



## **EFFECT OF CURRENT URBAN LAND LEASE HOLDING POLICY IMPLEMENTATION IN AMHARA REGIONAL STATE, ETHIOPIA**

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### **Abstract**

This study examined the multifaceted impact of the current Urban Land Lease Holding Policy on evicted citizen's socio-economic well-being in Amhara Regional State, Ethiopia. It specifically focuses on the socio-economic well-being of individuals who have been evicted from their longstanding land possessions in the case of Addiszemen city Administration. The research employs a rigorous qualitative methodology, utilizing purposive sampling to carefully select participants for in-depth interviews and focused group discussions. These participants include both citizens directly affected by eviction from their old landholdings and technical employees of the city municipality, offering a comprehensive perspective on the policy's effects. The major findings of the study revealed that the poor implementation of urban land lease policy in the administration city affected the socio-economic wellbeing of citizens, poor access to infrastructures in the new settlements, poor urban land acquisition system was implemented in the study area, unemployment and landlessness in the new settlement family members.

**Keywords:** Lease holding Proclamation; Evicted citizens; Socio-economic Wellbeing; Compensation; Amhara Regional state; Urban Land policy

### **1. Introduction**

This study has been restructured to include a title and numbered sections for improved clarity and flow. The Impact of Urban Land Lease Holding Policy in Amhara Regional State, Ethiopia: A Focus on Evicted Citizens' Socioeconomic Well-being.

At present time the key challenge is to ensure that all Ethiopian cities are ensuring good urban land governance. This means to Strengthening an urban municipality organization or urban land agency to deliver land services more effectively, efficiently, transparency and with greater accountability needs capacity of local governments and putting in place the right urban land policies, and systems now, when urbanization is expanded. To do so, innovative ways are required to help local governments develop the capacities and the human resources needed to deliver basic land services and infrastructure to residents effectively and efficiently, as well as to create a competitive working environment for the citizens.

Ethiopia is currently experiencing an unprecedented pace of urbanization, boasting one of the most rapidly expanding urban populations globally. Projections indicate a near-tripling of the urban populace over the next two decades, escalating from 15.2 million in 2012 to an estimated 42.3 million by 2037, asserting an annual growth rate of 3.8 percent (World Bank, 2017). This escalating urbanization presents a common challenge for cities of all sizes across Ethiopia, including Addiszemen, which faces significant hurdles in providing effective urban land delivery services amidst its rapidly increasing population.

While urbanization, if adeptly managed, offers a substantial opportunity to foster structural transformation and alleviate poverty through the effective implementation of urban policies, its unmanaged progression leads to considerable pressures. Ethiopia's urbanization rate, at 4.8% over the past three decades (surpassing Africa's average of 4.1%), is projected to result in approximately 35% of the population residing in urban areas by 2030, with profound economic implications. This demographic shift drives significant rural-to-urban migration, contributing to high unemployment rates and a soaring demand for urban land.

Land, being an indispensable resource, serves as the foundation for all economic and social activities in Ethiopian cities. Its scarcity, exacerbated by unmanaged urban growth and inequality, frequently escalates competition and leads to conflicts in various areas. This intense demand for urban land has unfortunately fostered land grabbing, becoming a significant source of grievance within the city administration.

To mitigate these pressing challenges, the Ethiopian government enacted Urban Land Lease Holding Proclamation No. 721/2011. This landmark legislation primarily addresses critical aspects such as land ownership, permissible land use, access mechanisms, and the crucial processes of developing and redeveloping inner-city areas across the country. However, a notable observation by the researchers is the absence of a singular, nationally organized urban land policy document. Instead, regional governments have adapted their own urban land proclamations, largely mirroring the principles enshrined in the EPRDF constitution. This fragmented approach underscores the critical challenge faced by urban land policymakers and top-down policy implementers in establishing a unified and coherent urban land policy framework. The newly adopted urban land lease holding proclamation is, in essence, an extension of previous urban land proclamations from different eras, rather than a wholly new policy. Key provisions of Proclamation No. 721/2011 mandate that expropriation must be followed by negotiation and prompt compensation for landowners. The right to use urban land by lease is explicitly permitted to realize the common interest of the people. Furthermore, the proclamation emphasizes the central importance of transparency, accountability in service delivery, the prevention of corruption and abuses, and the overarching notion advancing the interests and well-being of the general public. It also stipulates that before advertising urban lands for tender, the concerned authority must ensure that these lands are free from any legal claims, thereby necessitating legal relocation processes. Despite these stated objectives, the researchers have consistently observed numerous problems in the implementation of the urban land lease holding proclamation concerning resettlement in Addiszemen city administration. Specifically, the focus of this study includes individuals recently moved from one kebele to another, often to the peripheries of the city administration. The findings from this research are anticipated to offer valuable insights for policymakers, guiding future actions to prevent

adverse impacts on evicted citizens and to foster inclusive, sustainable urban redevelopment programs within Addiszemen city administration and Amhara regional state.

