

# URBANIZATION FOR NATIONAL DEVELOPMENT IN ETHIOPIA\*

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## I. Introduction

First of all, a word of appreciation is in order for the commendable job that the Ethiopian Economic Association has been doing in terms of laying down a foundation for pointing out directions for the country's future development through the launching of its "Vision 2020 Ethiopia" forum, which has served as a venue for the generation, exchange and dissemination of ideas related to various aspects of development.

I would like to thank the Association for providing me with the opportunity to chip in my share of ideas that may help in the charting of this new direction as envisioned by the program. The core question raised by my assigned topic, "Urbanization for National Development in Ethiopia," is broad and still in its inchoate stage, for which reason I refrain from addressing the issue in all its aspects. My approach to the problem is, first, to explore the genesis of urban centers and the role they play in a country's development, while at the same time touching upon some

theoretical issues concerning urbanization. Only then will I attempt to dwell upon the profiles of our continent's urban centers and how best to move in the direction of the goals we aim to achieve with regard to developing them in a manner worthy of the vision we have. I shall then shift my focus to our country's situation and attempt to explore the genesis and growth of our urban centers, their present profiles, the challenges they face and the virtues or strong points they have, followed by my vision of how far and wide they would develop and play the roles expected of them in the development of our country by suggesting some of the ways and means by which we can attain our goals.

## II. The Genesis and Role of Urban Centers

One can define 'urban center' as a place wherein people, the majority of whom make their living on non-agricultural engagements, dwell in close proximity to each other and where one finds better infrastructure development, a place, in short, where people work and set up their

homes. The term 'urban center' has been given different definitions by different scholars.

However differently they are defined, the hallmark of urban centers is that they are the loci of public services and residences, characterized by a concentration of workplaces, a modern way of life, and where better standards and quality of living are achieved.

It is generally known that urban centers for the most part have their beginnings and development in the influx of institutions, peoples and capital. While urban centers have always been known as administrative, cultural and service centers, as well as the mainstay of development, the creation and roles of the urban centers in our day are linked to the industrial revolution, which has constituted the basis of the progress and civilization of the present era. Urban centers are presently viewed as centers of social transformation.

The development level of countries has a direct relationship with the level of their urbanization, so much,

\* Vision 2020 Ethiopia Forum held on May 2, 2006.

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in fact, that professionals in the area sometimes claim that the urbanization level could be used as the measure of the development level of countries.

Several studies have revealed that, in this present era of ours, the world is not only progressively transforming itself into a series of urban centers, but that it is going beyond into becoming a global village.<sup>1</sup>

We can see from the Table 1.1 below the extent of the relationship between the level of development of countries and the level of their urbanization, as well as the extent to which the whole world is transforming itself into one huge urban center.

**Table 1.1: The global distribution of urban population (%)**

	Urban population (% of total population)		
	1980	2000	2020
World	59	47	57
Africa	27	38	49
Europe	69	75	80
North America	74	77	82
Central America	60	67	73
South America	68	80	85
Asia	27	38	50
Developing Countries	29	41	52
Developed Countries	71	76	81

Source: Urban Future 21 (2000), p. 4.

Another factor that demonstrates the significance of urban centers, over and above their population size and the land areas they cover, is the important role they play in national production and productivity. The

<sup>1</sup> Urban Future 21 (2000), p. 5.

contribution to the national product of urban centers is as high as 85% in the developed countries, and 50% in the developing countries. Their contribution to government revenue is also estimated to be very high.<sup>2</sup>

Urban centers also are centers of social transformation as well as the transformation of the productive sector. While urban centers have been known to serve as the basis for the industrial revolution, they are at present serving as centers for social transformation to the age of services and information as well.

It is common knowledge that urban centers provide people with a better quality of life. This is supported by data on the proliferation of social services, the increase in life expectancy, the high number of the educated section of the population, and the low level of infant mortality, which is in a better condition than that of the rural areas.

While they maintain this role of theirs, there were times, however, when their growth was considered a problem in terms of their administration and management. Urban centers were considered as dependent on rural areas, as sources of social problems, as nuisances to governments, and as hazards sprouting unwanted of their own accord. On the other hand, however, urban centers have managed to overcome such challenges as infrastructure development, provision of living quarters for their populations, crimes resulting from the slackening of social fabrics, traffic congestion, environmental pollution, deterioration of town centers and difficulty in their

<sup>2</sup> NUPI (2000), p. 5.

planned management, all of them challenges that they are still attempting to overcome.

