

A Comprehensive and Critical Analysis of Illegal Land Market in Mekele Peri-urban: A Lesson to the Rapid Urbanization in Ethiopia

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The research is by Policy Study and Research Center, FDRE.

Abstract

This research was initiated to investigate the drivers of massive illegal land market in Mekele's peri-urban area that has been unprecedented and pervasively for the last decade so as to shed light mainly to the urban planning regime and to the residential land market of Tigray Region and hence the country. Data was collected from survey of five hundred and forty two households and other primary and secondary sources by applying a concurrent exploratory mixed research method. The findings, unlike other researches to date, indicate that drivers of the illegal land market are basically structural problems. Expansion plan beyond the city's legal jurisdiction - "a cart before the horse," seeking expansion instead of rural hinterland transformation, illogical blending of Local Development Plan implementation and adjudication, dichotomous rural-urban land right and acute scarcity of land supply are the key structural drivers. Among the conventional challenges ramifying illegal land market are absence of rigorous rural land use plan and rural residential land registration and sporadic adjudication. Owing to structural nature of the problem, neither bulldozing nor regularization has been found appropriate response. Therefore, the feasible solution should be comprehensive enough in which urban plan that transforms the hinterland, establishing rigorous rural land use planning and registration as well as ensuring robust adjudication system. All other solutions will work only if the significant land supply via illegal means is brought in to the formal system.

Keywords: illegal land market, urban planning, rights dichotomy, wealth appropriation

1. Introduction

1.1. Conceptual framework

Illegal urban land market is one of the perpetuating urban issues dominating urban development literatures (Rajak, 2009). The peri-urban area is the most prone in case which is also true of Mekele, the second largest city in Ethiopia, that causes the quest to initiate this inquiry. The challenge encountered the peri-urban for the last decade to unprecedented scale. It has become an 'alternative' residential land supply mechanism.

Magnitude of illegal land supply and/or acquisition in developing countries' cities is paramount. Over 70% of Dar es Salaam's population used to live on land illegally acquired during 1979-1992 (Kironde, 1995). Other notable examples are 35% for Peruvian cities, 50% for Nairobi, 84% for Cairo, 49% for Delhi (Sivam, 2002); 58% (62,928) for Cebu city (Thirkell, 1996). And it is worth mentioning that what makes illegal land market a perpetuating policy agenda in developing countries is its magnitude.

The central issue of illegal land deal that is at the epicenter of academic and policy debates is inequality and its analytical framework is how markets operate and how the operations of markets affect the behavior of different sections of the society (Roy, 2005). A number of authors such as (Rajak, 2009) and Kironde (1995) characterize illegal land market as a result of a dysfunctional formal land market, deeply rooted in government policies; is also true of Mekele but in a border policy environment than is usually discussed in the literature.

Very often, others such as Vitor-Serra et. al. (2015) attribute supply constraint to planning regulations despite this normative analysis fails to address supply constraint at the city level. In such a case, irresponsive supply causes price escalations in the formal market increasingly forces the middle income and the wealthy in Africa, Latin America and Asia in to the illegal means (Thirkell, 1996; Payne, 1989). Yet others coined the mismatch between demand and supply of residential land via the formal means to type of land ownership structures (Sivam, 2002). However, this perspective is short of visualizing the possibility of same outcomes while ownership is different or vice versa.

Illegal land acquisition, despite justified by a dire necessity, can't be taken for grant. Harvey (2000 as cited by Roy, 2005) argued that the domain of the demand side constitutes actors motivated by speculative business in case neither the market is efficient nor government interventions correct the gap. The antithesis to "inability of the poor" changed the rational to government policy failure or else government social responsibility for housing that brought 'regularization' policy response in to being. This being the good news, a mere regularization has not been found effective remedy to the problem.

Owing to the fact that the issue is perpetuating, much research has been done and policy responses have

gone a series of metamorphosis. Yet much is remaining to be worked due to the fact that existing literature seems to be shallow in addressing the structural problems, inherent to the socio-economic and socio-political contexts which this research seeks to address in the case of Mekeel.

1.2. The problem

Magnitude of illegal land market - all forms of acquisitions and occupations happened out of the consent of the responsible authorities, has been rampant for the last ten years in Mekele's peri-urban areas. Small hamlets flourished in to townships to the extent that many of them surpass Aynalem¹. For instance, 3000 households buy farm subdivisions by a means of coordinated land grab in a single settlement. Despite this fact, the issue has got little attention. And it has been assumed that bulldozing (more than 4000 housing units) as rational and effective response. Illegal land deal is continuing nevertheless.

Compared to other developing countries evidenced in the literature, magnitude of illegal land market in the peri-urban of Mekele seems milled. But causes show inherent difference in the city at stake. The structural nature of the problems deeply embodied in urban planning regime of the country, dichotomous rural-urban land rights, unclear responsibilities of the rural district and the city over the same (peri-urban) area and real outcomes of the formal land market constitutes the difference. It is further supplemented by land administration system and system of transition of rights from the rural to the urban sect is not yet well understood. Keeping these underpinnings in mind, the shallow knowledge and policy discourse over it thereof needs detail inquiry.