Moreover, the study serves as a foundational basis for further academic inquiry into urban land policy. Based on a report from the Addiszemen City Municipality office in 2024, the city administration has experienced a high rate of urban population growth over the past five years, largely due to various "pushing factors" within the inner city. A primary driver of this displacement over the past year has been attributed to the persistent and prolonged conflict and political violence in the Amhara regional state. Consequently, the relocated populations in the city administration have encountered severe problems (Addiszemen plan commission, 2024). These observed challenges include a pervasive lack of good governance, inadequate infrastructure such as degraded roads, and delayed access to electricity, scarcity of pure water, high unemployment, insufficient healthcare services, and widespread economic crises.

In many less developed countries, inner cities often possess antiquated infrastructures, necessitating reconstruction or renovation. As Dereje & Brihanu (2023) noted, the practical application of expropriation for housing in Ethiopia primarily serves as a tool to facilitate urban expansion and make land available for private developments. They further contended that relocation inherently disintegrates communities by disrupting essential components for their well-being, including economic activities, social ties, and urban services. The researchers concur with Dereje & Brihanu's summary, highlighting that in the study area, issues such as inappropriate urban land management and allocation, inefficient bureaucratic implementation, poor service delivery, a strong reliance on a "top-down" administrative scheme, violations of human rights regarding fair access to land, inadequate corruption prevention methods, and insufficient attention and follow-up for evicted citizens both before and after displacement, all significantly affect the livelihoods of relocated land owners.

While authors like UN Habitat (2015) and Stein T, Holden, and Hossaena Geberu (2016) have addressed tenure security and property rights, recommending improvements in land administration, they have not specifically examined the effects of the urban land lease holding proclamation on the socioeconomic well-being of persons evicted from their previous land possessions within the context of policy implementation. Furthermore, this particular issue has not yet been investigated within the specific case of Addiszemen city administration.

These identified gaps served as the primary impetus for the researchers to undertake this study. The study placed particular emphasis on sampled kebeles that experienced relocation, such as Agela Mantogera Kebele and Genaza Selkisa Kebele in Addiszemen city administration.

## 2. Literature

### 2.1. An Analysis of Theories

The development of welfare theory, which emphasizes the goal of the public benefit at large theory, was greatly influenced by Aronsson & Lofgren (2007). In today's cities, many urban lands were taken from the old possessor for redevelopment, but they were left as they were before five or six years without any investment or tangible work on the land. This condition affects the property rights of the evicted citizens towards urban development and leasing and consequently causes conflict with the local government administration.

## **2.2 How Ethiopia's present urban land leasing policy affects the social welfare of those who are evicted.**

### **2.2.1. Social Bond and Social Capital**

One of the processes that have received increased attention in recent years to explain how communities affect inhabitants' well-being is social capital (Sarracino and Mikucka, 2017). They defined social capital as "the relationships among individuals—social networks and the practice of exchanging things or ideas with others for mutual benefit and trustworthiness that arise from themselves." Scholars such as Putnam (2000) contend that a lack of social capital among impoverished inner-city inhabitants leads to poverty, welfare dependency, and criminality.

### **2.2.2. Social Isolation, and Vulnerability**

This title was chosen to highlight the negative physical, material, and psychological effects of evicting urban residents from their former homes and relocating them to the periphery of urban areas. According to Peter Hepburn, Devin Q. Rutan, and matthew Desmond (2023), Eviction has a greater impact on urban poverty.

## **2.3. Effect of urban land lease policy on the Economic livelihood of the evicted citizens**

### **2.3.1. Income and Financial Security**

It makes sense that in inner-city development-induced programs, the impoverished are relocated without giving proper thought to their future means of subsistence; housing demand is left up for debate; the cultural ties of the community are weakened; and, following compensation, the landowners are evicted from their homes and compelled to move to cities in quest of employment, daily wages, or other sources of income to ensure their livelihood. It is clear that food security was in jeopardy when the evicted person's income dropped following their relocation. It happens when household heads are unable to provide for their families. After compensation is paid, the evicted individuals must be followed up with and given rehabilitation until they are able to support themselves.

### **2.3.2. Employment**

According to a World Bank (2017), entrepreneurs are essential to lifting people out of poverty." According to the report's findings, employment is the primary means of escaping poverty. However, the aforementioned advantages may be purposefully overlooked if we disregard the evicted citizen in our setting.

### **2.3.3. Landlessness**

In this context, the term "landlessness" was used to describe the situation that arose as a result of expropriation and relocation, and it was associated with the displaced landowners in and around towns or cities (Kebed O., 2022).

## **2.4. Elements that Lead to a Decline in Public Trust in Urban Land Government**

### **2.4.1. Land corruption**

For the fair benefit of citizens from this limited resource, land administration should receive a lot of attention (Kebede O., 2022). The competition for scarce land resources, particularly in urban areas, would be dominated by the wealthy or powerful classes under a weak land administration system. This was the situation; the state, which State Capture, would, in fact, be a major driver of urban land corruption. This means a situation in which powerful individuals or organizations manipulate government institutions, policies, laws, and the economic environment to advance their own private interests.