Some theories have been proposed to help understand the dynamism of urban centers and to facilitate their systematic administration and management, the more salient ones of which are the following:

A scholar by the name of Water Christaller has tried to demonstrate, on the basis of studies he made on German cities, that, when urban centers are organized or structured internally, they do so such that higher order goods take center stage, while the next level is taken over by less expensive commodities, and so on all the way down to the basic lower order goods. He has also attempted to point out the distance between the different urban centers and population size to each city/town and business district.

Other scholar by the name of **Burgess**, citing **Van Thunen** has tried to point out that urban centers are organized or structured concentrically, with a single central business district growing outward, providing other services, either encircling the central parts or the city extends readily from its center. He has also tried to show the functional division and role of each city or town section, starting with the central business district and moving outward, identifying what he calls zones of transition, etc.

Other scholars, for their part, have studied the relationship between the size of urban centers and their level of growth/development. George Kingsley Zigt (1941) has expressed the correspondence between cities and its size as follows:

$\frac{\text{Population of the largest city of a country}}{\text{Rank of town "A"}} = \text{population of town "A"}$
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Town "A" represents the town whose level of development is to be determined.

In a pilot study he conducted, Walter (1956) has pointed out the following. If the growth rate of urban centers is not well-proportioned and if, in the process, a huge city turns into a primate city, other cities also tend to grow disproportionately. Similarly, he indicated that when the populations of second-, third- and fourth-level cities are divided by the population of the largest city, the latter will give the primate city index, the big city stands out as different from the other cities.

Following this theory, Linsky (1969) has pointed out that this phenomenon occurs in those countries that are poor, dependent on an export-oriented agricultural economics, have a rapid rate of population growth, and that were once under colonial rule.

Other researchers have tried to determine the optimal city size, supporting their claim with graphs. Accordingly, they have pointed out that the infrastructure unit cost will be high when the population size is low, that is per capita expenditure decreases in direct proportion to increase in population relative to the increased infrastructure development, that this trend stops after a certain level of a city's development where as the benefits accruing to the people increases in proportion to decrease in population size, and that the node or point at which the two

phenomena meet on the graph constitutes the optimal city size.

There are other theories about the development of urban centers. For example, Hayot (1939) North Ugrb and Tiebort (1962) state that the rate of growth of the urban economy is determined by the size of their exports. In other words, urban centers can develop only when the revenue earned from the towns' export is greater than the cost of the import paid out by the towns. The Keynesian urban growth-model, which is based on export-base theory, has attempted to relate the rate of increase in city revenue to the size of the city's export and its capacity to generate employment.

On the other hand, the supply model of urban growth argues that development of urban centers follows what is known as circular and accumulative causation.

The significance of all these theories lies in their usefulness as a basis for understanding the dynamics of urban centers and as pointers to how we should manage cities, with the view to gaining better benefits for countries and for the better development of cities. There are many more ideas on how to manage our urban centers as well. Having said this much in general, I shall now move to a consideration of the situation in our country.

### III. Urban Centers in Ethiopia

There are evidences that towns/cities had been organized as administrative/government, commercial and service centers since the days of the Axumite Empire. However, the establishment of modern urban centers did not start until the 19th century, which coincides with the creation of the modern state.

Although the process of modernization may have started in the 19th century, the founding of many of the country's urban centers precedes the said period. While these early urban centers were created and established as military, political and administrative centers, the emergence of the major towns as economic centers, which came about in the wake of the laying down of the country's first and only railway line, is a recent phenomenon.

Although the establishment of these cities assumed the form described above, their development followed, as with other cities of the world, a trend whereby people and economic enterprises were attracted by the economic centers the cities represented and made their homes there of their own accord.

The low level of urbanization in Ethiopia could be seen as a manifestation of the country's low level of development. The growth rate of our cities is disproportional compared to the rate of the country's economic growth, so much so that the growth rate of the former has put

the cities in league with those cities elsewhere with a fast growth rate. The development level and growth rate of our cities is given in the following table.

**Table 1.2: The distribution of urban population in % of the total population.**

Year	Urban population (%)	Rate of urban population growth (%)	Rate of total population growth (%)
1975	9.5		
		4.54	2.48
2000	14.92		
		5.53	1.98
2025	29.89		

Although the population size is small, not exceeding 16% of the total population, it is estimated that their contribution to the Gross National Product/Gross Domestic Product is not less than 40%, while their contribution to the total government revenue is estimated to be even greater than the former.<sup>3</sup>

Urban centers are playing the role of social transformation. Their political role is equally significant.