1.3. Objectives

The overall objective of this research is to investigate the drivers of the persisting illegal land market within the peri-urban areas of Mekele and shed light to the urban planning regime of Tigray region and hence the country and to the residential land market in Mekele. The specific objectives include:

- a) to assess the magnitude of illegal land market within the peri-urban areas of Mekele;
- b) to explore the drivers of the illegal land market surge within the fringe areas of the city;
- c) to elucidate the institutional behavior within which the illegal land deal operates;

2. Methodology

Nature of the inquiry at stake involves both exploratory and explanatory aspects. Thus, a concurrent exploratory research approach is found appropriate that employs qualitative and quantitative mixed methods. Mixed methods offer the advantage of offsetting the biases of the first method by biases of the other complementary (Creswell, 2009).

The article relies on both primary and secondary data sources. Primary data was collected from 542 sampled households in four kebeles². A multi stage sampling strategy was applied to select the target constituencies and then systematic random to selected households (every 26th)³. In-depth interviews, focused group discussions, and extensive field observations were the other methods. Eighteen Local Development Plans (LDP), socioeconomic and physical reports of the city's Structural Plan, adjudication documents, land lease bid documents, reports, and relevant proclamations were secondary sources consulted.

3. Results and discussions

3.1. Prevalence and magnitude of the illegal land market

Provisions of the regional government have never been comprehensive to govern rural residential land⁴. As a result unauthorized mass occupation on public land has been a norm within the peri-urban area of Mekele. In-depth interviews held with residents also indicate majority of the existing houses were established on open public land at the eve of formal inventory was taken. Settlements within the peri-urban were less dense settlement in 2006. Being cognizant of the initiation of the Structural Plan embracing them, residents have been preoccupied in illegal occupations and acquisitions; and authorities were busy in disbursing land to the community. As a result, the neighborhoods grow to the extent of hosting thousands of households.

¹ Aynalem is an existing formal township within the command area of Mekele's Structural Plan.

² 'Kebele' is the smallest administrative unit in Ethiopia

³ Principles followed to determine the sample size were: sufficient sample coverage, keeping margin of error (E) very low (0.5%); ensuring 99% level of confidence; keeping standard error as low as possible (0.5%)

⁴ Land administration responsibility in Ethiopia vests on the realm of regional governments

Table 3.1: Magnitude and modalities of illegal land holding in selected settlements

Type of illegal acquisition	Neighborhoods and settlements									
	Dngur e	Around Adihaws	Lanchi-lancho	Gefih gereb	May-anbessa	May-keyah	Hrishma	Adi-kolakul	Shibta'	Total
Build home	49						61	27		137
Squatting					47					47
Divide their	57	142	12	2069 ⁺						2280
Sell	369	56	126	140	147	101			25	964
Grant their						27				27
Total	475	198	138	2209 ⁺	194	128	61	27	25	3482 ⁺

Source: Compiled from the 2011 adjudication documents, 2016.

None of the acquisitions and transfers described in the above table is found to comply with legal substances. It is abnormal to find 1,189 grants and 352 inheritances in areas annexed to Quiha sub city while formal allocation under the rural regime were 587. In 2016, out of 1583 applications appeared for title to permit holdings 628 (39.6%) were found fraudulent. Another 698 illegal housing units were identified to be cleared. However, adjudication documents undermine the magnitude due to the fact that adjudication committees acknowledged all illegal holdings so long as occupations are on open public land or on ones farms. In addition, absence of rural residential land registration offered the new entrants to expand their holdings and embrace open spaces around them¹. Furthermore, Micro and Small Enterprises' operators change the land they were given for temporal working premises into residential use. In conclusion, illegal land acquisition is widely prevailing in the peri-urban. It is a fact that illegal land deal has been flaring.

3.2. Derivers of illegal land market in the peri-urban area of Mekele

3.2.1. Performance of formal land market

The population of Mekele has grown at a high rate (5.5%) for the last two decades that makes the city third fastest growing in the country (CSA, 2011). As of 2014 the city hosts 313,332 residents - along with this, 44,890 housing demand is registered as of 2016. Spatial growth of the city also increased from 1,600 hectares in 1994 to 26,444.4 (9,135 ha built-up) hectares in 2016. The twice 'big push' expansions (2004 and 2011) embraced about 5521 hectares including two small towns and about 65000 residents joined the city because of the expansion.

The total residential land and housing supply for the period 2006-2016 was 12,427 (27.68% of demand). At the average supply of the recent past seven years (467.3 plots per annum) it will take the city 69.5 years to meet accumulated backlog to date. However, the above stated housing demand is extremely understated because share of owner occupied housing is not more than 32.69% as of 2007 (CSA, 2010). The figure is undermined because the source of data is lease bids.