#### **2.4.2. Ethiopian land administration corruption drivers**

In its analytical report, the World Bank (2012) identified several factors that contribute to corruption in Ethiopian land administration, including unclear policies, weak institutions, a lack of transparency, staff funding, a complex environment, a lack of oversight and accountability mechanisms, and capacity limitations (human or technical and financial resources). Transparency permeates practically every aspect of land administration (World Bank, 2012).

#### **2.4.3. Ethiopian land administration, property rights, and tenure security**

Socially accepted individual or collective interests in an asset are known as property rights. Each piece of land, for example, has a distinct set of rights that are bound together as a bundle of rights (the right to access and use, the right to control and exclude non-owners, the right to transfer to another person, and so on. It is not the land itself that can be transferred from the previous owner/user to the new owner/user, but rather the bundle of different rights attached to that piece of land.

However, according to Ethiopian land administration and land rights theory, land is shared by the government and its citizens. However, Proclamation No. 721/2011, the public can not purchase land; only the government can. Authors contend that the proper administration and management of land is a solution for the country's future due to its significance for growth and development" (Olira Kebede, 2022).

#### **2.4. Provision of services**

Only when there are established, standardized rules and management practices does service delivery become effective. Furthermore, despite the existence of established regulations, employees at all levels must be dedicated to serving the public. According to World Bank (2018), land leases must be managed effectively and fairly in connection with a variety of land-related activities, including the housing market, industry, commerce, infrastructure, and services. If government actors fail to serve the public with complete dedication, transparency, and accountability, this will lead to a lack of trust in the government (World bank, 2014).

#### **2.5. Expropriation and relocation of land owners**

There are no explicit provisions regarding the rehabilitation system following relocation or the procedures for following up with evicted individuals following relocation in the Ethiopian Federal Government's urban land lease proclamation. Additionally, proclamation No. 721/2011's article 12(2) stated that "anyone who is displaced as a result of an urban renewal program shall be entitled to a substitute plot of land". This rule prohibited giving children under the age of 18 in the household cash or in-kind compensation, such as a substitute plot of land. This regulation conflicts with the FDRE's 1995 constitution's Article 41(1, 2, 3, and 8) provision. Consequently, any law, regulation or traditional practice that contravenes the Federal constitution is null. Additionally, this goes against the goal of the public benefit at large theory, which ultimately affects citizens' quality of life.

#### **2.6. Development and Urban Land**

In developing countries, land, which is a key component of capital formation, is neglected and remains undeveloped (Ministry of Urban Development, Housing and Construction Report, 2014). Both good and bad things can come from a lease holding policy. High lease prices, institutional and management issues, careless expropriation and compensation procedures,

inadequate land compensation, inadequate infrastructure facilities, and lease down payment are some of the limitations of the lease holding system (Tizazu M.,2000).

### 3. Method

The fundamental purpose of this study was to evaluate the impact of the current urban land lease holding implementations in Addiszemen city administration, Amhara Regional State. To achieve its objectives and propose solutions to the identified challenges, the study adopted a qualitative research approach. The rationale behind employing a qualitative approach was to effectively gather comprehensive information from both the displaced or relocated citizens and relevant practitioners concerning the issues under investigation.

#### 3.1. Sources of Data

The researchers systematically gathered primary data directly from evicted persons, a social safeguard focal person, and a land management expert. Complementary secondary data sources included academic articles, official documents, and specifically, the Urban Land Lease Holding Proclamation No. 721/2011.

#### 3.2. Sampling Size

The study utilized a purposive sampling method. This approach was chosen because it facilitated the collection of qualitative responses, which in turn enhanced insights and led to more accurate research findings. The chosen participants were considered to best fit the research questions, thereby ensuring the relevance of the results to the research context. The total population for this study comprised 70 households in Agela Mantogera and Ginaza Selkisa kebeles of the Addiszemen municipality office who had been evicted from their land possessions between 2023 and 2025. From this total population, the researchers purposively selected seven interviewees and six focus group discussion participants.

#### 3.3. Data Collection Instruments

A multi-method approach was employed for data collection, specifically utilizing interviews and focus group discussions, to effectively achieve the study's objectives.

##### 3.3.1. Interview

An interview is defined as a two-way dialogue between two individuals, with the explicit aim of gathering useful information for research purposes. Interviewing is crucial for eliciting profound feelings, emotions, values, individuals' interpretations of their surrounding world, and information about past occurrences that cannot be replicated. Consequently, the researchers developed and conducted semi-structured interviews with seven participants to obtain valuable data pertinent to this study. Each face-to-face interview typically lasted an average of 50 minutes.

##### 3.3.2. Focus Group Discussion

In qualitative research, a focus group discussion stands as a significant data collection instrument where researchers actively encourage participants to engage in conversation while meticulously observing group interactions. For this particular study, six participants were chosen through purposive sampling. The researchers diligently took notes throughout the discussions. Each face-to-face focus group discussion typically extended for an average of one and a half hours.

#### 3.4. Data Collection Procedures

Prior to data collection, the researchers ensured that the city administration and all participants were fully informed about the study's objectives. Evicted persons and employees were actively

encouraged to participate freely, and clear instructions were provided to all participants. Confidentiality of their responses was also explicitly assured.

