

# Diagnosing Prospect of Urban Redevelopment in Ethiopia: A Comparative Evidence from Mekele and Jimma

Ashenafi Mehari Kassa\*

Senior Researcher, Policy Study and Research Center, FDRE

Blen Gebresilassie Hagos

Researcher, Policy Study and Research Center, FDRE

## Abstract

This article diagnoses the prospects of urban redevelopment in Ethiopia based on a comparative analysis of current practices from Mekele and Jimma cities. The finding proves that redevelopment projects turned up with positive in improving economic vibrancy and accessibility of redeveloped sites in both cities. Despite signaling development potential, space coordination inefficiency is found to sub-optimize development potentials at the local (city) level. At the macro level, land delivery policy alteration – a futile response to administrative inefficiency, curtails redevelopment. On the other hand urban redevelopment in both cities is found to be half backed. Land use changes and space coordination excludes the original residents from their living and working premises. Rehabilitation schemes to the displaced are not part of the redevelopment projects. The absence of redressing strategies crowded-out economic base that supports the majority. There are also emerging issues such as restrictions over individuals' right to appropriate benefits from the best use value of their holdings; and recently developed areas need redevelopment to coordinate space for its full development potential. These emerging aspects call timely policy responses. Looking in the physical and morphological aspect, redevelopment projects, usually causing land use changes are short of creating complete urban fabric.

## 1. Urban redevelopment in Ethiopia: Setting the scene

Ethiopia's urbanization level (20% as of 2016) is one among the least for its level of comparable income countries. World Development Index (2016) data indicates that the country ranks 196<sup>th</sup> in its level of urbanization whereas comparable income countries to Ethiopia achieve better urbanization level (see annex 1).

Contradicting to the analogy of urban lifecycle, however, the need for urban redevelopment becomes an issue in Ethiopia. The need for urban redevelopment at the early stage of urbanization level is attributable to the historical background of the country's urbanization. Most cities of modern Ethiopia were founded as garrisons of the nobilities. They were not planned cities; rather grew spontaneously due to the fact that urbanization as a driver of development was out of the intent of the ruling elites and governments for centuries. Furthermore, the country's economy has lingered predominantly agrarian for centuries which its opportunity cost is evident in sluggish urbanization and urban development.

The rapid rural-to-urban migration further aggravated the complications of urban degeneration. Housing stock and physical amenities have been inadequate to accommodate the rural-to-urban inundation since the early 1990s. Magnitude of housing dilapidation in Addis Ababa, Dessie, Jimma, Gondar etc. is overwhelming.

Synthesizing the existing urban problems and the challenges facing urban development, the government in power adopted National Urban Development Policy in 2005. The policy seeks to address the prolonged, at the same time multifaceted problems and envisions healthy urbanization – in essence competent cities and towns in socioeconomic development. In detailing the policy the government endorsed Urban Development Package in 2006 primarily devoted to urban redevelopment its main purpose is alleviating existing problems. The objectives of the package clearly spelt out the need for urban regeneration including, but not limited to, resolving housing problem; providing basic infrastructures; developing construction capacity; renewing dilapidated areas and restoring (improving) beautification; Micro and Small Scale Enterprises (MSE) development, job creation, diversification of products of MSEs and linking them to market, and broadening the industrial base by nurturing MSEs.

Addis Ababa was the first city to launch the package. Later on, other cities followed to practice but at different approaches, pace and scale. It is also evident that application of urban redevelopment varies across cities. The approach of Dessie (since 2006) and Jimma (since 2008) has been urban renewal and at the same time as a means of land acquisition whereas the approach of Mekele has been upgrading.

Understanding the outcomes of the different redevelopment modalities is crucial in indicating future directions. Yet analysis of results (outputs and outcome) of the redevelopment projects implemented to date is shallow, if any. Despite academic papers have been produced based on cases of individual cities; they are too shallow in addressing the deep rooted policy issues. This paper hence provides a far-reaching platform for a comprehensive analysis and understanding of the outcomes of urban redevelopment based on comparison of Mekele and Jimma cities.

## 2. Lessons from the literature

### 2.1. Concept and definition

Development planning interventions to the degenerated built-up environment has gone a series of evolution stages - from a purely physical intervention (urban renewal) to a more comprehensive approach seeking sustainable development and inclusiveness (urban regeneration). This can easily be understood from the contemporary definition of the concept.

Roberts (2000:17) defines Urban Regeneration as, “the comprehensive and integrated intervention to degenerated urban areas which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change”. Gibson, Kocabas and Arzu (2001) also consolidate it as a holistic approach embracing, maintaining economic competitiveness, reducing inequality, and environmental protection in an integrated way.

### 2.2. Historical background

The emergence of intervention to urban degeneration in the advanced countries like the United States and Britain dates back to the post industrialization era and after the end of the II World War (Mehdipour and Nia, 2013). Its emergence in United Kingdom for example, was the need for restoring the economic life of earlier industrial cities and postindustrial effects. The deriving reason in United States was ensuring order due to the imbalances created by Industrial Revolution, Post Industrialization and World War II through capitalist ethics. This approach worked till the 2000s in Viet Nam (Schwenkel, 2013, 2012; Michael, 2004). In Japan, the idea of urban regeneration started to surface after the Great Kanto Earthquake in 1923. The government of Japan aimed to avoid the fire spreading due to natural or man-made disasters by conducting post-disaster reconstruction and re-zoning of urban building. In general, interventions to urban degeneration lacked concerted policy context until the 1950s (Edmond, 2012).

