

Land Rights in Ethiopia: Ownership, equity, and liberty in land use rights

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SUMMARY

From time immemorial, land had been controlled by the elite (kings and their trusted followers) in Ethiopia. Private ownership of land had never been known except for some historical incidents. The Ethiopian people had been struggling for centuries with the inequitable land holdings of the country and successfully removed the feudal system in 1975. The following regime (Derg) that came to power in 1975 under the slogan “Land to The Tiller” paradoxically thwarted the motto and ended up in owning the land itself (state ownership?) rather than giving it to the people. The current government, which controlled power in 1991, was expected to cure the age old land rights ills, among others by giving land to the people in ownership. Rather, it maintained the Derg’s state ownership of land and controls all urban and rural land as well as natural resources.

Even though it is the state which controls land ownership, rural peasants and pastoralists are guaranteed with lifetime “holding” right that gives all rights except sale and mortgage. Although it is not mentioned in the constitution, urban residents are also provided with the right to get land for residence on a 99 years lease based arrangement. The state ownership of land in current Ethiopia is far from perfect since it restricts the different land rights of use, rent, lease, donation, and inheritance for different reasons. Since redistribution of land is highly restricted, access to rural land is also almost nonexistent. The constitution is commended for its protection of land holdings against arbitrary state eviction by inserting a provision that gives “commensurate” amount of compensation during expropriation. Nevertheless, subsequent implementing proclamations have violated this protection by denying market value (fair compensation) for loss of property. In short, the amount of compensation in the event of expropriation is inadequate.

By creating more access to rural land, liberating the land holding rights, and by compensating fairly the loss of properties during expropriation, the current government could give more secure land rights compared to its predecessors.

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1. HISTORICAL OVERVIEW

1.1 Imperial Era

Since time immemorial, land was controlled by the king and the ruling elites in Ethiopia. As a result of the expansionist war of the ancient Ethiopian rulers with their neighboring tribes, the state could manage to include vast territories to its rule. The land of the tribes was then made under the control of monarchs and had been redistributed to the favorites and supporters of the king in due time. In any case, the land remained under imperial control.² The land properties, distributed to their followers, overtime seized the form of private *rist* (linage usufructuary right), Church land, and Government land. Land was granted to individual people/peasants in the form of *rist* (usufructuary right). The peasants were then allowed to use, rent, and inherit the land to family members. In exchange, peasants were obligated to make different kinds of land related tax payments.³ Selling the land to non-family members was prohibited. Land was then transferred in the form of inheritance from family to children for generations which over time reduced the size of the farm lands.

Land was also provided to the Church which was considered as a major ally to the imperial power. The Church was a major possessor of material wealth not only because by selling salvation in return for treasure and land, but also by perpetuating imperial power over the people. It was the church which played a major role in propagating the mass to obey the king. Obedience to the king was justified in many of the Christian writings and the day to day teachings. Monarchs who disagree with the church or became out of favor of the later found themselves in the middle of bloody wars.⁴

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² As mentioned by Tadesse Tamrat ((Tadesse-Tamrat 1972))The idea of royal ownership of all land in Ethiopia was documented by royal chroniclers of different kings. For example, upon the purchase of land by king Lalibela (1200-1250) to construct his well known rock hewn churches in Roha, his hagiographer asked rhetorically to show the traditional power of the monarch in the distribution of lands: “who would have forbidden the king had he decided to take the land [without purchase]?” In his famous conflict with the monastic leaders, Emperor Amda-Sion (1314-1344) is said to have demanded their absolute obedience to him because they lived ‘on the land of the king’. His son and successor Sayfe-Arad (1344-72) is also said to have made the claim that ‘God gave (all the) land to me’.

³ The main ones were tribute (one-fifth) and tithe (one-tenth) of total produce and usually paid in kind.

⁴ A good example in this case is Emperor Susenyos (1606-32) who tried to change his faith from the official Orthodox Christianity to Catholicism and was excommunicated by the church and forced to resign from power after a bloody civil war.

Land owned by the government was distributed to different people on the condition of serving the state at different levels. In other words, land during this era was used to serve as a means to run the state functionary. In the old days, since gold and silver was not found in abundance (Gebre-Wold-Ingida 1962), the government heavily relied in the land under its control to run the state (Shiferaw-Bekele 1995). This is done in two ways, by giving land in lieu of salary to those who directly serve the state and by collecting tax tributes in kind from those who farm the land, which it may use for different purposes. Land given in lieu of salary might be reverted to the state in the event of non fulfillment of the obligation by the holder of the land. For example, land was given to civil servants and war veterans (*maderia* land) in lieu of salary or pension for their services to the state as long as they continued their services. Land was also distributed to other state servants other than those mentioned above. Generally, it is known as *ginde bel* land. For example, land given to soldiers; people who carry tents, cannons or brought horses and mules to war fronts; people who serve the palace as masons, prison guards, gardeners and so on were categorized under this tenure. In a similar fashion, the church had also been distributing the land given to its support by the kings to different hierarchy of the clergy and lay men who served the church. The name given to such type of land was known as *Samon* land. Hence, church land was distributed to the clergy, such as priests, deacons, church heads, teachers, and the lay people who support and protect the interest of the church at the royal court ((Mahteme-Sellassie 1970; Pankhurst 1966; Shiferaw-Bekele 1995).

During the second half of the nineteenth century, the Ethiopian empire was further expanded to the present south, south eastern and south western of the country. The emperor (Menelik II) and his military commanders crushed any resistance attempted by the natives and confiscated all the lands of the natives (Pankhurst 1966). In places where the native chiefs accepted the dominance of the Ethiopian empire, the people were allowed to keep their lands intact (Pankhurst 1966). In any case, a vast territory of land was added again to the Ethiopian empire during this period. All the land which was confiscated by the northern forces was distributed to different organs. One part was given to Menelik soldiers to settle on and as a reward for their loyal service during the expansion process; a second part was given to the local chiefs/gentry to maintain their support; a third part was given to the church that would be distributed to the church clergy in the same fashion as in the north; and another share, held by the state, to be distributed to different people on the condition of serving the state at different levels. Northern people were encouraged to settle in the south in the hope that they, together with the existing soldiers, would create effective control of the new territories. As a result of this military expansion, the whole native people who used to cultivate the land on community and clan base were left landless, *gabbars*. The *gabbars* of the south hence become literally servants and tenants to the northern until 1974 Ethiopian revolution (Pankhurst 1966; Crummey 2000; Markakis 2006).

