Rapid Urbanization, Squatter Settlements and Housing Policy Interface in Ethiopia, the Case of Nekemte Town

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Abstract

Housing is necessary component of human livelihood. Without appropriate shelter, people cannot meet their basic needs and participate adequately in society. Nekemte town has intensive migration, high demand of housing, a poorly developed economic base, inadequate housing policy, high levels of unemployment and incidence of poverty and squatter habitation. Hence, this paper gives an analysis on rapid urbanization, squatter settlement and housing policy interface in Nekemte town. The methodology employed here is a descriptive analysis where the sources of the data were both primary and secondary. To have reliable information all the towns’ administrative divisions were selected on the basis of the magnitude of the squatting problem and its contribution to unplanned city expansion. Based on the squatting data obtained from each administrative region, samples were selected using a systematic random sampling.

The major finding of the study shows that, there was a wide gap between rapid urbanization, spread of squatting settlement and housing policy. According to the research, there was high town physical expansion with illegal land holding for housing and little policy contribution to solve the problem. Hence according to land lease policy proclamation, down payment or 10 percent of the total price of the lease cost was not affordable with the actual income of the squatting people indicated in the research. Therefore, this market approach of land lease price was not inclusive approach for the poor people of the area. In addition to the down payment the proclamation guarantees the completion of construction with in the period specified under the lease contract indicates up to 24 months for small construction project, up to 36 months for the medium construction project and 48 months for large construction project. From this, everybody can investigate that, if the poor or squatting people win the land lease bid, it is difficult to construct house with in the period due to the cost in addition to the price of down payment.

Initially, integrated housing program aimed to solve the problem of the poor living in urban areas of the country in general and study area in particular. Based on the proclamation No 122/99 the one want to buy integrated house should pay 20% of the total cost and 80% is covered by bank for residential purpose. But when we see the integrated housing program housing cost whether for final or dawn payment, was very high in comparison to household monthly revenue.

Keywords: Urban, Squatter settlement and housing policy

Introduction

Every society, whether developing or developed countries are facing some measures of housing problems and the shortage of its related facilities. The main problem in most countries is that of providing adequate number of housing with quality that is desired.

A large proportion of the urban population in developing countries live in informal settlements due largely to rapid population growth and widespread poverty. Traditional regulatory measures-price control, minimum physical standards, eradication of squatter settlements, and urban growth control have failed to improve the housing conditions among the poor (APA Journal 1987).

In most cities, according to the United Nations Human Settlements Program [1] cited in global urban development magazine [2] “the worsening state of access to shelter and security of tenure results in severe overcrowding, homelessness, and environmental health problems”. This global rise of urban poverty and insecure occupancy status takes place in a context of accelerated globalization and structural adjustment policies combining: (i) deregulation measures; (ii) massive government disengagement from the urban and housing sector; (iii) attempts to integrate informal markets including land and housing markets-within the sphere of the formal market economy, especially through large-scale land ownership registration and titling programs.

According to Solomon and McLeod [3] the highly accelerated urban growth that Ethiopia is presently witnessing is primarily a product of high rates of natural increase and rural-urban migration. Thus like most urban centres of the developing countries, Ethiopian cities and towns are presently facing a plethora of problems including acute and ever Worsening housing shortage, insufficient solid and liquid waste management, poorly developed access roads, not obviously clogged and smelly drainage channels, serious shortages of potable water, Inadequate health, educational services, a growing problem of unemployment and poverty. In addition to the above prospective Vliet e al. [4] stated that, the reason for the housing crises lies in the disparity between supply and demand in the low cost housing market. Demand is only partly censed by the rapidity of rural to urban migration. The more influential factor is the high rents in relation to the urban poor that they cannot afford by the low cost in market system. Squatters are unable to purchase housing in the quantities and at cost that have any reflection with their income.

Ethiopia’s urban centres are characterized by a poorly developed
economic base, high levels of unemployment and incidence of poverty and slum habitation. Urban unemployment is estimated to be 16.7% of the population. Available data also indicate that nearly 40% of the nation’s urban dwellers live below the poverty line. An indicator of the magnitude of urban poverty is the proportion of the urban population that lives in slums about 70% of the urban population is estimated to live in slum areas. Studies made in the last five years conclude that currently housing shortages is between 900,000-1,000,000 in urban centres, and only 30% of the existing urban housing stock is in good or fair condition (IHDP; 2008).

