and one of the corner stone's of a market economy. This fact gives rise to a need for information on real property rights, values and use of land and building for business activities, urban and rural planning management of real properties and development and implementation of land policies (SIDA, 2009).

2.1.3.4.1 Urban Land Registration

According to Dale and McLaughlin (1996) land registration is the process of recording recognized interests in defined land units. The author added that documenting the nature and spatial of extents of interests in land, registries also enable the transfer of such interests, provide evidence for the resolution of such interests, and provide evidence for the resolution of land disputes and information for variety of other public functions. The basic elements of land registration are the registerable land unit that means the land object, the legal person to whom rights are assigned; that means the legal subject and the relationship between the land and the legal person that means the property right.

Land registration in the form of titles are deeds that provides legally recognized documentary evidence of rights and interests in land that particular persons are meant to enjoy. Cadastral surveys provide a documentary record of the artifacts or monuments that delineate the areas where these rights may be exercised. Increased tenure security contributes to improving the economy in that it encourages investment in land. People

will invest in improving their land if they are confident that their investment is secured. Moreover, title deeds can be used to mortgage land, thus stimulating credit inputs in land (Micheal, 2001).

To undertake land management, so necessary in developing areas, information about the land is needed. Nichols (1993) argued that:

“information is the foundation for making, implementing and enforcing land management decisions. Those involved in the management process from public policy makers to private developers-require information about land tenure because the implementation plans and policies rests in rights to use, control and benefit from the land and its resources. As custodians of land tenure information, land registration systems have an essential role to play in land management.”

There is a need in all towns for improved system of land records. Currently as much as 50% of properties in towns are not registered. Improved land records are essential to provide accurate data for maximizing the collection rates for land based revenues and they are important to reduce the burden of transaction costs on citizens and to allow land transfers to operate smoothly. Land records are also important as a basis to impose higher rents and taxes on existing properties in core city areas and thus encourage their conversion to higher and better use. The options available range from the creation and maintenance of full blown cadastre systems to simple spread sheet-based land ledgers and records backed by archive filing of land documentation (Davsid and Birkey, 2006).

As far as the land information system is concerned, the problem is Sevier in many African countries and urban areas of Ethiopia. The problem is serious in the study area too. The detail is on the analysis.

2.1.3.5 Good Governance and Urban Land Management

Many developed countries, post-transition countries and developing countries have embarked on a thorough re-evaluation of the role of government in their societies. There is a trend towards public-sector reform and delegation of decision making over public land assets to local authorities. General principle for “good asset management have been established that governments need to adopt in order to strengthen their public property management systems and enhance their efficiency and transparency (Magel and Wehrmann, 2002).

Land management is a critical factor for ensuring good governance in the land administration of a country. There are common factors involved in poor public land management. There is typically ambiguity in authoritative roles and responsibilities, a lack of accountability or methodology in the systems of allocation, appropriation, disposal or use of public land, and lack of information on state assess. Weak governance in this area has direct and indirect implications for citizens and broader effects on economic development, political legitimacy, peace and security and development cooperation. There are a number of elements that can be applied to a strategy for developing good governance in urban areas (Magel and Wehrmann, 2002).

2.1.3.5.1 Accountability and Transparency

The accountability of local authorities to their citizens is a fundamental tenet of good governance. Similarly there should be no place for corruption in cities. Corruption can undermine local government credibility and can deepen urban poverty. Transparency and Accountability are essential to stakeholders understanding of local government and to who is benefiting from decisions and actions. Access to information is fundamental to this understanding and to good governance. Citizens' participation is a key element in promoting transparency and accountability (UNCHS, 2000).

These can be applied to urban land management including regular , organized and open consultations of citizens on all matters concerning land; ensuring transparent management of an open land market by removing administrative and procedural incentives for corruption including mechanisms to avoid that cheap land released by the public sector and designated to the urban poor is taken by officials and civil servants and sold at much higher value on the market (often after years of speculation);ensuring transparent, comprehensive and accessible systems in transferring land rights and legal security of tenure(ibid).

All measures that improve transparency in general establishing codes of conduct, promoting an ethics of service to the public by putting into feedback mechanisms and providing access to information on land management creates conducive environment for urban development. Transparency is widely recognized as a core principle of good governance. Transparency means "*sharing information and acting in an open manner*". Moreover, transparency, "*allows a stakeholder to gather information that may be critical to uncovering abuses and defining their interests*". Transparent systems have clear procedures for public decision making and open channels of communication between

stakeholders and officials, and make a wide range of information available. The free access to information plays an important role in promoting transparency. Information however must be timely, relevant, accurate and complete for it to be used effectively, who produces what information, and for what purpose, become key issues when competing interests converge on a particular issue (UN-HABITAT, 2004). Good governance in terms of accountability and transparency is a vital instrument in bringing sustainable development in Ethiopian towns and specifically in the study area. But currently Bichena town is highly susceptible to governance problems due to absence of skilled man power in the area.

2.2. Empirical literature

2.2.1 Experiences of some African Countries land information system for secure land tenure

Uganda is implementing a strategic action plan that requires a GIS system and a land information management system which can deal with both cadastral and non cadastral parcels as a foundation data in the same land record system. They are undertaking systematic adjudication of all parcels at the local level, in terms of projects, with the idea of using the spatial information generated to supply economic and social services. Those people who have been adjudicated can apply and pay the full cost for a title, if they want. Because of Uganda's history, there are large parcels of land which have been registered which also have many occupants who now have occupancy rights and can apply for a new form of title.

This means that the land information management system has to have the information both about the registered rights under the conventional titling system and the new customary or occupancy titles which people can get under the new 1998 land law (UN-HABITAT, 2003); without an appropriate land information system and appropriate LIS/

GIS Uganda will not be able to deliver at scale the expected economic and social services to people in these areas, and they will not be able to offer sustainable and affordable tenure security to the majority of the people. They will also not be able to increase the governance and transparency of the land system through decentralized systems of land management using local record offices as part of the land information management system. Another key function of Uganda's land information management system will be to supply information to manage conflict and solve disputes. This means that the system must not only be useful at the local level but also be useful to other government agencies such as local governments and the department of justice, which is involved in dispute resolution. Therefore, the management of spatial information flow from local to national level and between agencies is crucial for the country (UN-HABITAT, 2003).

In South Africa, the cadastral system covers 80-90 percent of the country, but 25-30 percent of South Africans live outside the system. Most of these people live in the former homeland areas. South Africa also has a full fledged spatial data infrastructure, which uses cadastral data as its foundation data. However, despite this, South Africa is sitting with the same problem as Uganda and of most other developing countries. It needs to create non cadastral optional information as foundation data in the same land information system as cadastral data to be able to undertake land management and development both in the peri-urban and rural areas of the former home lands. Presently, in one small town in the former homelands of the Transkei, land surveyors are working to survey properties purely because the municipality has no other spatial information system to use for cost recovery for services (UN-HABITAT, 2003).

Also without a land information management system which can accommodate both cadastral and non cadastral parcels, the planned land use management law cannot be put in place, and equally the existing land use rights of people protected under the law in the former home land areas cannot be safeguarded and/ or incorporated into the national planning system over time. That is land management information system specifically for the former home lands needs to be created also to manage the implementation of new tenure and land use management laws under discussion.

At the implementation level, some private sector companies are using open source of GIS packages, with custom designed data bases, to do land administration in areas that have no cadastre. Some provinces, such as the Eastern Cape, which has many former home land areas, are also looking at innovative LIS/GIS approaches to deal with land management issues.

2.2.2 Land Tenure Policy in Ethiopia

The major challenges to land policy in Ethiopia have been the growing population size, the small size of land holdings in many areas and as a result of these two: the rising number of land with less people on one hand, and the need to create an enabling environment for agricultural development and a growing economy on the other hand are urban land challenges. Complicating this already difficult equation, land policy is still often regarded in Ethiopia as part of welfare and good security policy and as a way to dampen rural-urban migration (Mitku *et al.*, 2005). In 1975, the socialist Dergue regime that had overthrown the feudal regime of Empore HailSelassie profoundly altered the agrarian structure and the mechanism of access to land. Even though, with the defeat of

the military socialist Dergue of Mengistu in 1991, the dissolution of farm activities took place rapidly, there was a limited change with regard to the property rights to land to the disappointment of many international donor agencies. The new constitution of 1995 approved and confirmed the state ownership of Ethiopia. Land policy, the real source of power in imperial land contemporary Ethiopia at the center had a controversial policy debate. The debate has largely been carried out along two antagonistic concerning party rights to land (FDRE, 1995)

The constitution of 1995 approved and confirmed the state ownership of land in Ethiopia (FDRE, 1995). Article 40 of the 1995 Ethiopian constitution states that *“The right to ownership of rural and urban land as well as of all natural resources is exclusively vested in the state and the peoples of Ethiopia. Land is a common property of the nations, nationalities and peoples of Ethiopia”* (FDRE, 1995; Article 40). The article further specifies a *“right to obtain land without payment”* for *“Ethiopian peasants”* for grazing and cultivation purposes as well as a right to be *“protected against eviction from the possessions”*. The article further stipulates that any transfer of land is prohibited and *“shall not be subjected to sale or other means of exchange”* (FDRE, 1995; Article 40, section 4 and 5).

2.2.3 Consequences of Improper Urban Land Management and Land Policy

2.2.3.1 Land Speculation

Land specialization can drive land prices beyond the productive value of the land, causing a “bubble” land and property market. When the “bubble” breaks financial institutions which lend money to land, and property speculators find themselves unable to recover their loans causing crises in the financial markets. Land speculation occurs when the demand for land at the present time or in the near future, out strips the supply of land. This can be caused by several factors both on the demand side and on the supply side. On the demand side land speculation can be triggered by the excess of rapid economic growth or by lack of opportunities in slow growing economies (UNESCAP, 1994, as cited in the LAND Real Estate Management Hand Book, 2008).

2.2.3.2 Slum and Informal Settlements

Slum house holders are defined as a group of individuals living under the same roof lacking one or more of the following conditions: access to improved water, access to improved sanitation facilities, sufficient living area, overcrowded, structural quality or durability of dwellings and security of tenure. This is an operational definition that reflects conditions that characterize slums in the world (UN Habitats, 2003).

The slum areas are often described by their low standard housing, acute shortage of basic physical and social services and infrastructure, high environment and health threat, non-compliance to planning regulations, insecurity of tenure, faulty alignment of streets, social composition (especially in relation to migration) and unfavorable socio-economic

and living condition (Remy, 2005). Slums are urban residential areas environmentally unfit for human living owing to the poor quality and /or absence of basic physical, economical and social amenities. Although generally understood as living neighborhoods for the urban poor in Ethiopian urban centers, slum neighborhoods are strongly mixed where the poor, the average and the well to do live together (MOUD, 2006).

Slum and squatter settlements are growing at alarming rates in cities of developing countries. In most cases, this growing phenomenon is an outcome of the failed policies, poor governance, inappropriate planning regulations, dysfunctional land makers, unresponsive financial systems, strong pressure of rural-urban migration and the lack of political will to reverse the situation amicably. The dominance of slums in urban areas adds to the toll on the people already burdened deeply by abject poverty and constraints to the enormous potential for human development that urban life offers (ibid). Informal settlements are not marginal in the city-they make significant contributions to the city as a whole. Suppliers of a considerable proportion of a city's labour force, they consume a vital part of the city's production. There is considerable degree of integration between informal settlement and the main stream of the city's life. The basic reason for the occurrence of informal settlement is lack of financial, material and other resources for investment and consequent lack of access to conventional housing (UN-HABITAT, 1997).

