

# **NATURE OF PROPERTY UNITS IN ETHIOPIA: CASE STUDY OF TWO PILOT PROJECTS**

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## **Outline of Presentation**

- 1. Why property formation?**
- 2. The study area**
- 3. Nature of property units in the study area**
- 4. Formation of property units in the study area**
- 5. The way forward**

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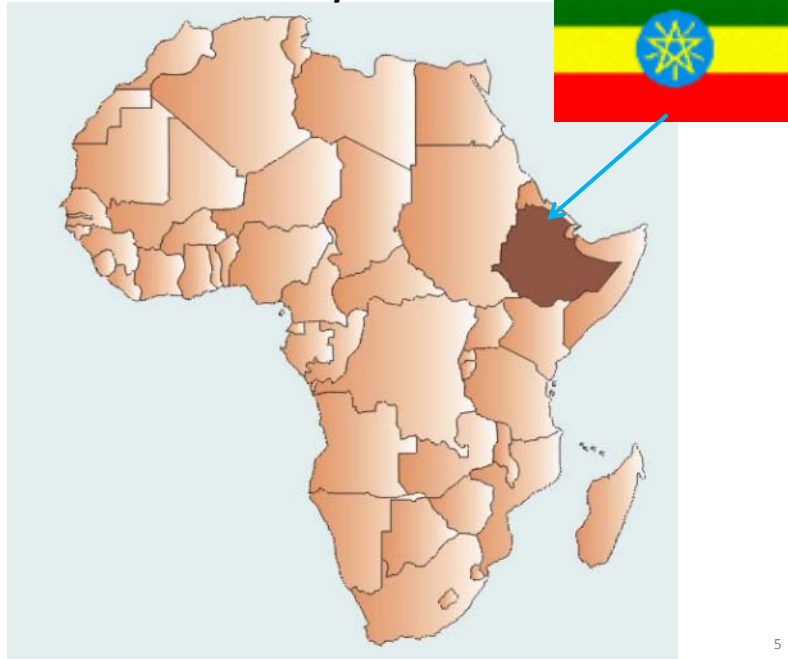
# 1. Why property formation?

- Even though much efforts have been made to improve the performance of Ethiopian agriculture productivity is still very low.
- One of the root causes of these problems is poor and unsustainable land management practices. This calls for the current rural land administration and use laws.
- This paper focuses on assessing the nature of property units and the importance of incorporating property formation as an instrument of rural development in Ethiopia.

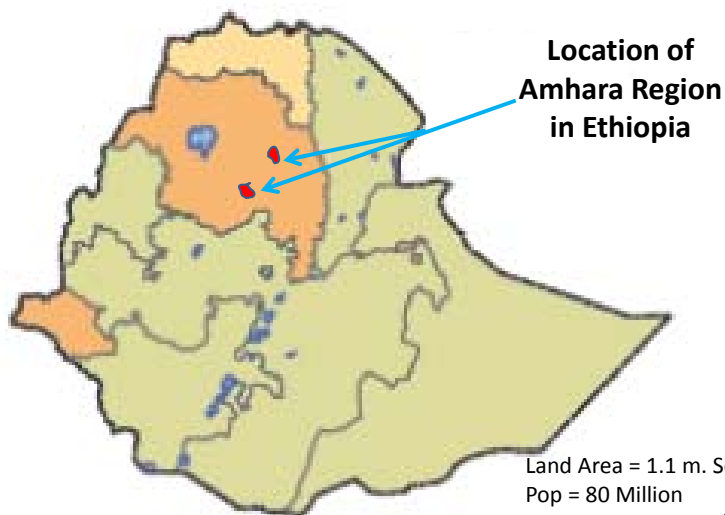
## Why cont'd...

- Allowing farmers to acquire farms with fewer parcels that are **larger and better shaped** and thus to make agriculture **more competitive**.
- Improving the tenure structure can facilitate the adoption of **new agricultural technologies** leading to a more prosperous and efficient agricultural sector.
- It is increasing the volume of production through **decreasing its costs** and **working times**.
- It is tools for developing **rural land markets** and there by resulting in **sustainable rural development**.

## 2. The Study Area



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Land Area = 1.1 m. Sq.km  
Pop = 80 Million  
Av. Density = 70 Per/sq.km  
Density on the HL= 135 per/sq.km

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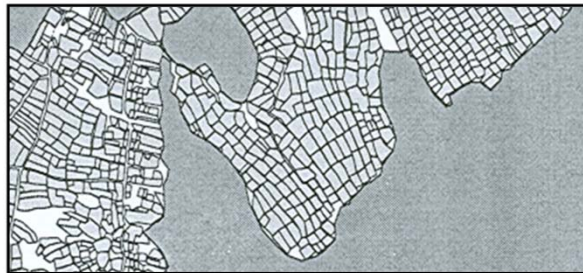
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### 3. Nature of property units in the study area