Statement of the problem

According to the Population Reference Bureau’s, World Population Data Sheet Ethiopia is one of the least urbanized countries in the world. Even by African standards, the level of urbanization is low. While the average level of urbanization for Africa in general was 33% in 2002, Ethiopia had only 16% of its population living in urban areas. Despite the low level of urbanization and the fact that the country is predominantly rural, there is rapid rate of urban growth, which is currently estimated at 5.1% per year.

As stated by UNCHS [5] cited in Wondimnu Robi most African cities share the same facets of low economic development and inadequate foreign investment. Unfortunately, the highest share of urban growth rate is found in Africa. Currently, the urban areas in developing countries are unable to cope with the basic needs of the new migrants and the intensity of the problem governments, urban planners and all those involved in creating better living standards for these residents are facing is extremely high. This is evident when one looks at the pace at which the population in the urban parts has been increasing over the years and the frightening heights it is expected to reach in thirty years’ time. Illegally developed squatter settlements usually emerged at rural urban fringe as a result of land speculators buying agricultural land and laying it out without provision for adequate roads, facilities for health, education and recreation. The expectation is that government in the future would provide these basic infrastructures. In this circumstance, plots were bought, developed and occupied without necessary approval from Town Planning Authorities Mustapha Oyewole Much has been written about informal settlement their environmental social as well as economic impacts of urban areas. But there is research gaps weather housing policy was effective to solve the problem of rapid urbanization squatter settlements and other social issues in study area in general and no research has been done on squatting settlement at study area in particular. There for this research identified the gap between the effectiveness of stated government housing policy and these social issues. Accordingly, it assessed the housing policy on urban poor to satisfy the basic housing needs in study are. In line with the above problems, the informal or squatter settlements increasing in the study area was critical issue. Nekemte is one of the towns which located to the western part of the state with rapidly expanding urban area to all directions than any other of some western part. This is mostly for the reason that, the town serving as a transportation node to Jimma, Iluababora, Bahir Dar Asosa Dambidolo and Gambela. Secondly the town had been served as administrative center for four zones of wollega which contribute for the historical expansion of the town and shape the mentality of the people to live at this center. Thirdly the proximity of the town to the above listed region. These all uniquely made the town to expand rapidly and high development of squatting people. The process of expansion mostly illegal squatters, which reflected inappropriate implementation of land lease policy, lack of planning intervention, unaffordability of land for housing, illegal transfers of urban land for squatting people and the others are the problems of the town. These backgrounds reflected in its development, which has largely been characterized by spontaneous growth. Generally, the research identified these problems at the study area.

Objectives of the study

General objective: The main aim of this study was to investigate and identify the urbanization, squatter settlement and policy implementation on housing tenure system at study area.

Specific objectives:

- To assess the progress of the expansion of the town.
- To describe the responsible factors for emergence and development of squatter settlements in the town.
- To identify socio-economic and demographic condition of the squatter settlers in the study area.
- To assess the housing policy regarding squatter settlements in the city in general and the local government’s action in particular.

Research questions

Given these specific objectives, this research attempts to answer the following research questions.

- What are the factors which accelerate the expansion of Nekemte town?
- What is the cause of squatting in the study area?
- What is the socio economic condition of squatter settlements in the study area?
- How the policy implemented to solve the problem of squatting?

The significance of the research

Reliable information on informal squatter settlements in the study area is important indicators of housing condition and factors for squatter settlements. Therefore, the assessment of present town development and illegal settler’s is very significant to develop housing policy and to address problems related to housing. This study will contribute knowledge in the area of illegal land tenure for housing as an input for policy formulation as well as to fill knowledge gap between urbanization and illegal settlement process vs. housing policy.

Material and Methods

Sources and methods of data collection

In order to achieve the objectives of the study which are stated above, and to address research problem, both primary and secondary data source have been used. Different data collection instruments used to collect data from both primary and secondary sources. Among these; in order to have reliable data concerning household and housing characteristics, a household survey was conducted through questionnaire and physical observation.