### 2.3. Policy evolution

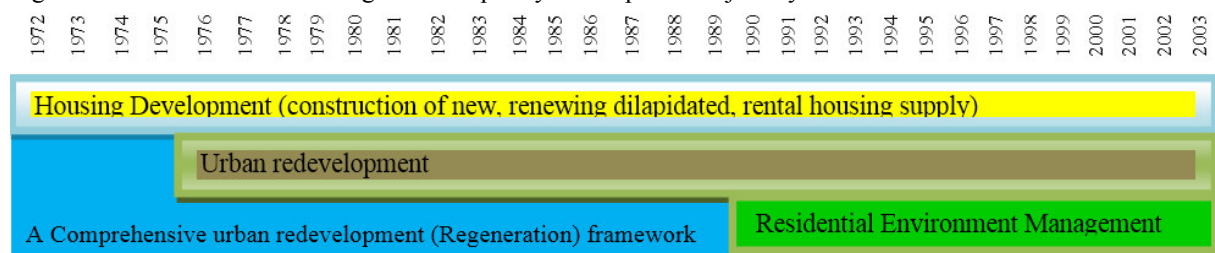
Since the 1950's, the importance of policy guided intervention to the degenerated urban fabric has become worth mentioning. Based on the experiences of the United States of America, United Kingdom and several other European counties Carmon (1999) categorized three generations of policies devoted to the degenerated built-up urban environment.

During the era of bulldozing (i.e. first generation), the intervention emphasized changing the physical component of the urban fabric. It was mainly characterized by slum clearance which resulted in prolonged economic and social costs. Consequently, severe criticisms against the intervention gave to the emergence of the second generation since the 1960s. The intervention was characterized by a comprehensive approach emphasizing on neighborhood rehabilitation and redressing social problems. The third generation (1970s & 1980s) was motivated by economic entrepreneurship. Economic recessions of the 1960s resulted in very low prices of land and housing in the city centers that attracted private entrepreneurs.

Despite time differences, it can be argued that both advanced and developing countries have pursued the same policy interventions. For example, Singapore, after its independence from Malaysia in 1965, experienced a high population growth, substandard and shortage of housing, and hygiene problem. Hence, the main purpose of urban regeneration was the clearance of slums and the redevelopment of the city's central areas (Law et al, 2009).

South Korea's urban redevelopment policy trajectory and its level of comprehensiveness give an important lesson. The morphology mass substandard houses constructed around Cheonggye River and Yeongdeungpo in the 1960's was a political issue. Therefore, those houses were demolished in 1969. The residents were displaced to Seongnam. Since then, the policy has undergone a series of changes.

Figure 1: South Korea's urban regeneration policy development trajectory



Source: Synthesized from literature

Urban renewal in South Korea (Seoul) before the first half of the 1970s' primarily was clearance of squatters and upgrading of substandard housing (Edmond, 2012). During the second half of the 1970's Housing Reconstruction and Housing Redevelopment got official recognition. In 1989 Residential Environment

Improvement become part of the urban redevelopment policy scheme. The trajectory of South Korea's policy development indicates that the urban regeneration policy context matured since the early 1990s (Kim, 2015).

### ***Inclusive development***

Urban redevelopment has played critical role in the development of the economic vibrancy of a district, city, county/region or even a nation. Taking issuance of business licenses as a proxy measure, one can see urban redevelopment plays remarkable role in enhancing economic vibrancy of a city from the experience of Viet Nam. For instance, Hanoi City (Viet Nam) issued only 4691 business licenses before urban renewal was launched while four years later (in 2000) the city licensed 15,068 businesses (Schwenkel, 2012)<sup>1</sup>. Urban redevelopment is also seen to ensure global competitiveness of Japanese cities and Singapore. In Japan, it was evident that after the collapse of the bubble economy land prices have continuously fallen. Due to this, Japan's international competitiveness kept falling among 60 indexed countries and regions. This had a huge negative impact on the overall functioning of the economy. Hence, it was necessary to reconstruct cities and enhance the international competitiveness of the country's large cities (Edmond, 2012; Hirayama, 2004)

While renewal ensured vibrant economic life, equity has remained global issue. Usually the beneficiaries of urban renewal are the new comers (new developers) while existing residents cost a lot. Urban renewal in Viet Nam (Hanoi and Venih cities) higher order economic transaction crowded out the informal and traditional economic base that supported majority of the residents. About 56% of Hanoi's residents could afford only subsidized government rental housing whereas each household was responsible to pay USD 19,000 price difference in the newly developed units in 2006. Average price of USD 38,000 was unaffordable to the majority. In addition, only 60% of condominium flats developed by foreign companies were sold (Waibel, 2004). Similarly, residents in Sulukule renewal project (Istanbul) had to pay price difference (Gunag, 2012 as quoted in Cushman and Wakefield, 2004). About 67%<sup>2</sup> of home owners didn't move to their new sites despite the municipality's provision of free transport to-and-from their earlier residential/work/ area. Furthermore, the cost of maintaining their houses classified under historic buildings was out of their affording capacity - hence, they had to relocate somewhere else unwillingly.

The experience of South Korea, on the other hand, is exemplary. Unlike many other countries, government offers comprehensive development support packages to residents living in rental housing (remuneration of four months households' consumption expenditure, 60m<sup>2</sup> rental accommodation). Owners do not pay price difference on new developments rather are entitled to prioritized access for subsidized housing units; are entitled to remuneration households consumption expenditure for two months, transfer their rights on the new developments, access to interest free loan (interest subsidized by the real estate developers). Moreover, resettlement is part of the redevelopment project and rehabilitation package for the displaced is comprehensive (Korea Land and Housing Corporation, 2016).

Usually urban decline arises locally. The first and most affected are those who reside there. However, the mechanisms/methods to address urban problems are developed regionally or nationally ignoring the participation and the decisions of local community. This kind of practice is seen to create problems in ownership of projects by communities. Further, the positive impact is usually recorded minimal.

### ***Financing urban redevelopment: Public-private cooperation balance***

Urban redevelopment commands extra huge investment capital – above a new development do require. Hence, urban redevelopment-financing is a critical concern everywhere.

Broadly speaking, two modalities of financing urban redevelopment are seen in the literature. Despite peculiar examples of liberal countries, most of the work was vested in the hands of national and local governments in the US and the UK in 1950s. The 1960s was known for a greater balance between the public and private but the private sector became an active developer in 1970s.