The peculiar feature of the land holding right in the southern regions was that land was held in private ownership and hence subjected to sale and other forms of exchange. There was a prolific land sale transaction at the period for investors were interested in cash crop (coffee mainly) production by purchasing land from owners. But the land sale process left the southern *gabbars* as tenants who solely relied on crop sharing farming activities

In the following decades (during Emperor Haile Sellassie era) the government tried to reduce the burdens of the southern *gabbars* by introducing different land related laws. It tried to lift the burden but to no avail; the landlords in the south became more powerful. Side by side, the government introduced new tax bases on agriculture and then later sold more lands to coffee growing investors both of them exacerbated the lives of the *gabbars*. The land tax reform introduced had also triggered peasant rebellions in the northern and southern parts of the country (Gebbru-Tareke 1977). In short, the government could not make any meaningful land reform until its demise in 1974 for two main reasons: one, the emperor (Haile Sellassie) himself and his family, together with the barons and lords in both houses of parliament were owners of vast tracts of land, and any change in land reform would mean harming their interest; second, because of lack of information on its advantage, peasants of the northern provinces resisted and opposed any attempt of land measurement and registration. Finally, peasant rebellions, popular unrest and most of all student movements which rallied on the famous slogan “Land to the Tiller” became reasons for the downfall of the feudo capitalist state in the country.

1.2 Derg Era

After the 1974-1975 revolution, a military junta (a.k.a. *Derg*) controlled the power by ousting the emperor from his throne. The Derg immediately passed a proclamation that nationalized all rural land and transferred same to state ownership. This proclamation (Proclamation No. 31/1975) overnight abolished the age old property system and left the land owners empty handed without any compensation. On the other hand, it allowed all the peasants and tenants to maintain and held the land which they farmed and absolved them from any debt or obligation they owed to the landlords. The law restricted the right to use the land by prohibiting the lease/rent, donation, sale, exchange, mortgage, and inheritance (except to minor children) of the land. In any case the land reform was successful in that it generated a lot of support especially from the peasants of the southern regions. The administration of land was provided to the peasant associations created in every village of 800 hectares of land. They were tasked among others with distribution of land.

Next, the Derg enacted a proclamation (Proclamation No. 47/1975) that nationalizes all urban lands and extra houses (houses other than those that are occupied by the family for residential purposes). It denied any compensation to the loss of land in urban areas. As its rural counterpart, it allowed all tenants (lessees) to maintain and use the houses they rented from landlords and made them free from any rent obligations or debts. The state rather replaced the individual land lords in collecting rents. The law allowed for a person only to own a single residential house and if necessary another single business house. As a result of this blockage in owning and renting houses, in the years that followed a significant housing shortage was exhibited (Feyera & Tereffe 2011:207). The administrations of urban houses were given to *kebeles* (sub-districts) and the ministry of housing based on the value of the houses.

Urban dwellers, of course, had ownership right to the house they built and thereby were able to sale and transfer it to third person. But the land had no value for them, and it was not subject of sale or any means of exchange. Although rural farmers were in a better position in terms of production process decisions (deciding what to produce on the land), later erroneous policies and repeated land reforms made them to benefit little from it (Dessalegn-Rahmato 1993). The

government, as an owner of the land, conducted repeated land reforms and as a result farmers lost tenure security. Government had also introduced forced villagization (putting all rural farmers at one spot irrespective of their resistance), forced resettlement programs (moving farmers from one region, mostly the north, to another, mostly the south), and grain requisition programs (forcing farmers to deliver all their produce to the government at cheaper price instead of selling it at market price). In conclusion, as Dessalegn observed, the history of Ethiopia during the Derg regime had been partly recorded as a history of growing rural poverty, food shortages, famine, and escalated rural insurgency and civil war (Ibid.)

2. LAND RIGHTS IN CURRENT ETHIOPIA

2.1 Land Policy: two debates on ownership of land

Immediately after the revolution and the assumption of power by the Derg and the subsequent land reforms it conducted, various insurgent groups lifted arms against the Derg. The current incumbent, EPRDF (Ethiopian People's Revolutionary Democratic Front), won the war and replaced the Derg in 1991.

After the downfall of the Derg in May 1991, the new Transitional Government disbanded all collectivization and villagization programs based on the consent of the people. Collective farms were privatized to individual farmers and the government stopped the grain requisition program allowing peasants to sell their produce at market value. In December 1992, it adopted a new economic policy whereby the government declared that until a new constitution would be in place, land would remain under state ownership.

Judging from the process of the 'post-socialist transition' that had been carried out by the Transitional Government and above all the free market economy type of policy that it embraced, many hoped that the new constitution would allow private ownership of land. However, when it finally came out in 1995 (as Proclamation No. 1/1995), it decided to keep all rural and urban land under public ownership. According to the Federal Democratic Republic of Ethiopia Constitution (hereafter cited as FDRE Constitution), all urban and rural land is the property of the state and the Ethiopian people (Article 40(3) of the FDRE Constitution). Accordingly, sale, exchange and mortgage of land are prohibited. As one writer noted, "by inserting the land policy in the constitution, the current government has effectively eliminated the possibility of flexible application of policy"(Samuel-Gebreselassie 2006).

In many countries land ownership is not as such treated as a constitutional issue, but in Ethiopia, because of its socio-economic importance, land ownership goes beyond being a mere policy matter. Therefore, it is inserted in the Constitution and the issue of its ownership is a settled subject. The argument forwarded by the ruling party for the continuation of land as public/state property rests mainly on two policy objectives: social equity and tenure security. The FDRE Constitution as well as other Federal and Regional Land Proclamations ensure free access to agricultural land. The amount of land to be provided to peasant farmers, as far as possible, is made equal. This way, the policy objective is to ensure equality of citizens in using the land. The weakness of this policy objective is that first, it does not address the urban land; article 40 of the

FDRE Constitution that deals with property talks only about rural land. Second, it is argued that since there is lack of arable land in the highlands of the country, equality of access to land is ensured through transfer of land from large holders to small holders and/or to new comers; the result being diminution of holding plots (0.5-1 ha) as compared to other African countries. Social equality in Ethiopia is thus a costly one in that equality in privilege tantamount to equality in poverty(Dessalegn-Rahmato 2009b).

Tenure security is another policy objective and concern of the government. As mentioned above, the FRDE Constitution prohibits any sale and exchange of land. State ownership of land is considered as the best mechanism to protect the peasants against market forces. In particular, it has been argued that private ownership of rural land would lead to massive eviction or migration of the farming population, as poor farmers are forced to sell their plots to unscrupulous urban speculators, particularly during periods of hardship (MOIPAD 2001). The justification is that for large-scale modern farms, there is an abundant idle arable land in the low lands; both for rain fed and irrigation farming. Most of the farmers, on the other hand, live in the highlands where there is scarcity of land but large amount of accumulated human power due to high population density. Allowing the farmer to sell land here, would lead either to displacing the farmers or converting them to tenants. In both ways, large amount of capital and labor will be wasted (Ibid). This argument of the government is just a hypothesis, not corroborated with evidence. Despite the government's concern, some researchers conclude that farmers would not sell their land wholly or partially if given the right to own their plots(EEA/EEPRI 2002). Another study, conducted by the World Bank, reveals that most farmers would rather rent their land during stressful periods compared to any other alternative, such as selling it (Ibid). In other words, in addition to all the other benefits of rental markets suggested in the literature, the availability of formal land rental markets will serve as a caution to enable farmers to withstand unfavorable circumstances by temporarily renting their land rather than selling it.

