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RESEARCH ARTICLE

URBAN LAND LEASE PROCLAMATION AND ITS ECONOMIC IMPLICATION TO PUBLIC SERVANTS: THE CASE OF GESUBA TOWN, WOLAITA ZONE, ETHIOPIA

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ABSTRACT

The research intended to assess the urban land lease law and its economic implication to public servants at Gesuba town of Wolaita Zone, Ethiopia. Today the leased land holding proclamation has become a burning agenda of discussion throughout the country in Ethiopia. In order to have the best representatives of the target population, this study used a scientific formula by using 182 individuals were selected as sample size to conduct the research. The study employed both qualitative (critical research design method) and quantitative approaches (descriptive design method). The data collected through various methods were synchronized and organized by using both descriptive techniques and critical analysis techniques. The research finding revealed that public servants are not benefited from the current land lease holding proclamation. According to the finding *the main factors that deter the benefit of public servants from the land lease proclamation at study area were the proclamation by itself, the defect in the implementation of the law, corruption, high escalation of land price through competition, lack of good governance and other unmentioned problems.* The current land lease law not equally serves society. The government should have to amend the proclamation to serve the public servants and society equally.

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INTRODUCTION

The land lies at the heart of the social, political and economic life of people in most African countries, where agriculture, natural resources, and other land-based activities are fundamental to livelihood, food security, income and employment. In the continent of Africa customary land management is under pressure, and the coverage of formal land institutions is generally very limited. As a result, land tenure and shelter are insecure for many ordinary Africans in both urban and rural areas. Property rights are weak or unclear, and this is widely regarded as a major obstacle to African development. Land competition can trigger and exacerbate wider conflicts. In southern Africa, particularly, the unresolved historical legacy of colonial land alienation underlies the risks of social and political conflict. Bound up with ethnic identity, and political and economic power, and of critical importance for the livelihoods of the poor, the management of rights to land is a core issue for African governments today (Julian et al. 2004). As the recent reports indicated Ethiopia has become among those with the fastest rate of urbanization.

Of course, when it comes to past trend of urbanization, Ethiopia remained among the least urbanized countries in Africa. According to the UN (2011) report the share of an urban population of the world was 52.1percent, Africa with 39.6percent and in Ethiopia, 17 percent population was lived in an urban area. As to the rate of urban development (rate of urban population growth), the same report depicted that the world average was 1.97percent, with 3.23percent for Africa and 3.57percent for the Ethiopian case, which is one of the highest rates in the world. As per the National Urban Systems Study (2015), the urban population of Ethiopia will increase by some 31 million and the total population by 43 million between 2015 and 2035. This means that the urban population growth accounts for nearly 75percent of the total population increment during the considered period (Melkamu, 2016). As a result of this fast urban population increment holding urban land and its management become a tough task for the government. Countries around the world do have their own unique land policies and laws. Pragmatic differences in terms of political, social, economic and cultural setups have made adoption of different land policy and law schemes in such dissimilar societies inevitable. Accordingly, a country which has a society divided across economic classes with a huge difference will not opt for land policies and laws which enable individuals to own land privately as this would allow those who have controlled the means of production and capital to

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buy all the land across the country and exploit the lower class. It is in light of such facts that the FDRE constitution declared that both urban and rural land and other natural resources are owned by the state and peoples of Ethiopia and thus cannot be owned privately. The Ethiopian urban land lease system has tried to ensure the right balance between the interest of the public at large as the owner of the land on one hand and individual interests related to urban land on the other. Among the most important urban land-related interests of the individual citizen is tenure security. As urbanization is growing fast in Ethiopia, introducing and implementing a land administration system that ensures tenure security is mandatory. In the absence of tenure security, no one is content to bring about any form of permanent improvement to land. This has serious ramifications as it discourages real estate development and ultimately results in a shortage of housing and other immovable properties needed for different uses (Melkamu, 2016). The main problem with leasehold arrangement is that the land supplied for bid is very limited and hence is quite competitive and expensive for individuals as well as public servants to hold lease land. There are also implementation problems in transferring to leases. On the other hand, the lease-hold system suffers from corruption and a lack of transparency. According to the World Bank's (2012) study, land allocation is the second most area of corruption in Ethiopia following customs services. The most corrupt activity in the land sector occurs at the implementation stage suggesting that the level of corruption is influenced by the way policy and legislation are formulated and enforced (Alebel and Berihu, 2017).