Secondary data were obtained from different sources among these, the published and unpublished materials of government and nongovernmental organizations were the major sources of policy analysis and other related literatures.
Sample design method

Squatter settlements were mainly located in the peripheral areas of the town. Nekemte was selected purposively due to its rapidly expanding towns in western part of the country and where squatter settlements are more prevalent. Secondly, to have reliable information all the towns’ administrative divisions will be selected on the basis of the magnitude of the squatting problem and its contribution to unplanned city expansion. Thirdly, based on the squatting data that will be obtained from each administrative region, sample will be selected using a systematic random sampling (Table 1).

Method of data organization and analysis

The data that obtained from different sources were organized into tables, figures and maps. The nature of this study was both qualitative and quantitative approach. Qualitative research is a multi-method focus involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural setting, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them. Qualitative research involves the studied use and collection of a variety of empirical materials Denzin and Lincoln in Riley and Love Quantitative method was used to describe demographic and socio-economic condition of sample population.

Conceptual framework of the research

Squatter settlements caused by many factors. These factors have strong relationships with each other. These factors were considered to be main causes of urban squatter settlements and these factors were interrelated. For instance, household income hardship has direct relationship with illegal squatting process without considering the government policy and tenure system. Income plays an important role as a primary factor which significantly affects access to housing. Income and housing have direct relationship, and as income of household increases, we expect that more housing will be demanded, which in turn increase the average price of housing (Figure 1).

The model is developed based on the assumption that, squatter

<table>
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<th>S.no</th>
<th>Administrative divisions</th>
<th>Total squatter population</th>
<th>Sample size</th>
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<tr>
<td>1</td>
<td>Bakanisa Qase</td>
<td>375</td>
<td>19</td>
</tr>
<tr>
<td>2</td>
<td>Calalaqi</td>
<td>825</td>
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<td>3</td>
<td>Bakke Jamaa</td>
<td>187</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Dargee</td>
<td>274</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>Qasoo</td>
<td>476</td>
<td>23</td>
</tr>
<tr>
<td>6</td>
<td>BurqaaJatoo</td>
<td>409</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2546</td>
<td>125</td>
</tr>
</tbody>
</table>

Table 1: Sample distribution of households.
settlement author highly influenced by various factors among these, access to land, tenure system, rural urban migration, household income hardship, government policy on housing, availability of idle land and urban growth population dynamics. Tenure system as the cause of squatter settlement in such a way that, housing tenure refers to the right of households over the houses and land they occupy. So, if the system ignores the urban dwellers to have such right they forced to have their own housing illegally.

The phase of urbanization in developing country in general and study area in particular takes place or expand to the rural agrarian lands or what we call sub urbanization where there is idle land or land for housing is accessible with least coast for the poor. There for most squatting over see this opportunity for housing of the three components of total urban population growth (i.e., natural growth rate, net-migration and reclassification), net migration is reckoned to be the major factor for the generally high rate of urbanization, which is fuelled by a high level of rural-urban migration, for which a host of push and pull factors are at work. The push factors are basically poverty-driven and have their roots in the deterioration of the population resource balance in the rural areas, and hence in the dwindling of the per capita ownership of cropping and grazing land as well as livestock. The pull factors, on the other hand, relate to the fact that urban areas are in general relatively better off than their rural counterparts in terms of the availability of job opportunities and social services.

