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**COLLEGE OF URBAN DEVELOPMENT AND ENGINEERING
DEPARTMENT OF URBAN LAND DEVELOPMENT AND
MANAGEMENT**

**Impact Assessment of Urban Expansion on the Incomes of Urban Fringe
Farmers: The Case of Feresbet Town: Amhara Regional State: Ethiopia**

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Abstract

Objective: The principal objectives of the study was designed to analyze the impacts of urban expansion on the incomes of urban fringe farmers in Feresbet town and it also extends in identify the main urban expansion drivers, quantify the rate of expansion and evaluate the compensation procedures

Methods: To achieve the objective, house hold survey of 223 expropriated farmers was conducted. Supplementary data was also gathered through interviewing of selected officials, observation and by consulting secondary data sources. The data was analyzed using descriptive statistics in SPSS.

Result: Therefore, the finding of the study revealed that, population growth, lack of affordable housing, land speculation and topography of the town are the causes Feresbet town expansion from 354 hectare to 774 hectare from 2009 to 2016. In addition to this the results also indicates that; the municipality didn't implement the legal frame works to determined compensation. As a result of urban expansion and expropriation displaced house hold heads shifted their occupation from agriculture to daily labor and the amount of income reduced. Again the result of the study revealed that; municipality and town administration didn't support the displaced households. Therefore, the recommendations of this study are; the municipality and woreda administration should be minimized rural to urban migration by create job opportunity in the rural areas. In addition to this the municipality should be used legal frameworks appropriately to determine compensation and setting survival strategies (created employment, organized in small business enterprise, provide loan and training) for displaced households.

Key words: Urbanization, Compensation and Income

Acronyms/Abbreviation

ABOFED	Amhara Bureau of Finance and Economics
ADB	Asian Development Bank
ANRS	Amhara National Regional State
CSA	Central Statistical Agency
E.C	Ethiopian Calendar
ENDA	Emmanuel Development Association
G.C	Gregorian calendar
Idir	Traditional institution for self-help of members during “bad days (Amharic)
IFRC	International Federation of Red Cross and Red Crescent Societies
Iqub	The Traditional Institution for Self-help of Members by Collecting money (Amharic)
KOPIN	Koperazzjoni Internazzjonali
LML	Land Management Law
MOFED	Ministry of Finance and Economics
NGO	Non Government Organization
PRC	Peoples of Republic of China
SPSS	Statistical Package for Social Sciences
SSA	Sub-Saharan Africa
UN-Habitant	United Nations Human Settlements Programme

CHAPTER ONE

Introduction

1.1. Background of the study

Urbanization refers to a growth in the proportion of a population living in urban areas and further physical growth of already existing urban centers in their surroundings often at the expense of nearby agricultural farmlands.(Minwuyelet, 2004, cited in Firew Bekele, 2010).

The process of urban growth involves both the internal reform and outward growth of the physical structure of urban areas. Such process of urban expansion is a worldwide phenomenon, which could be seen in the history of all urban centers. The nature and consequences of urbanization have significant crash on the lives of the citizens both in the developed and developing countries. Therefore, the horizontal expansion of urban centers can result in the loss of prime agricultural farmlands and natural beauties (Minwuyelet, 2004, cited in Firew Bekele, 2010).

The levels of urbanization in developing countries remain much lower than those of developed countries, but the gap is closing rapidly. In 1975 there was a 43 percentage point difference in levels of urbanization between developed and developing regions, by 1995 this had been reduced to a 37 point difference, a difference that is projected to decline even further to 32 percentage points by 2015 (UN, 2001).Urbanization has occurred within the context of rapidly increasing size of populations. Not only urban areas growing faster than rural areas (urbanization), but also, the overall numbers of persons living in urban areas (urban growth) increasing dramatically. In 1950 there were 304 million persons living in urban places in developing countries; by the year 2000 this number is projected to be nearly two billion. This compares with an increase in the urban population of developed countries from 446 million to 903 million (UN, 2001).Rural to urban migration is often viewed as the main cause of urban growth. However, the urban and rural populations of a country can change as a result of births, deaths, migration and reclassification of areas resulting from changes of the boundaries defining urban and rural areas

According to WBDR (2009), in comparison to other Sub-Saharan African countries (SSA) country at approximately 30%, Ethiopia's urbanization rate is low, only 16% of the population is urbanized. Ethiopia a predominantly agrarian country has the lowest urbanization and highest urban growth rate. The national urban growth rate is over 4.1% higher than the average African growth rate of 3.9%. The country is enmeshed in the circumstances of high prevalence of urban poverty, rapid increase in urban population, with the poor facing vulnerability in various issues: poor sanitation, inadequate shelter, overcrowding, high proportion of vulnerable women, youth, children, elderly and destitute with very low incomes, high risk of disease and poverty trap for many residents (Ministry of Works and Urban Development, 2007). This situation is further compounded by the weak rural-urban linkages, which at the moment is limited and exists as “truncated” linkages in the form of regional markets and the provision of some of limited economic and social services, a consequence of lack of economic infrastructure in the localities,(Tagegne,2000 cited in Davidson Sunday Ashemi Alaci .2010) . The flows of agricultural commodities from rural to urban markets and in turn flows of manufactured and imported goods from urban areas to rural settlements, which is a typology of spatial linkage is generally poor. At the same time the flows of goods and services which involve the transfer of income and of course the people and capital mobility among households are poor due mainly to the largely dispersed and isolated nature of the rural setting. The linkage that represents the daily transactions between farmers and traders, producers of goods and services in urban areas and consumers are largely weak. (Davidson Sunday AshemiAlaci, 2010).

1.2. Statement of the Problem

Ethiopia is one of the least urbanized countries in Africa, with some of the largest number of People living in cities. According to the Ministry of Urban Development, Housing & Construction (2015), about 20 % of the total population of Ethiopia currently lives in urban area, which makes it as one of the least urbanized countries in sub-Saharan Africa. However, the country has one of the highest rates of urbanization even by the standards of developing countries, which is estimated at 4.1%. This is also much higher than the average growth rate of the total national population, which is estimated at 3 per cent per annum.

Feresbet which is one of the towns in Amahara Region is expanding outwards to the surrounding urban fringe areas that include four rural Kebeles and expropriated 504 households from 2009-

2016 (Feresbet Municipality Official Document,2017).During these times the speed of urbanization and town expansion is high and the researcher initiated to select this year. But, before 2009 there is a lack of data related to the profile expropriated household in the municipality.

The physical growth of the town has been increasing from time to time and more recently due to rural to urban migration (population pressure), natural increase and pushing and pulling factors. Due to this problem, the town expands horizontally and the local administration used its eminent domain power to expropriate land.

The Federal constitution of Ethiopia under Article 40(4), states that the peasants who holds farm land have the right not to displace without just compensation from their farm land. In addition to this, article 44 (2) provides that "all persons who have been displaced or whose livelihoods have been adversely affected as result of a state program have the right to commensurate monetary or alternative means of compensation including relocation with adequate state assistance". In opposite to this in the study area; the expropriated people thought to be the compensation is not enough to sustain the livelihood and raised continuous questions and rumored regarding the justice of compensation.

The Ethiopian expropriation proclamation No. 455/2005 also provides the mandatory legal procedures of expropriation stating from declaration of public interest to the payment of just compensation. But, Feresbet town in Amhara Regional State; didn't implemented the law of farmland expropriation and the subordinate laws.

In Ethiopia farm land is a social security system for farmers and which is support of rural economy and the main means of production of agriculture and farmers livelihood. Therefore; the farm land occupation without just compensation seems to causes several problems and challenges such as unemployment, poverty, rural to urban migration and conflict between farmers in the peri urban area and city administrators, which affect the working environment (Ira Matuschke, 2009). Hence the aim of this research was to assess the impacts of Feresbet town expansion on the incomes of urban fringe farmers and come up with possible solutions and to recommend possible strategies to minimize the problem.

1.3. Objective of the Study

1.3.1. Main Objective

The main objective of the study is to assess the impacts of Feresbet town expansion on the incomes of urban fringe farmers and recommend possible suggestion to reduce the negative effects of urban expansion on the livelihood of urban fringe farmers in the future.

1.3.2. Specific Objectives of the Study

- Quantifying the rates of Feresbet town expansion by using satellite image from 2009 to 2016.
- To assess the drivers of urban expansion.
- Assess compensation practices implementation.
- Assess the impact of land expropriation on the income of displaced farmer.
- To assess the survival strategies provided to dislocated farmers.