To conclude, the problem of land management in Ethiopian urban centers had been mounting up for many years as a result of unplanned and spontaneous development of urban centers, massive rural-urban migration, rigid planning requirements,

malfunctioning of urban land market and public ownership of the urban houses and sluggish performance of the urban economy. Slum areas are known for their illegality in terms of tenure security. They are always insecure and vulnerable to eviction and displacement without any compensation.

Regarding the study area, Bichena town, the development of the town is not as expected. For many years the development of the town was hindered. Its investment activities are found at its infant stage. From the different factors that affect the development of the town, the most important issue is inefficient utilization of land resources and its contribution to urban development. The need of effective land management for planning, development control and urban management is very important. So, urban land management is the core issue in city development and the key task of urban managers. It is with that understanding this research attempts to identify the main challenges of urban land management in the study area.

Chapter Three: Description of the Study Area and Research Methodology

This chapter deals with the description of the study area and the methodology in two separate sections. While the first section presents the former, the second section highlights the later.

3.1 Description of the Study Area

Bichena town is one of the grade three towns in the Amhara regional state. The town is located north of Addis Ababa and south east of Bahir Dar. Astronomically, it is located 10.24°N -10.34°N latitude and 38.9°E-38.4°E longitude. Altitudinally, it is more of *Woina Dega* being located between 1480 m-2400 m a.s.l. The topography of the town is gentle slope. Currently Bichena town has 8 kebeles including the rural ones. According to the local informants, the town was founded in 1937 during the Italian invasion of Ethiopia. The town obtained its Municipality status in 1964 and it became a grade three town in 2010, after 73 years of its establishment (Bichena town Finance and Economic Development office, 2010).

Bichena town is at the heart of Enemay woreda and is bounded by it in all directions. It has a total land mass of 6945 hectares. It is one of the newly emerging town administrations in the Amhara regional state. Currently, its socio-economic importance has grown more than before. The town has been experiencing rapid urbanization and population increase. For instance, the 1984 and 1994 population census put the population size of the town at 12570 and 16340, respectively-an increase of 30 percent of the population in just 10 years. According to the population and housing census of 2007,

the population of the town reached about 27966, from which females make up 50.9 percent. The population in 2007 increased by 71.2 percent from its level in 1994 showing the very rapid rate of urbanization taking place in the town(Bichena Town Finance and Economic Development office, 2011)..

The climatic condition of the town is such that the mean annual maximum and minimum temperature is 20.7°c and 7.5°c, respectively. The mean annual maximum and the mean minimum rainfall of the town are recorded to be about 1200 mm and 1100 mm in the order of mention. The highest rainfall concentration occurs from the middle of May to the end of September showing that the duration is short but the intensity is relatively high. This leads to the occurrence of low infiltration of rain water and high incidences of sheet and gully erosion, which are common problems of the town administration during summer.

Despite all the efforts made by the regional government in the provision of infrastructure, still the town lacks the basic services and facilities such as water supply, electric power, standardized roads, sewerage and drainage facilities.



Scale: 1cm to 35 km

Figure.1. Map of Amhara Region and Bichena Town

Source: Debremarkos Municipality, 2012

3.2 Research Methodology

3.2.1 Study design

The study used survey design method, which was found to be more appropriate. The survey employed qualitative and quantitative approaches to capture the in-depth and wider data for the purpose of analysing the issues deeply and acquiring a nuanced understanding of the major challenges of urban land management in the study area.

3.2.2 Sampling techniques and sample size determination

Multistage sampling technique was applied while selecting samples in the study area. Both probability and non-probability sampling technique were applied in the selection process. First, all the four kebeles of the town were considered for the study. In all the kebeles, there are 700 individuals who acquired land from the Municipality for residential purposes. Taking into account the homogeneity of the situation with regard to allocation of the land, a 10 percent sample size would suffice. However, this study considered 20 percent to have more representative sample from the population (Garretta, 1982).

Once the sample size was determined in each kebele, respondents were identified systematically using their list from the Municipality as a sampling frame. Thus, by using each kebele land supply registration document, every fifth household ($i=N/n$ that is $700/140=5$) was selected until the required number of size was fulfilled. Additionally, five experts and the Manager of the Municipality were interviewed purposively owing to their information about and familiarity with the issue. Table 1 shows the summary of sample size determination in the study area.

Table 1: Households acquired plots of land

S. No	Kebeles	Applicants acquired housing land	No of plots of land	Sample size	Remark
1	Kebele 1	175	175	35	$175/700 \times 140 = 35$
2	Kebele 2	195	195	39	$195/700 \times 140 = 39$
3	Kebele 3	160	160	32	$160/700 \times 140 = 32$
4	Kebele 4	170	170	34	$170/700 \times 140 = 34$
Total		700	700	140	140

Source: Field survey. 2012

3.2.3 Sources of Data

In order to collect the reliable data, both primary and secondary sources of data will be the major focus of the researcher. To achieve the purpose of this study, the primary data will be collected through questionnaire, interview and observation.

Secondary sources of data will be gathered from different published and unpublished documents, books, electronic sources, magazines etc.

3.2.4 Data collection Techniques

To collect the quantitative and qualitative data, this study employed the following main instruments namely questionnaire, interview and organizational document from quantitative data collection techniques and field observation and key informant from qualitative data collection techniques.

3.2.5 Questionnaires

To collect the relevant data from the selected samples a questionnaire which consist both open and closed ended questions had applied. In order to get a reliable data from respondents both structure and unstructured (i.e., closed ended and open ended type) questionnaires were prepared and administered to the target respondents. To begin with, the questionnaire were prepared in English language, however, it was translated in to the local language for the sake of facilitating the task and in order to make the questions clear, to avoid ambiguity as well as easily understandable to respondents. The data were collected by the researcher and other supporters who were briefly introduced about how the data is collected. Before the actual questionnaire were distributed to respondents, a kind of pre-test were administer in order to avoid difficulties with respect to the questionnaire and to make some adjustments on the part of the question.

3.2.6 Key informant interview and field observation

The other data collection instrument was a key informant interview which was essential to collect qualitative data. The information gathered through this instrument was used to triangulate information collected through other methods. The data was gathered by interviewing the the Municipalt officials and professionals who have better knowledge and experience in the subject matter or field area. In this study, the key informants were the main actors of the study area such as the Manger and, fouexperts of the institution. A face to face interview was held about the various issues of the Municipality in order to identify the true nature of the problem. It was framed in the way that enables to collect information on the main problems encountered in the developmental activities in the town.

In addition, field observation was an important means of gathering information in the study area.

This method was providing an exposure to the researcher to observe situations in the working areas and helps to the researcher to grasp basic information about the organization.

3.2.7 Method of data analysis

The type of data collected dictated the nature of data analysis to be employed. As a result, both quantitative and qualitative methods were used as per the objectives of the study. As far as quantitative methods are concerned, descriptive statistics such as percentages, figures, mean values, and frequency distribution techniques were used in order to make meaningful analysis and interpretation of the data generated during the fieldwork. Results from the qualitative analysis were used to strengthen and substantiate the quantitative analyses. In this regard, ideas and case stories were presented and narrated thematically. Besides, pictures were used to augment the analyses were deemed necessary.

Chapter Four: Results and Discussion

4.1. Introduction

This chapter deals with presentation and analysis of data collected from both primary sources (through questionnaires, interviews, observations) and secondary documents (through checklists and canvassing). The analysis mainly consists of the major challenges of urban land management such as institutional capacity, urban land supply and demand, land information system, and principles of good governance (accountability and transparency). Interpretation of data was supported with tables and figures. Finally, the chapter analyses consequences of improper urban land management in socio-economic and environmental development of the town.

4.2. Background of the respondents

The researcher was able to obtain information about respondents on demographic and socio-economic aspects. As the main source of information, respondents of this study were individual households in the four kebeles and land administration department of the Municipal staff members in the town. The number of sample respondents in the study area was 140, from whom 121 (86%) were able to respond properly, but 19 (16%) of the respondents were unable to respond for the questionnaires eventough the enumerators repeatedly visited them. Their characters such as sex, educational background, marital status and employment condition are discussed as follows.

4.2.1. Demographic Characteristics of respondents

4.2.1.1. Sex and Marital status of respondents

Sex and marital status of the respondents are one of the indicators of their demographic characteristics. As it is presented in Table 2, among the total respondents 84% are males, while 16% are females. Of all respondents, 93% were married, but 7% were unmarried. This indicates that the need for housing on the side of married respondents would be higher than that of the unmarried respondents. Concerning the average family size of households in general, the field survey shows that about 35% of respondents have a family size of 1-3 and the rest 50% and 15% have a family of size 4-6 and 7-10 respectively. From this one can understand that respondents have an average family size of 6 children per household.

4.2.1.2. Educational status of respondents

History shows us that no country has developed without the enhancement of education. Today's attainment in science and technology is the result of trained manpower in every part of the world. Being cognizant of the role it plays for overall socio-economic development and transformation of the country, the government emphasizes education as one of the major targets it seeks to achieve as part of its MDGs and GTP plans.

Against the backdrop of this argument, the education level of the respondents was assessed in the study area. Results of the analysis show that 3.3% of respondents have reached grade 1-4, while 20.7% of them completed grade 5-8. On the other hand, 13% and 26% of respondents completed grades 9-10 and 11-12, respectively. Respondents above grade 12 make up the lion's share, which is 45% of the total. From this, one can

understand that the highest proportion of households with better educational performance have more access to land in the town.

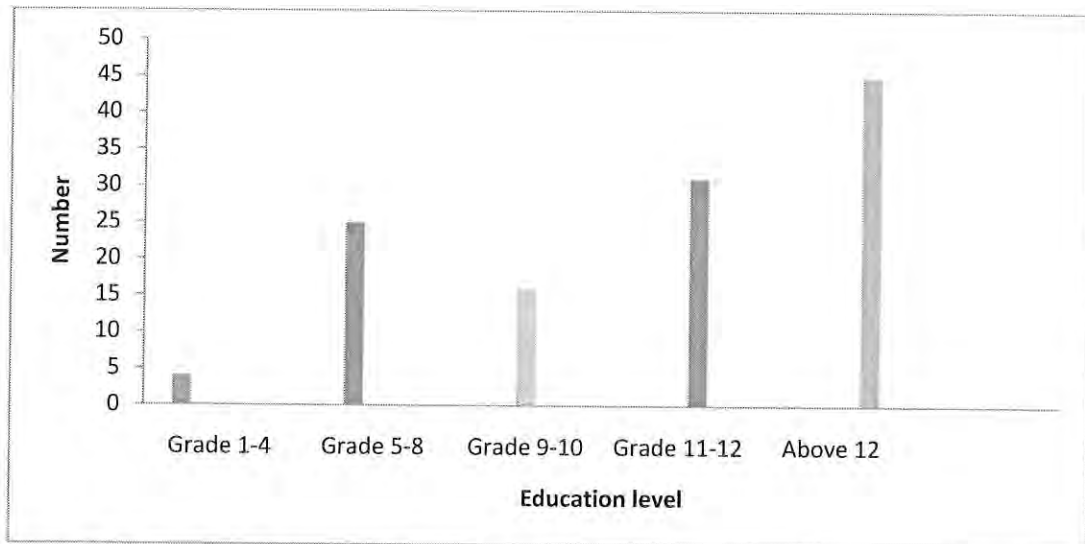


Figure 2: Educational status of Respondents
Source: Field Survey, 2012

4.2.1.3. Employment status of respondents

The existence of heterogeneous socio-economic activities in a certain area is one of the criteria that distinguishes urban centers from rural areas. In this regard, the employment situation of respondents was assessed in the study area. Results of the descriptive analysis indicate that the highest proportions of sample households are government employee followed by the self-employed households with a percentage value of 49.6 and 47.1, respectively. The remaining 2.5 and 0.8 percent is covered by the NGO and unemployed individuals respectively.