This land policy of the government has been attacked by researchers and international donors who favor neo liberal economic thinking. The usual argument forwarded by this people against the state/public ownership of land is one that focuses on lack of tenure security. They argue that absence of tenure security for land users provides little or no incentive to improve land productivity through long term investment; increase transaction cost because of land dispute; and it hinders the emergence of property market such as, credit availability/land mortgage. The fear of the critics and supporters of private ownership of land is, further, that government may use land as political weapon by giving and taking it away from holders. However, the government rejects such fears as groundless and claims that government provides better security as it is managed by regional governments. A good example is the land registration and certification processes which are being conducted in Tigray, Amhara, Oromiya, and the Southern regions which enable farmers to have a land certificate for their holdings. This gives protection and security to the holder.

The current practice of land registration and certification provides tenure security, according to a recent study made by the World Bank (Deininger et al. 2007). Others, though, still do not have confidence on the land registration and certification process by concluding that the process had

not brought about the feeling of tenure security. For example, Dessalegn argued that since the land laws do not avoid completely the possibilities of future land distribution and since government still possesses the power of taking land by way of expropriation, farmers could not feel secure on their holdings (Dessalegn-Rahmato 2009a). In general, the debates seem to be based on ideological differences rather than empirical studies. The private vs. state ownership of land by itself is not as such a decisive factor. What is important is whether or not there are adequate measures and regulations in place to guarantee tenure security, such as land certification, just compensation in the event of expropriation, long duration of rights, good governance, absence of corruption, availability of courts and so on. The following pages will highlight and discuss the rights provided to land holders and the protections accorded to the individual land holders.

2.2 Land Related Legislations

2.2.1 Proclamations

Ethiopia is a Federal State which is constituted of two special administrative cities (Addis Ababa and Dire Dawa) that are accountable to the Federal Government and nine other administrative national regional states which are autonomous in the administrative affairs of their people. The powers and functions of the Federal and Regional Governments are provided in the FDRE Constitution. The power to “enact laws for the utilization and conservation of land and other natural resources, historical sites and objects” is provided under the constitution to the Federal government (FDRE Constitution art. 51(5)). To this effect, the Federal government enacted a “Land administration and Use Proclamation” in 1997 (Proc. 87/1997) and then replaced it with the current legislation, proclamation No. 456/2005. Proclamation 456/2005 delegates regional states with the power to “enact rural land administration and land use law” which is consistent with it (Proc. 456/2005) in order to implement the land administration law on regional level (Art.17). Besides, there are other legislations in Ethiopia related to land matters among which the Urban Land Lease proclamation (Proc. 721/2011) and the Expropriation Proclamation (Proc. 455/2005) are the main ones. Further, most of the regional states (Tigray, Amhara, Afar, Oromia, Benishangul Gumz and SNNPRS) have adopted their own Rural Land Administration and Use proclamations and urban lands holding lease regulations in order to implement the federal rural and urban land related proclamations.

2.2.2 The Constitution

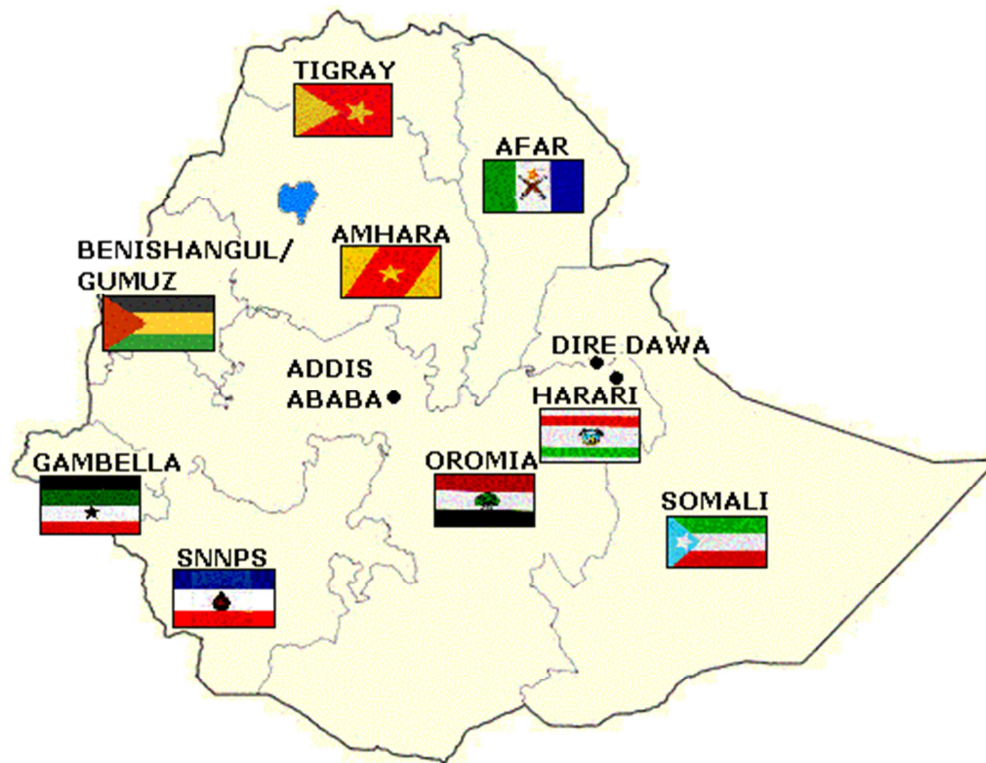
The FDRE Constitution under article 40, that deals with “Right to property”, provides details about land rights in Ethiopia. Article 40 (3) of the constitution answers the core question of land ownership issue in Ethiopia:

The right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange.