### 3.5. Data Analysis Technique

The researchers employed a systematic approach to data analysis, involving both coding (the generation of qualitative codes) and continual comparison (a process of comparing data with data, data with codes, codes with codes, and data with categories) throughout the investigation. Data analysis is fundamentally the process of organizing and classifying raw data to generate coherent themes, which subsequently become the findings that assist researchers in answering their research questions. As this was a qualitative research study, aiming to understand the meaning of an event from the individual's perspective, the information gathered through interviews and focus groups was meticulously reported in statements or words. The study specifically utilized a thematic analysis technique to achieve its research objectives.

## 4. Results

This section meticulously presents and discusses the results derived from the analysis of the data collected from the study area. The study was primarily designed to assess the impact of the current urban land lease holding implementation within the Addiszemen city administration. To this end, it sought to address three core research objectives. The first objective focused on evaluating the practical implementation of urban land lease holding within the municipality. The second aimed to identify the various challenges encountered during the replacement program's implementation in the city administration. Finally, the third specific objective was to assess the impact of the current urban land lease holding implementation on the socioeconomic well-being of individuals evicted from their former land possessions in the study area. The findings, based on the analysis of the collected data, are presented in detail below.

### 4.1. Background Information of the Participants

Prior to the interviews, necessary background information was obtained from the city administration, and further details were gathered during the interview process itself. For clarity in data interpretation, each respondent was assigned a specific code. The above data shows that the participants are found in similar categories that are replaced and evicted from their old land possession and one individual is the expert of municipality office. Based on the above table information they were expected to know and have aware of the urban land lease holding policy issues because they have the right to know and get information before the implementation of the proclamation.

**Table1:Codes and background information's of interviewees**

Participants	Code	Sex	Education status	Field of study
Individual who is evicted from his/her old land possession	P-1	M	Grade 12	
Individual who is evicted from his/her old land possession	P-2	M	Grade8	

Employee of Social safeguard	P-3	M	First degree	Urban land Management and Development
Individual who is evicted from his/her old land possession	P-4	M	Grade 12	
Individual who is evicted from his/her old land possession	P-5	F	Grade 7	
Individual who is evicted from his/her old land possession	P-6	M	TVET	
Individual who is evicted from his/her old land possession	P-7	F	-	

Source: survey data February 2025.

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**Table2: Background information's of focus group participants**

Participants	Sex	Experience	Field of study	Qualification
Employees from land management department	F	7 years	Management	First Degree
Employees from Social safeguards	M	16 years	Management	First Degree
Evicted persons	F			Grade 10
Individuals who are the representatives of the community mobilization	M			Grade 12
Evicted persons	M			First Degree
Evicted persons	M			Diploma

Source: survey data February 2025

#### 4.2. Themes and Categories of Questions

The following questions were organized into four themes and different categories. These themes were arranged based on data's. The following themes and categories are used to group the questions:

NO	Themes	Category
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1	The practice of urban land lease holding implementation at Addiszemen city administration.	
2	Challenges encountered during implementation at Addiszemen city administration.	I. Commitment of employees' and leaders' to take responsibility during compensation process II. The level of compliance checklist III. The level of effective land service delivery
3	Impacts of urban land lease holding proclamation on the socio-economic welfare of the evicted persons	I. Legal Framework and the Implementers. II. Public Awareness III. The Right to Property IV. Creating Landlessness V. Creating unemployment
4	Theme4.Legal Framework Regarding Expropriation and Replacement	

#### **4.2.1. Theme1: Practices of Urban Land Lease Holding Implementation and its Impact on the Livelihood of the Evicted Persons at Addiszemen City Administration.**

Participants were extensively interviewed regarding the practical implementation of urban land lease holding in the Addiszemen city administration. Their collective insights illuminated this theme. Participants P-1, P-2, P-6, and P-7 uniformly reported that the implementation of urban land lease holding in Addiszemen city administration was "very poor". While acknowledging the potential benefits of land lease rules for city development, they asserted that the primary issue lay in the implementation phase.

They highlighted that land transferred by the city administration through bids often lacked proper documentation, with some parcels even being prepared for a second bid. Participants P-4 and P-5 further articulated that a poorly functioning urban land market contributed to many residents becoming homeless within the city administration. They also added that information for most transferred lands was incomplete after auction, potentially causing tenure insecurity.

The focus group discussion participants corroborated these observations, confirming that poor urban land lease holding implementation resulted in constraints on land availability. They intensely discussed the bureaucratic complexities associated with land auctions and allocation. A significant concern raised was the perceived corruption in the delivery of lease bids, with most concerned bodies allegedly demanding money for even simple activities. Economically disadvantaged customers were unable to afford these unofficial payments, despite the theoretical benefits of the urban land lease holding proclamation for city

development and the socioeconomic well-being of citizens.