Therefore, the ramifying illegal land market in the peri-urban and area contiguous to the city is partly due to constrained supply for residential land (15.27% of the entire supply of 997.4 hectares for the period 2008/9-2013/14) irrespective of affording capacity. It is worth mentioning that those who engage in the illegal land acquisition are not necessarily those who couldn't afford the formal market.

Residential land supply scarcity in Mekele doesn't emanate from a mere inefficiency, instead the problem is structural. Enactment of Urban Land Lease Holding Proc. No. 272/2002 abolished all means of residential land access and also prohibited bare land supply. But the city is unable to fiancé acquisition and development of adequate land to respond to the dire demand.

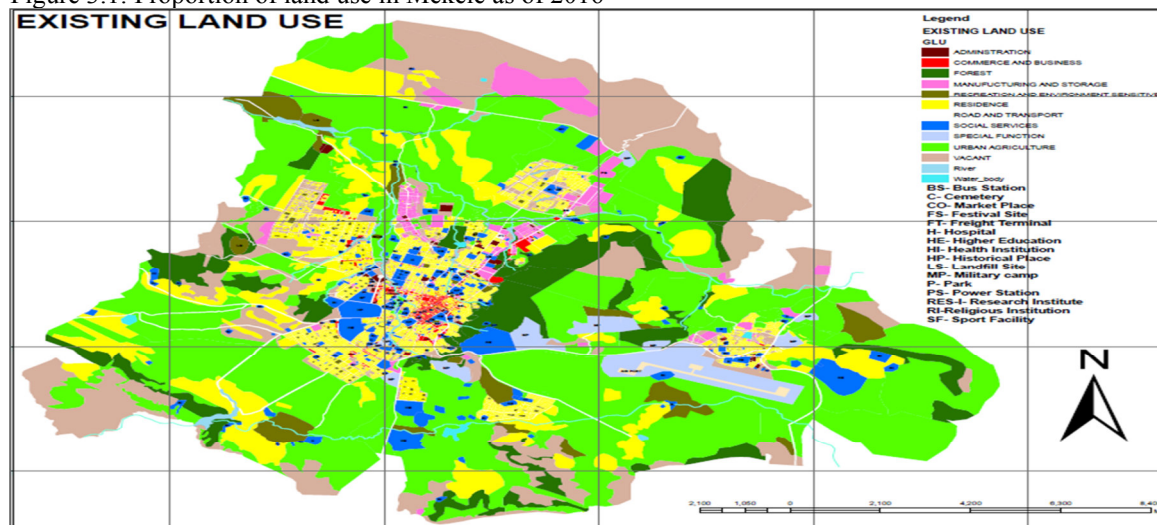
Scarcity of supply is not limited only to inefficiency with delivery. It is also deeply rooted in the land use plan of the city. Land use allocation for development purposes seems to disfavor residential use i.e. its share is below 20% of the total area. That is why some practitioners of urban planning argue that the city's expansion has never balance the proportion land use.²

In general, the trajectory of the city's efforts to date shows less success in addressing the huge demand for housing/residential land. The 917.1% growth in the city's spatial extent in the course of the last 20 years (1994-2014) worth nothing in leveraging the alarming demand.

¹ The 2011 Adjudication Directive acknowledged all rural holdings established before the enactment of Rural Land Administration Proclamation No. 136/2008 as legal holdings by default.

² As the national planning standard, residential land should account 45-50% of total buildable area.

Figure 3.1: Proportion of land use in Mekele as of 2016

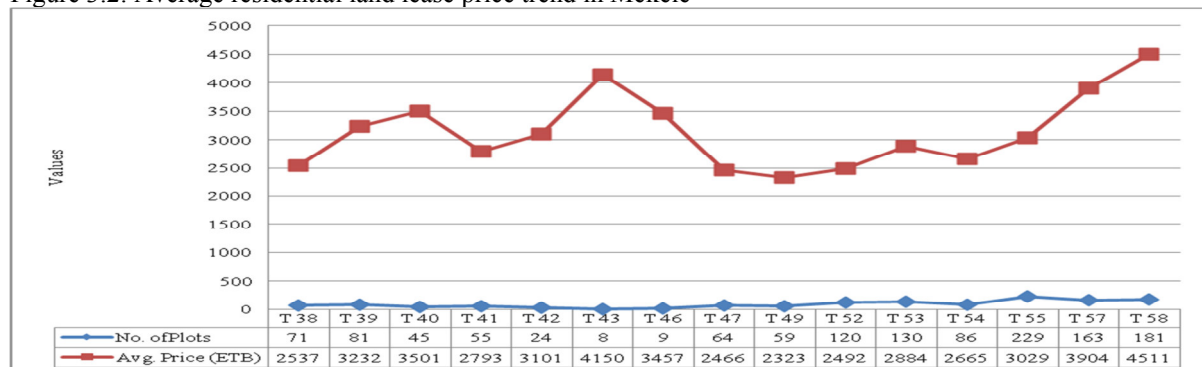


Source: Author, 2016

The result of the severe gap between the ever increasing demand and meager supply is nothing but price hikes. Residential land price sky rocketed literally from negligible in the 1990s to 8,013 per a square meter in 2016. Currently average price per a square meter lay in the range ETB 1,182.97 and 4,551. Put in other words, the average transfer price falls in the range ETB 236,594 and ETB 910,200 for a lot size of 200m² (1,325 plots). Hence, even advance payment of ETB 47,319 and 182,040, is practically unaffordable to the majority and is rising every time at a high rate.