Table 2: Employment condition of the respondents

Employment status	Count	%	Remark
Government	60	49.6%	Office work
Self employed	57	47.1%	Business center
Unemployed	1	0.8%	---
NGO	3	2.5%	NGO office

Source: Field survey, 2012.

4.3. Major challenges of urban land Management

It was possible to learn from the fieldwork that the town, like other urban centers in Ethiopia, is facing many difficulties to cope up with the demand for registering and acquiring land development as well as the rapidly changing patterns of land use improvements associated with urban growth. These problems are attributed to a number of factors including inability to increase the revenue base of the town, distortion of urban land market, and delays in the implementation of urban development projects or program emerged due to insufficient and absence of committed skilled manpower.

Moreover, the absence of reliable land related information is the most critical impediment to the preparation and implementation of urban plans in the town. In addition, urban good governance packages have not been properly and effectively implemented. Eventhough the concepts and contents of the package are basic issues and support the urban development multi-dimensionally, most stakeholders are not responsive enough and do not internalize it as a result of which land management in the town becomes rather ineffective.

4.3.1. Institutional Capacity

Institutional capacity greatly influences directly or indirectly to the success or failure of land management system especially in urban centers where land value is significant. Any program, policy, proclamation, regulations and directives are effective when adequate institutional capacity is in place. The situation in Bichena town was assessed from this perspective. Findings are discussed from the perspective of human and financial capacity.

4.3.1.1. Status of skilled manpower

The existence of good land polices, rules, regulations, and directives have to be supported with adequately qualified and relevant skilled manpower if desired outcomes are to be achieved. According to grade three towns' structural organization of the Amhara regional state, Bichena town Municipality is supposed to have a total of 29 statutory employees in all departments and sections. However, the information from the Manager of the Municipality and the existing data show that the total number of current employees is 13 as shown in Table 4. This shows that the existing 13 employees which are 45% of the total required are either working the work of the additional 29 employees besides their work or the jobs may be ignored to some extent. On the other hand, education level, experience and area of study of the existing employees may not permit them to handle the activities that are currently vacant. Most departments in the Municipality help with each other directly or indirectly.

Based on the information obtained from various departments in the Municipality, only 1/3 of the work planned is being worked out effectively. This implies that there is inefficient land management system in the town from identification of existing land upto

the implementation of the standards specified in the master plan. This could be attributed to the limited manpower available in the Municipality to execute the activities.

From the survey made and the secondary data observed, out of the total 9 employees required in Land Administration Department, only 4 exist currently showing that the gap is 55.56 percent. Results of the analysis further show that Green and Sanitation Department has a gap of 62.5 percent in employees. On the other hand, Legal Affairs Department has fulfilled only 50 percent of the required manpower.

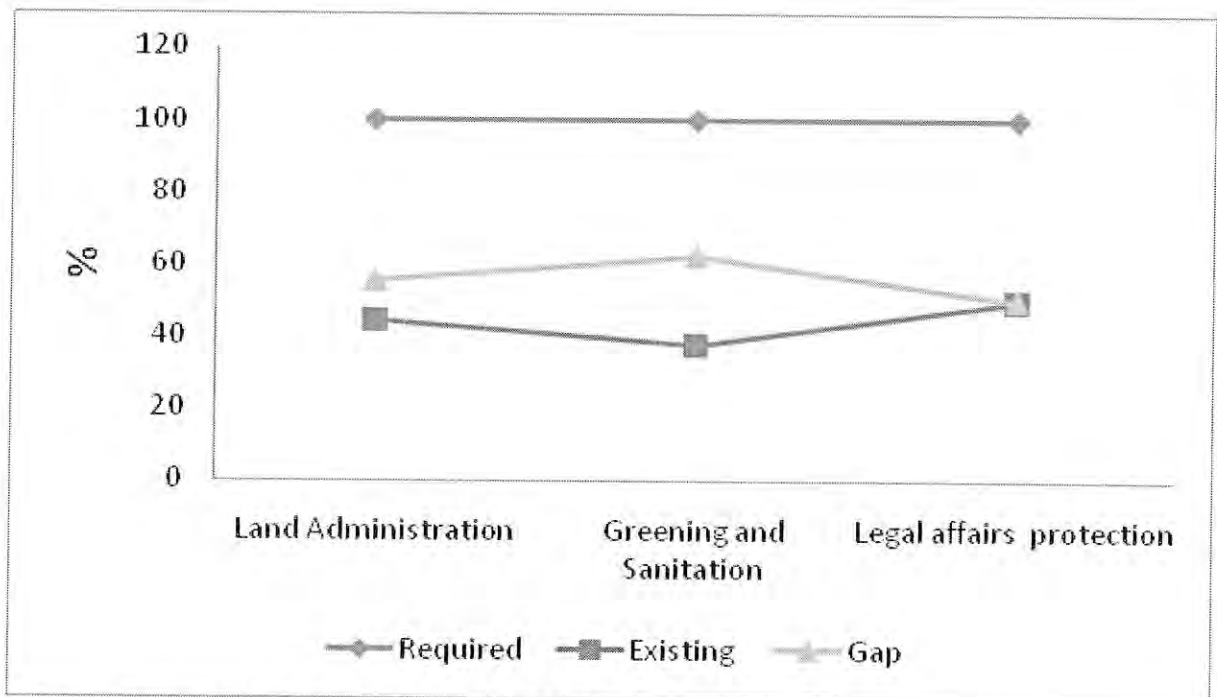


Figure 3: Status of human Resource of the Municipality
 Source: Computed from data obtained from Bichena Town Municipality, 2012

This inadequate manpower creates a great gap in realizing and carrying out the plan of the Municipality so as to bring about sustainable development in the town. It is to be noted that skilled manpower is an engine for the success of any organization through its

ability to comprehend and implement policies, regulations, directives and rules of institutions. However, findings of the analysis in the study area show that is not really the case (Annex 4).

A disaggregated analysis by type of profession and qualification shows that the Municipality requires 4 and 2 individuals who hold Diploma and Master's Degree respectively. However, currently, it has only one showing that there is 75 percent gap in the number of employees with this level of qualification. But while the Municipality does not need any employee with 12+1 qualification, it has two already. With regard to First degree level of education, the required number is 3 but the observation shows that there is only 1 making the gap to be 67 percent. Overall, the analysis shows that there is not only huge gap in the manpower requirement of the Municipality but also a mis-match in the demand and supply.

Table 3: Status of municipal employees with education level in land administration department

Education level	Required	Existing	Gap	% of existing
12+1	-	2	-	-
Diploma	4	1	3	25%
First degree	3	1	2	33%
second degree	2	--	---	0

Source: Bichena town Municipality, 2012

This shortage of manpower in required quantity and quality has contributed to the poor land management by the Municipality, which has in turn resulted in mis-use of land resources, inadequate land information system, and poor goodgovernance. This could potentially discourage the contribution of stakeholders (investors and residents) in the

development of the town. If continues unabated, such problems would ultimately lead to poverty.

Respondents also have more or less clear understanding about the fact that shortage of manpower has constrained the Municipality from properly executing its activities as far as land administration is concerned. Figure 4 below illustrates this best. As indicated in Figure 4, 66% of the respondents replied that they strongly agreed with the absence of skilled man power as a major impediment to the activity of the Municipality in land administration in the twon. Figure 4 further shows that 26% of the respondents responded that they agreed with the above idea.

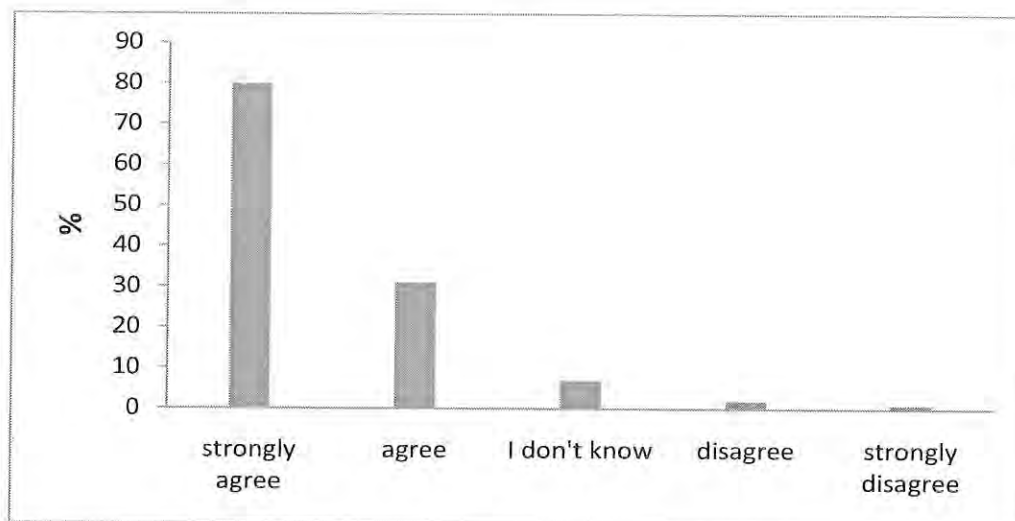


Figure 4: Opinion of respondents whether shortage of manpower constrains the Municipality

Source: Field survey, 2012

As it is indicated in Figure 4, 5.8% of the respondents claimed that they do not have any awareness whether there is absence of skilled man power or not and whether this has affected the work of the Municipality. On the other hand, very little respondents 1.7%

and 0.8% of the total replied that they strongly disagreed and disagreed about the issue, respectively.

According to the Manager's response through the interview, the Municipality does not have adequate professionals to manage land resources effectively and efficiently. While the lack of manpower is one impediment, this is not the only problem. The inability of the existing employees to carry out their responsibilities appropriately as per the rules and absence of controlling mechanisms in the Municipality for land management in the town are also the main reasons for inefficient land management.

4.3.1.2 Financial capacity

Financial capacity is an engine that moves an institution towards an effective and efficient output. It is the base for implementing the plan of the Municipality in an expected manner by supporting the ability and quality of employees in order to attain the pre-determined objectives. The effectiveness of the Municipality in terms of its ability to execute its activities can be assessed from the perspective of financial management. Figure 5 demonstrates the revenue administration of the Municipality and its effectiveness in achieving the plan it has set.