Participant P-3, an employee of the municipality office, concurred that the implementation of urban land lease holding in Addiszemen city administration was deteriorating due to technical gaps among employees. He further noted that the system was outdated, compounded by poor leadership support and a lack of commitment from leaders. Similarly, all respondents in the focus group discussion characterized the practice of urban land lease holding implementation in Addiszemen city administration as a "web of troubles". They stated that while the policy was theoretically convenient, its practical implementation was deficient. The problems identified included a lack of proper attention, insufficient support and monitoring from leaders, and poor accountability.

Therefore, based on both interview and focus group discussions, the overwhelming evidence indicates that the practice of urban land lease holding implementation in the study area was profoundly poor. This suggests that leaders and employees failed to properly execute land management activities. This finding aligns with the research by Eyoual, Tamrat, Dereje Abegaz, Tefera Asefa, and Gebeyehu Ayenew (2023), who discovered that poor urban land policy implementation led to citizens facing challenges such as tenure insecurity and inadequate documentation. Overall, the researchers understood from the participants that poor urban land lease holding policy implementation significantly impacted the livelihoods of displaced or relocated citizens.

The key limitations identified included:

- Poor public mobilization.
- Substandard land delivery services.
- Low citizen satisfaction.
- Weak follow-up mechanisms both before and after relocation.
- Negative attitudes towards lease holding.
- Unfair compensation payments.
- Socioeconomic problems such as landlessness, unemployment, poverty, land service delivery based on social bonds, and tenure insecurity.

#### **4.2.2. Theme2: Challenges Encountered During Urban Land Lease Holding Implementation at Addiszemen City Administration**

The second objective of this study was to identify the various factors hindering the effective implementation of urban land lease holding in the study area. To facilitate a thorough analysis of this question, the researchers categorized the challenges into distinct groups.

##### **Category1: Commitment of Employees and Leaders to Take Responsibility during Compensation Process**

A significant problem observed in the study area was the inability to effectively raise public awareness about the advantages of the urban land lease holding proclamation and the services intended to be delivered by the city administration. Participants P-1 and P-2 explicitly stated that the city administration maintained poor communication with the community. This lack of communication led to relocated persons having irrationally high expectations. Focus group participants further confirmed that land administration experts ought to be committed to informing their relocated customers about how compensation is calculated before implementation, as a failure to do so could create bias among customers.

Participants P-4, P-5, and P-7 acknowledged the importance of the urban land lease holding proclamation for achieving urban infrastructure development, recognizing it as a fundamental organizational objective of the municipality's services.

However, they emphasized that successful implementation requires significant time, energy, knowledge, resources, and, crucially, commitment to facilitate compensation activities. As a result, employees were often not sufficiently motivated or committed to implementing these processes effectively. Similarly, focus group participants confirmed their experience, stating that "no one comes to give awareness towards the compensation process". They simply accepted compensation payment certificates without questioning, which negatively impacted them and other citizens, with exceptions only for individuals possessing social bonds or influence.

The participants also affirmed that urban land lease holding implementation represents a fundamental policy issue in the current urban context. Nevertheless, during implementation, it proves to be complicated. Most employees, they noted, adhere to a "traditional culture" within the organization. This implies persistent attitudinal gaps regarding urban land management and a continued adherence to traditional hierarchical work trends, which remain significant challenges for urban land lease holding policy implementation. This further suggests that employees' interest in applying compensation criteria impartially diminishes over time.

Therefore, based on the insights from both interviewees and focus group discussions, it is evident that government bodies must re-evaluate the urban land lease holding proclamation, particularly its compensation and replacement aspects, along with their implementation methodologies.

Proclamation No. 721/2011, Article 5(2) (a & b), stipulates that compensation should be paid in accordance with appropriate law for any property removed from relinquished land, and payments for additional land obtained should conform to relevant lease principles. Furthermore, informal settlements regularized under regional and urban administration regulations are to be administered as leasehold tenures based on their conformity with urban plans and parcelling standards. However, the proclamation does not explicitly detail the "how, when, and whom" of these processes.

#### **Category2: The Level of Compliance Checklist**

Based on Regulation No. 135/2007, Article 3(1), the amount of compensation for buildings is to be determined by the current cost per square meter or unit for constructing comparable buildings. The regulation also provides a clear formula for calculating compensation: Compensation for building = cost of construction (current value) + cost of permanent improvement on land + the amount of refundable money for the remaining term of the lease contract. For crops, compensation is calculated by multiplying the amount of yield that would have been collected from the land at maturity by the current market price of the crops. However, the findings revealed that the actual practice in the study area significantly deviates from these prescribed norms. Participants P-1, P-2, and P-4 explicitly stated that they "had not got the chance to rethink the fairness of the compensation amount". They reported that due to a lack of check and balance mechanisms, there was no fixed system to calculate land compensation. Instead, individuals who were "influential and having social bond," and who argued more, received greater compensation, while no fixed system existed for others. They

also highlighted that the compensation process for men and women was unclear, and complaints were often unheeded. This information clearly infers that participants were dissatisfied with both the compensation law and the payment amounts. They also complained that the compensation received for expropriated land plots and intrinsic assets demolished had a significant adverse effect on their livelihoods.