One of the basic rationalities for the Ethiopian government to adopt a land lease tenure system is to give land market value, which in turn enables the government to collect adequate revenue. However, the principles and practices of setting up ground rent and payment arrangements create controversies that require further solutions. In Ethiopia, it is impossible to set lease price by reference to the market condition of the land since the land sale has been prohibited by law. The practice shows that allocating urban land through auction is used as a mechanism to give land market value. The experience reveals that the practice of offering lease tender and land delivery system does not reflect the prevailing transaction value of land (Zelalem, 2014). One of the problems is associated with the basis of selecting the winner on land lease competition. The highest bidder is selected based on various parameters such as bid price, amount of down payment and duration of payment. This implies that even if the bidder has not provided the highest bid price, he or she can be a winner based on other criteria (if weight given to other bases as a selection criterion is high). In general, the mechanism to give land market value through the process of auction is not worked out. Consideration of competitive parameters (duration and amount of down payment) as a criterion to select winner also creates an additional problem. First, giving priority to those who can pay the total amount of the lease price at the signing of the lease contract has created a contradiction with the objective of the lease policy. It is made clear that once the full payment is done, no other payment is expected from the lease until the contract expires. Although a huge amount of money is required for construction, the problem of encouraging full payment of the lease price contradicts the objective of the retention of land in public ownership. A one-time payment creates a very uneven revenue stream for the government and is not sustainable in the long run because land for lease is

limited. And after most of it is allocated for long-term leases, this source of revenue will dry up. The highest bidder is required to make the remaining payment every year, and the yearly payment shall amount to the average price of the remaining lease payment divided over the period payment (ibid). In the study town, Gesuba the interest of societies' landholding is increasing from time to time. In such a manner, the civil servants are competing with other community members to hold the land through lease holding law. However, according to the previous land lease practice in the town, most of the lease lands are held by merchants, other community members, and few civil servants. As such, currently, the bid price in holding lease land is too high as compared to the previous years in the town and it is increasing from time to time. This and other associated problems put the civil servants to face a challenge in holding lease land. The research that stated about urban land lease holding law impacts on government workers was not more studied at all. Thus, this research assessing the participation of government workers on urban land lease practice in Ethiopia: the case of Gesuba town. The research addressed the objectives of the study which were to identify the benefits of the public servant in urban land lease holding law in Gesuba town, to assess the economic effect of urban land lease holding law on the livelihood of public servants in the study area

MATERIALS AND METHODS

Study Area Setting: Gesuba town is the only urban center of Offa woreda which is situated at a distance of 29 km Southwest of Sodo which is the capital town of Wolaita Zone, and at a distance of 206 km southwest of regional capital, Hawassa as well as at a distance of 355kms southwest of the country capital of Ethiopia, Addis Ababa. The town is situated between the two rivers Manisa and Ourulla. River Manisa bounded the town in the southwest, west, and northern parts, and river Ourulla bounded the town in the southeastern and northeastern parts. The remaining part of the town in the north with Busha kebele northeast is bordered with Sero Esho kebele and in the west with Geleko kebele and in the southwest with Okoto Sere and Galda kebeles. The total incorporated planed boundary of the town covers about 2056 hectares. The absolute location of the town is 6° 43' 00"N latitude and 37° 34' 00" E longitude (Basic plan of Gesuba town, 2017).

Research Approach and Design: The research used the mixed design approach in this study. The study was employed both qualitative (critical research design method) and quantitative approaches (descriptive design method). As to the research design, different types are depending on the type of research and the research approach employed. As long as the research studies can be categorized into two major research paradigms that are, qualitative and quantitative, and then research designs can vary according to such paradigms. From a quantitative research design, a descriptive research design used to conduct this research. Because of the study used on the previous records of the town lease holding practice when the time land given to the society. The data were described based on the information collected from the authorities of the municipality. The critical research design is the design for researches which are evaluative in nature focusing on examining strengths and weakness of certain systems or practice mechanism. This research evaluated the extent of the implementation of the lease holding law in the municipality in the study. So, this

research used a critical research design because of the aforementioned reason from qualitative research designs.