With adoption of economic policy reforms to integrate with the global economy in the 1980s, the market (the higher and middle classes) became the actors of urban renewal in Turkey (Cushman & Wakefield 2014). Similarly, the private sector (mainly foreign owned real estate developers) was the main actors in Viet Nam (Waibel, 2004) from the outset. Being efficiency seeking, market led redevelopment has been criticized in the case that it had not proven inclusive development. In both countries, the majority of residents were not beneficiaries of the redevelopment outcomes, rather they were disadvantaged in favor of the middle income or the wealthy (Gunag 2012 quoted in Cushman and Wakefield, 2014; Schwenkel, 2013).

The experience of South Korea shows a balanced cooperation between the public and the market. The government established a fund and a corporation tasked with urban redevelopment. The corporation plays dual roles. It is directly involved in a comprehensive redevelopment project and it transfers cleared areas to private developers at market prices. The experience is par excellence in its innovative partnership model adopted since 1984. The owners formed a corporation that select a construction firm which in turn becomes members of the

<sup>1</sup> Viet Nam officially launched urban renewal projects after 2000s

<sup>2</sup> 77% of the residents were jobless

corporation (Križnik, 2012).

### **Success factors**

The global knowledge reveals that success in urban redevelopment interventions depends on some key factors. The top amongst these is aligning policy to reality. As can be deduced from the literature, commanding realities for policy change are development level and general economic policies of the country. Failure and success of different countries in urban redevelopment are seen to be the functions of whether redevelopment projects ensure the majority are part and beneficiaries of the development. A comparative analysis of South Korea and Viet Nam, for example, provide clear evidence (Schwenkel, 2012).

Community participation, from policy development to monitoring and evaluation, is another key factor. At the initiation stage, community and stakeholders' participation helps in designing realistic policy options. Local community members should not be mere beneficiaries but activists in their neighborhood improvement process (Nel-lo, 2010). The experience of Alexandra (Johannesburg) portrays an example. Initially the community challenged the implementation of urban renewal projects by rejecting to accept and cooperate with the projects initiated. It was due to the community didn't involve from the inception of the projects. The time they participated, their satisfaction started to improve with their cooperation to the projects (Thwala, 2009). The Catalan experience, involvement of from neighborhoods and associations representatives in the monitoring and evaluation committees formed in each district and municipalities resulted in positive outcomes (Nel.lo, 2010).

Well intentioned policies do not necessarily grant success. Interim monitoring and evaluation is crucial. Area based redevelopment in Catalina witnessed that institutionalizing an Evaluation and Monitoring Committee in each neighborhood helped in maximizing the positive impact of the program.

### **3. Methodology**

This study is a detail abstraction of a research conducted by Policy Study and Research Center regarding existing practice, challenges and future directions of urban redevelopment in Ethiopia. The study employed surveys, in-depth interviews, focused group discussions, extensive field observations and secondary document analysis (Structural Plans, Local Development Plans, Reports, National Urban Development Policy Documents, and Relevant federal and regional legislations).

This provides the authors favorable premises to adopt diagnostic and evaluative research methods with respective goals of examining reasons/causes for or appraising effectiveness of what exists or what is applied (Srivastava and Thomson, 2009). Accordingly, the authors extracted themes of analysis framework from the main research work and enriched the analysis with additional data and insights.

### **4. Existing Situation**

The formation of most cities in Ethiopia, dated back to the eras of nobilities and monarchs, was characterized by garrison nature. Unplanned growth by addition and accretion further aggravated the ill arranged urban fabric of the cities/towns till the end of the military regime. The expropriation of extra houses (Proc. 47/1975) severely spoiled the physical morphology, quality of residential environment, and housing structures in most of the big cities i.e. Addis Ababa, Dessie, Gondar, Jimma etc.<sup>1</sup>

In Mekele, kebele<sup>2</sup> owned housing is almost nonexistent. Physical deterioration is not also an issue; i.e. about 82% of the housing units are made of durable construction materials. On the other hand the case in Jimma is paramount. The share of kebele owned housing units making up an aggregate of 43.01%<sup>3</sup>. The kebele owned houses existed for about 43years without major maintenance. Because of less durable nature of construction inputs, wood and mud, the housing units are structurally weak and physically derelict. Yet, structural and physical conditions of privately owned units in the city are not different from those kebele owned units.

<sup>1</sup> Even rooms within a given single plot were considered extra houses; therefore, expropriated.

<sup>2</sup> 'Kebele' is the smallest formal administrative unit in Ethiopia.

<sup>3</sup> HirmataMerkato 59.8%; HirmataMentina 56.0%; Hirmata 54.0%; Mentina 45.6%; GinjoGudru 36.7%; BossaKitto 35.4%; Bossa Addis 27.4%; AwetuMendera 26.4%.

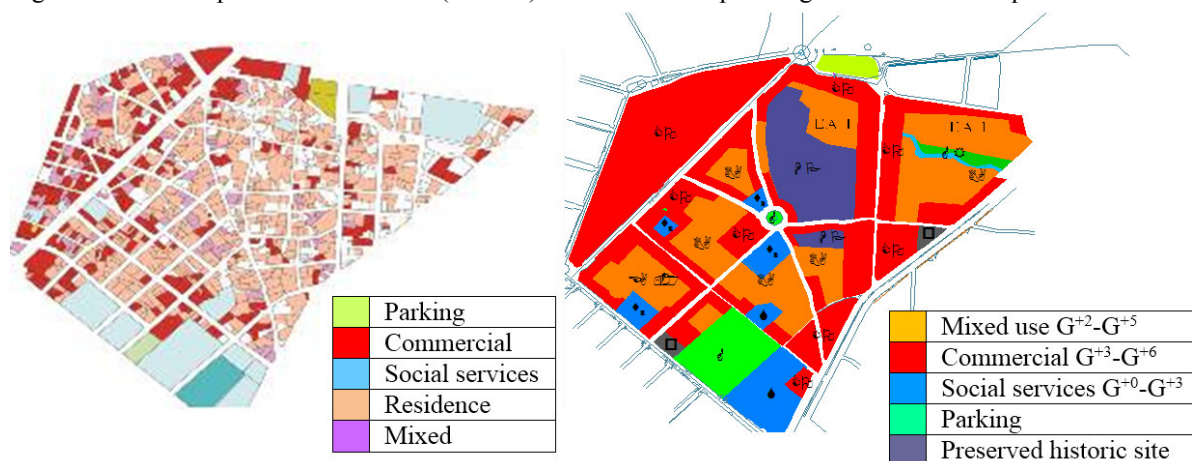
Table 1: Descriptive characteristics of physical fabric of old centers in Mekele and Jimma