#### **Category3: The Level of Effective Land Service Delivery**

Despite the Addiszemen city administration's public display of standards for efficient and effective service delivery, persistent problems remains concerning fast, transparent, and accountable land service delivery. The methods of addressing complaints, through case-by-case and turn-by-turn approaches, also presented issues in the study area. Participants P-3, P-5, P-6, and P-7 expressed that "implementing effective basic urban service delivery is very crucial.

However, in our city administration to implement land service delivery and construction permit, most employees' and leaders' commitment levels are very low".

Similarly, focus group discussion participants confirmed that "the leaders' poor commitments are the main challenge to implementing the standard of basic service delivery in the study area".

They further agreed that within their municipality office, the low commitment levels, bias, and poor dedication of lower-level leaders and employees constitute major obstacles to delivering land services according to established standards. They noted that while most employees and leaders in their organization had received training, a lack of commitment still prevented some from effectively offering land services.

Although Regulation No. 135/2007, Article 22, envisions specific provisions for possession and ownership rights, stating that "Any person who claims for payment of compensation in accordance with the Proclamation and these Regulations shall produce proof of legitimate possession of the expropriated landholding and ownership of the property entitling compensation," its implementation faces challenges. A limitation in the general implementation of this proclamation, and Article 22 in particular, is that many individuals in various cities, especially in peri-urban areas, had pre-occupied lands for extended periods in ways appropriate to them, leading to a long history of repeated land-related problems and cases being raised during the complaint period.

#### **4.2.3. Theme3: Impacts of Urban Land Lease Holding Proclamation on the Socio economic Welfare of the Evicted Citizens**

##### **Category1: Legal Framework and the Implementers**

As previously noted, Ethiopia is undergoing rapid urbanization, with its urban population projected to nearly triple from 15.2 million in 2012 to 42.3 million in 2037, growing at an annual rate of 3.8 percent. The Ethiopia Urbanization Review 2015 indicates an even faster rate of urbanization, around 5.4 percent per year, which would result in the urban population tripling by 2034, with 30 percent of the country's population residing in urban areas by 2028. Ethiopia is also experiencing a significant demographic transition, with its labor force doubling in the past

20 years projected to reach 82 million by 2030, up from 33 million in 2005. Well-functioning cities are thus crucial for Ethiopia to harness this demographic dividend and avoid the negative consequences of urban agglomeration.

However, rapid urbanization also poses significant challenges, as cities struggle to provide adequate infrastructure, services, and jobs, running the risk of becoming unattractive places for both people and economic activity. Consequently, the local government of Addiszemen city administration has faced considerable challenges in meeting the land demand of its citizens.

Land, being a scarce resource, necessitates wise leadership and committed employees for its proper management.

The city has experienced rapid population growth due to rural-to-urban migration, driven by the search for job opportunities and social crises such as conflict. This influx has resulted in a high demand for land for housing and economic activities in both the inner city and peri-urban areas of Addiszemen. Participant P-3 stated that to effectively manage the high demand for housing and economic activities and to properly utilize the scarce land within the city administration, the local government requires the diligent implementation of pre-established legal proclamations, regulations, and directives. These are deemed critical factors that influence public satisfaction and the achievement of both long-term and short-term government plans. Participants emphasized that the unlawful application of rules and regulations significantly impacts the livelihoods of relocated individuals in multiple ways. For instance, if citizens are dissatisfied with the improper implementation of laws and regulations, they develop a sense of unease with the government. This discomfort and administrative frustration among residents can lead to conflicts with local administrative units, which in turn can escalate into chaos.

#### **Category2: Public Consultation**

Public information and awareness, critical components of policy implementation, appear to be frequently overlooked in the study area. Participants P-2, P-4, P-5, and P-6 stated that "security of property right is under question in the study area for the reason that government officials prohibit us from doing anything on the land since the land is needed for public interest. This causality and enforcement of relocation made one of my families become economy dependent of us". For a revised and newly adopted urban land lease holding proclamation system (Proclamation No. 721/2011 of Ethiopia) to be effective, it is essential that the public is fully informed about both the benefits and limitations of the system.

#### **Category3: The Right to Property**

The Constitution of the Federal Democratic Republic of Ethiopia (FDRE), under Article 40, explicitly provides for "The Right to Property," stating that every Ethiopian citizen has the right to the ownership of private property. Furthermore, Article 40(6) elaborates that "The State shall pursue policies which aimed to expand job opportunities for the unemployed and the poor and shall accordingly undertake programs and public works projects". As pointed out by Habib Jemal (2020), the FDRE constitution obliges the government to enact laws that "guarantee to all people's equal and effective protection without discrimination on grounds of social bond, nation, and social origin, color....property or other status and formulate policies which ensure that all Ethiopians get equal opportunity to improve their economic conditions".

#### **Category4: Rehabilitation of Relocated Citizens**

Evicted residents from their landholdings require substantial support to establish their own businesses and re-engage in socioeconomic interactions for their livelihood security.

