



POLICY Brief

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Values

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European Union

Land Issues in Ethiopia: Trends, Constraints and Policy Options

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Executive Summary

The focus of the study is to examine the contemporary rural and urban land issues in a manner that enable the concerned to draw lessons from past and current practices and identifies possible policy options for future action. The study report deals with understanding attitudes towards the existing tenure security, critical examinations of possible existing gaps in tenure security, systems of land expropriation, compensation and overall commercialization. Current and recent efforts towards increasing tenure security, sustaining commercialization and enhancing land consolidation are also examined by focusing on the land certification program, agricultural commercialization, and hypothetical futures contracts.

Introduction

Given its heavy dependence on agriculture, Ethiopian economy is highly intertwined with access to and productivity of agricultural land. Indeed, there is a wealth of evidence that indicates the importance of land use and land tenure systems which are at the core of the well-being of rural households living and dependent on land (Deininger et al., 2011). While lacking the structural and historical significance of rural land, the issue of urban land is gaining significant traction as a key economic factor in contemporary Ethiopia.

Accordingly, the purpose of the study is to generate country-representative and latest empirical evidence on land issues, policy options, and interventions in Ethiopia. For that purpose, the study has employed literature that has examined issues that are deemed to be relevant with respect to the objectives. The study has also equally focused on secondary and primary data that has generated several economic and behavioural variables by providing key inputs into the analysis.

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Rationale for Action/The Problem

Land tenure systems that encompass land ownership and transfer have been central features of governance throughout Ethiopia's long history of complex political systems and leaderships. Since the landmark of land proclamation of 1975, the issue of public land ownership and its implications have been long debated. The most notable debates have been on that highlighted the pros and cons of public versus private land ownership and their implications for agricultural development (EEA, 2002), which largely regarded as a blue print for discourses ahead and has largely shaped the land policy since. The discussions and policy actions since have evolved them into how land access could be efficiently ensured and how tenure security enhanced, even within the realm of public ownership. The study, therefore, assesses on major developments in land policy and key contemporary issues on land access, administration and transfer.

Objectives of the Study

The study has set out to generate country-representative and latest empirical evidence on land issues, policy options, and interventions in Ethiopia.

Specifically, the study aims to:

- identify overriding land issues in Ethiopia,
- characterize households by their perception on land policy,
- investigate land tenure policy options and their likely consequences and suggest feasible interventions for relevant rural and urban land policy in Ethiopia,
- investigate the land expropriation and compensation laws and their implementation in rural and urban areas,
- identify and profile opportunities, challenges, and constraints arising from land tenure policy, and
- suggest short- and long-term policy interventions for land consolidation and specialization, expropriation and compensation, and efficiency of real estate markets.

Methodology

The analytical methods comprise of qualitative methods for the KII and FGD. Similarly, the quantitative analysis is also comprised of two parts: secondary data and primary data. The secondary data consists of relevant variables from the 2018/2019 CSA nationally representative survey. Whereas, 300 households, sampled out of two woredas each in the Amhara, Oromia and SNNP regions were employed in gathering primary quantitative data. At par with the nature of information, qualitative and quantitative analyses were employed, with the latter employing descriptive and econometric approaches. The econometric approaches used include a univariate probit model, propensity score estimation, average treatment effects, and contingent valuation methods.

Main Findings of the Study

Access and Rights to Land

Access to land, while a constitutional right (FDRE, 2007) has been falling short of the growing demand. The ever-expanding rural landlessness and limited access to urban land are what the study registered as the most pivotal issues of land access. While security of holdings is reasonable, land access and utilization, particularly in urban areas, is compounded by bureaucratic inefficiency and legislation loopholes.

Land Policy

The rural and urban land administration implementation has been backed by extensive efforts to focus on capacity building. Challenges include lack of proper operationalization across administrative levels, capacity limitation from federal to regions and cities, low level of awareness among the public and lack of trust in formal administration channels among others. An overarching problem revolves on the fact that land under government administration, and not under an independent body, creates a conflict of interest between governance of an entity and political mandates.

Land Registration and Certification

Ethiopia's rural land registration program has been found to have brought significant benefits for all users and specifically to women. The urban land certification, while at a pilot stage in major cities, has shown significant potentials in terms of provision of security to holders with/without prior evidence of holdings. Future success and sustainability requires the stakeholders to deal with the obstacles of financial, organizational and technological nature.

Land Expropriation and Compensation

In examining the process of land expropriation and compensation, that incorporates social benefits as its major principle (Weldegebriel, 2013), the administration and policy challenges as well as perceptions of urban and rural households have been identified. The general perception of the respondents is that land expropriation is not widespread although there are some instances of it. Compensation is perceived to be disproportionate to the estimated value of the land and the process takes a long time to be effected.

Land Fragmentation

Land fragmentation is identified as a serious administrative, productivity and investment issue in terms of land use and administration. The prevalence of land fragmentation is also shown to be very high among survey respondents. Hence, the need to stop fragmentation is one of the utmost agricultural policy priorities

Land Consolidation and Commercialization

The findings show that land consolidation process that is voluntary/ consent based and mandatory both remain very limited in coverage. Indeed, policy-led efforts at land consolidation have been only at its infancy with limited prospects of having a wide scale impact. While the demand remains overwhelmingly high resources necessary to undertake meaningful commercialization and land consolidation activities are shown to be limited. A potentially attractive tool is ACC's contract farming which is shown to have considerable demand.

Conclusion

The purpose of the study has been to generate country-representative and latest empirical evidence on land issues, policy options, and possible interventions in Ethiopia, using primary and secondary data. Access to a land possession remains inadequate for both urban and rural constituents. Despite measures taken to enhance tenure security through land certification which has marked improvements in security towards holdings, several challenges of implementation have been noted. Overall, the land policy does not have provisions for sufficient movement of land across holders. Land expropriation and compensation laws have been crafted although insufficient awareness of the laws and procedures, inadequate compensation are identified as some of bottlenecks. The land fragmentation issue has been found to be severe. Remedial measures in the form of voluntary and mandatory land consolidation are at their infancy with limited prospects of having a wide scale impact.

Policy Recommendations

In moving towards a tenure secure economy with flexible land administration, the following pivotal actions are required.

- Rural landlessness is bound to go beyond being a land policy issue to become a national, political and economic issue that cannot be ignored for long. Similarly, urban housing problems are increasingly compounding, calling for innovative urban land access.
- A clear institutional pathway that leads to genuine public say on land access and utilization is required. For that public engagement in terms of discussions towards better performing land tenure system is required\besides of which, institutional innovation is also required.



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- The certification programs-both at rural and urban level, while encouraging so far, would need policy actions in arenas of awareness creation, financing, capacity building and transparency and accountability in administration.
- There is a need to rectify practices in the current land expropriation and compensation to ensure effectiveness and fairness for the greater good of the society and for protecting individual land rights.
- Land consolidation and commercialization calls for producing a nationally-based plan that also embeds expanding land consolidation needs in all sectors of the economy, as a move away from ad hoc activities.

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Conflict of Interest

There is no conflict of interest among researcher.



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