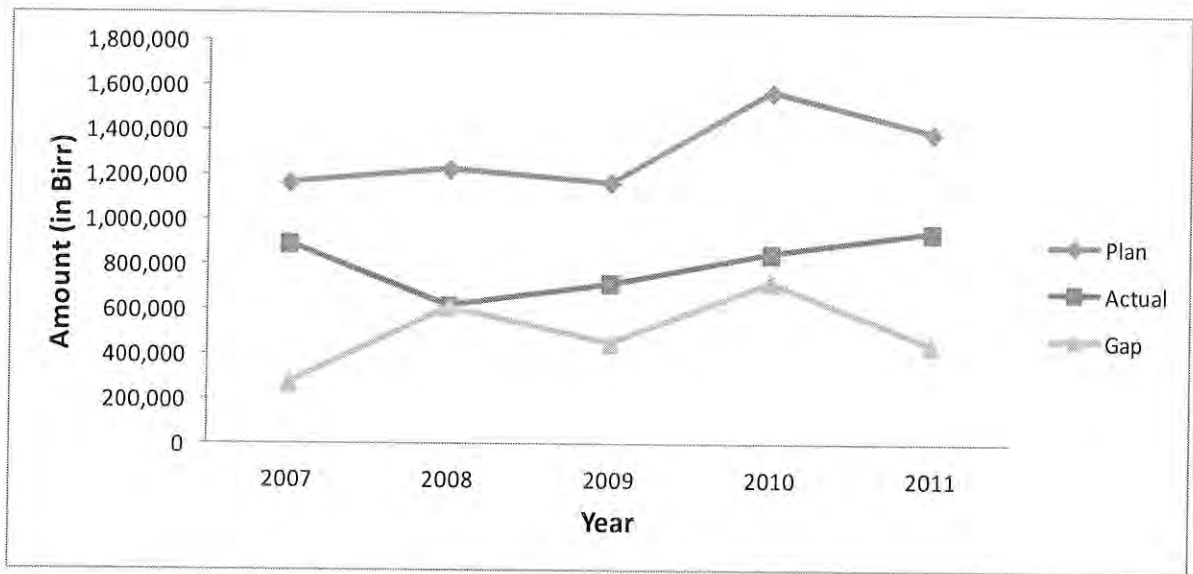


Figure 5: Revenue collection across years

Source: Computed from data obtained from Bichena town Municipality, 2012

As it is revealed in Figure 5, above, the revenue collection of the Municipality for the fiscal years considered has shown deficit. In all the years considered, the actual revenue collected was around 50%. Overall, the effectiveness of the Municipality in terms of its achievements in collecting revenue it planned ranges from 50.29% in 2007 to 68.01% each in 2010 and 2011. This shows that there is an increase in the performance but it shows rather a decreasing rate. This is a clear manifestation of the fact that the Municipality is not properly executing its activities.

As far as the expenditure side is concerned, there is a variation between the plan and the actual amount of money spent throughout the budget years. Like that of revenue generation, deviations are also observed in expenditure assignment too. The effectiveness of the Municipality in allocating planned budget is 73.07%, on average. The lowest performance rate was observed in 2009 with 58.51%, while the highest was in 2010 with 80.05%. However, the trend does exhibit fluctuations in between

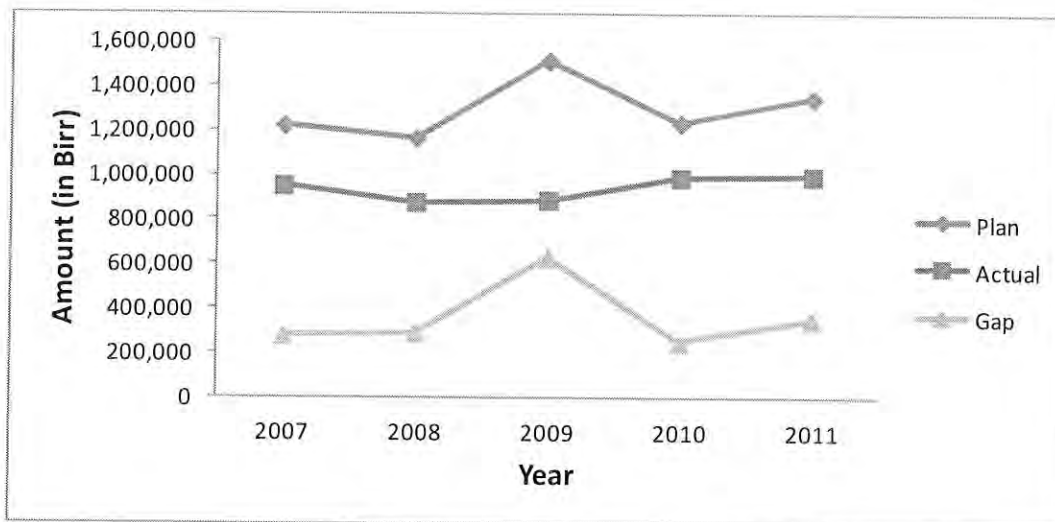


Figure 6: Planned and actual expenditure across the years
 Source: computed from data obtained from Bichena town Municipality, 2012

Assessment of the expenditure assignment and revenue generation of the Municipality shows that the former is higher than the latter in all the years considered. This shows that the Municipality is unable to collect additional revenue for further infrastructure expansion or new technology that can promote urban land management (Annex 5).

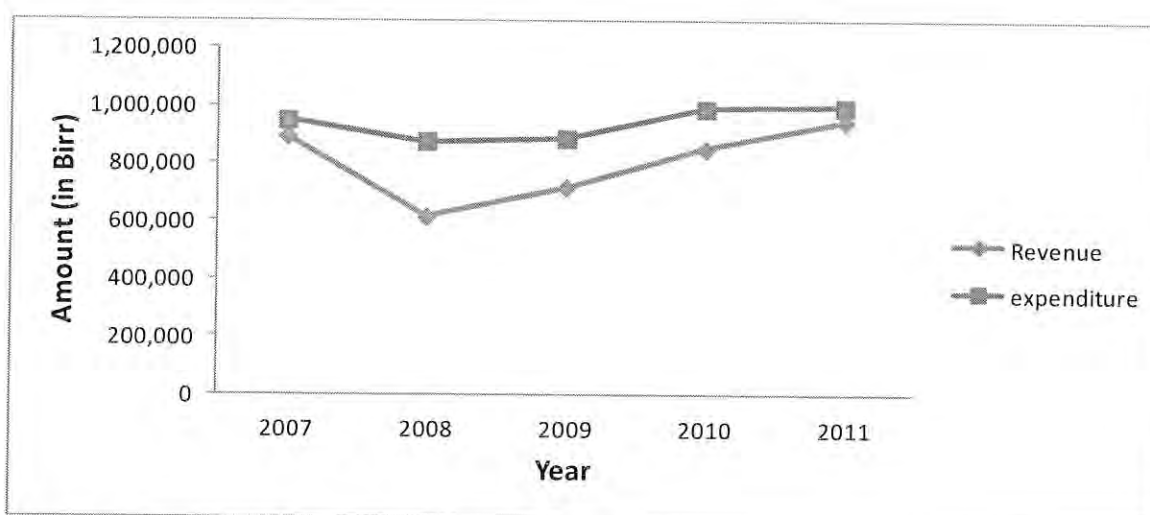


Figure 7: Revenue vs expenditure across years
 Source: Bichena town Municipality, 2012

One may wonder as to how the Municipality manages to cover the financial shortage in its budget. Information emanated from the town administration shows that there are two mechanisms by which this problem is solved. One is that the town administration subsidizes the Municipality (but only for infrastructural purposes or new technologies). The second is that the town administration lends some money to the Municipality, which is to be repaid through tax collection in the next fiscal year.

4.3.1.2.1 Effectiveness of the Municipality in Adminstrating Land and Land Related Taxes in Bichena town

Cities must be financially sound and cost effective in their management of revenue collection from their sources in order to cover the expenditure of the Municipality. In order to satisfy the interest of urban people the Municipality has to collect the desired amount of revenue from its residents and other stakeholders. The revenue collection should be affordable and equitable for all income groups. According to the information from secondary sources of the Municipality, the main sources of revenue with respect to land and land development are property tax and rent, service charges and fees, business related taxes and tariff and other taxes. In order to collect the desired amount of revenue cities have to recruit skilled manpower and assign committed officials. However, the main problem is that there is weak relationship between the municipal officials and urban citizens. The officials are not active enough in creating awareness among the people about the advantage of paying tax. Due to this fact residents of the town are reluctant to pay the desired amount of revenue to the Municipality. As a result of this the infrastructural facility of the town is very poor.

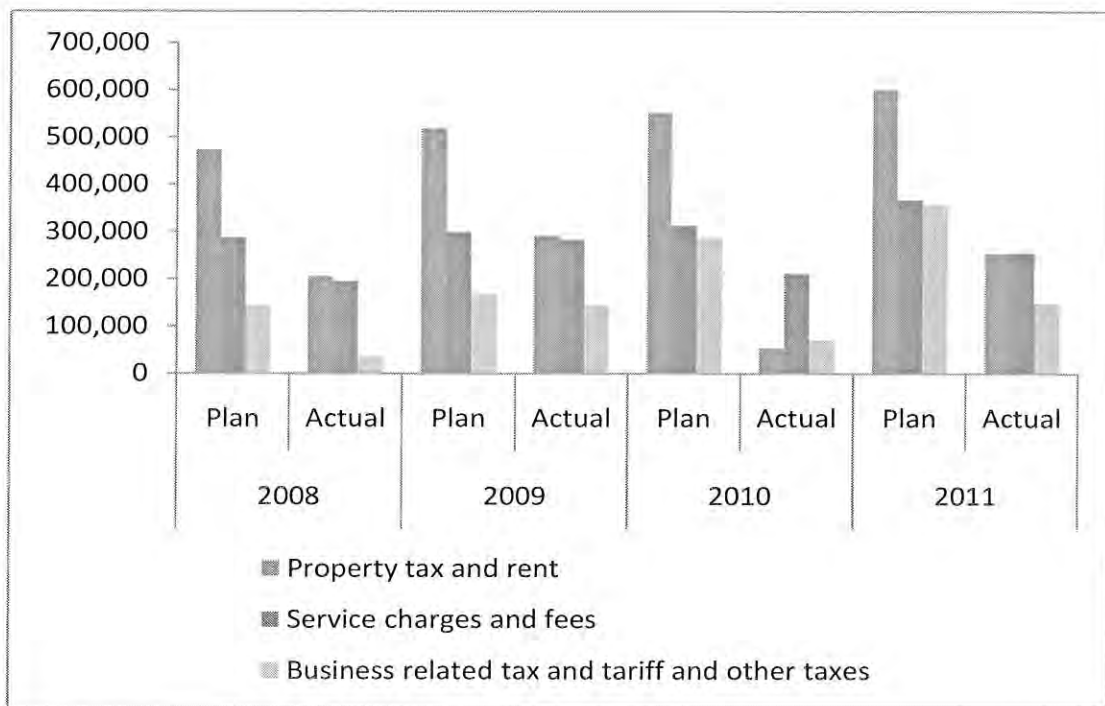


Figure 8: Revenue collection from land and land related sources (in Birr)

Source: Bichena town Municipality, 2012.

From Figure 8, it is indicated that during the last four years 23.5% of the municipal revenue was collected from the property tax and rent. On the other hand 29.8% of the municipal's revenue was generated from business related tax and tariff and other taxes during these years. From this one can conclude that the amount of revenue generated during the budget years was below average. However, the Municipality covers the highest proportion of revenue 46.7% from service charges and fees. Generally, there is a big gap between the intended plan and the actual performance in revenue collection. According to the response from the respondents, the main reason for this is lack of commitment by the government officials in recruiting the required skilled manpower and creating tax awareness among the people. In the study area it is observed that the

Municipality is unable to provide the intended service for its dwellers, this is because the Municipality isn't both effective and efficient in achieving its intended objective \Annex6

Respondents were also asked if they have any information whether the Municipality has financial shortage and whether this has constrained it from effectively undertaking its activities. According to the information illustrated in Figure 8, below, 63% of respondents strongly agreed that the limitation in financial resources is one of the major challenges of urban land management in the town, which hinders proper functioning of land management by the Municipality.