Our urban centers have their own distinctive features or characteristics, among which we find the following:

- Their location on hills for purposes of military strategy, which also takes into account their scenic beauty, as well as their salubrious quality, is one of their positive aspects.
- The settlement pattern of our cities did not follow the apartheid policy characteristic of colonial rule, nor have the cities been subjected to the

arbitrary rules of free market enterprise; the settlement distribution is balanced in terms both of ethnic and income composition; the social interaction of the population is solid as a result of such institutions as *iddir*, *mahiber* and *iqqub*; the people are trusting, with a developed culture of mutual tolerance, and peaceful by any standard of measurement, for which they have often been lauded; the cities are relatively free from disruption of peace and criminal activities, which is the bane of most urban centers; all these add up to make them attractive for investment and tourism.

- There are data indicating that our cities have tended to develop into service centers prior to becoming industrial centers, all due to the impacts of globalization, rather than first becoming industrial centers, then service and information centers, a process that characterized the earlier developed countries.

Although the link between the production of our urban centers with that of the agricultural sector is weak, they have nevertheless managed to play their role of being administrative and commercial centers in the service of the rural areas.

Because the expansion of our cities has not proceeded side by side with the industrial revolution, economic development and increase in production and productivity, as it happened with the developed countries, their economy, as with other developing countries, is by and large characterized by engagement in the informal sector and based on

small-scale commercial activities. This informal sector is multi-dimensional in that it virtually constitutes the main avenue by means of which to get access to land and home ownership.

As the cities expand outward, their centers tend, as with every city, to get old. However, when the central parts of cities in other countries grow old, as long as they maintain their economic attraction to the population, the existing market force itself sees to their rehabilitation and regeneration. The constraining factors for such urban centers not to renew themselves comes from rental ceilings set by governments, limits imposed by city planning and speculation of landlords. When it comes the regeneration of our cities' centers through the vigor of the market, the fact that the buildings needed for business are not in private hands and, especially, the dommney of buildings under *kebele* administrations have posed a great problem. The development of the centers of our cities is not undertaken free from government influence/interference, while the process is itself sluggish. The development of the business districts of our cities is not such that they have any appeal or lure in business and economic terms. On the contrary, what we see is the increasing change and spread of their suburbs or peripheries.

While one cannot downplay the positive aspects of our cities, what we still observe is the same trend of what is known as the 'law of primate cities' that is characteristic of other developing countries. The following Table provides some concrete data in support of this claim.

<sup>3</sup> NUPI (2002).

Table 1.3: Cities by number and population size

Size of cities by population	1984				1994			
	No.	%	Pop.	Pop. %	No.	%	Pop.	Pop. %
<2000					389	42	452855	6
2000-4999	182	58.3	559149	14.1	295	32	948127	12.8
5000-9999	71	22.7	489663	12.2	127	14	884684	11.9
10000-19999	36	11.5	491017	12.4	61	6.7	834431	11.3
20000-49999	12	3.9	351929	8.9	39	4	1059183	14.3
50000-99999	10	3.2	657018	16.6	8	.8	716053	9.7
100000-499999	-				3	.3	404942	5.5
500000-999999	-							
>1000000	1			35.7	1		2084568	28.2
<b>Total</b>	<b>312</b>						<b>7384893</b>	

Source: CSA 1991, 1999

#### IV. Ethiopia's Cities: Advantages and Short-comings

As attempted to show above, the advantages of Ethiopia's urban centers consist of the following:

- The climatic condition of the cities is salutary;
- They have the opportunity to attract investment provided that their other problems have been solved and their peace and security stabilized;
- If the other problems constraining development are taken care of the cities are capable of proving to be sources of cheap labor;
- The existing demand for housing creates a favorable condition for those interested in investing in the construction sector and real estate business;
- The state of our cities is still not out of control; they still have the opportunity for further growth and their administration and management is still not bogged in big problems, all of which point to a situation that can be called auspicious.