1.4. Research Questions

1.4.1. Research questions

1. What looks like the rate of Feresbet town expansion in the satellite image from 2009 to 2016?
2. What are the drivers of Feresbet town expansion?
3. How compensation cost determine for expropriated farmers in the study area?
4. What are the impacts of expropriation on the incomes of displaced house hold heads?
5. What is the survival strategies provided to expropriated households?

1.5. Significance of the Study

This study helps to investigate the causes of urban expansion and the impacts of Feresbet town expansion on the incomes of urban fringe farmers. The study also provides a significant contribution to the urban fringe farmers, local authorities, regional government and NGOs. It used to identify the impact of urban expansion on the incomes of the urban fringe farmers, to assess the cause of urban expansion and helps to identify the gaps related to compensation in the study area.

The peri-urban rural community is one of the groups of the society who are vulnerable for loss of agricultural land due to urban expansion. To this end, the finding of the research helps paramount significance for development policy makers, practitioners, decision makers, researchers and academicians in making informed decision based on realities on the ground.

The finding of the research serve as a source of information and literature review for researchers interested to conduct their study on the local urban government strategy for creating income source of sustainable livelihood situation among the displaced landless farmers in the study area.

More importantly, the research used to narrow the knowledge gaps that exist on the different livelihood policy strategy pursued by the local urban and collaborate organizations such NGOs and private investors.

1.6. Scope of the Study

Under this particular topic the conceptual and spatial coverage of the study were discuss.

1.6.1. Conceptual Scope of the Study

Even though there are various either positive or negative urbanization effects on the incomes of expropriated people in general and that of urban fringe people in particular, this study pays particular notice to assess the drivers of urban expansion, to inspect the compensation process from legal frame work perspectives, compare the income of urban fringe farmers before and after displacement and survival strategies after displacement.

1.6.2. Spatial Scope of the Study

In terms of the spatial scope it is important to identify the spatial limitation of the study; the study covered the rapidly urban expansion Kebeles (Shangi, Deberesina, Gelade and Feresbet Mikael) of Feresbet town.

1.7. Description of the Study Area

Degadamot woreda is one of the rural woreda in Amhara Regional State, especially in WestGojjam Zone. It is border on the south by Dembecha, on the South West by Jabi Tehnan, on the West by Kuarit and on the North and East by Misraq Gojjam zone. It comprises 31 rural and 1 urban Kebeles. The major town in Degadamot is Feresbet. Accordingly, the description of the specific study area, Feresbet town looks like as follow:

A. Area and Topography

Feresbet is a town in West Gojjam of Amhara National Regional State, South East of Bahirdar City. Feresbet is the administrative center of Degadamot woreda. It is located at 265km from Bahirdar and 87 km from zone capital Fenoteselam. Astronomically, the town is located $10^{\circ}51.016' \text{Nort}$ and $37^{\circ}36.164' \text{East}$ latitude and longitude respectively and found at average elevation of 3,018 meters above mean sea level.

B. Climate

Climatically the town has no metrological station, as a result to put its climatic condition nearby Bahirdar town used. Based on an altitude of the town, it is categorized in Dega type.

The town has average annual rainfall of 1,493mm which varies with seasons. Summer (June to August) is the main rainy season which gives 1,020 mm rainfall and winter is the driest season with very low amount of rainfall 92.2 mm. The average monthly temperature varies between 9 0C in July to 20 0C in March with average annual temperature of 14.5 0C and annual range of temperature 110C.

C. Administration

Feresbet town was established in 1896 as a settlement or town, but, it obtained the municipal status in 1997 E.C. The first plan for the town was prepared for the first time in 1988 E.C. by Amhara Bureau of Work & Urban Development and currently the town is categorized under urban level C and one Kebeles.

D. Population

Some ethnic groups live together in Feresbet town. These include Oromo, Amhara, Tigre and others have found home in Feresbet. However, according to CSA (2007) the largest portion more than 99.5% of the total residents accounts Amhara. According to ABOFED (2009 E.C) population projection reported that Feresbet town had a total population of 16,180 of which 7,212 are Males and 8,968 are Females.

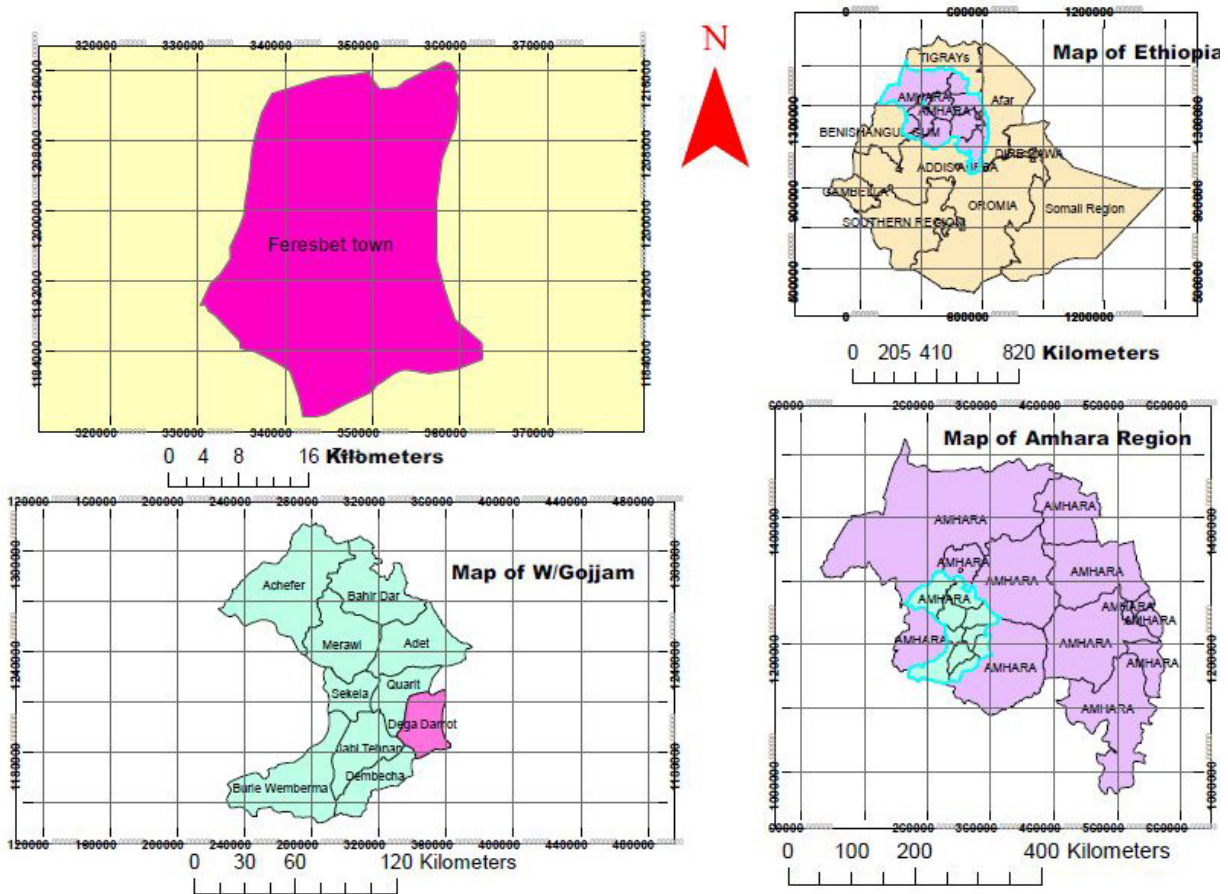


Figure 1 . Administrative Map of the study area

Source: Prepared by Researcher, 2017

E. Economy

The main economic base and activities include crop production, a planting of trees from the highly productive surrounding area and commerce. The economy of the town is mainly based on petty trades, service provision, small and medium scale micro enterprises, urban agriculture to some extent and others. Its market day is Saturday and Wednesday in some extent.

F. Social Services

The introduction of the health service in the town was at Clinic level in 1965 E.C, but later upgraded by the government to health center in the year 1991 E.C. The town also has 2 private clinics. Feresbet hospital built and began to work in 2008 E.C and the town has hospital service today.

The Education service in Feresbet town was established in 1937 E.C at grade 1-3 and currently in the town there are 2 elementary schools (1-4 & 1-8), 1 high school and preparatory school (9-12), and 1 TVET college. All other educational services mentioned above are owned and run by the government. The town has one digital type telecommunication service and one postal agent service. Regarding electricity, the town gets power supply from substation found in Fenoteselam at a distance of 87 km. At present the town has main road that connected to other neighboring town which is gravel in type, although it is not this much comfortable. The town also has one bus station at the center of the town with absence of fuel station. Additionally there are different micro financial institutions:-Abkute (Amhara Loan and Saving Institution) and recently Feresbet got the chance of the provision of the commercial banking service 4 years ago. As obviously understandable, the town's establishment year and its overall social, economic, infrastructural developments are going mismatch. This is due to absence of road facilities that cross the town which connect it to other urban neighborhoods and lack of electricity as many people suggest.