Regarding its means of acquisition, sub-article 4 states that Ethiopian peasants have right to obtain land without payment and the protection against eviction from their possession. Likewise, concerning the pastoralists of the lowland areas, sub-article 5 declares that Ethiopian pastoralists have the right to free land for grazing and cultivation as well as the right not to be displaced from their possession. Although the peasant is denied private ownership rights to the land itself, he is guaranteed a “full right to the immovable property he builds and to the permanent improvements he brings about on the land by his labor or capital. This right includes the right to alienate, to bequeath, and, where the right of use expires, to remove his property, transfer his title, or claim compensation for it” (Art.40(7)). Thus, unlike the Derg era, peasants will have full right to their produce and can sell it at market value. Moreover, the constitution guarantees peasants against arbitrary eviction from their land by the state. The Constitution clearly says: “... the government may expropriate private property for public purposes subject to payment in advance of compensation commensurate to the value of the property” (Art. 40(8)).

Concerning urban land, the Constitution said nothing about the acquisition and transfer of land by urban dwellers. Nevertheless, some interpret the next sub article, 40(6), that deals with right of investors to get land, as one that includes urban dwellers as well. Article 40(6) of the constitution envisages that private investors may get land on the basis of payment arrangement. In other words, unlike peasant farmers and pastoralists, investors must pay a reasonable fee for the land they get from the state. Literally, an investor is a person who uses the land for business activities and his main objective is to reap profit. So, it is obvious that urban dwellers cannot be categorized as investors. Noticing this problem, it seems, some regional constitutions replaced the word “investor” by another word “proprietor” (see for example Amhara National Regional State’s Constitution Art. 40.6)). The effect of such change is that urban dwellers may be included in this definition, since the word proprietor may also include any person who owns a property.

Fig 1: Map of Federal Democratic Republic of Ethiopia



3. RURAL LAND LAWS

3.1 Access to Rural Land

Two years after the adoption of the FDRE Constitution, the Federal Government enacted a Rural Land Administration and Use proclamation (Proc. 87/1997) that replaces the 1975 (Proc. 31/1975) rural land law. Proclamation 87/1997 was again repealed and replaced by a new Rural Land Administration and Use Proclamation (proc. 456/2005) in 2005. This proclamation (herein after called Federal Rural Land Law) follows the constitutional principle that creates free access to rural land. It declares that “peasant farmers and pastoralists engaged in agriculture for a living shall be given rural land free of charge.”(Art. 5.1) A person, above the age of 18 years may claim a land for agricultural activities. Women who want to engage in agriculture shall also have the right to get and use land (Art. 5.2).

This principle of free access to rural land has also been reproduced in the regional land laws.⁵ The conditions attached to this right are first, the person must want to engage in agricultural activities. In other words, agriculture must be his/her main means of livelihood or profession.

⁵ See for example (The Revised Tigray National Regional State Rural Land Administration and Use Proclamation, Proclamation No. 136/2007) Art. 5(1); (The Revised Amhara National Regional State Rural Land Administration and Use Proclamation, Proclamation No. 133/2006) Art. 5(2); (Oromia Rural Land Use and Administration, Proclamation 130/2007) Art. 5(1); (The Southern Nations, Nationalities and Peoples Regional State Rural Land Administration and Utilization Proclamation, Proclamation 110/2007) Art. 5(1). (also called as SNNRS) and (The Benishangul Gumz National regional State Rural Land Administration and Use Proclamation,)

Secondly, s/he must reside in the area where the agricultural land is located. Although this principle is not clearly seen in the Federal Rural Land Law, regional rural land laws have clearly envisaged it.⁶ Thus, residency and profession are the two important conditions to get rural land in Ethiopia. The reason seems that since there is shortage of agricultural land in rural areas, because of population pressure, it is not advisable to give land to those who live elsewhere (absentee owners) and those who earn income from other professions.

The criticisms raised against this rule are first, the principle of free access to rural land has, in practice, not been working for shortage of land in rural areas and because the laws prohibit redistribution of land.⁷ Second, because of the residency requirement in the law, peasant farmers are locked in on their land instead of searching for additional income by staying in urban areas for longer periods.

3.2 Nature and Duration of Land Rights

Concerning the nature of the right provided to the farmers, the Federal and Regional Land Proclamations uphold the constitutional principle that denies private ownership of land. Rather, these proclamations provide farmers with a right termed as “holding right.” The Federal Rural Land Law defines the term “holding right” as right of peasants and pastoralists “to use rural land for purposes of agriculture and natural resource development, lease and bequeath to members of his family or other lawful heirs, and includes the right to acquire property produced on his land thereon by his labour or capital and to sale, exchange and bequeath same.” (Art.2.4 of Proc. 456/2005) Similar definitions have also been included in the other regional rural land laws. The general understanding today is that peasant farmers will have all the rights of an owner except sale and mortgage. They can use the land for agriculture production, have full ownership to the produce collected there from, have right to rent to fellow farmers (sharecropping), lease to investors, and inherit and donate (as a gift) to family members. Peasants shall have such right for life time and beyond, since they can donate and inherit it to others. It has been declared that “...rural land use right of peasant farmers, semi-pastoralists and pastoralists shall have no time limit” (see Id. Art. 7(1); Art. 5(3) of Amhara; Art. 5(1)(b) of Tigray). In a way, this gives tenure security to the holder of the land as the right of using the land and the investments made thereon will not be threatened by time limitation. It must be noted that the longer the duration of rights of using land are the better in terms of ensuring tenure security.

The missing element in the Federal Rural land Law is, though, the issue of pastoralist lands. The pastoralists are people who live in the lowlands of the country depending on animal husbandry. They do not have a plot of land like the highland farmers to settle on; they are always on the move in search of food and water for their animals. Now the point is that how could we define

⁶ See for example the Amhara National Regional State Rural Land Administration and Use Proclamation (hereinafter called ANRS Rural Land Law) that uses the phrase “any person residing in the region...” as a condition to get agricultural land (Art.5(2), 6(1), 7(1); The Tigray National Regional State (hereinafter called Tigray Rural Land Law) uses similarly words like “any resident of the region” (Art. 5(1)

⁷ The Federal Rural Land law simply says that upon the wish of the people land may be redistributed (art. 9); the ANRS puts if 80% of the people agree (art. 8); the Oromia Rural land law completely prohibits redistribution (art. 14).

their right of grazing over vast territories of the lowland as holding right, a right that includes lease, rent and donation? The type of property regime dominating the areas is more of communal rather than private holding. The remedy would be for the lowland regions to come up with their own rural land laws that take in to consideration the regional reality.

3.3 Modalities of Land Acquisition

There are different ways through which a person may acquire land in Ethiopia. The law recognizes the following ways for a person to get rural land:

3.3.1 Land grant

As mentioned above the Federal Constitution and the subsequent land laws have created a free access to rural land for those who wish to engage in agricultural activities. Any person, who is 18 years and above has the right to get rural land by grant. The government, through its different land administration apparatuses, is empowered to give land to those who are in need of it. Land grant may be made from unoccupied government lands, communal lands, land reserve (land left without heirs and claimed back by government, land claimed back by the state because the holder leaves the area permanently or neglect the land), and finally by conducting land distribution. Land redistribution, as discussed above, has less appeal to land holders who are supposed to give consent for its distribution.