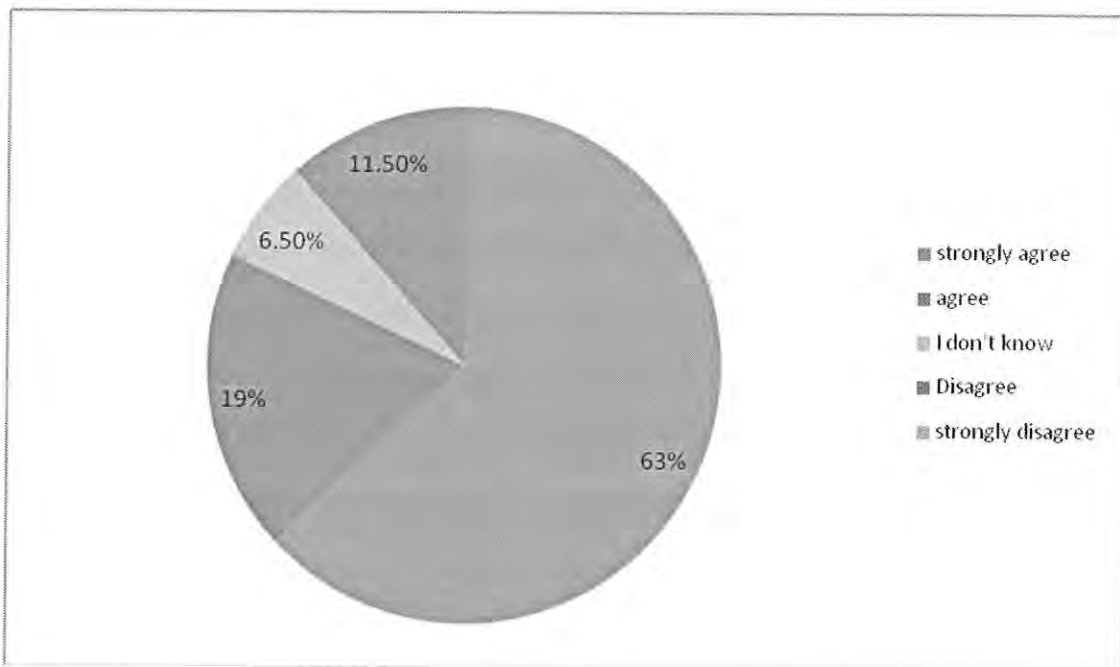


Figure 9: Opinion of respondents about financial constraints of the Municipality

Source: Field survey, 2012

Figure 9 further shows that the number of respondents who do not know about the financial limitation of the Municipality is very low (6.15%). On the other hand, 11.5% of

respondents disagreed with the idea that shortage of finance *per se* is a challenge of urban land management in the study area. Rather, they argued that good financial management is the critical problem in the Municipality.

According to the responses from key informants of the Municipality and sample of residents, the reasons for financial constraint in the Municipality are lack of commitment by government officials and lack of awareness by some tax payers.

4.4 Urban land demand and supply in Bichena Town

In Bichen town, the amount of land demanded and supplied does not match each other. This is because the amount of land demanded is very high, as individual households would like to have their own houses. According to an interview made with the Manager of the Municipality, the amount of land to be distributed for residential purposes should be reduced from $\geq 250\text{m}^2$ to 140m^2 to 105m^2 so as to meet the demands of the people.

There is a big gap between the amount of land demanded and supplied for different purposes. It was in 2007 when both demand and supply of land could be observed. Between 2007 and 2011, there was no land allocated for whatever purpose.

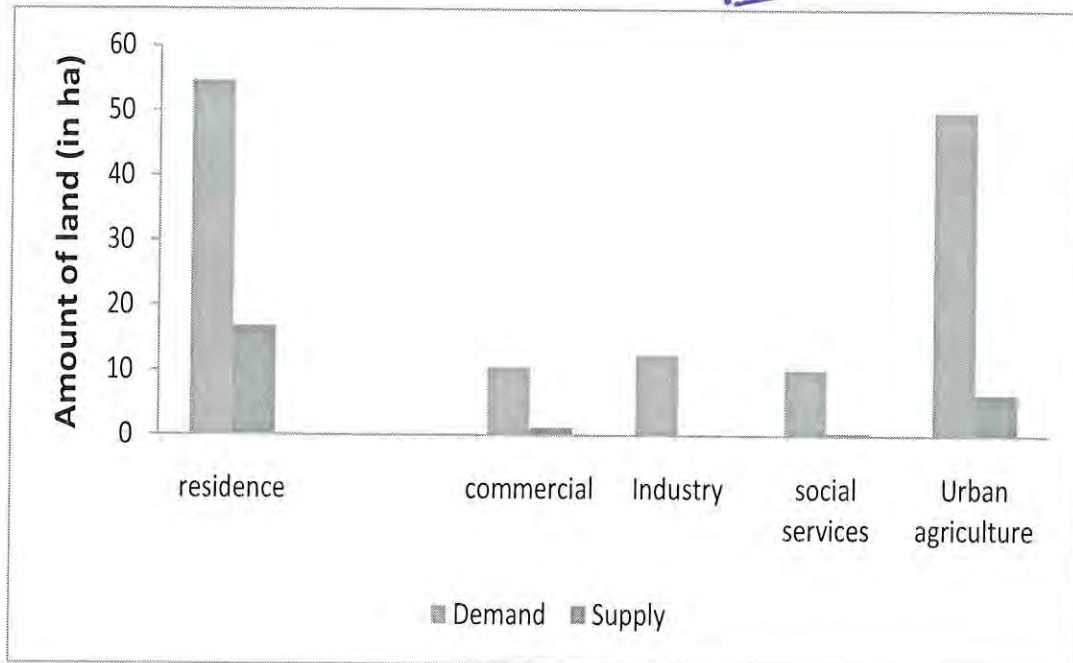


Figure 10: Demand and supply of land requirement for different purposes in 2007
 Source: Computed from data obtained from Bichena town Municipality, 2012

Figure 10 clearly shows that the demand for land is higher than the supply. In fact, it was only in 2007 that the Municipality allocated land. According to the information from the secondary sources and response from experts of the Municipality, it was learnt that during 2007, out of 2273 applicants, only 700 (30.8%) acquired land for residential purposes. On the other hand, it is reported that commercial, social and agricultural land uses of the Municipality accounts for 11.6 %, 4% and 14% of the total respectively. This shows that the Municipality mostly focuses on housing development, though it still fails to satisfy the demand in this regard.

It was also possible to learn from the findings of the study that the Municipality did not provide land for those who applied for industrial purposes across the years considered. It was only in 2007 that land was allocated to the applicants. In this year, residential,

agricultural, and commercial land use distributions covered the highest level even though their averages were below quarter of the demand.

As it is depicted in Figure 10, there is high demand over supply of land that promotes land speculation and creation of slums and squatter settlements as well as an increase in the price of land with an increasing rate. According to the information obtained from the experts of the Municipality, the main causes for the imbalance between demand and supply of land are an increase in the number of people from time to time coming from nearby rural areas, an increase in the land value of money, inability of the Municipality to prepare enough land, lack of accountability and transparency on the side of the Municipality.

Though there was land supply for different land uses until 2011, there was no land distribution program from 2008-2011. This is because the Amhara regional state Urban Development Bureau prohibited all urban centers to carry out this mission. According to the information obtained from the Municipality, the supply of land is constant, on average, whereas the demand is continuously increasing (see Annex 7).

Respondents were asked how long they stayed to get land they applied for. Results of the analysis reveal that 52% of respondents waited for 2-3 years, while 25% and 20% waited for above three years and one year, respectively. Only 3.3% indicated that they waited for six months to acquire land.

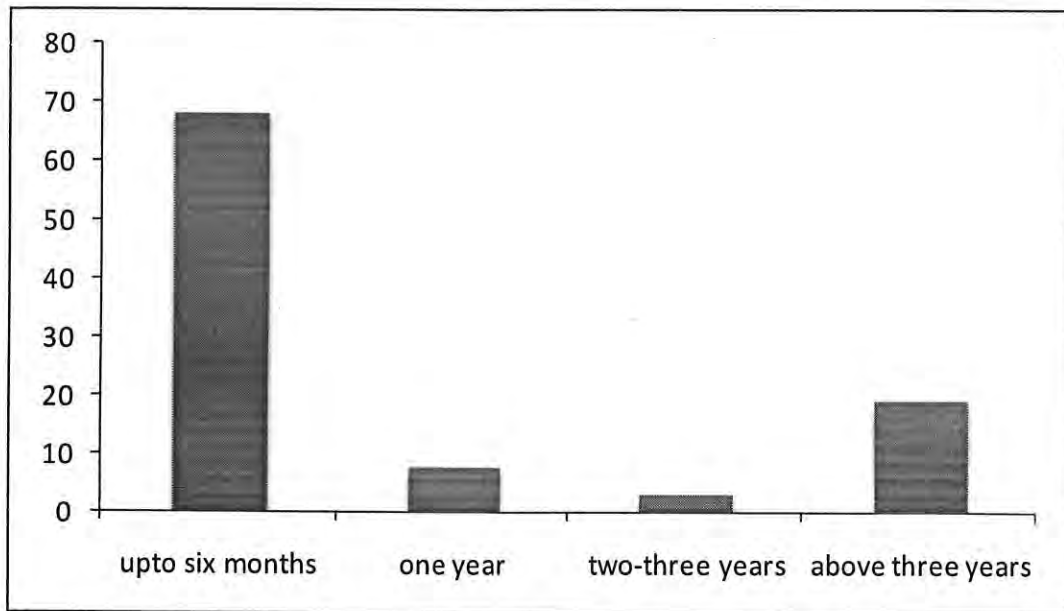


Figure 11: Time taken to acquire land

Source: Field survey, 2012

From Figure 11, it is possible to observe that the land acquisition process is time-consuming. According to the respondents, the main reasons for delays in acquiring land after application are improper practice of good governance (indicated by 63% of respondents), and imbalance of demand and supply (43% said this), lack of recording system (3.3% indicated this). On the other hand, 18.2% asserted that all of these factors should be taken as obstacles for applicants, while 8.3% reported that lack of experience by the municipal experts, lack of awareness by the applicants themselves, and fluctuation of land regulations at different times are additional reasons for postponement.

Respondents were also asked about the land delivery system of the Municipality. Based on this, 85% of them reported that they had acquired land through permit system of land delivery mechanism; on the other hand 14.9% of them asserted that they had acquired land through inheritance from families and by buying houses from others. It was found

out that none of them said through lease system. From this, one can conclude that permit system of land delivery system is dominating in the town.

From the discussions held with key informants and analysis of data obtained from the survey, it was learnt that the above-mentioned problems have discouraged residents to follow the formal land acquisition process which ultimately forced them to follow informal land market and establish informal settlements, which are discussed in detail later in the chapter.

4.5 Urban land information system

Information is the foundation for making, implementing and enforcing land management decisions. It is very crucial for public policy makers and private developers because implementation of policies and plans ultimately rests upon the rights to use, control and benefit from the land and its resources. Land information system plays an indispensable role to manage land as a scarce natural resource (Nicholas, 1993).

Land administration systems, particularly its cadastral components, play an important role in facilitating the implementation of land use policies by keeping economic, social and environmental stability of both developed and developing countries. As it is indicated in the review literature part, land use development will be efficient if there is an up-to-date and efficient as well as effective land information system. Likewise, lack of land information system can hinder efficient land management thereby retard economic development in urban areas. As far as the land information system is concerned in the

study area, 70% of respondents strongly agreed and 22.3% agreed with the severity of the problem.

On the other hand, 3.3% and 4.13% of respondents argued that they have no awareness whether there is a problem or not and they did not agree with the problem, respectively. Based on the researcher's personal observation, in the Municipality, record-keeping is manual and it is organized in accordance with the departments. However, the files are kept in shelves (using folder for related cases within departments). This system may not provide adequate and reliable information for clients.