As cited by Ayele [6] since the mid-1970s the role of institutionalized forms of private housing provision was totally and it was assumed to be handled by the government. Production of housing was very expensive process for the poor in urban areas which need high investment, indirectly which needs strong and open government housing policy which invites internal and external investors for the housing production. The government policy should give special attention for the urban poor. Local governments were elected to provide or to insure adequate provision of service to their constituencies. Development objectives in principle chosen democratically, guided the action plan of the governments. Urban government objectives can be; creating an efficient spatial urban structure improving the quality of the environment increasing housing affordability decreasing a commuting time avoiding congestion in the city centre increasing employment opportunities. To activate those objectives, planning tools comprise land use regulations, infrastructure investment and fiscal policies. City master plans do often contain both the city objectives and the set of tools to archive that vision. However Due to overregulation and lack of quantified analysis, regulation often contradicts each other, objectives are in consistent and the tools fail to archive the goals to which they were designed Squatter settlement at present time is result of unparalleled population growth and the rush from the economically stricken country side to the cities which often promise a better life. It is the challenge for the law to strikes a balance between the needs and interests of land under the prevailing legal system. Land is both the most widespread and one of the complex feature of cities in Bothe developed and developing world. When adequate and appropriate land is available for the major urban uses such residential, infrastructure, commercial, recreational and industrial basic conditions for a productive city or urban region has been established. Conversely when land is scarce or too expensive for certain uses and well-functioning markets do not operate, distortions may be created that in turn are likely to reduce overall productivity of municipal areas.

Conceptualizing Housing and Related Terms

Access to decent, affordable housing is basic requirement for human wellbeing yet in most large cities of the third world much of the population occupies the most rudimentary forms of shelter. According to UNCHS [5] and Bethel [7] Housing is a broad concept that can be defined in a number of ways with different connotations. Housing can be defined as “a mere shelter, a stock of dwelling or living quarters, consuming all separate premises, vacant premises, as will be used for human habitation, whether or not they are originally designed for that purpose”.

Everyone needs housing. Housing is important, because it provides privacy and security as well as protection against physical elements. Good housing improves the health and the productivity of the occupants and thereby contributes to their wellbeing and to broader economic and social development. Housing is also a good investment and house owners often use their property to save. Housing is an important asset for its owner; it can generate income through home-based activities, and it can serve as collateral for loans sheng and Mehta [8].

Definition of a squatter and slum settlements

According to Hari Srinivas squatter settlement can be defined as a residential area which has developed without legal claims to the land and/or permission from the concerned authorities to build; as a result of their illegal or semi-legal status, infrastructure and services are usually inadequate. There are essentially three defining characteristics that help us understand squatter settlement: The Physical, the Social and the legal with the reasons behind them being interrelated. Thus physically squatter settlement characterized by services and infrastructure below the adequate or minimum levels. Such services are both network and social infrastructure, like water supply, sanitation, electricity, roads and drainage; schools, health centres, market places etc. while Social Characteristics of squatter settlement households belong to the lower income group, either working as wage labour or in various informal sector enterprises. On an average, most earn wages at or near the minimum wage level. But household income levels can also be high due to May income earners and part-time jobs. Squatters are predominantly migrants, either rural-urban or urban-urban. But many are also second or third generation squatter. Legally, the key characteristic that delineates a squatter settlement is its lack of ownership of the land parcel on which they have built their house. These could be vacant government or public land, or marginal land parcels like railway setbacks or undesirable marshy land.

Slum: A highly congested residential neighbourhood in a given city and towns which is predominantly comprised of sub-standard dwellings and is occupied mainly by persons that belong to the lowest income stratum Solomon [9] UNCHS [5] defines slums as contiguous settlements where inhabitants are characterized as having (i) insecure residential status; (ii) inadequate access to safe water; (iii) inadequate access to sanitation and other basic infrastructure and services; (iv) poor structural quality of housing; (v) overcrowding.

Urban land holding approaches

The market-based approach: As cited by Nyametsou [10] Advocates of the market based school of thought, like Feder and Feeny [11] de Soto , Lanjouw and Levy [12] claim that land titling (which is ambiguously used as tenure security) increases land values and use as collateral for credit. When land is registered and titled, it is transformed in to a marketable commodity which can be easily traded and transferred from inefficient use to efficient use. This, in turn, increases the reliability of land transactions and reduces the costs of protecting land rights and settling disputes. Further, the enabling land markets proponents, Feder
et al. [11] contend that because land registration and titling ensures documentation of all attributes surrounding the land, adequate protection of rights and interests in land is guaranteed and this affects productivity positively. However, whether the market-based approach or land title registration is the ideal means for attaining land rights for the poor and insuring them against dispossession is a contentious issue because it is the same market system which has excluded the low-income people from the land and housing markets and has driven some of them to squat illegally Nyamet [10]. Therefore, as it discussed by different scholars above, market-based approaches ignore the right to hold the land for housing except purchasing land in the form of commodity. This approach ignores the right of low income people in the urban center to have their housing.