3.3.2 Inheritance and donation

The second means of acquiring land is inheritance or donation. Any person who is a member of peasant family may have the right to get rural land from his/her family through inheritance or donation/gift (Art. 5.2 of Proc. 456/2005, art.7 of Amhara.) A family member is defined as “any person who permanently lives with holder of holding right sharing the livelihood of the latter” (Art. 2.5 of Proc 456/2005). Unlike the family members recognized by the Federal Revised Family Code (RFC) as those who are related by marriage, blood and adoption, the Federal Rural Land Law follows a slightly different path. As can be inferred from the above cited provision, a family member is one who “lives” with the peasant who holds the land and “shares” his “livelihood.” The requirements are basically two: residency and management. It means, first, s/he must permanently live with the farmer under the same roof (residency element); and second, he must totally rely on the peasant farmer for his life and has no other income of his own. He is under the control and administration of the farmer (management element). This means, the law does not specifically require marital or blood relations for a person to be considered as a family. Hence, a laborer who has no alternative income of his own and lives with the farmer without salary under the same roof may be considered as family member and eligible for inheritance. Even the Amhara Rural Land Proclamation goes one more step by allowing inheritance of land by will to any farmer engaged in agriculture (Art.16.1). By contrast, it is not possible to inherit or donate rural land to one’s children who live elsewhere or are engaged in other professions. The rationale behind such rule seems that since land belongs to the state and the people and not a private one, it has to be transferred to those who are in need of it, irrespective of their blood relations.

3.3.3 Small Scale Land Rental and Lease

As already mentioned above, land rights could be transferred permanently through inheritance and donation. Besides, there are other modalities through which land use rights may be transferred temporarily to others. We can call them commercial land transactions to differentiate them from inheritance and gift. To be specific, the law recognizes rent (from farmer to farmer) and lease (from government to investor) as the two possible ways to transfer land use rights temporarily. Sale and mortgage are not yet allowed. The Federal Rural Land Law provides a general provision that allows rent and lease the details of which shall be decided by regional rural land laws. It generally says that peasants and pastoralists can “lease to other farmers or investors land from their holding of a size sufficient for the intended development *in a manner that shall not displace them*, for a period of time *to be determined by rural land administration laws of regions* based on particular local conditions [emphasis added]” (Art. 8(1) of Proc. 456/2005). It means, the law gives the discretion of deciding about the duration of the lease period and the amount of land to be leased out to regional governments. Another point is that the law uses only the term “lease”, and excludes the word “rent” whereas regional land laws give different meanings to the two terms.⁸

Since the FDRE Rural Land Proclamation 456/2005 provides regional states discretion to do so, Regional Rural Land Laws do not follow similar approach in the size of land to be leased out and the duration of the lease period. For instance, in Tigray, the peasant is allowed to rent out up to 50 percent of the size of his land for 20 years if the lessee uses modern technology, and 3 years if he/she uses traditional means of production (Art. 6 (1), (3) of Tigray Rural Land Proclamation). In Amhara Region, renting land is allowed for a maximum of 25 years, although the size is not mentioned. There are practices in the region where farmers rented out the whole of their holdings to small scale investors. The argument for deviating from the Federal one (which says *in a manner that shall not displace them*) is one that depends on recognizing the rationality of the farmers; that farmers know better for themselves. The Oromia Land law follows the Tigray approach in terms of size and duration. The SNNPRS Rural Land Law follows somehow different approach. According to article 8(1) of Proclamation No. 110/2007, the duration of land rent from peasant to peasant is 5 years, from peasant to investor is 10 years, and from peasant to those who cultivate perennial crops is up to 25 years.

Investors who rent land either from the government or peasant farmers have the right to mortgage their lease right as security to banks (Art. 8(4) of Proc. 456/2005). What is being mortgaged here is not the land itself but the lease right, the right to use the land for a given period of time. This implies that an investor may lease land from two sources: first, from individual farmers, and second, from the government. When we look at the practices, it is the land which is rented from the government that is given as collateral to banks and not the one rented from peasant farmers. The reasons are firstly, the land rented from peasants is too small to

⁸ For example in the Amhara and Oromia Rural Land laws “rent” is understood as “transfer of land to fellow farmers for shorter period of time”, while “lease” is “transfer of land from farmers to investors or from government to investors for longer period of time.”

pass it as mortgage, and secondly, the peasant may not agree that his land may be given as collateral to banks.

3.3.4 Large-Scale Agricultural Land Lease

The Federal Rural Land proclamation (456/2005) under article 5(4)(a) allows investors to get rural land for agricultural investment:

Private investors that engage in agricultural development activities shall have the right to use rural land in accordance with the investment policies and laws at federal and regional levels.

This same principle has been reproduced in all the regional rural land laws promulgated so far. The purpose behind this provision is to attract investors who have the capital and technology to participate in agricultural production of land found in the low land areas of the country. Millions of hectares of arable land is found idle in the low lands of the country, on the border to the Sudan. Because of its hostile environment, however, peasants from the highland areas have not been interested in cultivating the low land areas. Taking this fact in to consideration, the Federal Government has offered tax holidays and other incentives to attract domestic and foreign investors. An incredible amount of domestic and foreign investors have shown interest and got land accordingly. It has been claimed that so far about 3.5 million hectare of land has been transferred to both type of investors, and the government has yet a plan to transfer the same amount of land in the coming five years(Dessalegn-Rahmato 2011). The Government on the other hand has put the figure at about 2.6 million (2.2 million given by regional states and 380,000 given by the Federal Government). Because of the large-scale land acquisitions secured by international and domestic investors taking place in Ethiopia and other developing countries, critics and foreign medias call it “land grab.”