Variable	Mekele	Jimma
Tenure type distribution	<ul style="list-style-type: none"> <li>✗ Predominantly privately owned</li> <li>✗ Kebele ownership is negligible</li> <li>✗ Rental Housing Agency owned is negligible</li> </ul>	<ul style="list-style-type: none"> <li>✗ Kebele owned houses account 27%-59.8% (aggregate of 43.01%)</li> <li>✗ Rental Housing Agency owned account 1.57%-13.32%</li> </ul>
Physical profile of houses (special arrangements, structural conditions etc.)	<ul style="list-style-type: none"> <li>✗ length of blocks in older settlements 45-60m whereas the regular length is 70-90m</li> <li>✗ Plot ratio and size is below standard</li> <li>✗ number of plots within a block range 10-28</li> <li>✗ more than 90% are ground houses</li> <li>✗ high density (310persons/ha) while the aggregate average at city level is 14 persons/ha</li> <li>✗ 1 ha needs immediate renewal</li> </ul>	<ul style="list-style-type: none"> <li>✗ connected row houses</li> <li>✗ houses are dominantly made of wood and mud</li> <li>✗ houses are very dilapidated</li> <li>✗ More than half of the city require some kind of intervention (reorganization)</li> </ul>
Physical profile of infrastructure (arrangement, accessibility, quality etc)	<ul style="list-style-type: none"> <li>✗ Existing streets are narrow</li> <li>✗ Low level of connectivity and alternative accesses among city blocks</li> <li>✗ Streets lack hierarchy</li> <li>✗ Pedestrian movements are mixed with vehicular routes</li> </ul>	<ul style="list-style-type: none"> <li>✗ Existing streets are narrow</li> <li>✗ Low level of connectivity and alternative accesses among blocks</li> <li>✗ Streets lack hierarchy</li> <li>✗ Pedestrian movements are mixed with vehicular routes</li> </ul>
Physical structure of urban fabric (overall profile of the built environment)	<ul style="list-style-type: none"> <li>✗ 1 ha needs complete renewal</li> <li>✗ 34.17 ha needed urgent upgrading</li> <li>✗ eight (1534.5ha) of the 17 LDPs contains areas that required redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>✗ 200ha needs renewal (Bocho Borie Area LDP - 25.9ha i.e. 70.08% houses; Jimma University Area LDP 58% houses; Merkato Area LDP 62ha i.e. 100% need renewal).</li> <li>✗ 200 hectares needs urgent upgrading</li> </ul>

Source: Compiled from different documents and field observations

Despite difference in scale, old areas of both cities lived ill-organized for decades. Streets lack pattern and hierarchical arrangements. Connectivity of streets is usually low. The areas are crowded and less accessible. There are no drainage structures. Sewer lines are unthinkable. Urban fabric of the central areas in both cities is incomplete. Open and green space, parking areas and other traffic facilitating components should have made the urban fabric of the sites in both cities. In general, physical deterioration of houses, infrastructure, and environmental quality as well as very small housing structures and below standard plot size, indicates that there has been a need for 200 hectares complete renewal in Jimma while the need in Mekele is note more than one hectare. Despite this fact neither city adopted plans to reorganize the areas till 2008.

Figure 2: Land use profile of Kebele 14 (Mekele) before and after planning intervention in sequence



