ACQUISITION OF LAND HOLDINGS AND COMPENSATION PRACTICE IN ETHIOPIA: AMHARA REGION - BAFIR DAR CITY SURROUNDING FARMING AREA.

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OUTLINE

- Background
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- Conclusion and Recommendations
BACKGROUND

- The urban growth strategy of Ethiopia is primarily based on compulsory acquisition of peri-urban agricultural land from local peri-urban farmers.
- As the demand of land for urban development purpose arises, local peri-urban landholders/farmers adjacent to the municipal boundaries are obviously expected to lose their land on which their families have lived for generations (Adam, 2014).
This compulsory and rapid land tenure transformation has been generating a number of problems in the peri-urban areas such as: tenure insecurity and widespread sense of fear to lose land; unregulated land development; informal transaction of land and proliferation of informal settlements.

In addition, the land acquisition process from peri-urban areas is criticized for being top down and unfair for those local peri-urban communities from whom land is taken compulsorily (Fikade, 2000).
OBJECTIVES OF THE STUDY

General Objective
- The general objective of this study is to identify, demonstrate and analysis the practice of the acquisition of land holdings and payment of compensation in Amhara Region: Bahir Dar City Surrounding farming areas.

Specific Objectives
- Asses the specific compulsory land acquisition procedural practices in the study area.
- Identify and examine the main problems related to compulsory land acquisition and payment of compensation in the study area.
- Asses the kind of support to the affected people by the government and other non-organizations.
RESEARCH METHODOLOGY

- In this research a blend of desk review and survey approach were employed.
- Primary data were collected by using questionnaire survey, Key Informant Interview, Focus Group Discussion (FGD) and Field Observations.
- In addition, secondary data were also used.
RESULT AND DISCUSSIONS

1. COMPULSORILY LAND ACQUISITION PROCEDURAL PRACTICES:

- In the study area land and other properties attached to the land are compulsorily acquired for the purpose of housing and public and private investments such as industries, construction of university campuses and other similar facilities.

- Even though the local government tried to create awareness to the society about the advantage, purpose and payment of commensurate compensation for their loss, the people is not happy with the act.
The sample respondents and the FGD participants also revealed that they are aware of the power of the government to take their property whether they agree or not, but the resistance they are making is to show their concern and also to push the government to use other alternative solutions.

The situation in the study area is that the majority of them (80%) didn’t not receive an advance notice about the compulsory acquisitions of their land holdings.

This became one source of annoyance by the society and particularly the affected people.
2. Compulsorily Acquired Properties in the study area

<table>
<thead>
<tr>
<th>Property types</th>
<th>No of sample house holds</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>14</td>
<td>70</td>
</tr>
<tr>
<td>Crop land</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>Trees and fruits</td>
<td>11</td>
<td>55</td>
</tr>
<tr>
<td>Grazing lands</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: field survey, 2013
### 3. Property Valuers in the study area

<table>
<thead>
<tr>
<th>Level of education and Field of specialization</th>
<th>working experience in valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of education</td>
<td>No. of valuers</td>
</tr>
<tr>
<td>1st Degree</td>
<td>3</td>
</tr>
<tr>
<td>Master</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: field survey, 2013
4. VALUATION TECHNIQUES IN THE STUDY AREA

- According to Article 7(2) of Proclamation Number 455/2005 and Article 3(1) of Regulation Number 135/2007, the amount of compensation for a building shall be determined based on the basis of “replacement cost”.

- The law only describes how estimation of the current cost of constructing improvement is undertaken. There is no provision or law that indicates how land value and accrued depreciation are estimated.
The regulation ignores value of salvage materials from the destroyed structure.

It simply stated that compensation shall be paid only for the cost of removal, transportation and erection for property that could be relocated and continue its services as before; provided, however, that such payment shall be acceptable only where the condition of relocation of property conforms with the requirements of appropriate rural land administration land use regulation or plan.
CONTINUED....