CHAPTER TWO

2. REVIEW RELATED LITERATUR

2.0. Introductions

This chapter is all about different literatures pertain to the study. Hence, definition of terms, the conceptual frame work of the problem, the theoretical Concepts of the drivers of urban expansion, trends of urbanization in the World, Africa and Ethiopia, process and outcomes of urbanization, theoretical and conceptual frame work for sustainable livelihood and impacts (positive and negative) of urban expansion. Under empirical literature review, international practice of expropriation, valuation and compensation, the legal framework of expropriation and compensation in Ethiopia have been intensively discussed turn by turn.

2.1. Conceptual Definition

Livelihood: People's capacity to generate and maintain their means of living, enhance their well-being and that of future generations (DFID, 1999).

Fair market value: The amount that the land might be expected to realize, if sold in the open market by a willing seller to a willing buyer (Asian Development Bank 2007).

Expropriation: The action of government taking away a private property from its owner with legal authority (Proclamation 455/2005). The key element or condition the accessibility of expropriation is the purpose of taking over private property. The basic criteria justifying

admissibility of expropriation has been and still is the public purpose and public interest, (Proclamation, 455/2005).

Urbanization: Involves the shift in population from rural to urban settlements (Gordon Mc Granahan and David Satterthwaite, 2014.)

Compensation:-Is a means of payment for the property that is expropriated by the respective executing body of government both either in cash or kind (Ethiopian expropriation proclamation 455/2005.)

Fair Compensation: The issue of what compensation might be “too little” or “too much (Thomas Kalbro .et.al 2011).

Market Value: The price which the property would probably have fetched if placed on the market (Thomas Kalbro . et.al 2011).

Eminent Domain: Is the power of the sovereign to take property for ‘public use’ without the owner’s consent.”(Thomas Kalbro .et.al 2011).

Public purpose: Means the use of land defined as such by the decision of the appropriate body in conformity with urban structure plan or development plan in order to ensure the interest of the peoples to acquire direct or indirect benefits from the use of the land and to consolidate sustainable socio-economic development (Proclamation, 455/2005)

2.2. Theoretical Literature Review

2.2.1. Causes of Urban Expansion

a. Population Growth

The first and foremost reason of urban growth is increase in urban population. According to Bhatta, Basudeb (2010), rapid growth of urban areas is the result of two population growth factors :-(1) natural increase in population (excess of births over death) and (2) migration to urban areas. Migration is long-term relocation of an individual, household or group to a new location outside the community of origin. In the recent time, the movement of people from rural to urban areas within the country (internal migration) is most significant. According to Bhattba,Basudeb(2010), internal migration is often explained in terms of either :-(1).push factor:-conditions in the place of origin which are perceived by migrants as detrimental to their wellbeing or economic security. Push factors include high unemployment and political persecution. (2). Pull factor:-The circumstances in new places that attract individuals to move

there. It include job opportunities or better living facilities. Typically, a pull factor initiates migration that can be continued by push and other factors that facilitate or make possible the change. For example, a farmer in rural area whose land has become unproductive because of drought (push factor) may decide to move to a nearby city where he perceives more job opportunities and possibilities for a better lifestyle (Bhatta.Basudeb 2010).

B. Land Speculation

Speculation about the future growth, future government policies and facilities (like transportation) may cause premature growth without proper planning (Clawson 1962; Harvey and Clark 1965 cited in Bhatta.Basudeb, 2010). Several political election manifestos may also encourage people speculating the direction and magnitude of future growth. Speculation is sometimes blamed for sprawl in that speculation produces withholding of land for development which is one reason of discontinuous development.

C. Lack of Affordable Housing

According to B.Betta(2010),affordable housing is a term used to described dwelling units whose total housing costs are deemed ‘affordable’ to those that have a median house hold income .A common measure of community wide affordability is the number of homes that a household with a certain percentage of median income can afford. Lack of affordable housing within the city forces people to set their residences in the countryside (B.Betta, 2010).

D. Physical Geography

Urban expansion caused by unsuitable physical terrain (such as rugged terrain, wetlands, mineral lands, or water bodies, etc.) for continuous development. (B.Betta, 2010).

2.2.2. Consequences of Urban Sprawl/Expansion

At the most basic level classical theories saw the transaction from rural to urban society as change in the size the organization and communities in which individuals participates.

According to Thomas R.Shannon (2002, p 66-90), shown figure 3.4 below, urban expansion has negative and positive impact on the livelihood of peri urban area farmers.

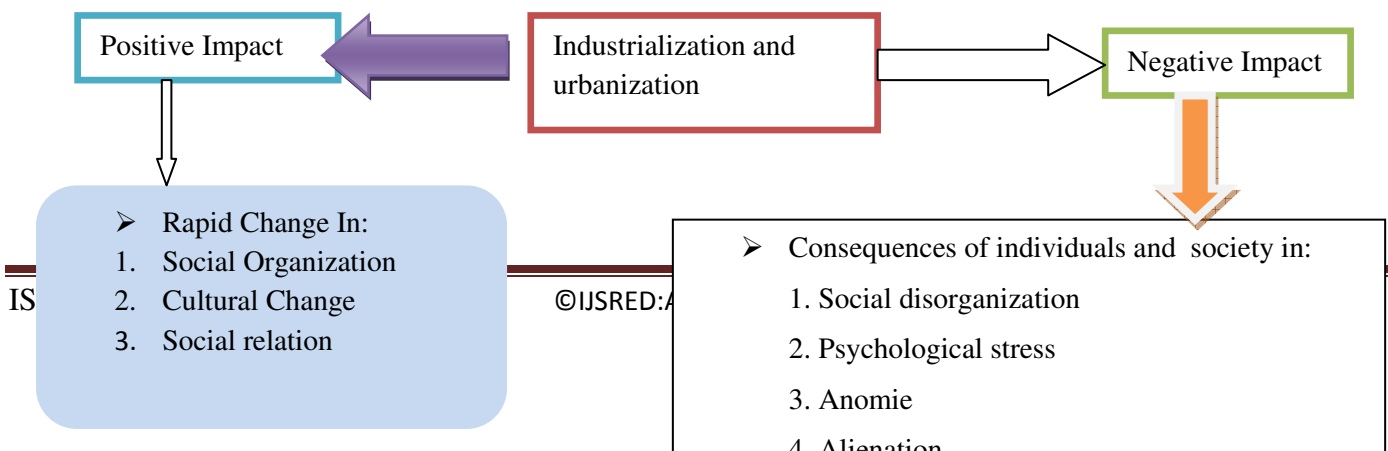


Figure 2. Basic models of the classic view of urbanization

Source:-Thomas R. Shannon, 2002

2.2.3. Theoretical and Conceptual Frame Work of Sustainable Livelihood

2.2.3.1. Livelihood

A livelihood is a means of making a living. It encompasses people's capabilities, assets, income and activities required to secure the necessities of life. A livelihood is sustainable when it enables people to cope with and recover from shocks and stresses (such as natural disasters and economic or social upheavals) and enhance their well-being and that of future generations without undermining the natural environment or resource base (IFRC, 2006).

According to DFID (1999), livelihood is people's capacity to generate and maintain their means of living, enhance their well-being and that of future generations. These capacities are contingent upon the availability and accessibility of options which are ecological, economic decision-making.

2.2.3.2. Livelihood Assets

These are the resources that individuals and households draw upon to build livelihoods. There are five types of livelihood assets as (Fig 6) are :-(I) natural capital; (ii) physical capital; (iii) financial capital; (iv) human capital and (v) social/political (DFID, 1999).

A. Physical Capital

Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods. Infrastructure consists of changes to the physical environment that help people to meet their basic needs and to be more productive. Producer goods are the tools and equipment that people use to function more productively (DFID, 2000).

B. Financial Capital

According to DFID (2000), financial capital denotes the financial resources that people use to achieve their livelihood objectives. It includes flows as well as stocks and it can contribute to consumption as well as production. However, it has been adopted to try to capture an important

livelihood building block, namely the availability of cash or equivalent that enables people to adopt different livelihood strategies.