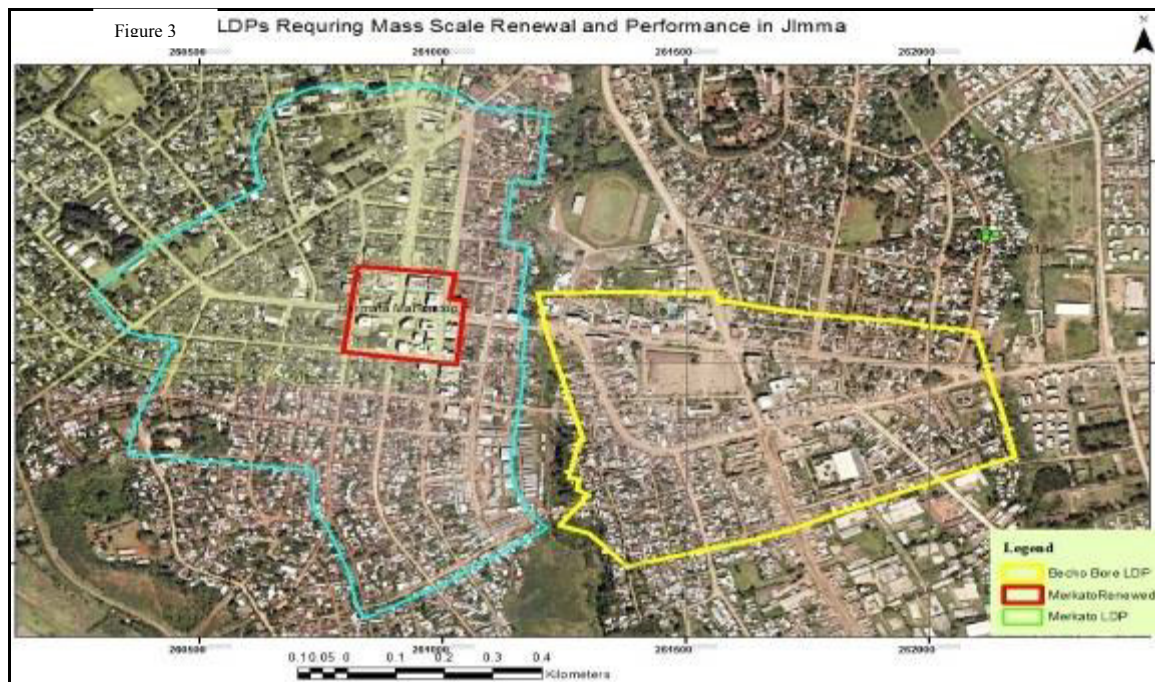
Source: Mekele City Administration

### 5. Project implementation practice

Promulgation of Urban Land Lease Holding Proc. 272/2002 (Art. 4) provided legal ground to urban renewal in Ethiopia. Despite this fact, no city in the country launched planned urban renewal. The reality on the ground shows that the emergence of urban renewal was rather event dependent. The driving force in Jimma was residents' question for improvements of mobility infrastructures (streets and foot paths) and upgrading other physical infrastructures. The city launched upgrading roads and streets in Merkato (the business center of the city) in 2007/8. The initiative to implement the plan was derived by the demand of the community. This attracted private investment in property development. Investment flow was farther consolidated by the national campaign

for second millennium development initiative.

In order to implement a newly adopted Structural Plan, Mekele initiated 17 Local Development Plans (LDP) in 2008. The focus was spatial rearrangement of the naturally emerged and grown neighborhoods, one among which is kebele 14. In addition, titling untitled holdings (28.1%) needed spatial rearrangement as per the adopted Structural Plan. Improvement of existing streets and opening new roads significantly improved property value. The area is also located within active business location. Hence, favorable prospects of the area within the near future motivated redevelopment.



Source: Authors, 2016.

Out of 176 hectares planned in Jimma, five hectares have undergone renewal for the last eight years. Within the five hectares renewed 25 business centers are completed and become operational and many others have been under construction. About 4.05 Kilometers road has been paved with asphalt of which 2.55 km is already completed. Holdings along main roads are undergoing renewal. However, performance level is not promising if measured from the demand and plan target. The intervention in Mekele is more of upgrading; about 0.47km new road is opened; three access roads upgraded in to collector roads; about 4.80km of streets paved with cobblestone; 0.8km road paved with asphalt; and for reasons discussed latter, only a few buildings changed.

## 6. Discussion and critical commentary

### 6.1. Evaluation of outcomes

#### **Space coordination**

Space coordination is a leading aspect of urban development. Planning should ensure the optimal utilization of land in a given area when redevelopment is sought.

A clear distinction is observed in coordinating space between the two cities. In Jimma, space is reorganized based on the proposed development by the newly adopted Structural Plan. Whether individual holdings are below standard (by current subdivision regulation) or meet minimum size, need to be reorganized so as to meet space requirements of the proposed development. For instance, many of the business estates developed commanded 5-15 holdings. Each estate is built on sufficient plot size that can serve its function like number of floors; type of business run within the estate. In addition, roads are upgraded to the level that is capable of supporting traffic flow across the entire area.

Space coordination in Mekele seems to sub-optimize development due to the fact that the cost of organizing space is paramount. Changing the previously residential old area into commercial use is in fact costly (example, land acquisition costs for replacement and servicing and compensation). The city's preference to maintain status quo, is in irony to the sought development. The plan the city adopted for the area commands an ever intense development level in the city. The old residential area overly populated by ground houses, is proposed for business (3-6 stories) or mixed uses (2-5 stories) buildings.

However, very small plot size and distorted plot ratios (width - depth ratio) brought complex spatial characteristics that put a challenge to the proposed development type. The size of plots is very small to carry

even the existing use (function). Due to this fact, the sprouting multi-story buildings close to a Built-up Area Ratio (BAR) of 100% on irregular plots disturb the scenic and morphological view of the area and contiguous areas. Thin high-rise buildings affect lighting and ventilation of the buildings themselves. The growing number of hotels, (traditional) restaurants, pensions and guest houses, cafeterias, and businesses are aggravating traffic congestion.

Mekele is not realizing possible development advantage from space reorganization i.e. pooling small plots whereas Jimma achieved maximum possible potential through renewal. Instead, Mekele is experiencing development sub-optimization for it enforces high rise development on independent small plots. Furthermore, such development means adding future costs because its sustainability is in question.

### **Completeness of Urban Fabric**

"Smart City Growth" is a paradigm that derives current the contemporary urban development. The old sites - emerged as single function (residential in Mekele; Business in Jimma) ought to ensure complete urban fabric when renewal/redevelopment is sought. In Mekele planning intervention added taxi terminal and a new round about that eases traffic flow; recreational park and multipurpose civic center. A due consideration for green spaces and road side lining trees is observed in Jimma, at least in plan. Nonetheless, in neither city is the development of planned green spaces realized to date.

Mixed land use is a key tool to ensure smart city i.e. localizing general and special accessibility of an area of threshold size; say districts, neighborhoods etc., reduces motorized transport due to the fact that business and residents develop together. However, both cities clear out residence form the centers. The business center of Jimma (Merkato) and its influence area was not more than 30 hectares but the LDP expanded it to 62 hectares. Of a total of 47 hectares, proportion of residential land decreased to 10.5% in Becho Bore (Jimma). The same is true in Mekele. Pure residence is excluded from the entire 34.17 hectares of kebele 14. Once was a pure residential area (16.5 hectares) Keble 16 changed its function in to competing business hub of the city?