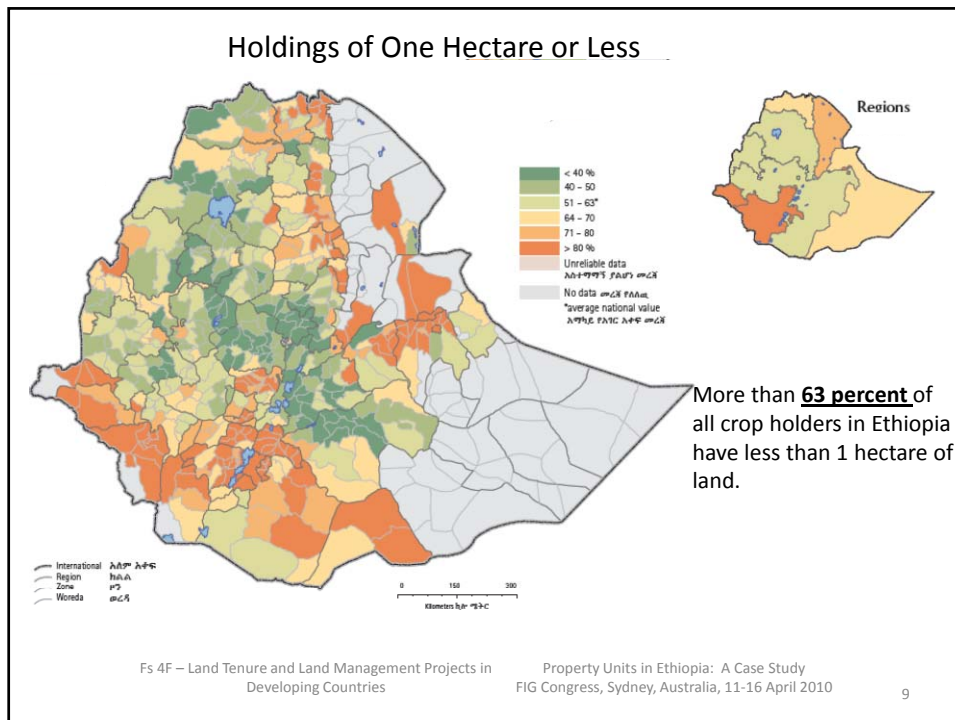
Property units are small

- 47% of the farmers cultivate farm holding of 1 hectare or less. (It ranges from 27% to 71%), national average is 63%
- Farm holding of 2 or more hectares in both Kebeles are cultivated by only 18% of the households.

Cont'd...



**Figure 2. Distributions of plots in part of Addisna Gulit (Source: Amhara region EPLAUA document).**



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Property units are also fragmented

- 54% of the farmers cultivate on 4 to 6 parcels. The national av. is **3.2**
- 14% of the farmers have 7 to 14 parcels

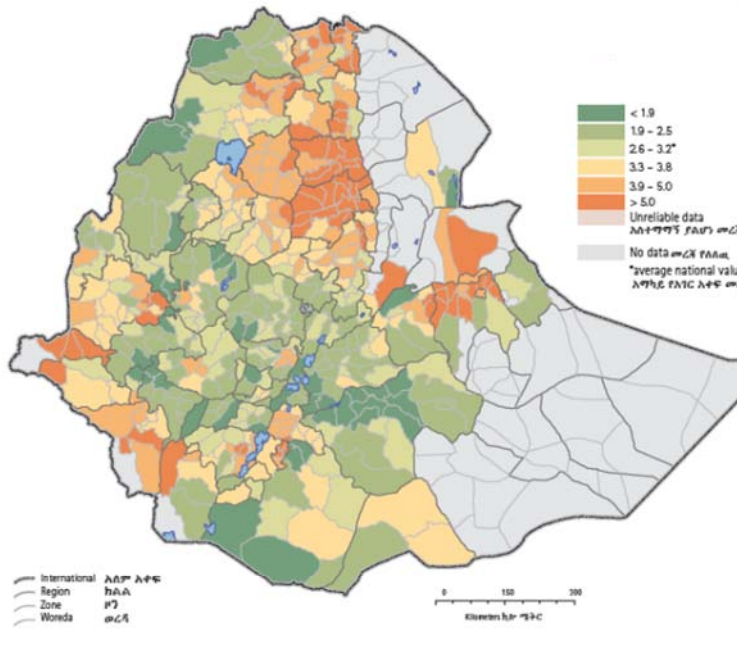
The plots are very small ('Mini plots')

- 50% of the plots are 0.2 ha or less (It ranges from 27% to 73%)
- 80% of the plots are 0.4 ha or less

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## Fragmentation of Plots in Ethiopia



The national average is **3.2** parcels per smallholder, though woreda averages vary from a little over one to more than five. The broadest areas of high fragmentation are in **eastern Amhara** and **Tigray**.

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## Cont'd...