C. Human Capital:

Human capital represents the skills, knowledge, ability to labor and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives. At a household level human capital is a factor of the amount and quality of labor available; this varies according to household size, skill levels, leadership potential, health status, etc.(DFID, 1999).

D. Social Capital

Social capital – the social resources (networks, social claims, social relations, affiliations, associations) upon which people draw when pursuing different livelihood strategies requiring coordinate actions (Lasse Krantz, 2001).

E. Natural Capital

Natural capital is the term used for the natural resource stocks from which resource flows and services (e.g. nutrient cycling, erosion protection) useful for livelihoods are derived. There is a wide variation in the resources that make up natural capital, from intangible public goods such as the atmosphere and biodiversity to divisible assets used directly for production (DFID, 1999).

2.2.4. Annual income

Total amount of income earned annually. Gross annual income represents the amount of money a person earns in one year from all sources before taxes. (<http://www.businessdictionary.com>)

Many agree that agriculture is the backbone of the Ethiopian economy. According MOFED (1999), cited in KOPIN (2010), agriculture contribute for exports, employment and subsistence to the Ethiopian economy. It contributes 50% of GDP, 85% of employment (the rural population of Ethiopia. as a result of this, per capital incomes of citizens increased through time. According to IMF (2014), the per capital income is 597.1, 647.3 and 697.5 US dollar in 2015, 2016 and 2017 respectively.

2.2.5. Valuation Approaches or Methods

Generally, there are three primary valuation methodologies for arriving at the fair market value of real property taken by way of expropriation (ADB, 2010).

A. Comparable Sales approach

The comparable sales approach simply requires searching for similar properties that have been sold in the marketplace within a reasonable time period preceding the taking date, and then adjusting the sales price of those comparable properties to reflect differences between the comparable and the subject property. The comparable sales method is considered the preferred method of ascertaining the fair market value of land taken by expropriation (ADB, 2007).

B .Income or Capitalization approach

An alternative to the comparative sales approach, typically used in situations where markets are relatively inactive, is called the income (or capitalization of income) approach. It is most applicable to agricultural land and investment properties. According to ADB (2007), the income approach is based on the principle that the value of an investment property reflects the quality and quantity of the income it is expected to generate over the life of the property at issue. In other words, the value of the land derived from this approach is the estimated present value of future benefits, including streams of incomes during the lifetime of the property and proceeds from the sale of the property. The income approach assumes that the owner or potential owner intends to generate income from the land. This valuation approach derives land value by annual net income from the land divided by an estimated capitalization rate.

Under the income approach, valuation of land is accomplished through capitalization. Capitalization is the division of a present income by an appropriate capitalization rate to derive the value of the income stream. This method can be expressed in the following formula: Land Value = Net Income/Capitalization Rate or $V = I/R$. (ADB, 2007).

C. Replacement Cost Approach

The replacement cost method values the expropriated property by determining the replacement or reproduction cost of improvements, less depreciation plus the market value of the land. Hence, this predominantly serves to value buildings as well as utilities, but not the land itself. It is especially considered one of the better methods for determining a utility's fair market value (Dennison 2006: 447 cited in Daniel Weldegebriel Ambaye, 2009).

2.3. Empirical Literature Review

2.3.1. International Compensation Practice

2.3.1.1. Compensation Practices in Italy

Different scholars and reports reflected that, countries in the world used their own laws, proclamation, regulations and principles. For instance, according to Asian Development

Bank report Italian law provide high level of compensation and strong incentives for agricultural land owners and users to accept the compensation offered by the state. When agricultural land is expropriated and rezoned for urban users, the municipality offers compensation of 1.5 to 3 times the government established average value of similar agricultural land in the locality. This is higher than the market value offered for compensation by government and farmers agree by compensation without appealing (ADB, 2007).

2.3.1.2. Expropriation Laws and Practices in China

2.3.1.2.1. Legal Framework for Land Ownership in China

The PRC adopts public ownership of land in the form of state ownership and collective ownership. According to ADB (2007), urban land is owned by the state and rural land is owned by collectives. However, such public ownership of land has undergone series of reforms since the late 1970s when the PRC started to move toward a market economy, resulting in a separation of land use rights from land ownership where land is still publicly owned while use rights to such land are allocated to private individuals. State ownership is exercised by the State Council through land administrative agencies established at county, province, and state levels, with the land agency at each level responsible for management of state owned land in its jurisdiction (ADB, 2007).

2.3.1.2.2 Expropriation practice in China

a. Expropriation of Urban Assets

Because urban land is state owned, compulsory acquisition of land only involves “withdrawal” of land use rights. However, Chinese laws on withdrawal of urban land use rights are quite limited. The 1998 Land Management Law (LML) provides five situations under which the government may withdraw urban land use rights from the right holders: (i) public interests, (ii) renovation of old towns, (iii) expiration of land use terms without renewal or denial of the renewal application, (iv) dissolution or relocation of the holder of administratively allocated land rights, and (v) termination of use of public infrastructure (ADB, 2007). However, the right holder is entitled to a vaguely phrased “appropriate compensation” only in the first two situations. In case of land use rights initially acquired through contract grant, the right holder is entitled to a compensation corresponding to the number of remaining years on the grant contract and the extent to which land has been developed (ADB, 2007).

According to ADB (2007) report, compensation may be paid in cash or in kind and the owner of the property to be demolished may select between monetary compensation and a replacement structure. The amount of cash compensation is determined by a market appraisal of the condemned structure based on location, use and floor space of the structure. The method of appraisal should be the comparable sales approach, except in areas where housing markets are not developed. As to in-kind compensation, the property owner is entitled to a replacement structure plus or minus any difference between the value of their placement structure and the assessed market value of the condemned structure. In addition, the property owner is entitled to moving expenses and transitional resettlement subsidy. Resettlement subsidy can be in the form of either cash subsidy or provision of a transitional home. In the case of nonresidential structures, an “appropriate compensation” should be made for losses sustained by the property owner if such condemnation causes termination of production or business. However, if the structure was initially used as a residential unit but later changed into a business structure, the owner is not entitled to compensation for termination of business, unless that person can produce evidence that such change of use was approved by and registered with relevant government agencies (ADB, 2007)

2.3.2. Legal Framework for Land Acquisition and Compensation in Ethiopia

2.3.2.1. The Constitution of the Federal Democratic Republic of Ethiopia

A constitution of the Federal Democratic Republic of Ethiopia which entered in to force august 21st 1995: form the fundamental foundation for the enactment of specific legislative instruments like that of land ownership and holding right, article 40(3) the right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange and article 40(4) of the constitution states that Ethiopian peasants have right to obtain land without payment and the protection against eviction from their possession. The implementation of this provision shall be specified by law. In Ethiopia, the different principles of compensation are stated both in the constitution and proclamations. In the 1995 Constitution of the country

Article 40(7), it is said that every Ethiopian has a full right to the immovable property he builds and to the permanent improvements he brings about on the land by his labor or capital. This right shall include the right to bequeath and where the right of use expires to remove his property, transfer his title, or claim compensation for it. In sub article 8, it is also said that without prejudice to the right to private property, the government should pay compensation commensurate to the value of the property when it expropriates private property for public purpose. The 1995 Federal Democratic Republic of Ethiopia constitution states the purpose of expropriation and commensurate compensation, Article 40 (8) of the Constitution prescribes:

Without prejudice to the right to private property, the government may expropriate private property for public purposes subject to payment in advance of compensation commensurate to the value of the property (The Constitution of the Federal Democratic Republic of Ethiopia Proclamation No. 1/1995).

2.3.2.2. The Legislation on Expropriation of Land and Compensation

In Ethiopia, as stated in Proclamation No. 455/2005, and the Council of Ministers Regulation No. 135/2007, the amount of compensation for property situated on the expropriated land shall be determined on the basis of replacement cost of the property. Although Proclamation No. 455/2005 envisages valuations to eventually be carried out by certified private or public institutions or individuals, it also states that until such time as institutions of private or public nature, as well as individuals with the required capacity/ability become available, the valuations will have to be made by committees to be established under Article 10 of the proclamation or by owners of utility lines as provided under Article 6 of the same proclamation. Articles 3(1) and 4(3) of Proclamation No. 455 of 2005 make it clear that compensation in cases of expropriation should be made in advance of evicting the landholder. Generally The Federal Democratic Republic of Ethiopia Expropriation and Payment of compensation proclamation 455/2005 states; the notification of expropriation order, responsibilities of the implementing agency, Procedures for removal of utility lines, basis and amount of compensation, displacement compensation, valuation of property, property valuation committees ,complaints and appeals in relation ;"compensation.(Federal Democratic Republic of Ethiopia Expropriation proclamation no,455/2005).