In the beginning the procedure of land transfer was left to the concerned regional states. But later on it was changed for two reasons: first, regional states were inefficient in providing land; and second, they lacked the necessary technical capacity in designating and transferring the necessary land. It is said, for example, the western region of Gambella had transferred 100,000 ha of land to the Indian company of Karuturi for less than two dollars a hectare and for exaggerated period of 70 years. To alleviate such problems the Federal Government has enacted a directive which enables it to take control of all uncultivated land in all regional states above 5000 hectares. This directive adopted by the Council of Ministers in February 2010 empowers the Federal Ministry of Agriculture (MoA) to identify and transfer agricultural lands, which are above 5000 hectares upon the consent of the regions. In other words, regional states would still keep the right to give land for agricultural lease below this amount. Accordingly, the MoA identified and transferred to its land bank about 3.6 million hectares from four regions(Dessalegn-Rahmato 2011; Agricultural-Investment-Support-Dirctorate 2011) see also a news on <http://www.addisfortune.com/Published%20On.htm>

The Federal Government MoA has come up with central figures that deal with the amount of rent, lease period and amount of land to be transferred. For instance, amount of land to be transferred is curbed to 50,000, 20,000, and 5,000 hectares for bio-fuel, cereals, and tea/coffee production respectively. Some critics, however, claim that the government does not strictly enforce its own rules. In reality, regional states do not still follow the amount of rent adopted by the Federal Government

Table 1: Rural Land Rights in the Federal and different National Regional States

	Federal	Tigray	Amhara	Oromia	SNNPRS	Benishangul Gumz
Rent Farmer-farmer	-Amount should not be all -Period not mentioned	-50% of land -3 yrs traditional -20 yrs modern	-No specific amount -25 years	50% 3 years tradi 15 modern	-No specific amount -5 yrs fmr-fmr -10, 25 yrs farm-investor	-50% of holding -2 yrs traditional -10 yrs modern
Lease Gov.-investor	Amount not specified	50 yrs for Agri investment	25 years	No mention	No mention	40 years subject to renewal every 5yr
Mortgage of lease right	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Donation	Allowed	-	To any farmer	To family member	To family members	To any person
Inheritance	Family members	-Children -Parents -Dependants (With no land)	-To any farmer by will -Minor children -Children no land -Children land -Parents	To family members (includes dependants)	To family members	-To any farmer by will -Minor children -Children no land -Children land -Parents

Source: Federal and State Rural land use and administration proclamations

4. URBAN LAND LAW

4.1 Background and Objectives of the proclamation

It has been discussed above that urban land was administered by proclamation 47/1975 which was adopted by the Derg in 1975. After the downfall of the Derg in 1991, the then Transitional Government of Ethiopia (TGE) came up with a new urban land law. Unlike the permit system which was operational before then, the new urban land law follows a lease system. So, for the first time, the lease system was introduced in Ethiopia as a sole means of urban landholding when this new law was adopted in 1993 (Urban Lands Lease Holding, Proclamation No. 80/1993). Since the lease system was enacted before the adoption of the constitution, and since the constitution does not say anything about urban land, it can be argued that this proclamation and the subsequent lease proclamations for that matter lack constitutional base. This law was repealed in 2002 (Proc. 272/2002) and it again was replaced by the current proclamation in October 2011 (Proc. 721/2011).

The first and usual objective of any leasehold system is to collect enough money in the form of ground rent to finance the urban infrastructure systems. This is indeed the sole reason for many western countries and capitals when they lease urban land to developers. The second reason, prevailing in former socialist countries which still do not privatize their urban land, is that lease serves as a means to transfer land use rights from government ownership to individual citizens. It is a temporary means to satisfy the need of land demand through lease agreements.

In Ethiopia, the objective of the previous lease proclamation 272/2002 was twofold, to collect enough money to run urban infrastructure and to transfer all urban land holdings in to lease system. Indeed as was witnessed then after, the government had shown efforts to use urban land lease as a source of revenue to finance the supply of dwelling houses and infrastructure. Moreover, large cities and towns, designated by Federal and states as lease towns, faithfully practiced the second objective. Urban land has been transferred to individuals by lease agreement.

Now, however, the government argued, urban municipalities become corrupt and inefficient in land delivery. Demand of land in urban areas has been greater in huge amount than the supply of land given by the land authorities. Besides corruption, non transparency and injustice were reined in the system which created a safe haven for few urban speculators and brokers. Urban speculators profited by selling bare land without adding value to it. Government has been complaining that it was not the beneficiary of the share of the profit reaped by the above agents. For this reason, the FDRE Government initiated the revision and passage of new urban land lease proclamation. The objectives of this new proclamation, as envisaged in the preamble, are two: to satisfy the growing urban land demand resulted because of the fast economic growth of the country; and to ensure good governance for the development of efficient land market and a transparent and accountable land administration system (Preamble of Proclamation 721/2011).

4.2 Modalities of land Acquisition

Previously, as mentioned by the federal and state lease laws, there were five modalities of urban land acquisition: auction, negotiation, assignment, award, and lot. Auction and negotiation were the two most important methods for cities to collect income from land lease agreement. In bigger cities auction is still the most utilized method to transfer land from municipalities to investors. Land may be assigned by city authorities to civic associations, charitable organizations, embassies, international organizations and so on as a sign of good will. Award was the least utilized method of land transfer by urban land authorities. It happened usually when a person contributed extraordinary accomplishment to his country. A good example in this case was the Ethiopian long track athletes who won the Olympic medals representing their country. Lot or lottery used to provide land to the majority of urban dwellers to construct single residential houses. The point is that urban dwellers should get land to build their own home, and in all the cities this was done free of charge. In a way, this looked like the free access to land followed in rural areas.

Now, however, since most of them are categorized as bad practices that opened door for corruption, government argued, the law recognizes only tender (auction) and allotment (land lease transfer without auction) as the two basic means of lease transfer from government to citizens (art.6 of Proc 721/2011). As a matter of principle, every land needed for residential, commercial (agriculture, industry, or service), and others will be transferred by tender. Bidders will use the minimum lease price as a base to offer their price. However, as exception, city municipalities may give land by allotment to selected areas of paramount importance to society such as government offices, religious institutions, public residential housing programs, diplomatic mission and so on (art.11). Besides, a person who is displaced from his house as a result of urban renewal (like in case of expropriation) shall get a land by allotment. All of them would pay lease price based on the bench mark set by the city.

4.3 Conversion of Old Possessions to Leasehold

The proclamation clearly declares that all land in urban areas shall henceforth be transferred in to lease system (Art.5.) The idea is that land held during the Derg era and before then as well as land held through informal means and not certified must be registered as leased land. The same idea was, of course, incorporated in the previous proclamation as well. The difference between the previous and the current lease proclamations is that the current lease proclamation attaches mandatory lease payment to the status. Transfer of land holding into lease system means that all land in urban areas, after being identified and registered by the municipality, shall be registered as lease land and the holder shall enter with the government a lease contract that among others includes lease period and lease price to be paid (art. 15). The lessee will then be issued a “lease certificate” that shows name of lessee, land size, location, land use purpose, lease price, lease period and so on.

Although the timing of transferring all land which are outside transaction is not yet decided, the proclamation declares that the following land related activities shall be subject to payment of lease price: when land is transferred to third person other than inheritance, when old possession and newly leased land are amalgamated/merged, and when informal settlement land is being regularized (art.5).