According to the information from respondents and key informants from the Municipality, the land information system is not supported by cadastre and GIS. This distorts the land information system of the Municipality by making it difficult to know where and who holds a plot of land. There could be a condition by which one resident can take two residential plots of land. In this regard, the practice of Bichena town Municipality is very poor. Based on the survey data, the majority of the respondents asserted that the land information system of the town is not effective. In general, findings of the study indicate that the problem of the land information system is one of the major challenges of urban land management in giving complete, accurate and reliable information about the ownership, use and value of land and its resources in the study area.

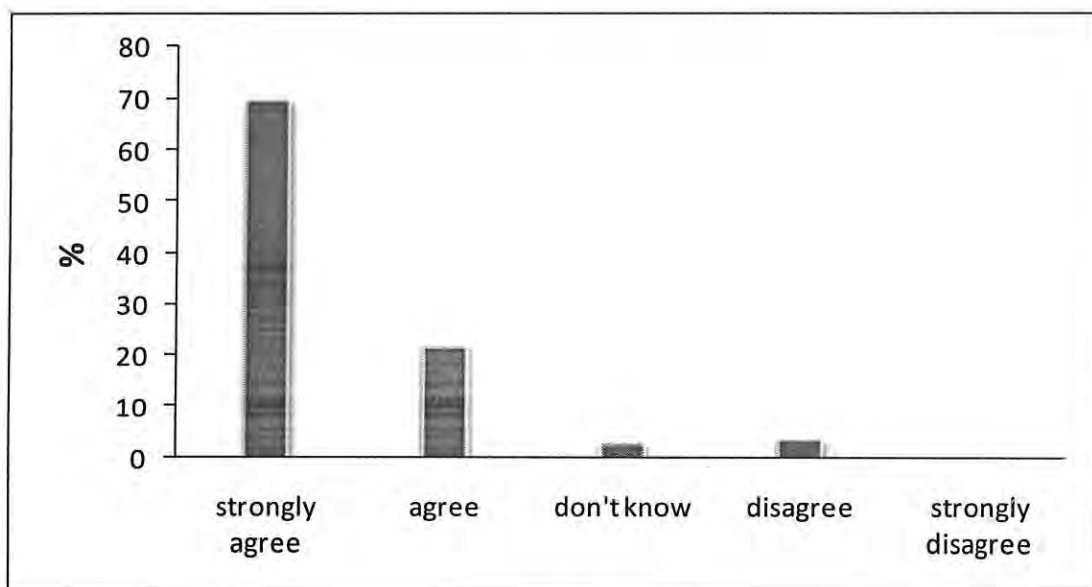


Figure 12: Opinion of respondents about the status of land information system
Source: Field survey, 2012

The case of a woman who paid the fees again to re-open her files in the Municipality substantiates the claims made by respondents (Box 1).

Box 1: Missing Files: a common experience

W/ro Belaynesh is a 40 year-old woman who has lived for ten years in kebele 3 with her two daughters. She works in an NGO. Five years back, she applied to the Municipality to get her file about her house so that she could be able to sell her house. She used to regularly visit the Municipality for six months. But, the Municipal experts were unable to find her file. Due to the fault made by the Municipality, she was forced to re-pay additional money to have her new file opened. She says there were 14 other individuals who were told their files were missing implying that it is not uncommon to see missing files.

4.6 Good governance

Good governance is manifested in decision-making processes while administering land by the Municipality. In fact, when institutions are weak but at the same time, take actions that are passed through unclear decision-making processes, then the whole performance

of the institution falls in jeopardy. The consequence is that the decisions on properties and the use of resources do not reflect the needs of the urban residents. Moreover, hidden decision-making processes can lead to mis-management and corruption, which are both manifestations of lack of good governance. This suggests that substantial benefits are gained through good governance instruments including transparency, accountability and participatory decision making processes. These parameters of governance are examined below from the perspective of land administration in Bichena town.

4.6.1 Accountability

The accountability of local authorities to their citizens is a fundamental tenet of good governance. Similarly, there should be no place for corruption in cities if services are to be provided to bring about desired outcomes in socio-economic development. Corruption can undermine the credibility of local governments thereby deepen urban poverty. Some of the indicators of accountability are discussed below.

Table 4: The nature of Accountability from respondents' point of view.

Parameters		Yes	No
Evaluating mechanisms	Count	4	117
	%	3%	97%
Responsiveness	Count	12	109
	%	10%	90%
Taking measures against un-ethical staff members	Count	5	116
	%	4%	96%
Achievement as per plan	Count	0	0
	%	0	0
Buildings based on the standard of the municipality	Count	91	30
	%	75%	25%

Source: Field survey, 2012

According to the response from the respondents in Table 5, 96.7% of them indicated that there are no complaints resolving mechanism in the Municipality. Expert of the Municipality also agree on this idea. They witnessed that checking and controlling mechanisms of the Municipality are weak. According to the researcher's personal observation, the Municipality has no even a suggestion box to solve the problems or complains. On the other side, about 3.3% of respondents suggested that there is good practice of accountability at the moment in the Municipality. According to their assumption, this is the result of the anti-corruption program being implemented in the town. It was also found out that a great proportion of the respondents (95%) argued that the Municipality is not responsive enough in solving their problems. But it is only 10% of the respondents who asserted that the institution is capable of solving the residents' complaints. As it is depicted in Table 5, 96% of the sample respondents revealed that the Municipality is not taking measures while employees of the institution who are involved in un-ethical actions.

With regard to the objectives of the Municipality, 60% of the municipal experts indicated that the Municipality is not achieving its objective. On the contrary, 40% of them stood against this idea. On the other side, efforts are made whether individual households are building standardized houses or not. With respect to this, 75% of the respondents reported that they had built houses based on the standard of the Municipality. But 25% of them explained that they do not have standardized houses. Experts of the Municipality also agree on this idea indicating that the absence of accountability is the result of misuse of power which limits active engagement of citizens in administering land in the town, which has also led to the construction of unstandardized houses.



Figure 13: Sub-standardized housing unit in Bichena town

Source: Field survey, 2012

According to the information from the key informants and secondary sources of the Municipality, from those individuals who acquired land in 2007, there were about 150 houses which were not built based on the standard of the Municipality. The case is narrated in Box 2 also corroborates this.

Box 2: Poor Followup of sub-standardized Housing Construction

Ahmed is 50 years old. He has been living with his wife in kebele two. He has completed grade 8 and is an employee in a private institute. He acquired a plot of land in 2007 so as to build standardized house. Nevertheless, he did not construct his house as per the standards set by the Municipality. This was attributed to several factors, of which lack of proper follow up of the Municipality is one. His monthly salary was not also enough for him to afford the payments for housing units as required by the Municipality. From observations, it was learnt that the house lacks bedroom, bathroom, and other facilities. It has only a salon. Surprisingly, the Municipality has not taken any corrective action against such malpractice.

According to the response from the respondents, the reason behind these problems is that the town administration is very weak in correcting the Managers of the Municipality at

different times, even though the Manager is accountable to the Mayor of the city. The only measure taken by the town administration is shifting them from one position to another. They further elaborated that there was a turn over of the five Managers during the last five years. See Annex 8 of the organizational structure of the town administration.

4.6.2 Transparency

Transparency is widely recognized as a pillar of good governance as accountability. Transparency means sharing information with clients and acting in an open manner. Free access to information is a key element in promoting transparency. Information, however, must be timely, relevant, accurate and complete for it to be used effectively. Transparency is also essential for controlling corruption in public life. This is more so in land, which is one of the critical resources in urban areas (UN-HABITAT, 2004). Against this background, the situation in the study area was examined. Results in Table 5 show that about 40.5% of respondents explained that they do not know the procedures of the Municipality to acquire land for different purposes.

Table 5: The nature of transparency in urban land management

Parameters	Unit	Residents	
		Yes	No
Knowledge about the procedure of the Municipality to acquire land	Count	72	49
	%	59.5%	40.5%
Participation on meetings called by the Municipality	Count	78	43
	%	64.5%	35.5%
Knowledge about vision of the Municipality	Count	68	53
	%	56.2%	43.8%
Awareness about the plan of the Municipality?	Count	46	75
	%	38%	62%
Knowledge about the Municipality's land information system	Count	0	121
	%	0%	100%

Source: Field survey, 2012

On the same way they clarify that the majority of residents who need services from the Municipality didn't know whether the performance, report or plan of the Municipality is effective or ineffective. Similarly, a great number of respondents from residents 59.5% agree with the idea of the experts. They justify that they have no clear idea about the procedures of the Municipality to acquire land for residential purpose. By the same token, 80% of municipal experts indicated that the procedures, guidelines, proclamations and other land related issues are not disclosed on timely manner to the residents of the town. On the other side, 64.5% of the respondents from the residents group asserted that they are participating on different meetings being called by the Municipality or town administration. This helps the residents to discuss on the issue of good governance.

On the other hand, 35.5% of sample respondents replied that they do not have the habit of participating on meetings called by the Municipality. This is one of the bottlenecks in exercising good governance. Though many of the respondents have the habit of participating on meetings called by the Municipality 43.8% of them did not know the vision and mission of the Municipality. Similarly, 62% of the sample residents confirmed that they have no awareness about the nature and implementation of the Municipality's plan. This means that the planning process and its implementation are not with the active engagement of urban dwellers though experts and officials of the Municipality assure the application of the master plan and development plan in the town. This made the performance of the Municipality both ineffective and inefficient. Moreover, a great number of the residents justified that the idea of transparency is not clear for both the municipal experts and the public at large. Even officials of the city administration are relectant to explain the public policies, strategies and other related issues. According to

the respondents, this is due to limitations of skill and knowledge gap to explain about the issue.

4.7. Consequences of ineffective land management

4.7.1. Informal settlements: slums and Squatter settlements

Informal settlements are socially and politically explosive problems in cities of the developing countries which often account more than 50% of urban land and population (UN-HABITAT, 2009). Informal sectors are activities that are operating with out national legal context (ILO, 2002).

But informality does not necessarily mean illegality. Because they have played an important role in alleviating social and economic problems of citizens when the formal sector is unable to satisfy the interest of the community. Similarly the study area shares the idea as observed through field survey and other documents. According to the information obtained from the key informants and secondary sources of the Municipality, there are about 200 informal settlements with a total areal coverage of 20 hectares in the study area. These informal settlements do not have legal rights to land and their housing units. The squatters always fear for eviction and displacement without compensation rather than services to be rendered from the Municipality. There are about 25 households whose houses were demolished by the town administration in 2012.

According to the information from respondents, about 56 % of them reacted that there are informal settlements around their neighborhood. The Manager and the experts of the Municipality agree on the residents' idea. Furthermore, they declared that an increase on the number of people in urban areas, an increase on the value of land, bureaucratic

bottlenecks, urban mal-administration like partiality and corruption on urban land demand and supply process are the major reasons for the expansion of squatter settlements. The Manager of the Municipality also reacted that squatter settlements have negative impact on the socio-economic development of the town. On the other hand, 44% of house hold respondents indicated that there are not informal settlements surrounding them. All of the respondents reported that the squatters are not provided with the basic infrastructure facility like road, water, electricity, etc from the Municipality.



Figure14: Slum (Doro tera area of Bichena town).
Source: Field survey, 2012

The case narrated in Box 3 also strengthes the argument on squatter settlements.