2.3.3. Valuation and Compensation Practice in Addis Ababa

According to proclamation 455/2005 article 14 and sub article 2 each regions in Ethiopia have a power to setting principles regarding the expropriation real properties and the payments of compensation. Therefore, Addis Ababa city administration setting principle No.19/2014 and determined compensation for expropriated properties. According to the principles Addis Abeba city administration determined compensation as follows:-

First the town, sub-city and other concerned bodies from woreda were discussed with expropriated farmers regarding the purpose and implementation of expropriation. After discussions the displaced people elected eye witnesses who have between 3-7 members. The selected witnesses have the responsibility to follow the data collection process and they give comments and suggestion regarding the valuation process. The agency or a representative of a sector, eye witness and displaced peoples signed on the consent document. After fulfilling the prerequisite activities the valuation and compensation office calculate the compensation of properties that developed on the land and permanently displaced land. In order to calculate the compensations of buildings the office used valuation soft ware. According to valuation and compensation case team leaders of bole sub-city valuation soft ware helped to save time, reduced the complexity of work and helps to determined compensation uniformly. (Expropriation and the Payment of Compensation Implementation Principle 19/2014)

2.4. Research Gap

Certain researches were done on the concepts of urban expansion in different ways. For example research have been conduct (2011), by Muluwork Zebu an assessment of livelihood and food security of farmers displaced due to urban expansion in the cases of Kombelcha, Amhara Regional state by employing descriptive survey method. The results indicates that as urban expansion increase the demand of large areas from surrounding agriculture and affects the communities living, which lost livelihood asset capability such as livestock, permanent trees and land for fodder. However, the research did not directly address how this urban expansion affects the incomes of urban fringe farmers and the finding didn't clearly indicated the compensation procedure and didn't quantify the rates of Kombelecha town expansion. Therefore, this research attempt to shown the overall impacts of Feresbet town expansion on the incomes of urban fringe farmers, clearly showed the rates of Feresbet town expansion and the compensation procedure.

The most reason why researchers prepared to make research that, no research made on the impacts of urban expansion on the incomes of urban fringe farmers in Feresbet town yet.

Chapter three

Research Methodology

3.1. Introduction

This part is aim at impressive the actions that would be used in conducting this research. It describes, the research design such as research approach, research type, research strategy and research time dimension, methods of data collection, sampling techniques such as population or universe, sampling frame, sampling unit, sample size and , sources of data such as primary and secondary data sources, data collection tools (instruments), data analysis and interpretation and data presentation of the study.

3.2. Research Design

According to Mc Milan & Schumacher (1984), Research design implies the way the study is planned and conducted, the problem procedures and techniques employed to answer the research questions. Likely in this study the researcher used the qualitative and quantitative research approach, descriptive types of research and survey research strategies.

3.2.1. Research Approach

As Creswell (2014), states that qualitative approach leads to understanding and often answers like “why”, “how”, “in what way” and “to what extent”? Accordingly, qualitative research approach was used to get answer to the causes of Feresbet town expansion, compensation practices from legal perspectives and the survival strategies. In addition the researcher used quantitative research to compare the income of expropriated households before and after displacement. So, for this study, the researcher used both qualitative and quantitative research approach.

3.2.2. Research Type

The purpose of this research was to describe the impacts of Feresbet town expansion on the incomes of urban fringe farmers. Therefore, the study attempted to describe the causes of Feresbet town expansion, compensation practice and the rate of change of annual income of displaced farmers by employing descriptive type of research method. Descriptive research is concerned with conditions or relationships that exist, practices that prevails, points of view of attitudes that are held, effects that are being felt (Kothari, 1990) and these are the reasons behind why the researcher selected this method. In addition descriptive research design method is an advantageous and relevant to collected details data from many respondents, it describes what the reality or what actually exist within a situation such as current practices, progresses and situations of different aspects of the research, it is widely used in social science streams (Alan Bryman,2012).

3.2.3. Research Strategy

The researcher used survey research strategy. Because Survey research is a strategy that can vases social phenomenon or reality by collecting information from sample or whole population in a short period of time using a questionnaire and it is efficient to collect information from large population(Ranjit Kummar).

3.2.4. Research Time Dimension

For this study, the researcher used both cross sectional and longitudinal time dimension research. According to Babbie (1989: 89) cited in Ranjit Kumar (2011), cross sectional time dimension designed to study some phenomenon by taking a cross-section of it at one time. So, the researcher used this design to assess the incomes of displaced house hold heads before and after displacement by cross section of expropriation. In addition to this, the researcher used longitudinal time dimension to determine the pattern of Feresbet town expansion change in time.

3.3. Sampling Technique

In this study, the researcher used both probabilities and non-probability sampling techniques. The probability sampling used for to select sample from displaced household heads. While, non probability sampling used for to select key informants (land experts, municipality managers and planners from the municipality) and coordinators of a valuation committee. According to (Kothari, 1990), systematic sampling is the most practical way of sampling to select every *ith* item on a list. Therefore, Systematic sampling used to identify the household respondents out of the sample unit. So, the researcher used systematic sampling and selected respondents based on the ordered and sequence of registration during expropriation year. In order to apply systematic sampling for this study, the researcher was first select randomly from the registered household heads as a starting point and then picked every Z on the element of both household heads of four Kebeles for the sampling frame. To compute Z , the formula used is $Z = N/n$.

$Z = \text{sample interval}$ $n = \text{Desiered sample size}$

$N = \text{Total household heads}$

For Shangie kebele $Z = 165/73 = 2$, For Deberesina Kebele $Z = 102/45 = 2$,

Feresbet Mikeal $Z = \frac{112}{50} = 2$ and for or Gelade kebele $Z = \frac{125}{55} = 2$

Hence, every 2nd household for Shangie Kebele , Deberesina kebele, Feresbet Mikael and Gelade Kebele were selected based on the order of expropriated year. The process of selecting continues until 223 house hold were selected. Whereas non probability sampling used to select key respondents or informants that are managers of the town, valuation committees, planners and land experts of municipality, they selected purposively from land administration department. Because the researcher believes that they can provide enough information concerning the topic under study.

3.3.1. Population or Universe

The expropriated landholder in the urban fringe of Feresbet town constitutes the population.

3.3.2 Sampling Frame

The sampling frame consists of 504 household heads that are affected by the expansion of the town. These households were located in Four Kebeles.

3.3.3 Sampling Unit

The sample refers to the number of population to be selected from the universe to constitute a sample (Kothari, 1990). Accordingly, to get detail information the researcher selected household heads from all expropriated household for this specific study randomly and planners, land experts, municipality managers and valuation committees purposively.

3.3.4 Sample Size

The study was focused on four Kebeles. To make representative sample, four Kebeles were included. In order to save time ,to minimize cost and to get detail information the researcher

would determine small sample size from 504 total Female and Male household heads by using formula. To calculate sample size, different authors derived different formulas. For the purpose of this study, the researcher would use Simplified Formula for Proportions set by Yamane (1967:886), to calculate sample sizes considering the level of confidence is 95% and 5% Margins of error. Therefore, the sample sizes of household heads respondents were determined by using the following formula.
$$n = \frac{N}{1 + N(e)^2}$$

n = sample N = population Size e = level of precision

$$n = \frac{504}{1 + 504(0.05)^2} = 223$$

After the total sample size is determined, respondents from four Kebeles were determined based on the population size of each Kebele.

3.4. Source of Data

3.4.1. Primary Data Source

The primary data was gathered from the town municipal planners, land experts, the municipal manager and coordinators of the valuation committee and sampled displaced household heads.

3.4.2. Secondary Data Source

The researcher used secondary data from the various policies and legal documents, the structural plan of the town, the municipal reports, proclamation, constitution, satellite image and other relevant published and unpublished documents appropriate for the issues under investigation.

3.5. Methods of Data Collection

In order to understand the causes of Feresbet town expansion and the process of determine compensation cost for expropriated real property in the study area the researcher used semi structured interview, Questionnaire and observation.

3.5.2. Documentary Methods of Data Collection

To produce a map that showed the rate of Feresbet town expansion through time, the researcher used satellite image by geo referencing from Google earth. In addition to these the researcher used legal framework, reports, journals, and books that helped to analysis the problem

3.6. Methods of Data Analysis and Presentation

3.6.1. Methods of Data Analysis

Data collected from various sources was analyzed using different techniques. The data that was collected to assess the impacts of urban expansion on the income of urban fringe farmers was analyzed quantitatively through SPSS. Data about the rate of Feresbet town expansion was analyzed quantitatively through GIS; data about compensation practice was compared and contrast qualitatively against proclamation, regulation and constitution. In addition to this the data that was collected to assess the driver of Feresbet town expansion was analyzed qualitatively through related review literature. Generally quantitative variables that described the income and area were analyzed through Microsoft excel and SPSS.