The following can be regarded as the challenges our cities face in terms of their growth and strengthening their roles in the country's development:

- Their infrastructure network still is in a low level of development;
- The fact that their growth rate is at odds with that of the country's overall economic development, which is by and large influenced by the existing situation in the rural areas, is a worrisome matter to reckon with;
- Unless the problem of unemployment and shortage of housing, which were pointed out as favorable for investment, are resolved, they could open the door for social ills and hazards;
- The financial and management capacities of the municipalities are inadequate;
- The free flow of capital and people from one place to another, which constitutes the basis of urbanization, has as its source their economic lure and people's desire for a better livelihood; yet the cities are characterized by outlooks and

attitudes that hamper their role as support for development and facilitators of rapid change;

- The slackening of the social fabric, lawlessness and environmental pollution.

These are some of the challenges that our cities face.

#### V. Ethiopia's Urban Centers after A Generation

My vision for Ethiopia's urban centers in 2020 is as follows. I would like to see our cities organized in order of the services they provide, such that rural villages are transformed into towns and cities with modern livelihood opportunities, while the major cities and towns provide quality services commensurate with their standards; shortage of housing and unemployment will have become passé as agendas; all cities and towns will have been at least linked by a network of roads and transportation services, thereby becoming radiant and lively residential as well as business centers where people will be able to

lead a modern, happy and comfortable life.

Current estimates based on available data indicate that the ratio of urban centers to rural areas will not exceed 20% in 2020. It is both my wish and conviction that the ratio must be, indeed can be, more than the given figure.

I shall now attempt to enumerate the directions we must follow in order to realize this vision of mine.

**5.1 Our settlement pattern and management of cities must be such that it is simultaneously diffused and decentralized but integrated.**

Building urban centers by attracting and settling rural populations in the already existing cities and towns will create complications in terms of developing the cities, in the process making their management difficult. If the development of the urban centers is left uncontrolled and continues on its own inertia, we will inevitably be inviting the operation of what has been referred to above in the literature as the "law of primate city." In order to avoid this phenomenon, we need to work toward creating urban centers in the rural areas themselves, equipped with centers of rural services, schools, health administration, water, electricity, etc. organized under a central management system, and we must lay down infrastructural networks, as a result of which the people will, by a gradual process, be attracted to these centers. It is also important to build a network of roads and a system of transportation that will enable these centers to link up with major cities.

For this system to work, towns should be organized according to a hierarchy of the services they provide. Unless the basic services needed by the population is provided by these emerging urban centers, the existing migration to the existing urban centers in search of better livelihoods cannot be checked. It is undeniable that migration to urban centers is desirable as a source of urban growth and development. But the volume of this migration should not be in excess of that which the urban centers can accommodate, and that is where the problem lies. If those who migrate to urban centers choose to do so conscious of the possibility of earning a productive, therefore better, livelihood, this would be a welcome thing for urban development, since the people so migrating will be assured better job opportunities and improved livelihoods. If, on the contrary, the people migrating to the existing urban centers do so because of lack of better livelihood opportunities in the rural areas and finding themselves unable to live in small rural towns, and if the existing urban centers are crowded by such migrants who leave the rural areas forced by circumstances, far from contributing to the development of the urban centers, their migration will, in the main, lead to the decline and degeneration of the urban centers.

If, however, basic services were provided at the lower level towns and the residents of those towns migrated to the bigger towns and cities in search of middle and higher level services because of change in their livelihood situations, their migration does not only not pose a problem, it is even desirable and necessary. It will be possible to

retain those who are forced to leave the lower-level towns for sheer lack of alternatives where they are only by ensuring the availability of efficient transportation and communications networks as well as basic services and taking these services to where the people are.

In order, therefore, to ensure a diffused and decentralized but integrated urbanization strategy and settlement pattern, it must be known ahead of time which town should grow and develop according to which hierarchy of pre-determined services, as well as guaranteeing the provision of support services, such as communications network, the laying down of infrastructure and providing access to land ownership. For example, if it has been determined that urban villages should or would provide educational services up to the secondary level, the next level of education should be given at the next level of the urban hierarchy. In selecting this second level town, it is important to make sure that the location is equidistant from and equally accessible to all the surrounding first level towns, and that the necessary transportation and communication infrastructure has been put in place linking all the towns to the center.

Such arrangement has the advantage of facilitating the administration and management of the towns, keeping intact the social bond of the people, and ensuring the existence of a hospitable environment free from pollution and congestion, as well as guaranteeing the appropriate mode of urban development. In such a process of building urban centers, we must make sure that the conditions are created for the existing towns and the future

generation of big cities to go beyond the stage of expansion to ensuring the kind of quality appropriate to modern urban centers.