Sampling Techniques & Size: Sample size determination is the foremost task before conducting a research work based on a sample of the parent population. The total numbers of government workers participated on the land lease tender from 2011 to 2018 in Gesuba town were 1006 (Gesuba Town Municipality report, 2018). The government workers who participated in these researches were both household heads and individuals. To have best representatives of the target population, this study used a scientific formula. Therefore the number of sample size determining using the formula developed by Yamane T. (1967). (Formula 1)

$$n = \frac{N}{1 + N(e)^2} = \frac{1006}{1 + 1006(0.05)^2} = 182$$

Where: n = The number of required sample of the study (sample size);

N = Total number of government workers participated in tender from the year 2011 to 2018

e = confidence level (0.05 (95%) level of precision)

1 = designates the probability of the event occurring.

By using the above sample size formula, the research used 182 sample sizes to conduct the research. The determined 182 individuals were selected by simple random method. This research used purposive sampling method because the research get more information from respondents who were participated or competed more than twice in the time of lease tender on the urban land lease holding practice and those who have knowledge about the lease land proclamation. From the municipality land development management department 6 key informant respondents are selected purposively to structured interviews for the research. FGDs held on two sessions in the study, each session includes 6 participants.

Data collection methods and research instruments: The data were collected by using questionnaire, structured interviews and focus group discussion. The primary data were collected by using the above data gathering instruments.

- **Questionnaire:** Questionnaire was prepared to the government workers in the study area. The questionnaire was prepared by English and translated to Amharic for the respondents. The questionnaire was included close ended and open ended questions.
- **Key Informant Interviews:** The structured interview was held during primary data collection. This was because to collect information from municipality land development management department and authorities.
- **Focus Group Discussions (FGDs):** FGDs were held to generate qualitative data so as to supplement the data collected quantitatively. The discussion was held on two sessions based on the voluntary of the participants and on the appropriate time the participants agreed. Furthermore, based on the prepared checklists and the group included both male and female public servants in the Gesuba town.

A total of two FGDs sessions were conducted and discussion was made with the participant selected from different age and sectors.

The secondary data was collected from municipality land development management department documents.

Method of Data Analysis: Data collected through various methods were synchronized and organized according to the research questions and coded on broadsheets of paper. Based on the findings, quantitative data was planned to code and enter into Statistical Package for Social Science (SPSS) version 20 software, then analyzed by using descriptive techniques such as tabular forms, with charts, percentages, frequencies and narration being calculated for drawing up conclusions on particular observations. Non-quantifiable data were subjected to content analysis and interpretation, and open-ended responses were organized either under their relevant subheadings or in tables to facilitate comprehension.

Ethical considerations: In this research a written consent was obtained from the concerned offices in the town about the research. An oral consent was also secured from each and every participant. The responses were kept confidential and used only for academic purpose. Respondents' religion, dignity, moral, and their personnel were respected.

RESULTS AND DISCUSSION

This part of the research describes the finding of the research analysis. In this part demographic characteristics of the respondents and the implication of the urban land lease holding law on public servants in the study town were analyzed by using table, pie-chart, frequency and percentage.

Demographic Characteristics of the Respondents

Sex Distribution of Respondents: The study identifies the sex groups whether females or males participated more in the lease land holding practice. As the data obtained through interviews from the concerned officials of Gesuba town municipality, the males were more frequently participated in the auction rather than females. According to the above Table 1, male respondents were accounted 84 percent of the respondents and the female respondents accounted remaining 16 percent from the total respondents of the study. This shows that males participated more in the lease land tender than females. The greater numbers of males were involved in the auction.

Age of Respondents: The age groups less than 20 were the younger age groups who may not need to hold urban land or they may live with their parents because of this the number of the age group was less than other age groups in the study. The age groups of 21–34 were the youngest age groups they participated more in the study because they had high land demand to hold urban land or they might live in the rent house in the town. The age groups of 35–64 were might have land or house in the town. As the study revealed that, the age groups of 35–64 some might not have land or home in the town and this age group ranked the second position in the study regarding the participation of respondents. As indicated in the above Table 2, high proportions of respondents were categorized under the age of 21–34 which accounts for 81.7 percent of the total respondents. The second-largest public servants found under the age group of 35–64 having 17.2