3.6.2. Methods of Data Presentation

The information obtained from reports; statistical records are incorporated in the analysis and presented through narrative descriptions. Both primary and secondary data would analyze and present using statistical tools like tables, charts and figures to facilitate the presentation of the result.

CHAPTER FOUR

Results and Discussion

4.1. Response Rate

The respondents for this research were divided into the displaced household heads, planners, officials, the municipality manager and the valuation committee that were treated using questionnaires and interviews. The questionnaires were distributed for 223 displaced household heads of urban fringe farmers and all questionnaires filled by selected data collector.

The interview guide lines prepared for 4 key informants. Generally 227 respondents were involved in this study. From total distributed questionnaires, 216 were returned or responded on time and correctly. The remaining 7 household heads did not fill and return the questionnaires. Thus, the overall response rate was 96.86%. In addition, the interview was conducted among 3 key informants and 1 valuation committee individual successfully on time of schedule without missing.

4.2. Quantifying the Rates of Feresbet Town Expansion

Expansion of urban areas is a natural process for a developing country and runs with population growth (UN, 2010 cited in Ashenafi Girma, 2013). As a result of population growth, natural urban population increase and other related causes, large and small cities are expanding and merging to create urban settlements in the form of city regions, urban corridors and mega-regions in developed and developing countries. Similarly, Feresbet town expands rapidly from time to time, and figure 8 presented below shows the rates of Feresbet town expansions from 2009 to 2016.

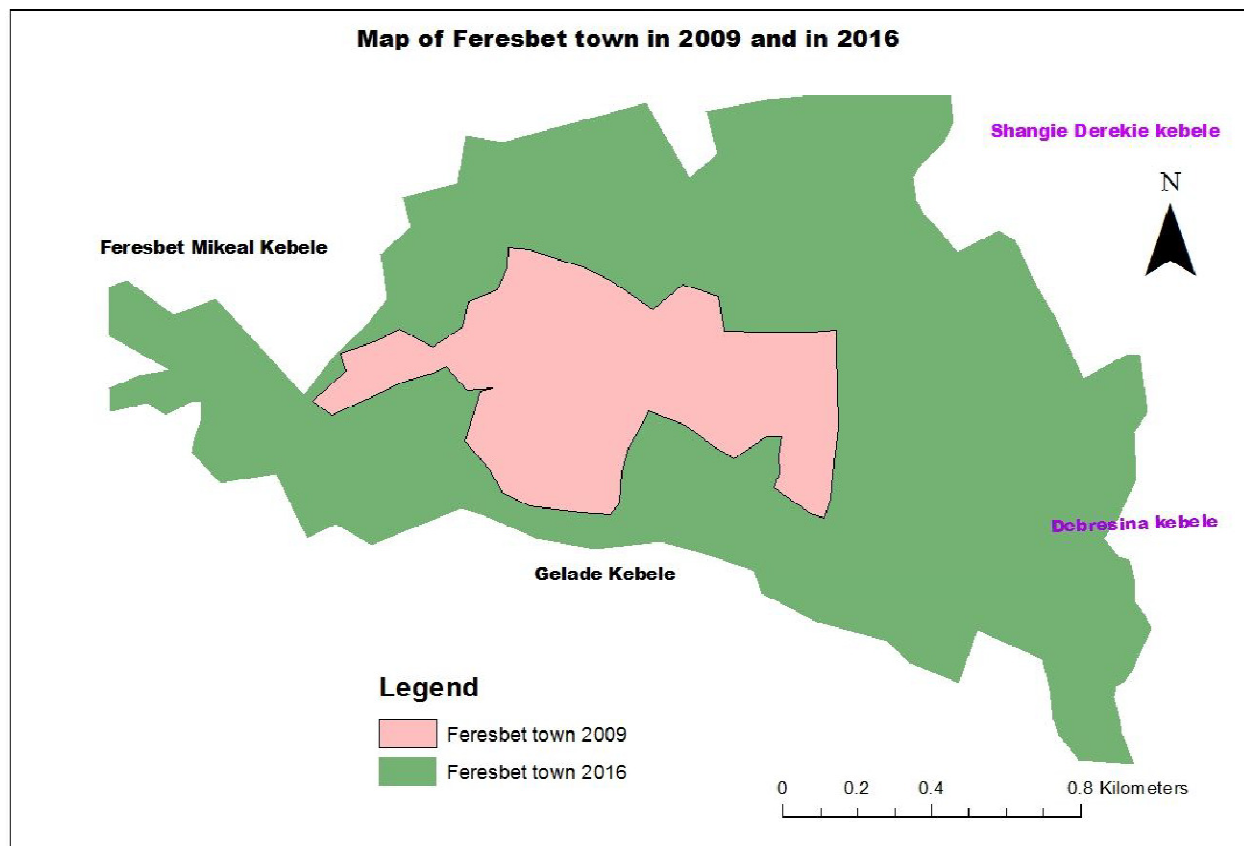


Figure 2. Map of Feresbet Town in 2009 and 2016 G.C

Source: Researcher Computation from Satellite image, 2017

The comparative analysis regarding the rates of Feresbet town expansion revealed that, before 2009 the town covered small areas. But, after 2009 the town expand horizontally in the four directions (Deberesina, Shangie Derekie, Feresbet Mikeal and Gelade), specially the town expand more than a doubled rate in Deberesina and Shangie Derekie Kebele. The structural plan and socio-economic data of the town revealed that; the town has 354 and 774 hectare area in 2009 and 2016 respectively. The planner of the municipality also confirmed the secondary documented results. According to the Ministry of Works and Urban Development (2007) report, the urban growth rate is over 4.1% in Ethiopia and higher than the African growth rate of 3.9%. Likely, as shown in the above map Feresbet town expands from 354 hectare to 774 hectare within 8 years time interval, or within 8 years the town expands by 420 hectare. Generally from 2009-2016 the town expands by 52.5 hectare per Year.

4.3. Drivers of Urban Expansion

The drives of urban expansion were discussed by different researchers in the world. Among them, B.Bhatta (2010), analysis and listed the causes of urban expansion. So, population growth, land speculation, lack of affordable housing, industrialization, economic growth and physical geography are some of the driver of urban expansion. (B.Bhatta, 2010).In other hand, to understand the drivers of Feresbet town expansion the researcher prepared questioners for selected household heads and distributed for 223 selected sampled respondents, interviewed the key informants and used secondary document to show the drivers of Feresbet town expansion. Therefore, the drivers of Feresbet town expansion are discussed below.

Table 4.1.the drivers of Feresbet town Expansion

Question Item	Drivers	Frequency	Percent
What are the drivers of Feresbet Town?	Population Growth	25	11.5
	Increase the demand for land	30	13.9
	Land speculation	25	11.6
	Rural-Urban migration	14	6.4
	Economic Growth	2	0.9
	Topography	8	3.7
	Population Growth, increase the demand for land, Land Speculation, Rural-urban Migration, Economic growth and Topography.	112	52
	Total	216	100%

Source: Researcher Computation from Field survey, 2017

Urbanization is the gradual concentration of human population in the towns, cities and metropolitan areas. (Angel, 2012).Urban population and urbanization increased from time to time in developing country generally, and in Ethiopia particularly. Like to other cities in Ethiopia, currently Feresbet town expand in a rapid rate. Table 10 above indicates that; out of total sampled household heads, 52% or more than half percent of respondents’ response by saying population growth, increases the demand of land, rural-urban migration, land speculation and topography of the town are the major causes of Feresbet town expansion. But, according to the responses of household heads economic growth has a negligible effect for Feresbet town expansion. In order to confirm the responses of respondent the researcher prepared checklist to interviewed key informants. For instance, Feresbet town municipality manager suggested his ideas based on guide line about the causes of Feresbet town expansion are as follows;

“As a result of population growth, the demand of house increases from time to time and land seekers raised questions for Woreda administration and the municipality regarding residential housing problems. Therefore, in order to answer the questions of house seekers Feresbet municipality allowed to house seekers to be organized in residential housing cooperatives based on the Federal Residential Cooperative proclamation No.402/2004 and Amhara Regional State Cooperative Establishment Proclamation No.134/2006. Therefore, house seekers organized in cooperative based on the legal frame work; on the other hand, the municipality didn't have free land within the boundary of the town. So, to provide residential land to house seekers the municipality expropriates agricultural land from urban fringe farmers. Finally, many residential houses constructed and changed agricultural land to residential houses. These are the ways of Feresbet town expansion.”