T – denotes tender number

Figure 3.2: Average residential land lease price trend in Mekele



Source: Mekele city land development and management, 2016

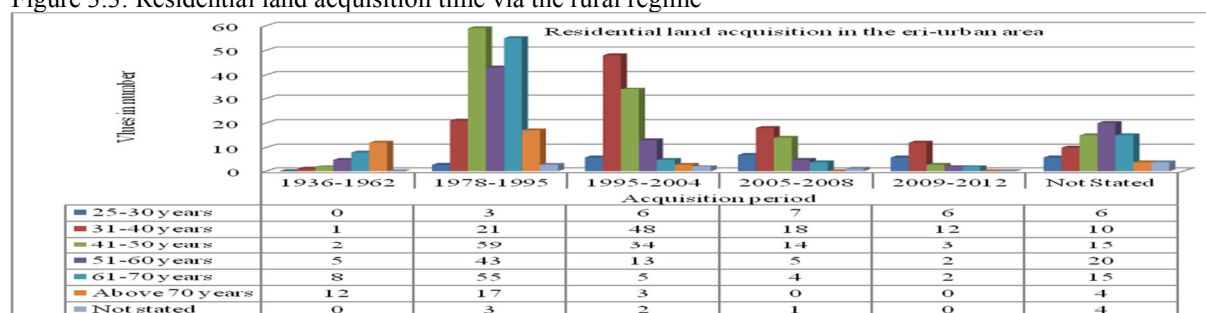
When the supply is irresponsive at the city level, the demand curve shifts upward to respond to the high price competition (Jan, 2009; Vernon, 2009). This theoretical underpinning is working in Mekele. Average price of residential plots rose by 78% in the past five years. It is obvious, that ever hiking prices have debilitated affording capacity of households - otherwise they could some years ago. Price hikes forcedly changed housing demand in to housing need. A total price of ETB 30,000 to 80,000 for a plot of 200 m² in the illegal market is far below the average amount of advance payment in the formal market. This is one of the structural problem urged illegal land market in Mekele.

3.2.2. Peri-urban residents' tests to urban expansion

Access to residential land

Rate of access to residential land within the peri-urban is 90% with a modest gender baise (85.5% for female headed and 91.9% for male headed hoshholds). The survey data shows that at least 75.7% of residents who attain the age of 25 years have residential plots/housing.

Figure 3.3: Residential land acquisition time via the rural regime



Source: Field survey, Sep. 2016.

However, since the 2004 expansion, the time the settlements officially joined the city, formal supply has significantly decreased. The survey data shows only 15.16% of the peri-urban residents access plots after their settlements joined the city (2005-2012). That is why plot/home ownership is age and time biased (figure 3.3). The reason is the fact that the right for a universal access to residential land residents used to enjoy under the rural land regime ceased to exist at the instant the settlements joined the city¹. That is why 50.9% (276) respondents report their children who attain age of 18 or above are cohabiting with their parents and 21.4% (116) report that some of their children got plots and some do not. This indicates that residents of the peri-urban and contiguous areas do not welcome urban expansion.

Economic and lifestyle change

Out of the total 542 households 165 were dispossessed their farms for urban development. This implies that 30% of farmers within the urban fringe surrender their farms, if distribution of data is even, up on payment of compensation.² As of August 2016, the 10 years value of average production collected from the survey ranges ETB 184,684 and ETB 212,530 (minimum and maximum are at extremes ETB 94,880 and ETB 882,500). Equivalence of the 10 years compensation value at the current compensation rate of ETB 23.33 per a square meter is ETB 233,300, which is above the market value of average production farmers reported. Despite this fact, 87.9% (145) of the dispossessed and 54.85% (204) of their counterparts reported that compensation is (extremely) unfair and it has been argued that the reason peasants aggressively engage is due to unfair compensation.

Table 3.2: Market rate of production versus compensation

No of 1 ha cases	Main crops	Retail market price (ETB/Qnt.)	Annual production in Quintals			10 years Value of production at market rate			Compensation	
			Min.	Max.	Avg.	Min.	Max.	Avg.	Rate (ETB/m ²)*10	10 years Value (ETB)
154	Te'aff	1765	8	50	9.8	141,200	882,500	172,970	23.33	(23.33)* (10,000) = 230,000
	Wheat	1078.13	12	45	17.13	129,376	485,160	184,684		
	Barley	1106.25	11	50	18.01	121,688	553,130	199,236		
	Beans	2372	4	15	8.96	94,880	355,800	212,531		

Source: Field data and Mekele Agriculture and Environmental Protection Office 2016.