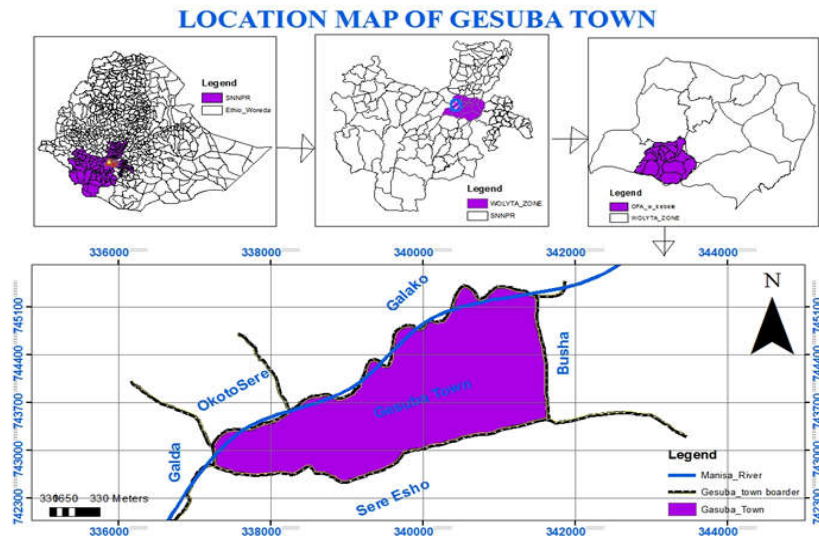


Figure 1. Location Map of the Study Area

Table 1. Sex of the respondents

Sex	Frequency	Percent
Male	153	84.0
Female	29	16.0
Total	182	100.0

Source: Survey Data, 2018

Table 2. Age group of the respondents

Age Categories	Frequency	Percent
Less than 20	2	1.2
21-34	149	81.7
35-64	31	17.2
Total	182	100.0

Source: Survey Data, 2018

Table 3. Distribution of Educational Level of the Respondents

Education Level of Respondents	Frequency	Percent
Certificate	3	1.8
Diploma(Level)	21	11.8
Degree	153	84.0
Master Degree and above	5	2.4
Total	182	100.0

Source: Survey Data, 2018

Table 4. Implementation of Urban Land Lease Law by Municipality

Do you think the urban land lease holding law directly implemented by the town municipality?	Frequency	Percent
Yes	78	42.6
No	104	57.4
Total	182	100.0

Source: Survey Data, 2018

Table 5. Beneficiaries Information about the Lease Law

Do you think the beneficiaries are well informed about the lease law clearly?	Frequency	Percent
Yes	40	21.9
No	142	78.1
Total	182	100.0
If your answer is No, who could take the responsibility in the lack of clear information about the lease law?		
The town municipality authorities	45	31.8
The government	85	59.9
The people	12	8.3
Total	142	100.0

Source: Survey Data, 2018

Table 6. Rate on Land Lease Holding Competition of Public Servants

How many times do you compete in the lease land holding competition?	Frequency	Percent
Two	42	23.1
Three	42	23.1
Four	42	23.1
Five and above	56	30.8
Total	182	100.0

Source; Survey Data, 2018

Table 7. Public Servants Who Won Land Lease

Are you won the lease land?	Frequency	Percent
Yes	14	7.7
No	168	92.3
Total	182	100.0

Source: Survey Data, 2018

Table 8. The Reason for Public Servants Not Win the Competition

What is the reason that you cannot win the competition?	Frequency	Percent
High lease land price	112	67.3
Low land supply	26	15.4
Others	30	17.3
Total	168	100.0

Source: Survey Data, 2018

Table 9. Public Servants say about the Land Lease Proclamation

Do you think that the public servants are the beneficiaries from the proclamation of urban land lease?	Frequency	Percent
Yes	30	16.6
No	152	83.4
Total	182	100.0
If your answer is No, what is the major factor that can made the public servants not benefit from the proclamation?		
The implementation of the law	35	23.4
The proclamation by itself	79	51.8
Corruption	20	13.4
Others	17	11.4
Total	152	100.0

Source; Survey Data, 2018

Table 10. Fairness Price of Lease Land

Does the price of the land lease is fair?	Frequency	Percent
Yes	31	17.2
No	127	69.8
I don't know	24	13.0
Total	182	100.0

Source; Survey Data, 2018

percent of the whole respondents and those respondents under the age of 20 ranked in the third places with 1.2 percent of the total respondents. The age groups categorized above 64 didn't participate in the research because this age group of persons was either retired from their job or have land in the town or they did not compete in the leased land holding a tender. This analysis shows that the respondents participated in this research were the younger age group people. So, this younger group had a higher demand for having land in the town rather than the rest age groups. Many demographers' stated people within this age are highly sensitive to bring change.