A land use change that avoids residence means compromising compact development. The need for motorized transport is increasing which causes air pollution. In addition, avoiding residence from the center means decreasing total housing stock of the city. In general, redevelopment plans in both cities fail to ensure complete urban fabric.

### **Inclusiveness**

Usually redevelopment causes a radical change in land use, economic activities, organization of the entire urban fabric etc. As a result, practical redevelopment interventions have taught us that the original occupiers become victims. Conversely the new (re)developers become beneficiaries. The case in Ethiopia also conform the international practice. Land allocation at base price enabled many non-affluent households to develop property by organizing themselves in cooperatives in Jimma and Dessie. However, more than 259 households were unable to afford the development hence displaced to (1.5km to 4km) away neighborhoods. It is worrisome that almost all of the displaced households lost their earnings leaving them to appropriate their shares from the development in their earlier occupations.

#### **Plate 1: Statement of an old man interviewee in Jimma displaced from Merkato**

*I am 73 years old and my wife is 68. We were living in kebele owned house in Mekato. My wife used to make local alcohol and some other complements. I used to make clothes. Every Saturday (market day) we could, make an income that is sufficient at least to offer our weekly need. It is about 3 years now since we are living here where the neighborhood is inaccessible to taxi, it takes at least 15-20 minutes to get taxi and a round trip taxi fare is ETB 10 per individual. These all, are challenge to the old, just like me. Therefore, we are now idle; look my sewing machine is also idle. Life is difficult these days for us. We are forced to be dependents on our children.*

Redevelopment in Jimma has been an incomplete project. The concern is towards changing the old derelict site where the mass pity and small business hosting the mass of the majority has to be changed in to a powerhouse of higher order goods. Redressing mechanisms to the lives of the displaced mass, which should make part of the redevelopment project, is not an issue. The displaced residents have not been only seized of their means of earnings they used to earn in their original places but also significant size of jobs dropped out of the city's economy. The displaced are left somewhere to search solutions for their means of living if they could. Therefore, redevelopment in Jimma sub-optimized the overall development of the city.

Facilitating market driven redevelopment through upgrading in Mekele is found more inclusive. Regularizing the untitled old permit holdings, opening or rearranging streets and roads, upgrading existing streets and changing function of the area in to business significantly improved land value. Land transaction in the name of shacks is heated - as a result home owners appropriate extraordinary premiums.

Tenure type is found important instrument that affects inclusiveness. Urban redevelopment projects destabilized residents in both cities (table 6.1). The view of displaced residents towards redevelopment however is significantly divergent. While 72.2% respondents in Mekele support the development intervention, 61.7% respondents in Jimma are found against it (see annex 2). In Mekele, the displaced are owner occupiers and hence are entitled for plot replacement. Majority of the displaced in Jimma were tenants of Kebele owned houses hence

their access to replacement plots is conditioned by the will of the city government and their negotiation capacity.

Table 2: Means of accommodation to the redevelopment displaced households

	Tenure type of the displaced		Means of accommodation		Are there untreated		Reference period
	Owner occupiers	Kebele houses	Plot replacement	Kebele house replacement	Kebele houses displaced	Owner occupiers	
Mekele	2000 <sup>+</sup> (>95%)	Negligible	2000 <sup>+</sup> (≈100%)	None	Yes (but are a few)	No	2008-2016
Jimma	150 (36.7%)	259 (63.3%)	178 (43.5%)	Majority (≈ 50%)	Yes	No	2006-2011

Source: compiled from secondary sources of the two cities

### ***Mobilizing and complementing private investment***

The experience of both cities indicates that government (the city) investment in developing in infrastructure crowds-in the private sector engagement in real property development. The command area that needs urgent renewal covers overwhelmingly wide area however private investment in real estate is realized in Merkato, Jimma University and Becho Borie where the city initiated planned intervention. Similarly, in Mekele private property developers were engaged in renewal after the city launched massive upgrading programs. Paving streets with cobblestone was the driver of the market lead renewal. Some develop their holdings by themselves while others sell their shacks at premiums. Before the upgrading intervention, property improvement was not negligible in both cities.

### ***6.2. Viability of the policy environment***

Administrative inefficiency resulted in unintended policy intervention. Government land transfer policy is found critical in urban redevelopment in Ethiopia, just as land supply policy does within the entire urban development. Before the reenactment of the Urban Land Lease Holding Proclamation No. 721/2011, negotiation was the dominant land transfer modality in sites where redevelopment deemed. In the earlier times, government was supposed to provide relocation sites and developers would build houses for the displaced from kebele house or for those who preferred houses than compensation and plot replacement. It can be said that the modality worked effectively in Jimma - major part of Merkato changed in to a vibrant business hub.

Managing the process of relocation was however difficult to developers. Therefore, the government had to shoulder the responsibility in latter times. Developers could simply apply to redevelop a specific site as plan requires and could negotiate prices with individuals or else government could appraise compensation if negotiation failed. The modality was even more effective in Addis Ababa. Another variant of the modality that existed before was that lawful tenants of kebele owned business houses were able to get priority to develop the area by establishing share associations.<sup>1</sup>

In fact administrative incompetency endangered the modality from two angles. One was that individuals within government departments responsible for land development and management used to negotiate with developers for their private gains. Developers could request prime sites where redevelopment was not an urgent issue. The second, but main limitation was that the state machinery was ineffective to enforce applicable laws. As a result developers, be it individuals or share associations, became reluctant to proceed with development after they secure the site. One can find incomplete projects in Addis Ababa (Merkato), Dessie (Arada) and Jimma (Merkato) for about a decade while the maximum construction period allowed for such projects is at most four years.

Due to the prevailed administrative weakness, Proc. 721/2011 dropped negotiation as a modality; instead ceiled tender became the dominant land delivery modality. The city ought to clear derelict structures, service it with infrastructures and finally transfer to developers via ceiled tender. However, relocation and clearance is costly. Compensation cost is usually multiples of tens to hundreds of the appraised value of the derelict structures.<sup>2</sup> However, the revenue and budgetary position of each city is too weak to finance costs of clearing existing structures and servicing the cleared areas for redevelopment. For instance, Jimma couldn't finance to clear 10 hectares target set by the regional government in 2016. Neither earmarked financing mechanism to redevelopment at national, regional, or local levels is available.