However, the implementation of the urban land lease holding proclamation negatively impacts the socioeconomic welfare of the relocates. Some of the challenges encountered include corruption, a poor culture of saving, and significant housing and other infrastructure problems following relocation. They also faced exclusion from their former social lives, such as 'Idir' and 'Ikub' (traditional mutual aid associations), in the newly relocated areas. Participants P-1, P-2, P-3, and

P-4 argued that the legal framework of the urban land lease holding policy did not adequately emphasize the future well-being of relocated citizens, asserting that the policy requires amendment lest it negatively affect the overall development of cities.

#### **Category5: Fairness and Job Opportunity**

Formal job creation in urban areas is struggling to keep pace with population increases and the escalating demand for employment. While urban unemployment and underemployment have recently seen some reduction, they remain high compared to other African countries. It is estimated that approximately 1 million additional urban jobs per year will be required between now and 2035 to maintain current unemployment levels, with even more needed to reduce unemployment. Although cities in Ethiopia generally offer greater employment opportunities for migrants than rural areas, the majority of urban jobs are concentrated in the informal or household sectors. Ethiopia, therefore, needs to aggressively expand job opportunities in urban areas, particularly in more productive and higher-paying formal sectors.

Participants P-2, P-5, and P-7 stated that the city administration has failed to create diverse, permanent job opportunities for relocated citizens. When questioning municipality leaders and employees, they often attributed the problem to urban land policy, externalizing the solution as being beyond their purview. The focus group results also revealed that while the urban land lease holding policy theoretically allows all citizens to participate in land bids, it is not equitable for economically disadvantaged citizens and the unemployed; rather, it disproportionately benefits brokers and economically wealthy individuals. Consequently, the government is urged to consider special amendments for unemployed persons and poor citizens.

#### **4.2.4. Theme4: Legal Framework Regarding Expropriation and Relocation**

Among the six participants, two individuals (P-1 and P-2) who possessed knowledge about the urban land lease holding proclamation confirmed its profound connection to the livelihood of residents, as land, for some, serves as the sole source for fulfilling their basic needs. The foundational principle governing resettlement and rehabilitation dictates that the process should be implemented at the local level through respective local governments. The Regional States and the Federal Government of Ethiopia are mandated to assist local governments in planning, policy-making, resource allocation, technical assistance, coordination, and monitoring. This implies that Amhara cities, including the study area, are empowered to take local administrative actions on behalf of the broader government to enhance the livelihood of their citizens.

The newly adopted Federal Urban Land Lease Holding Proclamation No. 721/2011 was specifically enacted to actualize these scholarly perspectives. Among its positive aspects, Article 2(1) characterizes rent as a residency framework through which urban dwellers acquire utilization rights under a contract for a specific period. Article 2(7) further defines

"public interest" as the use of land determined by the appropriate body, in conformity with urban plans, to ensure the people's interest in direct or indirect benefits from land use and to consolidate sustainable socio-economic development. This definition serves as the fundamental maxim of the proclamation concerning the urban land lease holding system. However, one expert participant (P-3) in the interview stated and deviated that land owners' rights of holding assets were violated in various ways. For instance, Article 2(10) of the proclamation indicates that "tender" means a modality of land use right transfer applied for providing urban land on lease to the highest bidder on the basis of market and competitive parameters. This view suggests that the appropriate option for land security in Ethiopia is the land tenure system.

Article4(1) of the proclamation reinforces the provision under Article2(10) by stating, "Without prejudice to the provisions of Article 5 of this Proclamation, no person may acquire urban land other than in accordance with the leasehold system stipulated under this Proclamation".

The primary gap identified by this study is that the stated intention of the proclamation under one chapter or article appears somewhat controversial when juxtaposed with another article within the same declaration. This can be confirmed by analyzing Article 3(1), which explicitly states that "Urban land lease holding shall be permitted in a manner that ensures the collective benefit and progress of the community". Therefore, the proclamation is in need of amendments to minimize these identified inconsistencies. Its successful implementation necessitates a continuous effort to improve all organizational aspects in terms of efficiency, effectiveness, and flexibility.

## 5. Discussion and Conclusion

This study was designed with the explicit aim of examining the profound impact of the urban land lease holding policy implementation on the socioeconomic welfare of relocated individuals within the Addiszemen city administration. The underlying rationale for this policy is primarily the imperative to advance old inner-city sites and to modernize existing infrastructures. In recent times, Addiszemen has experienced significant urban expansion, driven by both development initiatives and resettlement programs. In this context, the urban land lease holding proclamation has demonstrated substantial adverse effects across various aspects within the study area. It has demonstrably exposed relocates to unemployment, landlessness, a deterioration of social bonds, and a loss of access to markets and essential infrastructure facilities.

Furthermore, critical problems identified during the implementation of the urban land lease holding proclamation include inadequate awareness levels regarding the proclamation and related issues, as well as a lack of commitment in service delivery.

There locates consistently expressed dissatisfaction with the amount of compensation stipulated by law and with the level of equity in benefits derived from common resources under the urban land lease holding proclamation. The rights of citizens were frequently violated in numerous ways during the policy's implementation. For instance, children under 18 years old were unable to receive compensation on their own behalf. Other pertinent legal frameworks, such as those governing valuation and post-relocation follow-up, also necessitate further reform. This indicates that the urban land lease holding proclamation remains at an early stage of success, failing to ensure equal benefits for both the affluent and

the economically disadvantaged in terms of wealth distribution. During the implementation process, the proclamation suffered from poor public support, hindering its continuous application, primarily because citizens did not perceive themselves as beneficiaries.