Educational Level of the Respondents: The educational level of the respondents affected the probability to hold the high professional scientific level in relation with their work experience. If the one had held the higher professional scientific level, the opportunity would have been high to get high amount of salary based on their position or level.

This might raise their economy level. As stated in Table 3, the distribution of the educational level of the respondents' highest educational level was a first degree which accounts for 84 percent of the total education level of the respondents. The diploma level and master's degree and above level accounts 11.8 percent and 2.8 percent of the respondents respectively. The remaining 1.8 percent of the respondents were in the level of certificate. This shows that from the civil servants most were degree holders either from government institutions or private institutions recognized by the government.

Land Lease Proclamation and Its Implementation towards Government Workers

Urban Land Holding Law Implementation by the Town Municipality

The basic issues are thinking how the concerned bodies are resolving the problems of lack of good governance; how often

are they successively implementing law and regulation wrongly used. But implementing the rules and regulations has its defects; these affect the government workers to hold land. As presented in the above Table 4, 57.4 percent of the respondents think that the urban land lease holding law not directly implemented by the Gesuba town municipality and the remaining 42.6 percent of the respondents said the urban land lease law directly implemented by the town municipality. According to the data, the urban land lease law not directly implemented by the municipality in a lack of good governance and corruption. Based on the information obtained from FGDs, the municipality employees those in the key position were owned many lands in the town and also in secret they forwarded the land to their relatives illegally. The data obtained through an interview with the experts, they responded to the land lease law adequately and appropriately support the lease land administration system to have a fair and equal distribution of the land resource among the society. He additionally replied 'there is no challenge for the implementation of land lease holding law till the law directly implemented in the town. But, the participants of the study said the municipality didn't implement the law.

Beneficiaries Information about Lease Land Proclamation: Based on the participants of the study, the beneficiaries were not clearly informed about the urban land lease proclamation.

Based on the data in Table 5, from the respondents, 78.1 percent replied the beneficiaries have no clear information or knowledge about the lease law at the time of the lease land tender. And the remaining 21.9 percent responded that the beneficiaries were well informed about the lease law. Based on the above-mentioned data, the majority of the respondents responded the beneficiaries are not clearly informed about the lease law. The lack of clear information or knowledge on the land lease law had an effect on the civil servants as well as on the society in the time of competition besides other factors. For instance, in the time of tender, if the public servants or societies have no clear information or knowledge in filling the tender document they failed the chance to win the lease tender. Based on the data obtained through an interview with concerned officials of Gesuba town municipality the public servants aware of the leased land holding proclamation or law. Before the tender, we give the orientation for the societies to have information. The majority of the societies had awareness but they were not implementing it well in the time of tender.' Based on the above Table 5, 78.1 percent of the respondents responded 'yes' the residents or the beneficiaries of the town are not well informed about the lease law. In the same Table 9 regarding the question raised, from the respondents 59.9 percent responded that the government could take the responsibility, 31.8 percent respondents replied the town municipality authorities could take the responsibility and the rest 8.3 respondents said the people by themselves should have to take the responsibility. Regarding the results, the government should take the responsibility to aware of the objectives of the lease proclamation by using different Media of communication. If the society had clear information on the land lease law, they might understand the objectives of the lease proclamation and participate in the tender.

Public Servants and Land Lease

Rate of Competition in Land Lease Holding Tender: According to Table 6, the public servants compete in the lease

land holding five times and above account 30.8 percent of the total respondents in the study. From the participant respondents those who compete in the lease land holding tender two times, three times and four times each of them account 23.1 percent of the total respondents. Regarding the data, the public servants compete more than five times and above in the tender to hold urban land lease based on high demand of land.

Public Servants Who Won Land Lease: According to the data obtained from the respondents, there were few public servants who win the land lease through the tender in the town. Table 7 shows the public servants who won the leased land holding tender in the study area. According to the above table, about 92.3 percent of the public servants were not won the lease land tender and the remaining 7.7 percent of the public servants were won the lease land tender in the town. From the above analysis, the researcher concluded that nearly to the total participant of the public servants had no land in the town. The public servants participated many times in the tender to own the land but, they can't afford the land lease.