Feresbet town municipality planner and land expert also suggested on the causes of Feresbet town expansion as follows;

“Like other neighboring town, Feresbet town expand horizontally due to; urban population natural increase, rural to urban migration (population growth), increase the demand for land, construction of informal house and the topography that the town established. The topography of Feresbet town is plateau and unsuitable for the construction of residential houses. Because of economic problems the municipality or developers can't level the land feature to construct residential houses. So, the municipality provided labeled land to the house seeker by expropriated urban fringe farmers and causes the town expands horizontally.”

In other hand the researcher observed and collected secondary data from recorded documents and unrecorded documents in order to crosscheck the responses of dislocated household heads and key informants. So, the data collected from recorded documents about the drivers of Feresbet town expansion and the ways that drivers' causes for Feresbet town expansion were discussed below.

a. Population Growth

Shalom Angel (2012), discussed about population growth on his paper books is that; population is inevitable. As a result of natural increase, pushing and pulling factor; population in the world increased from time to time. According to Amhara Bureau of Finance and Economics (ABOFED) population report, urban population in Feresbet town increased year to year. However the process how population drives Feresbet town are discussed below.

Table 4.2. Feresbet Town Population from 2009-2016

No	Year	Urban Population		
		Male	Female	Total
1	2001 E.C	1689	2130	3819
2	2002 E.C	3960	3632	7592
3	2003 E.C	4132	3792	7924
4	2004 E.C	4309	3955	8264
5	2005 E.C	4494	4125	8619
6	2006 E.C	5680	6344	12024
7	2007 E.C	6342	7423	13765
8	2008 E.C	7345	8947	16292

Source: BOFED, 2017

As the result of natural urban population increase and rural to urban migration (pushing and pulling factors), the rate of urbanization increases at increasing rate in developing country. B.Bhatta(2010). Like to other cities in Ethiopia, urban population increased from year to year in Feresbet town. As shown table 11 above, in 2009 the town has 1689 male, 2130 Female and 3819 total population. In 2016 the town has 7345 Male, 8947 Female and 16292 total populations. Therefore, between 8 years time interval the population in the town increased by 76.6% peoples from the previous one. However the comparative analysis of population growth in different time interval revealed that; urban population increased at increasing rate from time to time and simultaneously the demand of land also increased. Finally the residents constructed formal and informal houses and causes town expansion.

b. Increase the Demand of Houses (Ceaseless Housing demand)

Population growth and demand of houses are inseparable phenomena. As the result of urban population growth the demand and prices of houses increases. According to B.Bhetta (2010), lack of affordable housing within the city forces people to set their residences in the countryside and it causes the rise in price of houses and urban expansion. According to recorded secondary documents the number of land seekers increases and simultaneously raise the price of houses.

As the data gathered from Feresbet municipality; the demand of land increases from time to time, particularly in 2014 and 2015. However, before 2014G.C land seekers asked the concerned body individually in order to got residential house. But, after 2014 land seekers organized in cooperatives and they asked in group based on legal frame works. According to the Feresbet municipality annual report (2016), totally 1077 house seekers got 26.9 hectares and changed from agriculture land to residential purpose. In addition to this Feresbet municipality supply 25 hectares of land for the construction vocational training college and hospitals. Therefore, like to B.Bhetta's discussions, Feresbet town expand as the result of increase demand of houses. So, the primary and secondary data proved that Feresbet town expands due to boost demand of land.

c. Land Speculation

Land speculation typically would be the purchase of vacant, undeveloped land in the hope that it would increase in value and you could sell it for a profit. Speculation about the future growth, future government policies and facilities (like transportation etc.) may cause premature growth

without proper planning (Clawson 1962; Harvey and Clark 1965 cited in B.Bhetta, 2010). But, in case of Feresbet town, the information gathered from key informants indicated that, due to urban population growth the demand of house increase, the prices of houses raised and many residents can't get land formally. So, land speculators buy pieces of land in the urban fringe informally and keep them until the prices increases. Feresbet municipality annual report explained that until the end of 2016, 612 houses construct informally and it contributes for the expansion of the town. Informal houses are not only the causes of town expansion but also it is an obstacle to expanded infrastructure like water, electricity and water in the town.

Table 4.3. Informal Houses from 2009-2016.

No	Kebeles	Informal houses
1	Debresina	198
2	Shangie Derekie	167
3	Gelade	145
4	Feresbet Mikeal	102
Total		612

Sources: Feresbet Town Municipality Annual Report, 2016

The annual report of Feresbet municipality (2016) indicates that from 2009- 2016, 198, 167,145 and 102 informal houses constructed in Debresina, Shangie, Gelade and Feresbet Miekeal Kebele respectively. Generally, the finding of this study proved that the town expands as a result of urban Population growth; increase the demand of houses, land speculation and topography of the town. Therefore, the results of this study are similar to other researcher findings as discussed in the review literature. For instance, B.Bhatta (2010), discussed about the causes and result of urban expansion. According to him the causes of urban expansions are population growth, lack of affordable housing, land speculation, physical geography and industrialization. So, except industrialization, the findings of the study were similar to B.Bhatta discussed.

4.6. The Determination of Compensation for Expropriation in Feresbet Town

As Dale and MacLaughlin, (1998) affirmed, land is a scarce natural resource, and it is required for all economic, social and cultural activities in any society. This scarce natural resource needs to be properly managed in order to maximize its benefits and minimize any environmental and different social problems that may be caused due to improper management of urban land. Therefore, to manage this scarce resource and to sustain the economic, social, political and environmental development, each county in the world developed legal frameworks. Like other countries in the world, Ethiopia has its own legal frame works to expropriate real property and to determine the compensations of expropriated real property. Therefore, proclamation, regulation, principles and constitution in Ethiopia states about the prerequisite activities before compensation, activities during compensation and appealing process after expropriation. Therefore the compensation practices from legal frame work perspectives in Feresbet town were discuss below.

4.4. Major finding

The researcher assessed the impacts of urban expansion on the incomes of urban fringe farmers in general and also assessed the drivers of urban expansion, quantifying the rates of Feresbet

town expansion, evaluating the compensation procedures from legal frame work perspectives, compared the incomes of farmers before and after displacement and the survival strategies in particular. Therefore, the major answers for five research questions are the following;

1. Feresbet Town expands 52.5 Hectare per Year from 2001 to 2008 E.C

The result of the study shows; from 2001 to 2008 E.C the town expands more than half percent. The Comparative analysis result of the study indicates Feresbet town expands from 354 hectare to 774 hectare between the two year time intervals. Or within 8 years the town expands by 420 hectare.

2. Population Growth, Land Speculation, Topography of the Town and Increasing the Demand of Houses are the Major Causes of Feresbet Town Expansion

The result of the study revealed that; population in the town increased from time to time, in the cases of massive rural to urban migration and urban population natural increases. In parallel to population growth the number of land seekers increased and raised question to the municipality. In order to respond the question of land seekers the municipality expropriating 504 urban fringe farmers and supplied 26.9 hectares of land to 1077 land seekers from 2001 to 2008 E.C, and provide 25 hectares of land for the construction of Hospitals and Vocational Training College. In addition to population growth and increase the demand of houses, land speculation is another cause of Feresbet town expansion. In the study area land speculators constructed 612 informal houses from 2001 to 2008 E.C. Generally, the result of the study indicated that, the Feresbet town expands as the result of urban population growth, land speculation and increase the demand of houses.

3. Weak Implementation of Legal Frame Works during Compensation Determination

The study result indicates that the municipality didn't created awareness about the purposes of expropriation for all displaced urban fringe farmers. In other hand the woreda administration did not select professional valuation committee. However, proclamation 455/2005 part three Art.10 (1) states that; the woreda administrator selected professional valuation committee and created awareness about the process of expropriation. In addition to this, the municipality did not calculate compensation based on the lows, especially before 2014. The municipality paid uniform compensation for expropriated farmers without considers legal frameworks, and didn't implement 1995 constitution of the Federal Democratic Republic of Ethiopia. The constitution article 40 sub articles 8 stated that;

“Without prejudice to the right to private property, the government may expropriate private property for public purposes subject to payment in advance of compensation commensurate to the value of the property”.

In opposite the municipality didn't paid commensurate compensation and not implemented on the ground this article of the constitution, particularly before 2014.