Land acquisition is not all about compensation. Acquisition has a significant bearing to the analysis of urban expansion. First, the relation between government and farmers is not a simple contractual agreement on land rights. Second the economic base of the rural society is not solely dependent on farm but supported by a broad based rural economy. Therefore, 10 years relocation compensation mean meager to the farmers unless urban expansion is treated as rural-to-urban transformation. That is why 48.9% of the respondents opt continuing rural had they had the option. In general, the experience of the peri-urban residents towards urbanization is not good implying their expectation of their future hapless as usual.

3.2.3. Urban planning: A cart before the horse

It is well understood that urban planning is a technical strategy cities/city regions apply to organize their development properly and ensure feasible resources allocation. In this indisputable reality, urban planning should be prepared by the city to guide its development within its legal jurisdiction - nothing else beyond. This logic, having a deep rooted legal bearing is not visible in the urban development planning landscape of Tigray, and for that matter Ethiopia. The relation between cities/towns and their hinterlands remained grey area. It was only recently (since 2006) the regional government provide clear framework that guides spatial growth of cities in

¹ Every age capable (18 years of age) rural resident has a right for residential land within his local constituency for free.

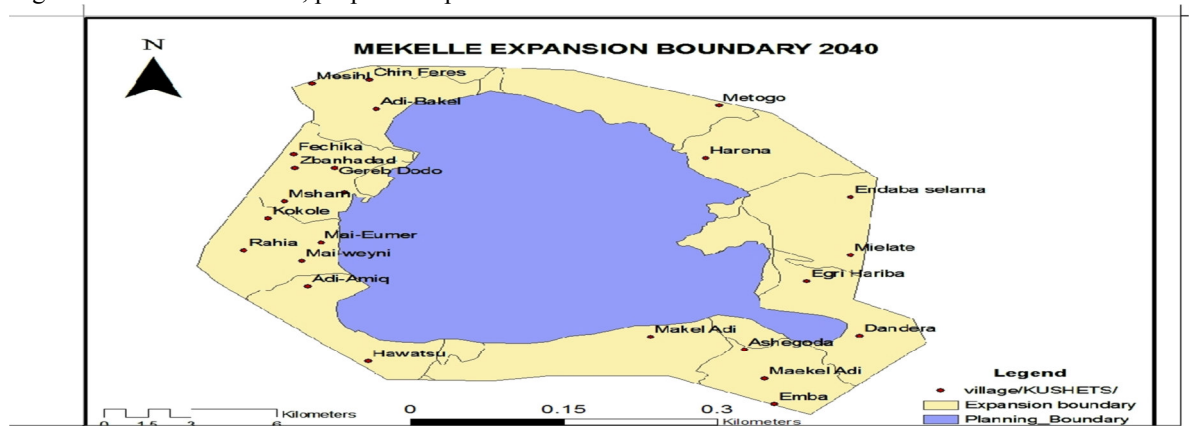
² Farmers shall be compensated commensurate for the loss they incur because of disposition of their farm holdings for a public domain (Art 40 clause 7-8 of). Just compensation (Proc No. 455/2005) is the cash equivalence of 10 year product value at current price.

Tigray (Proc. No. 107/2006). The proclamation recognized a need for regulating the expansion of cities and harmonizing their development with their hinterlands.

Although the proclamation acknowledged inevitable urban expansion (Article 5)¹, it failed to address the logical sequence between boundary determination and enforcing plan. That is to say planning precede boundary determination (Regulation No. 76/2011) which is “a cart before the horse” i.e. the city prepare structural plan over an area which is beyond its current legal jurisdiction. The concern here is not a mere of failure to comply with legal principles but the approach leads to serious failure that planning lacks concerted engagement and participation of the new entrant communities during plan preparation without which the new entrants lack sense of ownership over the urbanization and the plan embracing them. Hence, it is has been quite natural to the rural constituencies and communities to challenge the urban expansion for which they have been bystanders. Authorities within the expansion areas aggressively engaged in disbursing residential plots to members of their communities and others. For instance, authorities disbursed 277 plots and approved 255 donations in a single settlement (Dungur) during the three years when Structure Plan was understudy. In other settlement (Lanchilancho), the local authority established a township by allotting more than 2000 plots in 2008 - the year the Structure Plan was approved. In general, the tragedy is similar in every settlement at the peri-urban and surroundings.

Although the city and the regional government know well about consequences of unwise approach to urban expansion, none of them seems able to synthesize the root cause of the problem. The serious flaws are continuing. The city indulged in to the New York University's Urban Expansion Initiative that swells its current planning boundary to 42,877.67 hectares.

Figure 3.4: Mekele in 2040, proposed expansion



Source: Author, Oct. 2016.

The rationale to shop the Urban Expansion Initiative, experts discuss based on the shopped idea, is its merit to secure land in advance to meet the city's development need for 2040 by controlling squatting systematically. The problems encountering the expansion area for 2040 are worse than the previous problems the city encountered, nullifying the assumption. First, there is no provision that legally backs the expansion plan despite its approval three years ago. Second, tailored institution(s) tasked with managing affairs of this legally grey area is not established therefore land exploitation is getting aggravated even institutionally. Rural constituencies within the approved expansion plan are rushing allocations.