**Table 1. Size of Farm holding per household heads**

holding size (ha) categories	Number of household heads in each category					
	Addis Ababa		Gerado Indod Ber		Total	
	No.	%	No.	%	No.	%
≤ 1.0	27	27	57	71	84	47
1.1 - 2.0	44	44	19	24	63	35
≥ 2.0	29	29	4	5	33	18
	100	100	80	100	180	100

Source: compiled from book of register.

## Cont'd...

**Table 2. Number of plots per household heads**

No. of plots	Number of household heads in each category		
	Addis Ababa	Gerado Indod Ber	Total
1 to 3	31	25	56 (31%)
4 to 6	63	35	98 (54%)
7 to 14	6	20	26 (14%)
<b>Total</b>	<b>100</b>	<b>80</b>	<b>180 (100%)</b>

Source: compiled from book of register.

## Cont'd...

**Table 3. Size of plots and number of plots**

Size of Plots (ha)	Number of plots in					
	Gerado Indod Ber		Addis Ababa		Total	
	No.	%	No.	%	No.	%
< 0.2	294	73	116	27	410	50
0.21 - 0.4	81	20	164	38	245	30
0.41 - 0.6	15	4	79	19	94	11
0.61 - 0.8	9	2	37	9	46	6
≥ 0.8	2	1	31	7	33	4
	<b>401</b>	<b>100</b>	<b>427</b>	<b>100</b>	<b>828</b>	<b>100</b>

Source: compiled from book of register.

## Cont'd...

- Landlessness is a growing problem
  - According to the information obtained from Addisna Gulit Land Administration and Use Committee there are 472 applicants for farm holding between 2003 and 2005. (This is about **40% of the household heads** or 10% of the area pop.)

## Cont'd...

- Property units are **unsuitable** for 74% of the farmers
  - They are small, fragmented, far from homesteads, inaccessible to social services
- This contributes to low productivity of agriculture in the study area



## Cont'd...

**Table 4. Suitability of landholding**

Condition of land holding	Addisna Gudit		Gerado Indod Ber		Total	
	No.	%	No.	%	No.	%
<b>My landholding is suitable in terms of</b>						
– size of holding						
– distance from homesteads						
– accessibility to social services	27	27	19	24	46	26

Source: questionnaire survey.

## 4. Formation of property units in the study area

- The following articles are enacted concerning property formation and transfer and related issues.
  - Consolidation of land holding or re-allotment (article 10 of the directive and article 11 of federal proclamation No. 456/2005).
  - Conditions to carryout redistribution of land or re-allotment (Article 8 of the proclamation No. 133/2006 and article 9 of federal proclamation No. 456/2005).
  - Transferring communal land holdings in to individual holdings article 5(3) of federal proclamation No. 456/2005).
  - Transfer of rural land holding right (Article 15,16,17,18 of proclamation No. 133/2006 and article 8 of federal proclamation No. 456/2005)
  - Registration, issuance of holding certificate and updating records (Article 22, 23, and 24 of proclamation No. 133/2006 and article 6 of federal proclamation No. 456/2005).

## 10. Consolidation of Land Holdings

1. Any holder, having acquired the right to use rural land may voluntarily exchange his plots of land situated in various localities with another land holder in order to consolidate same or find them contiguous with one another.

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- In order to minimize diminution of farm holding and their fragmentation the law regulated **minimum plot size** for rain-fed and irrigation agriculture at 0.25ha and 0.11ha respectively.
- Consolidation of land holding is based on **voluntary arrangement** between individual farmers where farmers are encouraged to exchange their holding.

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## Cont'd...

- Laws and regulations on property formation are **disorganized** in different sections and articles of the proclamation and directive.
- Cadastral procedure to take various property formation measures is **lacking** altogether.

## Cont'd...

- Property formation has **sufficient demand** from farmers.
- Up on completion of issuance of temporary holding certificates after one year, request for property formation will be more than 100,000/year in the Amhara region. Compare this with 20,000 cases per annum in Sweden and 135,000 by Deininger, et al (2007) for the Amhara region.

## Cont'd...

- To put into practice such huge demand, large supplies of **trained man power and resources** as well as better institutional set up are required. But these are largely **lacking**.
- The results of such cadastral measures are not yet registered and thus **the first registrations have not been updated**.

## 5. The way forward

- With existing unsuitable property units the various benefits of land administration, such as sustainable land management and high productivity, may not be harvested very soon.
- This study, thus, suggests that
  - Independent/well organized property formation law should be authorized
  - Clearly stated cadastral procedures should be endorsed
    - Such procedure should identifies an authority making a decision
    - the task of this authority and
    - how the authority is accomplishing his task.

- The results of cadastral procedures should be immediately registered and updated
- Strategies should be sought to speed up the consolidation plots
  - Pressure of population in rural areas should be reduced through alternative economic opportunities in tourism, urbanization and industrialization.

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