This principle of organizing towns has yielded good results in China, where the rural areas are not characterized by a mechanized agriculture worked by a handful of people and, instead, the farmers can access the amenities of town life without severing their link with their farmsteads, thereby endowing the country as a whole with an aura of liveliness. The kind of urbanization like that of Egypt, where only a few selected locations are towns crowded by the bulk of the population, leaving the rest of the country barren, is not well-suited to the conditions of our country. Neither does such arrangement speed up development. The only challenge involved in such arrangement and management of urban centers comes from the task of identifying and determining the different roles of towns and the building of the necessary communications infrastructure linking the towns. It is, therefore, important to make a concerted effort toward the implementation of this arrangement, beginning with the drawing up of policy itself.

### **5.2 Ensuring a Harmonious Link between Rural Areas and Urban Centers**

Creating and linking the kinds of smaller towns mentioned above can succeed and yield the desired results only if the link these towns have with the rural areas rests on a solid ground and their administration and management is conducted in an integrated manner. In other words, success in this regard will be assured

when the towns are able to use the yields of agriculture as input and transform them into industrial products, prove to be suppliers of inputs to agricultural production, and emerge as strong centers for social and sectoral transformation.

In like manner, rural production, rather than being a cause for the bitter experience and alienation of the rural population, must be so organized and managed as to be productive and capable of providing inputs for the towns' industrial sector. The process requires that rural land holding is guaranteed the security it needs and is capable of increasing productivity. Without prejudice to the State's constitutional right to ownership of land, the protection of the right of the people to obtain land and the attendant security should go beyond the issuance of security certificates and be guaranteed within a concrete legal framework. There is, in other words, a need for a national legal cadastre.

For the agricultural sector to be able to produce enough both for the industrial sector and the export market, it would be better if agricultural land were to be parceled into large plots big enough to allow for mechanized farming. Such arrangement must be implemented wherever possible, taking into account the capacity of the available land. In order to reconcile the disparity between using a large labor force on small holdings and the goal of producing uniform (standard) products, it would be advisable to organize landholders into some kind of cooperatives or provide them with the necessary inputs and technical support for them to be able to produce uniform products on their

own respective holdings. This is very crucial.

As long as there is sufficient labor, it is possible to increase land productivity. Such a scheme has proved fruitful in such countries as China. But given the existing conditions in our country, what is of crucial importance in terms of increasing land productivity is the issue of water supply. To rely only on the kind of productivity which is always at the mercy of unpredictable rainfall and still speak of developing the industrial sector is unthinkable. The industrial sector always requires a constant and dependable source of inputs. If, most above all, we are keen on effecting the social and economic transition that we need, we need to free the agricultural sector, once and for all, from the perennial anxiety of waiting for the rains to come.

### **5.3 Urban Planning for the Speedy Development of Our Cities**

If, as in the past and as currently practiced, our cities continue to be administered and managed without any plan, and where there is any plan at all, if that plan has as its objective of the exercise of control and does not accommodate the urban dynamism, and if it is designed without the participation of all stakeholders, and is, moreover, drawn up within the confines of the offices of experts, that plan will be worth nothing more than the paper to which it has been committed. If anything the plan only serves to put hurdles on the path of the cities' development and fulfilling the self-interest of the professionals.

We, therefore, need to pursue a modern system of urban planning. This, however, does not mean that we run about picking up every new idea thrown about in different corners, without actually developing and implementing our own plans; such a manner of operation simply takes us nowhere. In a situation where a new model of urban development that we can call our own is in the making, instead of gradually developing this model on the basis of the pilot project undertaken in Addis Ababa and Adama, another model that goes by the new name of "Integrated Urban Development" has now been adopted simply because it is said to be new. It is my belief that weighing the advantages of a new planning approach and putting it to use in order to build upon what we have already started has its benefits. To speak of a strategic plan and implementing it means that we have the professionals capable of pursuing the plan to its end. The people are familiar with this plan and what is worth the effort is building upon what is already there. To undo what has already been started, or starting things anew just because they are there, does not take us anywhere, if it does not prove an altogether futile exercise.