3.2.4. Plan implementation and adjudication: Blending the unrelated

Following the approval of Structural Plan, the city prepared 17 LDPs covering 5462.54 hectares in 2008 of which 3813 hectares lay at the periphery or detached new expansion areas. So long as the LDPs cover an extended rural area, their implementation requires a very huge investment. The city authorities assert that resource constraint limited implementation performance (54% for the course of nine years).² Nevertheless, the critical challenge is not a mere resource scarcity but failure to look for a feasible means of deploying available resources. First, the city seeks to finance the entirety of the components of the LDPs. Considering phased financing is the option in case of resources scarcity. It could be possible to finance compensation to clear altered properties (i.e. because of the need for securing rights-of-way) which has halted adjudication. Data shows that the sum required to finance such compensation is only 19.87% of total LDP implementation cost whereas 70.72% rather goes to open new gravel roads, which could be financed latter. Second, it is a serious mistake to presume

¹ New boundaries can be determined either by an agreement between the city and surrounding rural district(s) or the regional government may pass a decision to.

² As of 2008, the cost of implementing the 17 LDPs was estimated about ETB 200,000,000 (ETB 39487 per hectares) and current estimates show ETB 109357 per hectares.

that peri-urban areas are unable to afford implementing their LDPs. The apparent reality is however the reverse. Revenue raised from land lease is sufficient. For instance, the city can afford to finance at least one LDP every year out of advance payments and additionally one LDP every five years from periodic collections of the lease revenue if the city leases 850 plots every year (table 3.3). The core problem is that lease revenues raised from the peri-urban does not go to finance the new entrant communities' LDP. This is because land lease revenue makes part of the regional treasury despite lease revenue is typical municipal revenue.

Table 3.3: Revenue rose from public land lease in the past couple of years

Year	No. of plots leased	Advance payments (ETB)	Annual installment (ETB)	Remark
2015	406	49022361.4	3592520	Installment is assumed 50 years for both residential and commercial use
2016	1298	264,205,848.71	20,567,021.56	
Total	1704	313228210.1	24159541.56	

Source: Compiled from tender documents, Mekele Land Management and Administration

Third, the city is financing non future developments (not immediate priority) out of unearned revenue. The city opens 11 kilometers of new gravel roads every year within the proposed expansion for 2040. In the past couple of years the city invested ETB 16 million to clear rights-of-way. The sum is equivalent to acquisition cost of 69 hectares of arable land at current compensation rate.

But, how LDP implementation is a factor for the ramification of illegal land market? LDP implementation is a prerequisite for adjudication (Regulation No. 76/2013) but is against legal principles. Coordinating development (plan implementation) on an area before rights are identified (adjudication) on any specified area is conceptually wrong. If the legal content and boundaries of individual holdings are adjudicated based on the proposed LDP, individuals can proceed with developing their holdings. In fact, opening mains and social services may not necessarily be a prerequisite for adjudication. LDP implementation can affect development of the whole community not necessarily individual holdings. In general, the shallow but also misconception about the difference (legal context) and relation (spatial context) between adjudication and LDP implementation delays adjudication up to 15 years pave fertile ground for illegal deal to continue.

3.2.5. The urban rural dichotomy: Policy and practice

Within the framework of public ownership of land in Ethiopia (Art. 40/3 of the constitution) individuals, both rural and urban residents, enjoy same (use) right. The dichotomy comes to access policies. Rural society enjoys universal right for farm and residential plot for free and time unbounded term. On the other hand, urban land is subject to public leasing (market), does not bear universal right to citizens and use term is time bounded.

Rural residential land, governed by universal access for free, is found prone to a wide scale of illegal acquisitions and transfer in the fringe areas of Mekele. Access for free doesn't help in managing demand. Absence of disincentives would not initiate the allotted to have a concern for the economic value of the land and motivates speculation. For instance, more than 75% of houses in Dingur are not inhabited implying allocation and acquisition made without dire necessity. That is why a large number of allotted people transfer their plots illegally at marginal prices (3.62% to 17.22% of the formal lease price).

The legal frameworks are not comprehensive enough to contain cyclic appropriation of public land. Ones individuals get their holdings adjudicated, many of them sell their plots and move back to rural settlements and acquire another residential land for free. For instance, 899 sales were made within two years of their allocation in six small neighborhoods. The youth who acquired the plots either via legal allocation or any of the illegal means sold their plots in the name of huts erected. Some back to their parents; others went away; or mostly moved to nearby rural settlements. That is why majority of the houses are very small structures to the extent unable to accommodate even a couple. Furthermore, the Rural Land Administration Law (Proc. No. 136/2008) is silent about the maximum size of holdings occupied prior to its enactment. This gap enables those holders to expand their plots. Adjudication documents prove that the size of majority of such holdings is found in the range 750-2500m². This entails that unregulated size of old permit holdings has been one fertile ground for illegal land deal and speculation.