Case 3: Squatter Settlements do not get services from the Municipality

Almaz is a 39 year-old female-headed woman. She completed grade 8. She lives in kebele 4 with her son. She is working in her small business centre earning a monthly income of Birr 1450. She is one of the 200 individuals who have squatted in the outskirts of the town. Her informal house has three rooms, but it is without a separate kitchen and toilet. Almaz, along with her neighbours is not provided with basic service facilities like electricity and pipe water from the Municipality.

4.7.2 Land speculation

Speculation means acquiring a large track of land and keeping it for a long period of time without any development to extract profit by selling the vacant land at an inflated price. In order to make the use of land effective and minimize the unsatisfied demand for land smooth speculation control is needed. Because speculation is also another problem causing land scarcity and de-motivating investment. Regular control of land use, land cadastre system, inter-institutional coordination among administrative bodies, public participation and awareness greatly contributes for the alleviation of urban land speculation. Land speculation is caused by bottle necks in the availability of serviced land (land access to basic infrastructure such as water, road, and electric light). These bottle-necks can be caused by several factors either in land development like poor planning or poor land recording system, bureaucratic procedures in the process of buying and selling houses.

It is also learnt from the study that 94.2% of respondents reported that all households who acquire land from the Municipality do not use the land for the intended purpose, where as 5.8% of them asserted that households construct their houses after they acquired from the Municipality. The residents acquire land with time limit for construction, but the land holders keep the land with planting trees and fencing instead of building houses. As it is observed by the researcher, there are still vacant lands in the town. However, the main problem is that the Municipality has no any information whether the land holders are using their plot of land for the intended purpose or not. According to the response from respondents and an interview made with the Manager, source of revenue through land speculation, and for the purpose of selling are the main reasons of using the land for the

un-intended purpose. Land speculation mostly occurs when the land holder's expansion for land price in the future expects to be increased. This leads to inactive economic activities that discourage urban development.



Figure 15: Vacant land for speculation purpose
Source: Field Survey, 2012

According to the information obtained from the key informants working in the Municipality, there are about 42 individuals who acquired plots of land during 2007 for development purposes. But none of them have built their houses. The case presented in Box 4 explains further.

Box 4: Fencing plots around for five years without any construction

Ato Tadesse Gedamu lives in kebele 1 with his wife and their four children. He is a diploma holder and is a government employee with a monthly salary of Birr 2,225. He got a plot of land five years back. However, he did not still build his house except fencing it around. But the Municipality is unable to take away his plot of land. He said that he is not the only one. He further noted that land speculation is a serious problem in the town.

4.8 Prospects (Opportunities) of Bichena Town Administration

Despite the major challenges of the study area mentioned above, findings of the study show that the town has some opportunities, which it may seize for its better land administration. From respondents' point of view, the main prospects of the town for its

development include, among others, the existence of master plan in the town and the availability of thousands of different merchants who can strengthen the tax base of the town. In addition, the prevalence of relative peace and the existence of service facilities play an important role in attracting investors. Furthermore, the construction of hospital and asphalted road in the town, availability of young graduates and the existence of different banks for saving and credit facilities would have a great contribution to the development of the town.

Currently, the government of Ethiopia is giving due attention to the revenue and trade offices. In this regard, all the vacant positions in these sectors are occupied by professionals. This would help collect the required amount of revenue, which would be used to fulfill the infrastructural facilities of the town. In addition, the ANRS water bureau has provided huge ground water supply which is alleviating the water shortage of the town. Besides, the existence of technique and medical colleges of the town have their contributions for the development of the town.

Chapter Five: Conclusions and Recommendations

5.1 Conclusions

In the study area, the demand for skilled man power is increasing from time to time depending on the restructure of departments and sections. Eventhough, the organizational structure of the Municipality expands from year to year, the human resource capacity of the institution is still below 50% of the total employees. Due to this fact, the intended objectives cannot be met easily. Moreover, the professional requirements of the Municipality and the existing experts do not match with the job discription of the Municipality. Currently, there are four kebele administrations in the town but none of them have professionnals.

Findings of the study indicate that revenue sources of the Municipality are radically increasing over time. But the amount of revenue collected is still very low. The amount of revenue collected for the fiscal years (2007-2011) shows deficit. As far as the expendirure side is concerned there is a great gap between the plan and the actual amount of money to be used for expenditure purpose through out the budget years. The amount of expenditure was greater than the amont of revenue collected due to its mal-functioning in revenue generating. Due to this fact, the Municipality is unable to achieve its intended plan.

In the study area, the demand for land for different purposes is increasing due to the fact that land value (of money) is rising from time to time and an increase in investment and other related activities in the town. Eventhough, there is parcel of land in the town for different land uses, the demand and supply of land donot balance each other. In 2007, the

demand for housing was very high, but the supply had declined and it was only 31% of the applicants who acquired land for residential purposes.

Land information system plays an important role to manage land as a scarce natural resource. It helps for reliable and accurate decision making process for city administrators and policy makers. However, the land information system in Bichena town is almost manual and is difficult to handle the records. The town is more attractive for housing and other land use related issues. As a result, many land developers apply to acquire land. But the Municipality is unable to identify where and who holds a plot of land. Their filing system is very poor and is no more useful for decision making process. Though the land value of many increases from time to time, as a source of revenue for the town, land information system is not implemented in the Municipality.

The major factors that can threaten sustainable development are that of weak institutions taking actions through unclear decision making process. The implementation of proclamations, policies and directives are not disclosed to stakeholders. Political leaders and civil servants are not accountable for what they are responsible. There is no effective controlling mechanism on how to run good governance packages in the Municipality. As a result, the Municipality is unable to take corrective action against those un-ethical workers. Similarly, the Municipality does not promote diligent staff members. The measure taken by the Municipality and the town administration for any personnel or politically assigned person who made mistake is only changing from one position to another position (there is no demotion).

The town has implemented permit system of land delivery system, but currently the government is discouraging this method of land delivery mechanism. Permit system of land delivery mechanism has created conducive environment to corruption and partiality. This creates gap between the government and its people. The procedures of land delivery mechanisms are also more complex and concentrated at the Municipality level.

Eventhough the procedures are decentralized at the kebele level, still it is not being implemented in the town. Furthermore, the time allotted to acquire land discourages land developers. These challenges resulted in the proliferation of squatter settlements and expansion of slums in the study area. On the otherhand, the Municipality is unable to take actions against squatter settlements eventhough the squatters have a great contributin in allivating urban housing problems. The only alternative measure taken by the Municipality is demolishing or evicting households without any alternatives. Additionally, the expansion of slums in the center of the town and other socio-economic and environmental problems are the other consequences of poor land management system in the town. On the otherhand, there is a condition by which land developers who acquired land do not develop their plot of land for the intended purpose but only for speculation. This is because the Municipality is not active enough in controlling land speculators except some physical observation by some experts.

5.2. Recommendations

In order to address the the major challenges in land management in Bichena town there by creating conducive environment for allivating social, economic and environmetal problems of the town, the following suggesions are recommended based on the major findings of the study.

- Due to its multi-dimenional nature and complexity of management, the manpower of the Municipality in design and land administration departments should be as per the standards specified in the job description of the institution. Moreover, there should be short-term and long-term capacity building programs in order to minimize knowledge and skill gap of the municipal employees. On the other hand, there should be commitment and willingness on the side of experts and politically assigned persons of the Municipality.
- The Municipality should also design effective land administration system that can promote appropriate valuation of land with reasonable taxation of land and land related properties so as to cover the expenditure of services.
- Land information system also plays a decisive role on the development of the town, keeping this in mind; the Municipality should computerize its filling system using GIS to promote effective and efficient land mangment system. In addition, the Municipality should introduce proper cadastral system and reliable way of keeping records on land ownership.

- Since urban land administration system of the town is very poor, the demand and supply side of land in the town is not balanced. This has created a gap in the land value of money. Hence, before the provision of land for its stakeholders, the Municipality should prepare plots of land for distribution purpose by disclosing its procedures and basic requirements so as to minimize conflict and the delay of acquisition time. Furthermore, the Municipality should increase the amount of land supply from its land bank. In addition, the Amhara National Regional State should permit individual applicants to acquire plots of land for housing purposes by limiting urban sprawl (its horizontal growth).
- In the town squatters are the result of ineffective land management system of the Municipality. In order to prevent the expansion of informal settlements, the Municipality should play a great role in awareness creation, equitable land delivery system among its stakeholders and formalization of the previous squatters. In the same manner, the Municipality should establish pro-active controlling mechanism in order to minimize the expansion of squatters, which in turn avoids unnecessary cost both on the Municipality and squatters side.
- It is obvious that land is the basic resource for urban development. In this regard, the Municipality should encourage land holders to develop their plot of land for the intended purposes with time limit. It should have strong followup in order to know when, where, and who delivered a plot of land and whether it is developed or not and should take corrective action against the land speculators.

- In the study area, there is information gap between the Municipality and the community which has been an impediment for the development of the town in general and the Municipality in particular. Therefore, the Municipality and other stakeholders should play an active participation from the planning process up to the implementation of municipal activities for the effective achievement of the Municipal goals. In facilitating this, the Municipality should create conducive environment to create transparent and accountable staff members and stakeholders as per their responsibilities. There should also be checking and controlling mechanism so as to handle trustful relationship between the Municipality and its beneficiary groups so as to bring about sustainable urban development.

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Annexes

Annex 1

Questionnaire for individuals who got land in 2007

For the partial fulfillment of the requirements of masters degree in urban development and management;

I am conducting this research on the challenges and prospects of urban land management in the case of Bichena town. The result of the study may be used by your town's Municipality or other bodies to minimize or even solve the existing problems on land management system. So I politely request you to give me clear and unbiased information on what you are asked below. I would like to thank you very much in advance for your cooperation

1. Your address; kebele -----,
2. Education level-----
3. Sex; male, -----, Female, -----.
4. Marital status; married-----,un-married-----
5. Employment condition: Government employed, -----, Self employed, ----
Employed by NGO, -----, Employed by private sector, -----, UN employed, -----.
6. For how long did you live in Bichena town? For less than two years----- ,2-5 years-----, 5-10 years-----, for more than 10 years -----.
7. How often do you go to the Municipality? Frequently, -----, sometimes, -----, rarely, -----
8. Have you ever participated in meetings called by the Municipality? Yes, ---, No, ---.
9. Are you aware of the plan and some activities of the Municipality? Yes, ---, No, ----.
10. Do you think that the Municipality encounters challenges related to land management?
Yes, ---, No, ----.

	Challenges	Strongly agree	Agree	I don't know	Disagree	Strongly Disagree
1	Absence of skilled man power.					
2	Absence of plots of land					
3	Financial constraint					
4	Absence of accountability					
5	Lack of transparency					
6	Ineffective use of land resource					
7	Improper recording system					
8	Other constraints					

11. Do you know the vision of the Municipality? Yes, ---, No, ---

12. For how long had you waited after application to get land from the Municipality?

1-6 months, ----, 6- 1 year, ---, 1-2 years, ----, 2-3 years, ----, above 3years, ----

13. If your answer is one year and above for question 10, what do you think is the reason?

A Lack of supplied land--- ,B Imbalance of demand and prepared land to be delivered,

C, Weak recording system, ----, D, Lack of good governance, -----,

(You can tick more than one reason).

14. Do you know the procedure of the town to acquire land from the Municipality? Yes, ----, No,

15. Is your house (building) based on the standard of the municipality? Yes, ----, No-----

16. Do you think that the filing system of the Municipality is satisfactory to manage the owner

of the land and building? Yes-----, No-----,

17.If not what would you think about the consequence on the development of the town? -----

18. With what method you had taken the land?

Permit-----, Lease-----, If any other alternative---

19. Leasing method of land delivery system increases revenue of a town.

Strongly agree----- Agree-----.I don't know----- Strongly disagree ----

Disaree-----.