Our plans should keep in accord with our cities' local characteristics, that is the specific attributes of the mixing of residents and institutions. Since plans are necessary tools in the development of towns, every town should have its own urban development plan. But this cannot be realized by the strength of one federal urban planning institute alone. The newly drafted urban planning proclamation reflects this kind of orientation. The

proclamation recognizes the existence of regional institutions, the participation of private enterprises and the mandate of municipalities in city management and administration. While this is a good beginning, to translate this into concrete action, however, needs the creation of regional institutions and the designing and implementation of programs for the development of the private sector.

#### **5.4 Transforming Cities into Good Business, Residence and Entertainment/Amusement Centers**

This task requires multi-dimensional efforts. It requires the creation of favorable conditions for increasing job opportunities and the incomes of residents, improving living conditions, beginning with the construction of residential centers along with the provision of basic services, such as water, electricity, health and education. Entertainment/amusement centers are necessary not only for tourists but also for the enjoyment of life by the residents.

Industrial development is necessary for creating jobs and increasing incomes. The building of infrastructure and provision of land, which are essential for the development of the said sector, need our close attention.

On the other hand, considering that small-scale businesses constitute the foundation of our economy, it is necessary to single out those enterprises that have linkage with agricultural sector and are capable of transforming themselves into bigger enterprises and provide them with special support. Consequently, we

need to organize such institutional support systems as business incubator and business development support services.

In terms of housing development and building grassroots social institutions, the role and effort of the government should be focused on creating an enabling environment for the people and the private sector to actively engage in and carry out the tasks on their own. Unless it is absolutely necessary, the intervention of the government in this task cannot be considered as an option. To maintain the benefits of large scale government projects, i.e. cost minimization with bulk production case of site management and a potential to engage in research and development of new construction material and methods, the institutions organized by government to construct and administer houses how to be transformed into research centers and supportive institutions.

Because government involvement in construction projects suffers from managerial inefficiency, is weak when it comes to quality control, and tends toward ensuring uniformity of product rather than answering to the needs and interests of beneficiaries, and also because it is susceptible to corruption, it is not recommendable, if not something to be avoided as much as possible. Rather, it is better to deposit the money available to the government for purposes of construction in banks and loan out the money to individuals or associations to intent upon building their own homes. In fact, where possible, it is advisable to set up venture capital for this express purpose. To allow for the people's participation in this venture



and alleviate the shortage of money, it would be useful to create new schemes, such as the English building society, whereby the culture of savings is nurtured and cost-efficient construction and management of homes can be effected.

Since land constitutes a crucial input both for industrial development and the construction of homes, it is important to say something about it. There are arguments in favor of the land-lease system now operational in the country, among which we find the following:

- It helps to differentiate and focus attention on important sectors;
- It helps in managing cities in accordance with a given plan;
- It helps support cross-subsidization programs;
- It helps in generating income for the construction of infrastructure.

While these arguments can be allowed to stand on their own merit, it is nevertheless important to make some amendments. In my view, the following should be considered by way of improving upon the preceding arguments:

- In terms of guaranteeing land holding security for the holders, we need a clearly articulated legal provision ensuring the renewal of leases upon expiry;
- We need a legal amendment for purposes of mediating the conflict that could be raised between when the lease defaults to meet the requirements imposed by the terms of the lease and fail to say its loan.
- There is a need for a legal framework that clearly shows

the difference between the current lease system and the traditional rental system, as well as awareness raising work as it relates to this issue;

- In addition, we need to put in place a system of procedures that would enable us to distinguish those that are genuinely engaged in development and building from those that are not. Artificial or unreal demands, such as those we witness today, and shortage of supply will only open the door to unstable land prices and inflation. This is a phenomenon that is clearly seen today.

### 5.5 Bring About Attitude Change Favorable to Urban Development

Until very recently, the prevailing attitude had been that urban centers will change automatically with changes in rural areas; as a result of such attitude our cities have not been given due attention. Moreover, urban centers did not have policies to speak of as their own. Of late there has been some improvement in this regard; a policy has been drawn up, but it needs to be debated and discussed by a broad spectrum of the society. The ideas proposed above should be included in the policy. But one challenge still remains. This challenge has to do with the free flow of capital and labor, which is a requisite for the development of urban centers. It is characteristic of urban centers to be receptacles for various forces attracted by the economic opportunities they provide. What has posed a challenge to this character of urban centers, as has been observed, is the tendency to paint capital some color or other, all in the name of protecting one's

identity, and, therefore, constrain the flow of capital from one location to another and, similarly, denying access to investors instead of bringing together the expertise and the expert on their own merit. Attempts to organize urban centers so as to provide them with free management and administration have been frustrated due to anxieties created by the intermittent materialization of this same attitude or tendency to obstruct the free flow of capital and professional expertise.