The peri-urban area also becomes source of wealth. People with speculative business motive are appropriating future value of land. First, they acquire the plot at a nominal price as low as 3.62% to 17.22% of the formal market. Second, they avoid applicable lease terms and conditions for plots acquired under the rural land regime are not liable for lease terms even after they get title. Third, they will appropriate premiums if they wish to sale the plots in the name of the shacks. Sellers and buyers share a premium which is equivalent to the difference of lease bid price and base price. I.e. buyers rise wealth and sellers save cost which is a wealth for tomorrow.

3.2.6. Rural Land Administration

The dichotomy at the policy level is deeply rooted in the political economic philosophy of the country. But the dichotomy in land administration is unintended. At the core of the land administration problem is an absence of

comprehensive rural land use plan that would guide the productive use of off-farm land. Hence, appropriate authorities could not strategically control squatting or allocations on land deployed for non residential use.

Although formal allocation has been institutionalized at least since 2007, rural residential land (housing) has not developed in parallel. There is no a well organized residential land registration and documentation system at the local and district levels opens sufficient room for squatting and illegal land deal in all the settlements in the peri-urban and contiguous neighborhoods. Absence of organized documentation also enables local authorities to directly exploit land resources. Furthermore, Rural Land Administration Laws do not provide clauses as to how to regulate construction period of rural housing.

It is quite clear that unintended urban-rural land administration dichotomy has significant contributions to squatting, illegal land transaction, speculation and appropriation of public asset within the expansion area in Mekele supplements the inherent gaps within the dichotomous policy.

3.2.7. Adjudication robustness

Owing to the fact that the rural-urban dichotomous land regimes bear different rights and responsibilities, rights created by the rural land regime needs smooth transition to rights conditioned by the urban land regime - the tool of which is adjudication. The adjudication frame work constitutes legal provisions and institutional set up. The institutional framework is a governance model comprising members of the local elderly representing residents; representative(s) of local administration and mass organizations; and experts from relevant rural and urban departments.

Despite relatively robust organizational set up and legal framework, the adjudication environment encounters problems at both strategic and technical levels and results have not been promising in curtailing illegal acquisition. Sporadic adjudication, the city applied, is a failure at the strategic level. First, the city couldn't hold the adjudication committees accountable for leaving holdings/houses unadjudicated due to conflict of interest. Second, so long as adjudication continues in a given settlement, it opens a room to continuing squatting and illegal transactions. The next table presents clear witnesses for the last two years.

Table 3.4: Indicators of continuing illegal land deal as a result of sporadic adjudication

Indicators for the last two years	No.
Application for adjudication in 2016 (applicants claim that the adjudication committee bypassed them)	1624
Ineligible claims for adjudication	817
Eligible claims	681
Application for adjudication of plots acquired on purchase (illegal transaction)	1423
Fraudulent claims to adjudicate additional plots	36
Holdings eligibility of which are disputed between former and latter adjudication committees	12
Squatting on open public land	698
Squatting on farm land	725
Total	6016

Source: Mekele Land Development and Management Annual Report for the 2016; Sub cities

Gaps in the sporadic adjudication is further backed by, informants discussed, lack of political commitment to settle the prolonged issue of adjudication for the last eight or so years. As a result, it has been inevitable for the city to continue adjudication to date.

From a technical view, the adjudication route is found to be full of flaws. In the settlements sampled, the researcher proved residents do not have allocation certificates meant that adjudications took place without candid evidence. As to informants from earlier adjudication committees, in most cases the decision of the local chief has been taken for grant as evidence. In addition, the adjudications went simply listing occupation; measurements were not taken for the enumerated holdings. Therefore, the list the adjudication committees handed over to the city includes notable number of future allocations local authorities sought. Furthermore, results of the adjudication bypass the requirement for residents' scrutiny.

Very weak political commitment of the previous leadership further aggravated the serious flaws within adjudication. Failure to exercise its legitimate power for any reason has raised illegal occupiers' perceived security of tenure. Members of local councils, party, local authorities and the police men participated in the illegal land occupation and acquisition. These indicate the emergence of a de-facto populist pressure. Pressure for regularization tends to replace adjudication. Applications became no more of individuals' question but that of organized groups. The core political leadership in office, however, seems to make a difference. In a series of public discussions held in 2016, claims for adjudication were welcomed but ought to pass through the public scrutiny. Because of the keen political commitment and genuine public participation, 1960 illegal holdings and more than 70 households holding their previous plots for which they were compensated and provided with replacement plots eight years ago were identified. In addition, 116 (including experts and members of local authorities) persons who participated in illegal land deals are prosecuted.

A very important lesson can be drawn from Mekele is that the general public complements the behavior

of the political leadership or institutions. This reminds us what Gomez (2011) argues in regard to the importance of the behaviors of institutions and the elite in shaping the behavior of the general public.