As a result, redevelopment in Jimma is curtailed altogether since the enactment of Proc. 721/2011. A detail discussion held with residents in Merkato proved that there were share associations organized to redevelop the derelict area where they resided and/or worked. But they conveyed that they couldn't afford tender prices. In

<sup>1</sup> Urban Land Lease Holding Proclamation No. 272/2002

<sup>2</sup> The minimum compensation is floored at a current construction cost of studio unit in condominium housing or a minimum housing unit as defined by specific city's plans.



Mekele, the municipal government never thought of planned redevelopment intervention – instead preferred the latent market force to respond. The incremental approach (upgrading) is out of the sight of Proc. 721/2011 and is found effective modality in speeding up redevelopment/renewal and in benefiting the original holders/home owners.

In general, the enactment of, Proc. 721/2011- due to administrative inefficiencies is found futile to urban redevelopment in Ethiopia. This is evident with Jimma’s redevelopment experience. Neither the city gain tradeoff from abolishing redevelopment at base price. Furthermore, a premium from tender by no means is comparable to the overall development gains that could have been realized from redevelopment at base price.

### 6.3. Emerging policy issues

The emergence of redevelopment, elsewhere in the world, has been associated with urban decay. It is urban development planning that restores the vibrancy of decayed area usually by changing its function. Nonetheless, the case of Jimma and Mekele indicate new issues calling policy redressing.

#### i. Redeveloping non-dilapidated area

Intensity of development in most recently developed neighborhoods in Jimma is very low. While plot size is usually large in the city, structures are very small. The circumstance signifies the importance of space reorganization.

A different important issue is observed in Mekele. Plot sizes in older sites are very small while structures are not dilapidated, neither is the environment derelict. Intensity of development in terms of Buildup Area Ratio (BAR) is very high. Despite physical conditions and development intensity (in terms of BAR) do not justify redevelopment but still a high potential of development gains makes redevelopment necessary. The predominantly ground houses along the cross country road sides; the entire areas of kebeles 14 and 11; parts of kebles 03, 04, 15 need more intensive development. It can be proved from the experience of kebele 16 where the economic life of the city center changed the pure residential area in to an area of high-rise buildings and vibrant business center.

#### ii. Restrictions to development right

Everything need not necessarily be cleared away when renewal is sought. Sites and structures that have historic or heritage significance need to be preserved. In this stake the old city center in Mekele (kebele 14) has been a center of dialogue at least since 2004. Consultants (such as Girmay Kflie Architects and Engineers Consul) suggested that the whole site to be preserved as a heritage and historic site of the city. The consultants were not aware of about the implications of preserving the prime location of the area. In fact, preserving a wide underdeveloped area (34.17 hectare) at the core of the economically vibrant center means sub optimizing economic life of the area. In 2008 another consultant (Mathewos Consult) considered the prime locational advantage of the area. Accordingly, the consultant proposed to reduce the size of the historic site to 3.61 hectares yet about 200 housing units are preserved as heritage or historic representation of the city.

Preserving private properties as historic representation or heritage benefits the city (the entire community) but it is a cost to the owners. Owners are not allowed to redevelop their houses into its best use whereas holdings contiguous to those reserved offer their holders with maximum economic gains from developing into the heights best use. In addition, the latter benefits from the spillover advantage of the historic or heritage value of the preserved holdings/structures.

#### **Plate 2: Statement of a woman interviewee in Mekele (kebele 14)**

*Before 2004 nobody was concerned about the importance of title to ones holdings. Since the adoption of LDP in 2008, land and property get importance. Transaction has heated henceforth. Many sold their holdings at promising prices while some others are changing their old shakes with new buildings as per the proposed developments prescribed in the LDP. Nonetheless, the city has denied some - including me, our right to improve our old houses. Some want to sell their properties the municipality doesn't issue title to their holdings. We are visiting them at least every week to ask for building permit but we couldn't manage. The responsible officials told us that the neighborhood is going to be civic center. Yet they are not ready how to handle us.*

Restrictions are tough when owners of those houses categorized as historic or heritage wish to redevelop their properties. At least 75% of the walling materials should be local (granite stone) which costs more than Hollow Concrete Block walling costs. The set restriction on roofing and paintings are more costly than usual. These costs are borne by the owners of the preserved buildings while the beneficiaries are directly or indirectly the entire community or the city.

Therefore, restricting individuals’ development rights needs two pronged considerations and solutions. First, tradeoffs between preservation and developing the site/properties/ into its highest and best use should ensure positive balance of gains as measured by the city's aggregate benefits. In this case, the opportunity cost of preserving wider area in Mekele seems to cause the city to lose significant economic advantages like mobilizing private investment in property development, creating more working spaces, rising land value and other spillovers over there. Second, individuals shouldn't be the sole endures of the consequences/cost of preserving the holding

as historical or heritage as it is for the common betterment of the community/city. Redressing mechanisms are important. The city ought to provide them with plots of comparable locational value or a combination of replacement plot (or housing) and other means of compensation. In addition, it is worth if all previous rights over the properties and land holdings are maintained.

## 7. Conclusion

Urban redevelopment is a current development concern in the Ethiopia irrespective of the country's low urbanization level (20%). That is why the urban development package adopted in 2006, and the land development and management policy give due consideration to urban redevelopment. In account of this, the bigger cities have practiced redevelopment projects since then. Nevertheless, the cities launched projects without adopting long-term redevelopment programs, earmarked financing mechanisms, and establishing appropriate institutions. As a result, achievements in redevelopment are found to be meager.