It is neither necessary nor desirable to obliterate the national identity of a community to ensure the growth and development of urban centers. Conversely, the protection of one's identity does not preclude the exigencies of development. To the question of whether it is possible to protect and maintain one's identity by obstructing development, the response, whether from the vantage point of rights or the concrete situation that exists, is in the negative. The problem revolves around this issue. To suppress or obliterate one's identity to accommodate the exigencies of development, or, conversely, to color capital and professionalism different hues all out of anxiety that they will destroy one's identity, or on the pretext of protecting that identity, and thus obstruct and hamper development measures poses a danger, whether in terms of political rights or benefits.

The attempt to close one's door in the face of the big strides globalization is making today and hamper the free movement of capital and labor even within the confines of one's locality, let alone at the global level, is impossible; neither is it beneficial to anybody. To suppress

or obliterate any community's identity is not only impossible without the will of those whose identity may be threatened, but it is detrimental to the very idea of development. It is only after the contradictions between the two interests have been resolved that the two interests can be mutually supportive of each other and, perhaps, be fused into one. It is impossible to set up a fence to protect one's identity, nor is this attempt of any benefit to anyone. What is possible for the protection of one's identity is the internal belief and conviction of the individual or the community in question. Anyone so keen as to keep his/her identity can do so wherever they may be. Whoever does not want to go for such an option can adopt an identity, whether individual or collective, different from that of the community to which he/she once belonged. This, consequently, means that everything must be conducted soberly, taking into consideration the interests and convictions of people. While, for example, in India people protect and maintain their traditional costumes and ways of life wherever they may go, there are those from the Arab world who have detached themselves from government laws or communal practices and chosen or adopted Western modes of life.

Countries are entities organized based on identity. People cannot live together in unity in the absence of a common interest that brings them together. [For this to happen] questions of concern to individuals or communities that are believed to be of importance so as to need protection within the framework of a greater national identity should be resolved in a democratic way. When

we look at the matter with this belief as our premise, an administrative/governance structure based on communal identity cannot be perceived as in itself harmful. Differences can be protected/maintained only if the communities concerned want it that way. If it is possible to ensure development without prejudice to existing differences, the attempt has its own values. Difference can prove to be the basis for competitiveness in development. Ensuring development is necessary in the world we live in today for countries to be able to maintain their survival and guarantee their citizens' livelihood. This being the case, what poses danger to their attempt to attract both capital and expertise from other countries is the attitude that everything that is foreign should be rejected out of hand.

In this regard, the global scenario today is such that when investors and professionals from elsewhere come into countries, those countries not only welcome them to invest both their capital and expertise, but they also attempt to persuade them to make the countries their bases of operation. Accordingly, they create favorable conditions for the visitors to teach their children in their own languages at the same level of education as that of their home countries, provide services in their native languages, all of which await the visitors fully facilitated. This being the case, then, it is difficult to understand when doing the same thing for the different communities within the same country is seen as a threat and perceived as untenable. Forcing those who insist on maintaining their own identities into the mainstream with the argument that their insistence is of not benefit

only provides a fertile ground for the hardening of the very obduracy or attitude of rejection that one aims to ameliorate, thereby proving a stumbling block for our cities' as well as our continent's progress. Both attitudes must be adjusted.

### 5.6 Decentralized Urban Structure and Management

Unless urban development is handled systematically, that is, if it is left to chance or to its own inertia, the process is sure to lead to decline and collapse. Urbanization tends to slacken people's social ties. If joblessness, lack of income and disparity in living conditions continue to persist, they could become the wellspring for crime and lawlessness, which in turn could destabilize the social order that keeps people close together. If urban centers are left to become nests for the dissatisfied from the rural areas and home to the ranks an embittered population, there is no way they can legitimately play their envisaged role of political and administrative centers. All this needs due attention.

The administrative autonomy given to our urban centers should be further strengthened and maintained. Ways and means of increasing the incomes of municipalities must be sought as crucial to the development of our urban centers.

We need an organizational structure that has taken into account the two aspects or dimensions of municipalities. On the one hand, municipalities have the character of corporate entities and, as such, they deal in complex technical tasks. On the other hand, they have the character of political entities or constituencies in which people with

questions of political rights live. Although the concrete organizational structure varies according to the political orientation of the different countries, the governing principle remains the same for all.