3.3. Institutions and institutional setup of illegal land deal

Being a market, illegal land deal needs some kind of institutional arrangement. Accordingly, three types of arrangements coordinate the illegal land deal in the peri-urban of Mekele. One line is organized within the relevant local authorities. 255 (47.1%) respondents report that local authorities encouraged land grab via advising holders to build houses before actual taking, offering fake allocation certificates to those who build house on their farm, titling via fake adjudications or authorities took no action to subvert the illegal occupation and subdivisions. Extensive role of the local authorities offer buyers and sellers an environment of trust for their transaction.

Table 3.5: Role of rural authorities on illegal farm subdivisions and occupations

	Frequency	Percent	Valid percent				
	Advice to build homestead	Offer certificate of	Adjudicate as if old permit holding	Neither support nor condemn	Oppose to those who build	Missing	Total
Freq.	71	73	111	106	176	5	542
%	13.1	13.5	20.5	19.6	32.5	1.0	100.0

Source: Field survey, 2016

Social network is a second arrangement. Majority (64.2%) of the sample reported that buyers and sellers build trust by signing written agreements subject to traditional arbitration. Presenting three witnesses is also assumed to be sufficient without any written agreement (12.5%). If buyers and sellers have close interpersonal relation, neither they sign agreement nor present witness (3.9%). Members of the adjudication committees confirm that the evidences many people present to apply for adjudication were written agreements that transacting parties assumed binding - despite unenforceable by law.

Table 3.6: The way parties in transaction built trust

	Interpersonal relations	Present witness	Issue an agreement subject to traditional arbitration	Issue legally binding agreement	Missing	Total
Freq.	21	68	348	61	14	542
%	3.9	12.5	64.2	11.3	8.2	100

Source: Field survey, Sep. 2016.

In addition to the social instruments, 11.3% of respondents reported that use of formal institutions to the illegal land deal, is the third arrangement. Public Attorney authorizes collateralization of bare land against loans¹. Issuance of authorization is however a fake agreement designed for illicit transaction. The said fake creditor pretentiously files loan default against the fake debtor. The latter (practically is an illicit seller) pretends that he/she couldn't repay the loan and agrees to transfer his holding to the former. Another informal arrangement is found within the judicial structure. It is terrible that ordinary courts create rights on land which is an exclusive responsibility of Land Development and Management or municipalities. It is also awful to find Social Courts approve bare land transactions which is unconstitutional. Social and ordinary courts presume themselves ensuring justice by unlocking rights of individuals over land otherwise be neglected by municipalities or appropriate departments. Judges argue, in the training session, that individuals have the right to present cases related to rights over land to the formal courts therefore courts can secure such rights.² Two rounds of trainings offered in September 2016 clearly showed that individuals within the justice structure abuse their official power and the law in favor of their individual benefits.

3.4. Measures to illegal land market: Rise in perceived tenure

Due to the rural-urban dichotomy, adjudication in Ethiopia plays special role in ensuring smooth transition of rights created by the rural regime in to rights conditioned by the urban land regime. Within this framework, adjudicating bare land up on transition is strictly prohibited by law. The practice of measures is however mixed in Mekele. Following the 2010/11 adjudication, the rural district bulldozed 2069 houses built on farm within the peri-urban area. After the area formally handed over to the city, more than 872 illegal constructions sprouted on illegally acquired land demolished. Nonetheless, significant number of illegal occupations on farm is left untouched; the adjudication committees titled occupations if were on ones farm or on open no arable areas. Bare land transaction has been titled against a clear prohibition by the adjudication directive.

¹ Bare land can't be transferred to third party. Philosophically, bare land has no economic value in Ethiopia.

² The researcher attended one of the two round trainings in person

Accumulated cases of illegal land deal within the expansion area forced the city to shift from adjudication to regularization. In due course, the city issued three (May 2012; October 2013; April 2014) cabinet endorsements intended for regularization of illegal occupations. For example, the city regularized 1820 second generation in 2012 because of the flawed adjudication. What so ever the motive behind regularization has been, accommodating huge illegal settlers in turn motivated others to an organized squatting and speculation. The assumption was that government would lose the courage to demolish at mass. The accommodative measures put the city in to an elusive solution.

4. Conclusion

Current knowledge seems less comprehensive to capture illegal land market in Mekele. Drivers of the illegal land market around the peri-urban of the city are emanating more of from structural problems. The urban planning regime seems to fail to coordinate development of the city and its hinterland. Precedence of LDP implementation to adjudication has aggravated illegal deal. The universal right for residential plots under the rural land regime is found prone to speculation in that illegal holder or those who acquire plots illegally create/appropriate wealth. The transition of rights created by the rural land regime is not managed appropriately. But the conventional problems, extreme scarce supply of residential land by the formal system, also work. Illegal institutional arrangements of the traditional social networks and institutions organized within local authorities, the judiciary and the justice structures facilitate the ramifying illegal land deal. Therefore, a comprehensive approach is worth in analyzing illegal land market than the traditional approach that deals with micro level - as a function of demand and supply. Owing the root causes of the illegal land deal are more of structural problems further intensified by their extensions, neither bulldozing nor accommodation are found to be effective in suppressing illegal land deal in the city but the city put itself in to an elusive solution.

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