The effect of transfer of land right in the event of the above three situations is that buyer or holder will pay “lease benchmark price” (minimum lease price), which shall be set by every urban center, multiplied by the area of the land size. The calculation of this price takes into “account the cost of infrastructural development, demolition cost as well as compensation to be paid to displaced persons in case of built up areas, and other relevant factors” (Art.2(11)). According to an interview (Ethiopian Reporter) of a Federal government official given recently, for example, the maximum lease price fixed for Addis Ababa is 600 birr per square meter.(1 USD=17.2 Ethiopian birr). It means there are other lesser prices for other lower graded areas in the city. Hence, a person who would like to sell a house built on 200 m² area will pay (200X600) 120,000 birr lease price. The initial payment will not be less than 10% (art.19) and the remaining will be paid over long period of time which will be decided in the future.

The concern of the general public is whether or not land holders (old or new acquired before this law for free) would pay for their holdings even though there is no transaction. In other words, could they be surprised by a load of debt of lease price without any activity of the above sort? The proclamation says that it should be decided after a thorough research is carried out in the coming four years. So, at least, it will not be a concern for now.

4.4 Expiry and Renewal of Lease Contract

The lease proclamation has set different lease periods for residential and other activities. As in the case of the previous proclamation, 99 years has been set for residential purposes. What will happen after expiry of the lease contract? Nothing has been changed from the previous proclamation concerning the effect of expiry. As a matter of principle, the lease contract will be renewed. This is to be done, however, based on the written desire expressed by the lessee 2 to 10 years before the expiry of contract. However, when the municipality wants the land for other activities or if the master plan chooses the land for other purposes, the contract shall not be renewed. The effect of non- renewal of contract is that the land will be taken after the removal of any property erected on the land by the owner. There shall not be payment of compensation for any property damage caused to the owner. The municipality is empowered to “take over the land together with the property thereon without any payment where the lessee has failed to remove the property within the period” given (art. 24(6)). The possible problem or criticism that may be forwarded against such provision is that it may create tenure insecurity and hysteria when the expiry date approaches. My opinion is that government should pay compensation in the event of non renewal of contract of lease.

4.5 Transfer of leasehold right

Like any other property right, lease right is also freely transferable. In the previous proclamation there was no any limit or restriction to such right. Of course, there were directives adopted by city municipalities, here and there, which limits such rights, such as prohibiting the transfer of bare land or foundation, to discourage land speculation. My personal experience in the city of Bahir Dar, the capital of the Amhara Regional State, for example, is that land value (bare land) has been increasing twofold every year without any activity made on it. For this reason, as mentioned above, government has been complaining that speculators purchase and transfer land without adding value to it. Among others, real estate companies have been said transferring bare land (lease right to the space only) without building the necessary construction over it. Because of this, in 2010, the city of Addis Ababa had reclaimed more than one million square meters of land from real estate developers on the ground that they had been transferring land without adding value thereto (Addis Fortune, Vol. 11 No. 539.)

Now, however, the government introduced a new measure that curbs such speculations. The proclamation introduces four strategies to curb land speculation and rent seeking activities. First, the proclamation prevents people who repeatedly transfer leasehold right without completion of construction, in anticipation of speculative market benefit, from participation in a future bid (art. 23.7). Secondly, transferring only leasehold right (bare land) or leasehold right with only half-completed construction gives no benefit at all to sellers. According to the law, a person who wishes to transfer her leasehold rights before commencement of construction or half-completed constructions will get first, the effected lease payment including interest thereon, calculated at bank deposit rate; second, value of the already executed construction; and thirdly 5% of the transfer lease value (art. 23.3).

To make it clearer let's assume that Ms. A has bid 200 m² of land from the city municipality for 3,500 birr per square meter (total 700,000 birr). Assume also that she has effected a 10% advance payment of 70,000 birr. Let's further assume that she constructed a foundation at a cost of 40,000 birr. Her total cost at this point amounts 110,000 birr. For some reason, now however, she wants to sell the property. And she has sold it at 4,000 birr per square meter. The total profit collected from the transfer of leasehold right only is 100,000. What is she going to get from it? According to the aforementioned rule, she will get the following amount: the effected lease price of 70,000 birr, 5% of this money (3,500 birr), the money spent for the construction of the foundation of birr 40,000, and finally 5% of the 100,000 birr profit of 5000 birr. The total sales value is birr 118, 500 which puts her net profit at 8,500. On the other hand, from this single sale transaction only, government collects 95,000 birr (95% of profit goes to the government). Previously, such construction could have been sold for about 300 to 400 thousand birr at least in Bahir Dar city.

On the other hand, if the construction is completed or becomes more than half, then there is no limitation as to the value of the sale price. The flow of this provision is that it will not stop the connivance that might be made between buyers and sellers. It means that it would not be possible to avoid an under table (internal) agreement that might be carried out between the two. Secondly, even if it is possible to control, people will shift radically from selling unfinished properties to

finished ones. For instance, for residential houses half completed means construction of foundation, columns and top beam. Now if one puts a roof to the house, then it is considered as a complete one. As compared to sale price, the difference in cost is indeed very small. In this way, speculators will shift to this new way of trading properties. Thirdly, constitutionally speaking this is against the property rights of property holders. It means, once the government gets its money from the lease price, why is that again it insists in sharing the profit from the appreciation of land value? Of course, the justification is to encourage people to put a building on the land before they sale it, and to add value to their holdings. But, this should not be done by violating the constitutional right of property which among others gives the right to collect the increment in property value.

4.6 Mortgage of leasehold right

As stated above leasehold right is subject to any form of transaction including sale, lease/rent, inheritance, donation, mortgage, and as a capital contribution to a company. Under article 23 the proclamation, as a third strategy, limits the mortgage value of the leasehold right to the extent of the lease amount already paid. It means a person who had made 50,000 birr lease payment may not borrow more than this amount by mortgaging his lease right. Of course, if there is a construction, banks may also consider the value/cost of such construction in their borrowing. In other words, the market based location value which used to be given by banks during loan agreement (eg. up to 4000 birr per square meter in Piazza and Mercato-prime locations in Addis Ababa -the capital city) will be reduced to a much smaller amount.

If banks lend money by securing only the lease right, without construction, and if the borrower fails to settle his loan or if lease contract is terminated as a result of failure to commence on time, then, the land will be retaken by the city administration, and banks will be paid from the remaining lease price after a reduction of penalty by the municipality.