This principle must be applied in our country taking into account the size and range of cities and the demographic profile of our urban centers. While in the smaller towns the political structure should be limited to people's councils and the day-to-day work attended to by professionals. The higher level urban centers organization should also be determined depending on the mandate given to them. The administrative structure currently operational has as its premise the bringing together of professionals and their areas of expertise. However, the actual administrative structure and the legal framework in which it operates do not accord with the premise. As it stands now the organizational structure is such that the assumed professional work is sidestepped and perceived as peripheral; the so-called autonomous manager's role is nothing more than that of what in England is known as town clerk, if, in fact, the role is not altogether sidestepped, thereby rendering the structure incapable of producing results. This situation, therefore, needs to be studied on the basis of the available evidence and rectified accordingly.

### **5.7 Urban Centers should follow a Framework that enables them rejuvenate themselves and rectify their horizontal expansion**

The manner of outward growth or horizontal expansion of our cities, whereby better construction takes

place on their peripheries while their central business areas are left unimproved, should be changed. This kind of change could be effected only when we adopt a strategy that enables the market to function on the force of its own dynamics. This means that government housing ownership should be promptly transferred into private hands. On top of this, putting houses in the same compound under the same proprietorship facilitates the acquisition of land for purposes of development, thereby speeding up the development process itself.

On the other hand, the current practice of putting up villas and parceling up space for private compounds brings with it the tendency to expand holdings at the expense of economizing space; since such a trend should not be allowed to continue, it is important that a block-development scheme be adopted.

### **5.8 Making Urban Centers Where the Rule of Law Prevails**

Development cannot be realized in cities where the rule of law does not prevail. The informality prevailing in our urban centers is multi-dimensional. The causes of all the informality we see in our urban centers are the inability the legal market to respond to the various section of the society needs, capacity limitation to enforce existing laws, and the existence of gaps in the population's awareness and the legal framework. In order, therefore, to ensure the prevailing of the rule of law, the following measures should be taken:

- We should enable the legal market to operate and function

appropriately, while at the same time making sure it meets the various demands and needs of the population.

- It is impossible at this particular moment to do away with informal sector operations. Even if it were possible to do so, the disadvantages would outweigh the benefits. It is therefore necessary to broaden the legal framework within which the market operates, undertake awareness raising activities and try to bring the informal sector into the legal market system, while providing them with the appropriate support.
- It is necessary to develop and strengthen the capacity of the law enforcement institutions.

## **6. Conclusion**

In the preceding pages, we started our discussion with a description of the role and characteristics of urban centers, explored the status and conditions of our cities, and projected our vision of what they would be like in 2020, suggesting along the way some implementation strategies by which our vision could be realized. We have also discussed their beautiful and peaceful environment as their positive aspect, while positing the excess migration of people into the cities, along with the attending overpopulation, and the rather stunted attitude the residents have as the challenges they face. In our vision of our cities in 2020, we have projected that they will be organized and structured along a hierarchy of the services they could possibly render; that rural villages would be transformed so as to cater to a modern way of life, while the major cities would provide services commensurate with their

level of development. The projected year would be one in which housing shortage and joblessness would be passé as an agenda. It is our vision that all of our urban centers would at least be linked by a network of roads and highways and transportation infrastructure, thus transformed into modern, vibrant, lively places where people work and live a modern, joyful and vibrant life. For this vision of ours to become a reality, we have suggested the following measures:

- Our urbanization framework should proceed such that our cities would be defused and decentralized but integrated.
- Their link and interaction with the rural areas should be solid.
- They should be administered and managed according to a modern plan.
- They should be transformed into places conducive enough for our people to work, live and amuse themselves comfortably.
- We need to nurture a healthy attitude among our people towards the development of our urban centers.
- Urban administration and management should be decentralized.
- Put in place a strategic framework on the basis of which our cities can rejuvenate themselves and their horizontal growth/expansion could be adjusted and systematized.
- It is important to establish the rule of law in all our cities.

This is my view of the matter taken together. I hope this vision of mine will be discussed, refined, and

emerge as the vision of all of us here. Now that I have said this much by way of generating discussion and debate, I might as well stop here.

Once again, I would like to thank the Ethiopian Economic Association and the audience here tonight.

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