The Reason that Public Servants Not Winning the Lease Land Competition: It is provided under the new proclamation that every plot of urban land shall have a benchmark lease price and the valuation method shall be determined on the basis of the objective conditions of each urban center in accordance with regulations issued by the respective regions and city administrations. Moreover, a price map shall be prepared based on the benchmark prices of different locations computed as mentioned above and the benchmark lease price shall be updated at least every two years to reflect current conditions (Araya, 2013). According to the researcher, land lease price updated at least every two years by the local government, this increases lease land price and makes it not fair for the society. The reason for the escalation of land price would be the growth of land speculation. The price of land has grown unexpectedly high and the wealthy persons use the land for market value to increase their business through the tender. If they win the plot of land, they sold after some months at a good price.

According to the above Table 8, 67.3 percent of the respondents suggested that the main reason for the public servants cannot win the lease land tender is high lease land price, 15.4 replied the reason is others they mentioned as follows; the leased land is hold by the wealthy persons, there is no capital for public servants to win the land, in lack of good governance, the competent tenders provide the highest amount of price, the highest demand of the people and corruption and the remaining 15.4 percent of the respondents responded because of low supply of land in the time of tender in the leased land holding competition. Based on the sample survey result, that high land lease cost was the sole reason and high cost of land in association with other reasons mentioned before (corruption, favoritism, etc) have deterred them from accessing land through the lease. Major Factors that Government Workers not to Benefit from the Proclamation: The reason for the inflation of the urban land price is mainly the proliferation of urban land speculators and brokers (Sisay, 2012). In Ethiopia, it is impossible to set lease price by reference to the market condition of the land since land sale has been prohibited by law. The practice shows that allocating urban land through auction is used as a mechanism to give land market value. The experience reveals that the practice of

offering lease tender and land delivery system does not reflect the prevailing transaction value of land.

As the above Table 9 indicated that, 83.4 percent of the respondents responded that 'no' for the question in regards to public servants benefit from the proclamation. Therefore, according to the response public servants didn't benefit from the proclamation of urban land lease holding law. And the remaining 16.6 percent of the respondents said public servants were benefited from the proclamation. Concerning the above question, for those who answered no for the question raised another question forwarded by the researcher 'what is the major factor that can make the public servants not benefited from the proclamation?' According to the respondent in Table 9, the major factor that hinders public servants from the benefit is the proclamation by itself (51.8 percent). As the survey and triangulation with FGDs reveal the main factor that deterred the public servants from accessing urban land is the approach adopted in the urban land lease law in defining the mode to access land. The lion share of interview/questioner respondents is with the opinion that the adoption of the higher bidder win approach to determine the winner of the land tender has prevented the public servants from acquiring urban land. Nevertheless, 23.4 percent of the respondents attached the problem with the defect in the implementation of the law, 13.4 percent of the respondents said corruption and whilst, 11.4 percent of them attributed the problem to unlimited participation of a person to the land tender allowed the wealthy people only to access urban land that inhibited the public servants from getting one. Based on the information of FGDs participants, the major cause that public servants cannot benefit from the proclamation was the public servants have no more money to compete in the tender, lack of good governance, the rich persons compete in the high money in time of tender, the societies lack of awareness about the objectives of the proclamation, backers and wealthy persons. Allotment of in urban on bid (auction) basis any person who wants to have Land for the residential purpose must compute and registered in a public auction. According to Melkamu, 2016 the lease law, there is no consideration for the poor and low-income group. Many scholars and writers criticize the Ethiopian land policy in two ways, the first is the constitution gives free land tenure to the rural resident but it does not consider the urban dweller citizen, and the second is lease proclamation does not consider the poor and low-income peoples. It gives priority to the individuals who have the capacity to win the lease bid system. Such a system may question the issue of equality among citizens. Based on the finding, the government amends the lease land proclamation to serve all the society equally.

The Land Lease Price: The recent land lease law (proclamation no 721/2011) plainly states that urban land shall be permitted to be held by leasehold through the modality of tender or allotment. Consequently, the minimum (benchmark) price of urban land shall be determined by a regulatory provision of the respective regions and city administrations. As to the tender modality, the law states that "the highest bidder shall be declared a winner on the basis of his bid price and the amount of advance payment he offers" (Article 11, sub-article 5). In short, during the tender process, the winner will be the one that gives the maximum price through auction and Leasehold title deed will be conferred on a person/entity to whom urban land is permitted.