The theory of uneven development emphasizes the crucial balance in development between inner-city sites and their peripheries. If there is an absence of appropriate follow-up regarding the overall development and provision of facilities for relocates after displacement, the core tenet of the uneven development theory cannot be fulfilled. Additionally, several legal frameworks within the policy concerning expropriation, valuation, compensation, and relocation require urgent amendments to align with the property rights enshrined in the constitution.

## 6. Recommendations

Based on the comprehensive findings of this study, the researchers propose the following key recommendations for policymakers, policy actors (implementers), and specifically for the Addiszemen city administration, with the aim of improving the existing socioeconomic well-being of relocates in the study area:

- Prioritize Essential Infrastructure at New Sites: Before commencing similar projects, the new sites designated for relocates must prioritize the planning and fulfillment of essential infrastructure and basic facilities.
- Enhance Income Levels and Implement Robust Rehabilitation Programs: Rather than solely providing cash compensation, a more effective approach involves designing advance
- Follow-up mechanisms for rehabilitation and saving. This should include the establishment of private or group business centers in locations with accessible markets, continuing until full rehabilitation takes shape and the relocates' normal livelihoods are restored.
- Enact Further Policy Reforms for Vulnerable Populations: The current compensation law exhibits a concerning lack of consideration for the fate and rights of children under 18 years old, who represent future risk-takers regarding livelihood and welfare for their relocated predecessors.
- Protective measures, followed by corrective measures, should be implemented for these individuals, including illegal landholders, to ensure they can benefit from compensation law.
- Revise Legal Frameworks to Reflect Current Realities: Specific parts of Urban Land Lease Holding Proclamation No. 721/2011 and existing laws governing expropriation, compensation, valuation, and relocation necessitate reforms. These revisions should address the rights and benefits of relocates after displacement and be updated to align with current market dynamism and the monetary value of compensation for urban relocates. Policymakers must recognize that development-induced relocation ought to be approached in a manner that unequivocally safeguards the socioeconomic welfare of relocates, in strict adherence to the "public benefit at large theory". Failure to do so will result in an inequitable distribution of benefits, where some individuals gain advantages while others disproportionately bear the burdens and pains that follow development-induced relocation. The findings of this study underscore the critical need for implementers to maintain close communication with beneficiaries throughout the policy process. Moreover, existing

limitations in public awareness, service delivery, and the commitment of public servants in the study area significantly erode public trust in their activities; therefore, substantial emphasis must be placed on improving these areas

### **Declaration of competing interest**

The authors affirm that no competing financial interests or personal relationships exist that could have appeared to influence the research presented in this paper.

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### **APPENDICES**

Table1

#### **Participant Demographics (Individual Interviews)**

Participants	C o d e	S e x	Education al statu s	Field of study
Individual who is evicted from his/her old land possession	P - 1	M	Grad e 12	N/A
Individual who is evicted from his/her old land possession	P - 2	M	Grad e 8	N/A
Employee of Social safeguard	P - 3	M	First degre e	Urban land Management and Development
Individual who is evicted from his/her old land possession	P - 4	M	Grad e 12	N/A
Individual who is evicted from his/her old land possession	P - 5	F	Grad e 7	N/A
Individual who is evicted from his/her old land possession	P - 6	M	TVE T	N/A
Individual who is evicted from his/her old land possession	P - 7	F	-	N/A

Source: Field survey data, February2025

Table2

### Focus Group Participant Profiles

Participants	Sex	Experience	Field of study	Qualification
Employees from land management department	F	7 years	Management	First Degree
Employees from Social safeguards	M	16 years	Management	First Degree
Evicted persons	F		N/A	Grade 10
Individuals who are the representatives of the community mobilization	M		N/A	Grade 12

Evicted persons	M		N/A	First Degree
Evicted persons	M		N/A	Diploma

Source: *Field survey data, February 2025*

**Table 3**

**Research Themes and Analytical Categories**

Theme No.	Primary Research Focus	Sub-Categories
1	Implementation Practices of Urban Land Lease Policy	<ul style="list-style-type: none"> <li>• Current application in AddisZemen administration</li> </ul>
2	Implementation Challenges	<ul style="list-style-type: none"> <li>• Leadership &amp; employee commitment in compensation</li> <li>• Compliance with regulatory checklists</li> <li>• Efficiency of land service delivery</li> </ul>
3	Socioeconomic Impacts on Evicted Persons	<ul style="list-style-type: none"> <li>• Legal frame work adequacy</li> <li>• Public awareness levels</li> <li>• Property rights protection</li> <li>• Landlessness creation</li> <li>• Unemployment effects</li> </ul>
4	Legal Framework Analysis	<ul style="list-style-type: none"> <li>• Expropriation procedures</li> <li>• Resettlement protocols</li> </ul>