Looking at the extent of urban redevelopment to date, completed projects witness remarkable achievements in reaping possible development capacity of sites via land consolidation, upgrading physical infrastructures to a standard level that can support the economic life of the area, and including missed components of the physical fabric. To the contrary, redevelopment projects have never been complete. The focus has been changing the physical components of the degenerated areas. Projects have never been people centered. Plans never seek transforming economic life of those living within the areas – which more than 70% are poor. Unless redevelopment projects are inclusive, redevelopment would not be sustainable.

The comparative analyses of the practice of the two cities indicate the importance of policy space for local governments. Negotiation land transfer in Jimma was successful in mobilizing the private sector and speed up development. In addition, a comprehensive land consolidation enabled to realize the possible maximum development potential in the site. On the other hand, upgrading based redevelopment in Mekele is found successful in enabling owners to appropriate maximum development benefits from their properties. Finally, the comparative analysis of the two cities indicates that many of the development hurdles can be redressed if local governments have policy space. Policy changes at the national level should be based on research and should fit realities. Policies need not be changed in response to administrative weaknesses.

## References

- A., Srivastava & S.B., Thomson, 2009, Framework analysis: A qualitative methodology for applied policy research, *JOAAG, Vol. 4, No. 2*.
- W.D., Thwala, 2009, Experiences and challenges of community participation in urban renewal projects: The Case of Johannesburg, South Africa, *Journal of Construction in Developing Countries, Vol. 14(2), PP. 37–54*.
- B., Križnik, 2012, Novel approaches to urban development in South Korea? Comparing social consequences of urban design in the Seoul metropolitan region, available at [congress.aks.ac.kr](http://congress.aks.ac.kr).
- C., Schwenkel 2013, Ruination and Reconstruction of the Nation in Urban Vietnam, available at <https://anthropology.ucr.edu>
- C., Schwenkel, 2012, Civilizing the city: Socialist ruins and urban renewal in central Vietnam, available at <https://anthropology.ucr.edu>
- C.M., Edmond, 2012, Renewing the urban regeneration approach in Hong Kong, *Discovery Student [E-Journal]*, Vol. 1, pp. 110-139
- Cushman & Wakefield, 2014, Research brief urban regeneration Turkey, Istanbul, available at <https://www.cushmanwakefield.com>.
- Gibson, Micheal, Kocabaş & Arzu, 2001, London: Sustainable regeneration challenge and response, paper presented to the Rendez-vous Istanbul: *International urban design meeting*, Mimar Sinan University, Istanbul, Turkey, May 2001.
- Goksin & Muderrisoglu, 2005, Urban regeneration: A comprehensive strategy for creating spaces for innovative economies, 4<sup>th</sup> ISoCaRP Congress.
- J., Kim, 2015, Korea experiences on new city development with reference to Land and Housing Corporation's role, a paper submitted to the *100 Smart City Summit*, New Delhi, India.
- Korea Land and Housing Corporation (LH), 2016, Current status of housing redevelopment projects, Seongnam urban regeneration case, presentation delivered June 2016 at LH, Seoul.
- M., Waibel, 2004, The ancient quarter of Hanoi: A reflection of urban transition processes, *Asien Journal*, Vol. 92, PP. 30-48.
- N., Carmon, 1999, Three generations of urban renewal policies: Analysis and policy implications, *Geoforum proceedings*, pp. 145-158
- O., Kormaz, 2013, Urban renewal process in turkey-General overview, economic and social analysis, masters thesis, Stockholm, available at <https://www.kth.se/polopoly>

- O., Nel-lo. 2010, The challenges of urban renewal: Ten lessons from the Catalan experience, *Análise Social*, vol. XLV (197), pp. 685-715.
- P., Roberts, 2000, The evolution, definition and purpose of urban regeneration”. In R. Peter and H. Skyes (eds.), *Urban regeneration: A handbook*, London: Sage Publications, pp. 9-36
- W.D., Thwala, 2009. Experiences and challenges of community participation in urban renewal projects: *Use Policy*, Vol. 17, pp. 147-156.
- World Development Indicators, available at <https://knoema.com/atlas>
- Y., Hirayama, 2004. The changing context of home ownership in Japan, available at <https://www.housingauthority.gov.hk>.
- C.K., Law, C.W., Chan, W.T., Chui, Y.C., Wong, K.M. Lee & L.Y., Chau, 2009, Study report urban renewal policies in Asian Cities for the urban renewal strategy review, available at <http://www.ursreview.gov.hk>

Annex 1. Ethiopia's urbanization level compared to comparable income countries

Country	Per capita GDP (current US\$)						Urban population/urbanization level/					
	2000		2015		Growth		2000		2015		Growth	
	US\$	Rank	US\$	Rank	Rate	rank	% of total	Rank	% of total	Rank	Rate	Rank
Benin	371	3	803	1	1.164	7	38	1	44	2	0.016	6
Eretria	171	7	771	2	3.509	3	17	6	21	7	0.023	4
Tajikistan	159	8	764	3	3.805	2	26	5	26.8	6	0.005	7
Haiti	460	1	761	4	0.654	9	35	2	58.6	1	0.051	2
Ethiopia	130	9	759	5	4.838	1	14	7	19.5	8	0.042	3
Comoros	375	2	755	6	1.013	8	28	4	28.3	5	0.001	9
Nepal	241	4	734	7	2.046	5	13	9	18.5	9	0.023	4
Rwanda	229	5	723	8	2.157	4	14	7	28.8	4	0.065	1
Sera Leon	227	6	666	9	1.934	6	35	2	39.9	3	0.022	5

Source: World Development Index Data

Annex 2. Displaced residents support to urban redevelopment

Responses	Mekele		Jimma	
	Frequency	Percent	Frequency	Percent
Strong support	106	39.1	14	23.3
Moderate support	87	32.1	4	6.7
Indeterminate	62	22.9	1	1.7
Oppose	7	2.6	37	61.7
Missing	9	3.3	4	6.7
Total respondents	271	100	60	100.0