According to the above Table 10, about 69.8 percent of the respondents responded that the current lease land price is not fair, 17.2 percent of the respondents agreed that the price of land lease is fair and the remaining 13 percent of the respondents replied that they don't know the price is fair or not. By the inflation of lease land price, the respondents said the price of the leased land is not fair. Under the new proclamation No. 721/2011, every plot of leased land shall have a benchmark lease price and the land lease price updated at least every two years by the local government this increase lease land price and make it not fair for the society. The reason for the escalation of land price may be the growth of land speculation on the benchmark price. The price of land has grown unexpectedly high with the high land demand of the society and the growth of lease land speculation by the municipality and also the society highly demands urban land. Based on the researcher finding the land lease price increased from time to time and this leads the urban land lease price not fair for the society. The data obtained through interviews with officials, the current lease land price is fair in the town but the price is increasing from time to time because the competition to hold lease land in the town is increased from the previous time. The public servants' land demand also exceeds the number of lands supplied for the tender.

Also, the lease land price should have to stipulate or bounds the price pitch for the leased land. Otherwise, in the current situation, public servants may not hold the leased land. So, may the government should have taken this opportunity to decrease the increment of lease land price.

Causes for Increment of Land Lease Price at Study Area:

As indicated in the below Table 11, 42.6 percent of the respondents responded that the main cause for the increment of lease land is lease land as market value, 30.2 percent of the respondents replied high land demand in the society, 20.7 percent of the respondents said low supply of lease landholding from the municipality in the time tender and the remaining 6.5 percent of the respondents replied the cause for the increment of lease land price is increasing lease land speculation by the authorities. Regarding the study, the main cause for the inflation or increment of land lease price was lease land as market value. The practice shows that allocating urban land through auction was used as a mechanism to give land market value. Based on the tender process the highest bidder selected as a winner of the land. So the competitive person bid the highest money to win the tender this cause the increment of lease land price. Next, to the land as a market value, high land demand among the society was the other cause for the increment of lease land price. This high land demand increased the interest of society to hold urban land. Therefore, the highest bidder wins on the market.

Based on the data in Table 11, the cause for the high land demand in the society based on the respondents using land for the market value accounts 37.3 percent from the total respondents, 35.5 percent replied rural-urban migration, those who said natural population increase accounts 17.2 percent and the remaining 10.1 percent of the respondents didn't own land in the town. Therefore, the main cause of the high land demand in the society was using the land for the market values to hold the highest portion followed by rural-urban migration. The businessmen use urban lease land for the market purpose to enhance their economy. Indeed, the rich persons use the leased land for the market value to increase the land demand in the society. Use lands for the market value and rural-urban

migration are the main causes for high land demand in the society. But, the use of land as a market value takes the primary position. The data obtained through an interview with experts, the main cause for the increment of urban land lease price is the rural-urban migration and the high demand of the society to hold the land in town.

Conclusion

As per the new urban lands lease holding proclamation, in principle, the only way through which urban land can be obtained is through the lease system and after winning a competitive tendering. It is only exceptionally that land may be allocated through allotment. The lease system allows use right on urban land only for a definite period upon payment of lease price. The public servants are not benefited from the lease land proclamation. The leased land not equally serves society. The wealthiest persons were more benefited from the lease law on the free market. The rich persons and merchants used the land for the market purpose or value. They competed in many plots of lands in the town and if they win they sold it for enhancing their economy. The poor class of the society, as well as the civil servants, pushed away from the game. The proclamation's fundamental objective is to serve the public through the sustainable economy, social welfare and fair distribution of resources among the citizens. But, the lease law not fairly serves society equally. The urban land lease proclamation affects the economic development of public servants. For instance, in FGDs one public servant said 'he won the leased land in the town but now he had no capital to pay the initial first-round 10 percent down payment for the land. The urban land lease challenges the economic development of public servants' livelihood which leads to unsuitable life. In the current market situation, all things inflate from day today. There also socio-economic affairs among society. The major factors that deter the benefit of public servants from the land lease proclamation at the study area were the proclamation by itself, the defect in the implementation of the law, corruption and other unmentioned problems. Based on the information of FGDs participants, the major cause that public servants cannot benefit from the proclamation was the public servants have no more money to compete in the tender, lack of good governance, the rich persons compete with large money in time of tender, the societies lack awareness about the objectives of the proclamation, backers and wealthy persons.

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