4. The Municipality didn't Pay Commensurate Compensation

According to the result of this study, the municipality paid only cash compensation, yet land for land compensation option often not considered or offered. Again the result indicated that 504 house hold heads and 16043 families expropriated from the farm land without received adequate compensation. As a result of lack of professional valuers, the types of product grow (low market price product), corruption and lack of reliable market data, urban fringe farmers did not received commensurate compensation in the study area. Before 2014 the municipality paid uniform compensation that is 25.5 birr per meter square to 243 urban fringe farmers without considering the market value and the productivity of the land.

5. As a Result of Expropriation Displaced Household Heads Shift their Occupation

The horizontal expansion of urban centers can result in the loss of prime agricultural farmlands, natural beauties. The finding of the study depicts that, 84.3% of the respondent engaged in agriculture economic sector and they got income annually from livestock, crop, trees and vegetation before the town expands and they expropriated. However, as a result of urban expansion and expropriation all urban fringe farmers individually lose below 2.5 hectares of land and they shifted from farming economic activity to daily labor.

Again the result of the study also indicated that any urban fringe farmers didn't engaged only in daily labor before they expropriated. But, as a result of town expansion and expropriation daily labor are a means of income for 16.2% farmers and 55.6% of urban fringe farmers engaged in both farming and agriculture.

6. The Average Annual Incomes of Displaced Household Heads Reduced

Finding of the study depicted that; as a result of expropriation the income sources of household heads reduced in number and the average annual incomes from 62500 birr to 32000 birr. The average annual income reduced by 30500 birr.

7. Absence of Survival Strategies

As the study revealed that, there were no organized institutions that have goals to redevelop the house hold heads. The municipality and woreda administrator expropriated urban fringe farmers without prepared copying mechanism like short-term training, created job opportunity, organized in small business enterprises and give loan. As the study finding show, displaced house hold heads were not got trainings about how to produce efficiently and effectively in small plot of land and how they adopt urban ways of life.

5.2. Conclusion

This study assessed the impacts of urban expansion on the incomes of urban fringe farmers by identifying the drivers of urban expansion, quantifying the rates of Feresbet town expansion, evaluating the compensation procedures from legal frame work perspectives, compared the level of income before and after displacement and assessed the survival strategies.

Feresbet town is one of the towns in Amhara Regional State, especially in West Gojjam Zone and it established in 18 96 E.C. As, compared to its establishment the rates of town expansion was progress. However, currently the secondary data collected from recorded documents and the data of the town in the satellite image proved that the town expands at increasing rate. For instance, in 2009 the area of the town were 354 hectare, but as a result of population growth, lack of affordable house, topography of the town and land speculation the town expands and covered 774 hectare in 2016. In parallel to this 504 household heads and 16043 families expropriated from the farm land.

As it is known in Ethiopia and other region compensation determined by legal frame works. However, the finding of this study indicated that the municipality didn't implement the legal frame work on the ground. For instance before 2014, the municipality paid uniform compensation(25.5 birr per meter square) for 243 displaced house hold heads without considering the productivity of the land. But, after 2006 E.C the municipality paid compensation based on the productivity of the land and the market price. The municipality paid 27.5 birr per meter square and 29.5 birr per meter square in 2015 and 2016 respectively for high productive land. In addition to this the municipality also paid 26.5 birr per meter square and 27.5 per meter square in 2015 and 2016 respectively for medium productive land. The result of the study also revealed that all displaced urban fringe farmers lose below 2.5 hectares of land and they received

cash compensation. However, all expropriated farmers choose land to land compensation if they got a chance to selected the kind of compensation.

The result of this study also revealed that, 84.3% of urban fringe farmers engaged in farming economic sector and they got enough income from livestock, cultivation of crop, planting of trees before they displaced from farm land, but after they expropriated farmers shifted to daily labor and only 20.8% engaged in farming. Urban expansion also reduced the amount of income, the purchasing powers and disturbs the social connections of displaced house hold heads. Weak application of the legal frame works, lack of professional valuator, lack of reliable market data, the type of product that grow and the kind of compensation are the major causes of inappropriate compensation in the study area. As result of this, 97.2% of displaced households asked appealing for regular courts, but they did not get solution for legal frame work perspective. Finally the result of the study also indicated that, still there is no organized institution that supported the displaced household heads by short-term training, created employment opportunity, provide loan opportunity and by organized in small business enterprises

5.3. Recommendation

Based on the finding of the study and the analysis of collected data from the respondents and secondary data the researcher would like to set and suggested the following possible solutions as recommendations to mitigate the impacts of urban expansion on the livelihoods of urban fringe farmers

5.3.1. Recommendation for the practice

1. Woreda Administration and the Municipality Should Minimized Rural to Urban Migration and Urban Population Natural Increase.

The finding of the study indicates that; as a result of population growth Feresbet town expand at increasing rate. So, in order to reduce the rates of town expansion the researcher recommended that the concerned body tried to reduce population growth. Different scholars and writers accepted that urban population growth is inevitable. However, in order to minimize the rates of population growth, the concerned bodies reduced rural to urban migration by creating job opportunity, provide new technology, provide better facilities and increased wealth in the rural areas. In addition to this the concerned body should reduced urban population natural increase and the municipality should encouraged vertical expansion in the future.

2. The Municipality Should Apply Legal Frame Works Appropriately

The finding of this study revealed that, in 2014 and before all expropriated farmers received uniform compensation without considering the productivity of the land. The municipality didn't implement proclamation 455/2005 and its regulation accurately especially before this year. Therefore, to decide fair compensation the municipality should implement legal frame works (proclamation 455/2005, regulation 135/2007) accurately on the ground. But, in the cases of Addis Abeba city administration, the sub-city discussed with displaced peoples about the purposes of expropriation and they reached at consent the overall activities of expropriation and they used valuation software to determined compensation, and this helps to reduced corruption and ambiguity during valuation process. But, the result of this study showed that, the municipality did not discuss with displaced people and didn't employ valuation software. So, the researcher recommended that themunicipality should exercise the trends of Adiss Abeba valuation process and applyvaluation software to simplify the complexity of valuation process, to minimized errors during calculation and to determined compensation in short period of time. In

addition to this municipality should offered land for land compensation options. In addition to this the multiplication year (ten year) is not enough, so proclamation 455/2055 should revise.

3. The Municipality Should Pay Commensurate Compensation

One of the major finding for this study is that; lack of professional valuator, low productivity of the land, lack of reliable market data and inappropriate use of legal frame works are the cause of unjust compensation. Again the result indicated that the amount of compensation paid for displaced households were not commensurate. So, unfair compensation disturbed the livelihoods of displaced urban fringe farmers. Hence, to sustain the livelihoods of displaced urban fringe farmers the municipality should pay commensurate compensation by trained professional valuers, by applying legal frame works properly and by using appropriated market data. In addition to this the municipality should create land for land compensation options instead of cash compensation.

4. The Woreda Administrator Should Set Survival Strategies

There are two really and widely accepted concepts in the world. Those are; urbanization is an inevitable and land is precious and scarce resources. As the result of this, expropriation and compensation simultaneously happened. Whereas, in the case of Feresbet town the municipality didn't paid commensurate compensation for displaced household heads and didn't setting survival strategies. According to researcher's opinion only commensurate compensation not sustain the livelihoods of displaced household heads. Therefore, in order to sustain the livelihood of displaced household heads, the Municipality and woreda administration should give short term training, organized in small business enterprises and providing loan opportunity for displaced household heads. In addition to these the municipality and woreda administration should mounting the effectiveness and efficiency productive power of displaced farmers in a small plot of land by giving continuous training and created employment opportunities. In addition to this the municipality and woreda administration should set independent redevelopment institution.

5.3.2. Recommendation for Further Studies

This study was set out to assessing the impacts of Feresbet expansion on the incomes of urban fringe farmers. However, due to limited finance and time, this research did not investigate all aspects related to the impacts of urban expansion on livelihoods and copying mechanism. Therefore, further research should be conducted others like; the impacts of Feresbet town expansion on physical, social, natural and human livelihood assets of urban fringe farmers, the roles of regular court during appealing process in the cases of compensation. In addition to this, in the study area expropriated urban fringe farmers rumored on the purposes of expropriation during field survey, And they "said" after expropriation the land were protected by fence and free for more than three years without the construction of residential houses. But, Proclamation 455/2005 cited for the payment of compensation for expropriation of land holding for public purpose. Therefore, researcher should conduct further research or proved the purposes of expropriation in the study area from legal frame work perspectives, and how many years the expropriated land waited without development

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