- For farm lands, it starts from five years back to get the average yield and then multiply by 10 to determine the compensation to be paid for the affected individual.

- Rural lands is given for the rural farmers for life time, but up on compulsorily acquisition the government and other bodies it seems only considering 10 years, this is the main issue raised by the affected people.

- Some of the farmers are thinking that they will take the land from the government after 10 years.
5. PARTICIPATION OF PROPERTY OWNERS DURING THE PROCESS

- The situation in the study area is that more than half of property owners (60%) did not participate in the process of valuing their property.
- Some of them were using it to show their resistance for the action by the government, even though they eventually realised they should have participated due to the fact that the government has the power to take their property for public purpose.
6. Time and fairness of compensation

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>95</td>
</tr>
<tr>
<td>Indifferent</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: field survey, 2013

**Note: Compensation is timely but unfair**
7. REASONS FOR UNFAIR COMPENSATION

- Absences of enough participation by the affected people during the valuation processes,
- Lack of appropriate land and property valuers in the area
- When capitalising the five years average income the valuers are not using the current market prices of the produces. They are using prices which is much more less than the current market price.
- Exclusions of locational factors
- Corruptions from the ’valuers’ side.
8. WHY NOT APPEAL?

- The law allows the affected people to appeal.
- However, most of them didn’t appeal even though they felt that the compensation paid was low and unfair.
- They said that the procedure to appeal is complicated in which the poor farmers can’t afford.
- Some of them don’t know even where they can appeal.
- In addition, they feel that it is impossible to win the government.
9. Problems faced by the affected people after compulsorily land acquires taken place

<table>
<thead>
<tr>
<th>What problem(s) do you face after expropriation?</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Became landlessness</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>Became houselessness</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Migrated to urban area</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Reduced income</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: field survey, 2013

In addition, tenure insecurity and informal land transaction
10. ANY SUPPORT FOR THE AFFECTED PEOPLE?

- Even though it is very essential for the affected people to be supported, no one approached them to give any kinds of support in order to properly use their compensated money.
- The feeling is it would have been better had the government arranged supporting scheme before they received the money.
- Some of them even put it as a complete failure of the local government.
CONCLUSION

- There are procedural problems in implementing the law regarding compulsorily acquiring land such as lack of advance notice and expropriation order for the affected people, lack of participation by the affected people in the processes including the valuation processes.

- Land and Property valuation for compensation in the study area is being done by professionals without property valuation background as well as without adequate short term trainings in the area of property valuation.
The compensation paid for the affected people is not aligned with the principles of equity and equivalence. Firstly, they received money which can’t keep them as good as their previous position. Secondly, the government paid less than what it gets.

There are also cases where the same people received different amounts of compensation.

Although the affected people prefers land -to-land compensation the government paid cash due to scarcity of land.
The reasons for unfair compensation include absences of land-to-land compensation, lack of qualified and experienced land and property valuers, the valuation technique itself which ignores the current market prices and location value of the property, corruption in the valuers’ side, and lack of participations by the affected people during the processes.

The affected people didn’t get any support from anybody that can help them to properly use this small amount of money. This also made the situation more badly.
CONTINUED....

- As a result, most of the affected people are now facing different challenges such as reducing income, landlessness, houselessness, lead to migration to urban areas, losses of their social life, etc.
RECOMMENDATIONS

- The government should take compulsorily land acquisition as a last alternative to implement the projects.
- In case of compulsorily acquiring land, there should be good coordination between the rural and urban land administrators.
- The government should make sure that the correct procedures are put in place during the process including the participation of the affected people.
- To improve the problems related to compensation:
  - Property valuers should have property valuation background if possible or at least they should get adequate on job training on property valuation techniques.
  - The government should engage in educating new practitioners in property valuation and related fields in different programs.
  - Regulations and directives should be updated to consider the current market price of the property.
- The government by itself or partnering with other non-governmental organizations should develop a system to support the affected people on how to use the compensated money so as to make them to properly use the money.
THANK YOU FOR YOUR ATTENTION!!!!!!