20. Do you think that the revenue of the Municipality is satisfactory to provide services to the residents of the town?

Yes -- ----, No-----, If no, what are the reasons? Low awareness of proper tax payers-----,

Lack of official's commitment-----, Tax bases are minimum-----.

21. Do you pay proper tax for the Municipality? Yes -----, No-----.

22. Are there informal settlers in your neighborhood? Yes----, No, ----, If yes, do they serviced from the Municipality? Yes ----, No-----.

23. Do you think all landed households develop houses? Yes-----, No-----.If no, for what purpose did they use it? Speculate-----, Sale-----, if any other-----.

24. Is the Municipality responsive enough for your complains? Yes-----No-----

If no, what are the reasons? ----- If yes what are the mechanisms that the Municipality follows to solve your complains?

25. Is the Municipality taking measures against the un-ethical staff members? Yes---, No-----

26. According to your understanding, what are the main challenges and prospects of the town?

Challenges-----

Prospects-----

Annex 2

Interview to Land administration experts

For the partial fulfillment of the requirement of masters degree in Urban Development and Management;

I am conducting this research on the challenges and prospects of urban land management in the case of Bichena town. The result of the study may be used by your town's Municipality or other concerned bodies to minimize or even solve the existing problems on land management system. So I politely request you to give me clear and unbiased information on what you are asked bellow. I would like to thank you very much in advance for your kindly cooperation.

1. Your department-----.
2. What is your position in the Municipality? -----
3. For how long have you served in this organization? -----
4. Your professional back ground-----
5. What amount of land was provided by the office for different land uses and what is the trend of *application for land acquisition (2007and2011)?*

Years	Residence		Commercial		Industry		Social service		Agriculture	
	Demand	suppl	Demand	suppl	Demand	suppl	Demand	suppl	Demand	suppl
2007										
2011										

6. for the trend of demand on land that had been observed in the town during the previous years,
What are the factors that contribute high demand over the supply of land?
7. Is there a master plan or development plan for the town that can guide the current development effectively? Yes, ,No-----
8. How do you rate the readiness of the Municipality (that is land administration department) to develop and supply land? Very good-----,Good-----,Poor-----,Very poor----/----
9. Do the Municipality's land supply capacity and demand balance each other? Yes-----No-----If no what do you think the reason for constraints that facilitate the gap between supply and demand of land? -----
10. Is the Municipality achieving its objectives based on the intended plan? Yes-----, no-----, if no, what are the reasons-----?

11. Is there clear land information system in Bichena town? Yes-----No-----,
12. If not what is the reason and what is its impact on the town? -----
13. Do your stakeholders (investors, residents and others) know the procedure and feed back about either the effectiveness or in effectiveness of the implementation of municipal activities? Yes-----
---,No—
14. What hectare of the land has been registered from supplied land for residential purpose during 2007and 2011? -----
15. What type of tenure system has been implemented in the town for residential purpose? Permit---
Cooperation-----, specify if any-----.
16. What are the tenure systems prevailing in the town? -----
17. The land management system is contributing significant proportion of revenue to the Municipality's budget? agree-----,Disagree -----
18. The existing land management is effective to the development of the town. Excellent-----
V. good-----Good-----Poor-----V. poor-----
19. Do the procedures, guidelines, proclamations, and other land related issues disclosed to stakeholders? Yes-----No-----
20. If your answer is no what are the reasons that make the system not to do effectively? -----
21. . Are there informal settlements (squatters) in the town? Yes-----No-----
25. If yes, what do you think are the major causes for squatting? Problems related to finance-----
Shortage of land supply-----lack of awareness by the community about formal land supply-----cultural aspect-----long and cumbersome procedure to get land through formal process-----other reasons-----
26. Do households who acquire land to develop their own house use the land for the intended Purpose? Yes----- No-----
28. If not for what purpose do they use the land?
Speculation-----sale----- other -----
29. How many of the residential houses are built based on the standard of the Municipality during 2007?
30. What mechanisms is the Municipality using to control squatters and the land already delivered?
31. What are the major challenges and prospects in the Municipality?
Challenges-----
Prospects-----

thank you

Annex 3

Interview to Manager of the Municipality

I am conducting this research on the challenges and prospects of urban land management in the case of Bichena town. The result of the study may be used by your town’s Municipality or other concerned bodies to minimize or even solve the existing problems on land management system. So I politely request you to give me clear and unbiased information on what you are asked bellow. I would like to thank you very much in advance for your kindly cooperate

1. What is the human resource requirement for the Municipality in general and the land administration department in particular according to the municipal organizational structure?
2. Does the Municipality have adequate and capable staff for effective land management in the town?

Education level	Required	Existing	Gap	%of existing
12+1				
Diploma				
First degree				
second degree				

3. Within how long the Municipality land developers delivered land after their application?
4. Does the Municipality have enough prepared land to the applicants? Yes-----, No-----, if not What is the problem? -----, if yes, does the Municipality Satisfy the applicants timely and fairly?
5. Is the Municipality’s land information system effective?
6. Does the Municipality generate its optimal revenue in order to satisfy its expenditures?
7. Do the households aware of the Municipality procedures related to land and land development?
8. Does the municipality have evaluating mechanisms for the implementation of good governance?
9. Do your workers encounter problems to their responsibilities?
10. Are there informal settlers in the town?
11. If, yes what do you think the reasons for squatting? What is its impact on the development of the town?
12. Do the land developers use the land for the purpose of their application?
13. What are the enforcement mechanisms that you are going to apply on individuals who did not develop their plot of land?
14. What do you think about the challenges and prospects of the town on its development?

Annex 4

Manpower in Bichena Town Municipality

<i>Department</i>	<i>Planned/r equired</i>	<i>Existing</i>	<i>Gap (%)</i>
Land Administration	9	4	5 (55.56)
Greening and Sanitation	8	3	5 (62.5)
Legal affairs protection	12	6	6 (50)
Total	29	13	16 (55.17)

Source: Bichena town Municipality, 2012

Annex 5

Demand and Supply of land for different land uses (in hac)

Years	Residence		Commercial		Industry		Social service		UrbanAgriculture	
	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply
2007	54.6	16.8	10.5	1.18	12.4	---	10.2	0.42	50	6.5
2008	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2009	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2010	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2011	--	103	-----	12.6	-----	28	---	25.7	---	16.2

Source: Bichena town Municipality, 2012

Annex 6

Revenue collection from different sources (in Birr)

Sources of revenue	2008			2009			2010			2011		
	Plan	Actual	%age	Plan	Actual	%age	Plan	Actual	%age	Plan	Actual	%age
Property tax and rent	475,362	206,136	43.40%	519,692	291,468	56.10%	551,720	54,871	10%	601,234	254,345	42.30%
Service charges and fees	287,265	195,919	68.20%	299,522	283,428	94.60%	313,572	211,824	67.80%	367,342	256,764	70%
Business related tax and tariff and other taxes	143,487	36,558	39.30%	167,608	144,802	86.40%	287,608	71,559	24.90%	357,278	148,876	41.70%
Total	906,114	438,613	50.30%	986,822	719,698	80.20%	1,152,900	338,254	34.20%	1,325,854	659,983	51.30%

Source: Bichena town Municipality, 2012

Annex 7

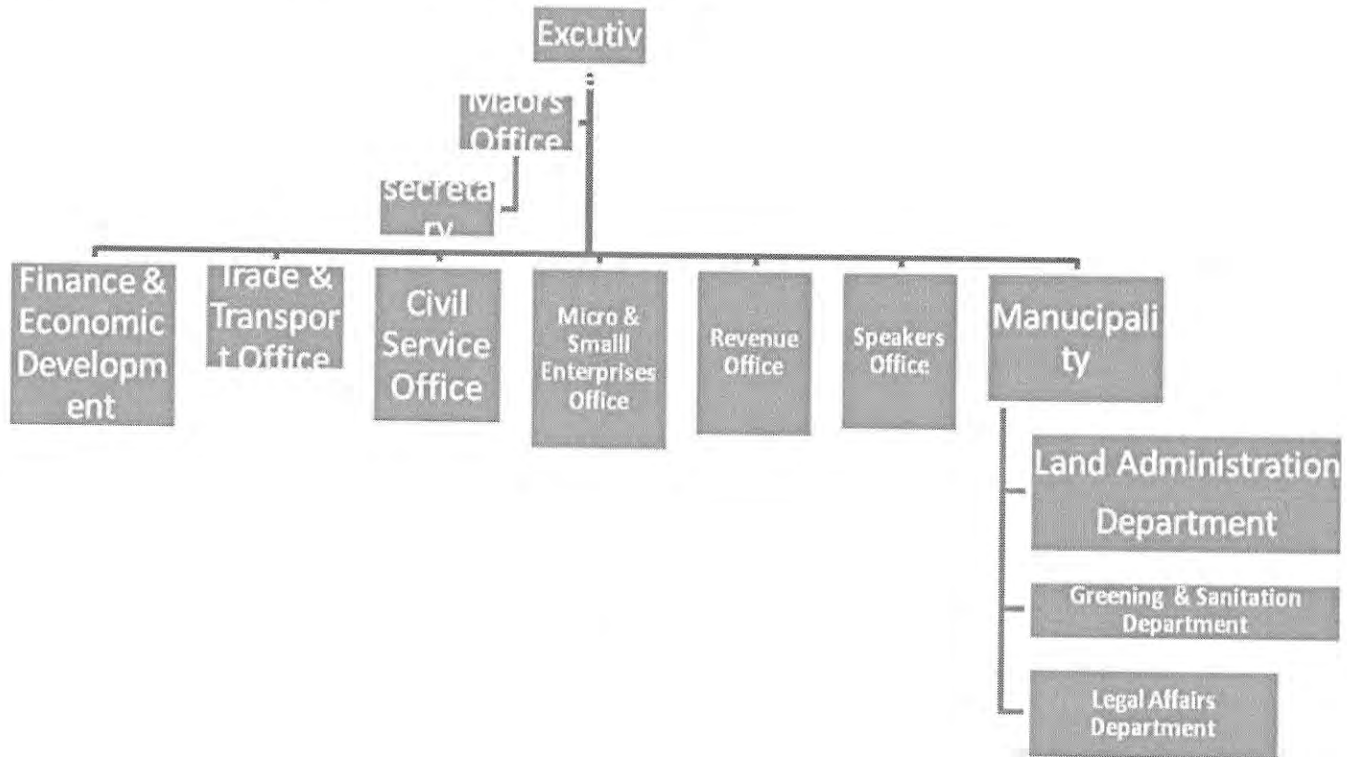
Revenue and Expenditure flow of the Municipality (2007-2011 in Birr)

Years	Revenue			Expenditure		
	Plan	Actual	Gap	Plan	Actual	Gap
2007	1,165,191	894,279	270,912	1,222,291	949,150	273141
2008	1,224,791	616005	608,786	1,165,292	875,711	289581
2009	1,167,545	717,788	449757	1,513,777	885,785	627992
2010	1,573,851	849,880	723971	1,235.246	988,864	246382
2011	1,390,924	945,976	444948	1,345,678	995,453	350225

Source: Bichena town Municipaality, 2012

Annex 8

Organizational structure of Bichena Town Administration




Source. Bichena town Finance and Economic development office, 2011



Declaration

I declare that this thesis is my original work and it has not been presented for any degree in any University and that all the resources used have been duly acknowledged.

Kefyalew Aklog:  ----- Date: 13/06/2012

Advisor, Bamlak Alamirew (Ph. D):  ----- Date: 13/06/2012