4.7 Commencement and completion of construction

Any lessee must commence construction within the agreed time. This is not new innovation to this proclamation; it was also included in the previous proclamation. The difference is that, the current proclamation contains more harsh measures against those who contravene the lease contract. For example, if one fails to start construction on time, the land will be reclaimed by the city administration and some penalty of fee may be imposed on the lessee (see art. 21)

Moreover, a lessee who got land by tender or allotment shall complete the construction according to the agreement. The law provides 24, 36 and 48 months to complete construction for small, medium and large scale construction activities respectively. Depending on the type of construction and regulation to be issued by each city administration, the period may be extended from 6 to 12 months. Where the lessee fails to complete construction within the agreed time, the contract shall be terminated and the land will be retaken by the city administration. The lessee is also obliged to remove any construction activity at his own cost from the land or else the city

may transfer it by tender to other person or remove the property on the land and then claim the cost from the lessee (see art. 22).

5. EXPROPRIATION

Expropriation is a forced taking of land by the government for public purpose activities against payment of fair amount of compensation. I have dealt in detail with the nature and procedure of expropriation and the valuation and compensation systems followed today in Ethiopia elsewhere (Daniel-Weldegebriel-Ambaye 2009a, 2009b) and in here I shall only mention it from land rights perspective.

The FDRE constitution guarantees peasants and pastoralists their holdings against arbitrary state eviction by introducing the principle of expropriation-that in the event of expropriation of land for public purpose activities, holders of land shall be compensated fairly. It specifically dictates that a “commensurate” amount of compensation should be paid in the event of expropriation (Art. 40.8 of FDRE Constitution).

Today, whether in urban or rural areas of Ethiopia, huge amount of land is being expropriated for urban redevelopment, urban expansion, road construction and other public activities. The valuation method adopted in the expropriation proclamation (Proclamation No. 455/2005) has a basic flow in implementing the constitutional principle of payment of “commensurate” amount. In urban areas, location has no value and owners are being compensated only the “replacement cost” of buildings; government reaps the location value that was developed and grew at the expense of the land holder/dweller. In rural areas, the compensation provided for the loss of agricultural land is an equivalent of the value of ten years production. It is calculated by taking the average value of produce of the past five years and then multiplying it by ten. The usual criticism on the practice is that compensation is not adequate; does not reflect the market value at all; and does not follow the constitutional guarantee provided to land rights.

Table 2: A Nutshell of Land Rights in Three Periods of Ethiopian History

Period	Rural/Urban	N/S	Use	Lease	Donate	Inherit	Mortgage	Sale	Equity
Imperial Era	Rural	North	√	√	√	√	X	X	√
		South	√	√	√	√	√	√	X
	Urban		√	√	√	√	√	√	X
Derg Era	Rural		√	X	X	X (√)	X	X	√
	Urban		√	X	X	X(√)	X	X	√
Current	Rural		√	√	√	√	X	X	√

System	Urban		✓	✓	✓	✓	✓ (?)	X	✓
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X (✓) No Inheritance except to minor children and a widow

✓ (?) Mortgage only lease right or an asset on the land

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusion

This paper describes the land rights existed in current of Ethiopia with a brief introduction of past tenure systems. In the feudalistic Ethiopia (before 1974), land had been controlled by the elite, in that although peasants of northern Ethiopia were allowed to have usufructuary right (*rist*) on their land, they were encumbered with different obligations. The peasants of the southern part of the country, on the other hand, were evicted from their land during the nineteenth century and became landless *gabars*, servants to the northern settlers who took their land. The Derg, which replaced the imperial regime, came to power carrying the well known slogan “Land to the Tiller” with objective of distributing land to the tiller and thereby made him the owner of the land and any produce wherefrom. However, the first thing the Derg did was nationalizing all urban and rural lands and extra houses in urban areas, without payment of compensation. The government replaced the previous landlordism in all its forms as it becomes the sole renter and rent collector. The rural and urban land laws completely prohibited sale, mortgage, lease/rent, donation, and inheritance (except to spouse and children) of land. In spite of this, the measure had at first got great support from the rural peasantry, especially of the southern regions of the country. However, because of erroneous policies of the government that followed thereafter and repeated land distribution activities taken place, the motto “Land to the Tiller” became aborted.

In 1991, the Derg, a Marxists government, was toppled by the incumbent and a Transitional Government was established until the adoption of the current Constitution in 1995. The new constitution maintains land ownership of the Derg by putting ownership of the land under the public and state hands. Currently, there are other land related legislations in the country dealing with urban and rural lands and natural resources. According to the Federal Constitution, all urban and rural lands and natural resources belong to the state and the public.

The rural land laws provide peasants with lifetime rights (holding right) to the land. This land right includes use, lease/rent, donation and inheritance rights. Sale, exchange (barter) and mortgage are not allowed. The rights of lease/rent, donation and inheritance are however, restricted for different reasons. The rural land laws also create (at least in principle) the free access to rural land although, because of land shortage and restriction on land distribution, this right is not realized.

In urban areas, land can be held only through lease system. According to the newly adopted urban land leasehold proclamation, residents are allowed to get land only through auction. It is only under exceptional circumstances that land may be given by allotment (without auction).

Compared to the previous lease proclamation, the new one hampers the right of access to urban land. The constitution stipulates that land belongs to the “people and the state”, but there is no clue to show that urban dwellers are owners as compared to their rural counterparts. Secondly, the different strategies included in the new proclamation restrict the free transfer of lease right. In case of sale of unfinished properties, it will be the government who shall take the profit. Land literally becomes valueless for mortgage purpose. Finally, the amount of compensation paid in the event of expropriation is not adequate.

6.2 Recommendations

The Imperial era was better in terms of provision of land rights although the system was in general inequitable since land was controlled by the elites. The Derg’s land tenure system was equitable since it created access to land for all people. But it restricted the freedom of using one’s land property rights. Now the mission for the current government, when it came to power in 1991, should have been how to solve the problems encountered by its predecessors: how to ensure equity in land holding while at the same time liberalizing the land rights of the people. From the foregoing discussion it can be concluded that the current government should do more in creating access to land rights, especially in urban areas, and in liberalizing the land use rights in the country within the given constitutional arrangement (state and public ownership of land.)

The following specific recommendations are forwarded:

- Government should revise the rural land proclamations and liberate some of the restrictions imposed on rights such as rent, donation and inheritance.
- The residence element for farmers is not necessary since it hampered peasants from searching alternative income by staying for longer periods in urban areas.
- Much care is needed in the event of land transfer for Large-scale agricultural investment. Among others, care should be made on the amount of land transferred, lease period and on the effect it causes to the environment.
- The restrictions made on urban land transfer should be lifted. Government should fight land speculation by the supply of land rather than restricting transaction. Besides, a system should be designed (such as lot) that creates free access to urban land. There is no doubt that land will be, in the future, concentrated in the hands of few who can afford to offer much during auction.
- The rules of valuation and compensation during expropriation should be revised to make them fit with the constitution and thereby to pay fair compensation in the event of expropriation.
- A system should be devised that creates tenure security in urban areas.

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