**The rights-based approach:** The rights-based approach was adopted by the United Nations at Istanbul, Turkey, in 1996 in what is known as the Istanbul Declaration Barman. The declaration provides the framework for equal access to land for all people. The declaration urges national governments to ensure that all of their citizenry, irrespective of sex, age, poverty status or other attributes, have equal access to land and to make sure that such rights are legally protected.UNCHS [13].

UNCHS [5] cited in Bekele [14] to live in a place and to have established one’s own personal habitat with place security should be considered neither a luxury nor purely a good fortune those who can afford a decent home. Rather the requisite imperative housing for personal security, privacy, health, safety, protection from elements and other attributes of shared humanity has led the international community to recognized adequate housing as a basic and fundamental human right. Thus, access to land and housing was declared a fundamental human right of every citizen of the world UNCHS [15]. In addition, the declaration promoted transparency in the way land is accessed and transferred. The signatory countries were also urged to increase the supply of affordable housing to benefit the citizens by providing incentives for investments in housing by incorporating universal basic rights in to development policies, national governments would be compelled to priorities the needs and welfare of the poorest of their citizenry Nyametso [10].

**Empowerment approach:** Friedmann cited by Legass [16] the disempowered members of society lack the means of development and “require help from religious organizations, labor unions, and even the state” to fulfill the basic needs of life. Therefore, empowerment approach claims the incorporation of development guarantee for the weakest social groups such as the squatters of towns and cities in all development programs. Squatter occupants of Third World cities are the disempowered members of the society. They are living in small, low standard and crowded houses mainly in town or city outskirts with meager social services. Thus, to improve their life, urban poor could be empowered to participate in decisions affecting their life. Because alternative development theory is centered on the satisfaction of people’s needs and sustainable uses of the environment rather than production for profit (ibid). According to the theory, development has to minimize or, if possible, overcome the central problems of the society such as poverty, social inequality, unemployment, and others.

**Urbanization and housing problems in the third world trends of urbanization**

As it clearly stated by Mengistu [17] and UNCHS [18] urbanization is a broad term encompassing a wide spectrum of process, activity and social organization. It is the process that proceeds in two ways, through an increase in number of towns and also as a result of the increase in the size of individual towns. The process continues together momentum once it starts as more and more people migrate from the rural area to the cities and towns; initially the urban population tends to grow at the expense rural population. It seems inevitable that the world population will ultimately be urbanite as the world is now experiencing a rapid urban transition. By the turn of the twenty-first century it is estimated that, for the first time in history, more than one half of the world’s population would reside in urban areas, which was only about ten percent at the beginning of the twentieth century UNCHS [18] and Bekele [19].

UNICEF projections suggest that, the third world will continue to urbanize rapidly and that its urban population wills more than quadruple been 1980 and 2025, growing from 159 million to 4.4 million. During this same period, the proportion of third world population living in urban center is projected to grow from 28.9 to 61.2 percent of total third world population. These some projections suggest that the population of almost all cities in Africa and many in Asia and Latin America with 500,000 or more in inhabitants in 1980 and the year 2000 and 14 will at least triple (Figure 2).

**Urbanization process in Ethiopia**

According to recent UN estimates cited by Angel [20] and the urban population of Ethiopia is now expected to triple between 2010 and 2040, growing at an average rate of 3.5% per year. Ethiopia is now one of the most rapidly urbanizing countries in the world. Among the 80 countries that had more than 10 million people in 2010, it had the

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**Figure 2:** Urban population as percentage of total population by regions.

*Source: K. Nsiah-Gyabaah (2003)*
15th highest rate of projected urban population growth between 2010 and 2040.

It is estimated that about 16 per cent of the total population of Ethiopia currently lives in urban areas, which has rendered it as one of the least urbanized countries in sub-Saharan Africa. Despite this low level of urbanization, however, the country has one of the highest rates of urbanization even by the standards of developing countries, which is estimated at 5.4 per cent during the inter-census period (1984-1994). This is also much higher than the average growth rate of the total national population, which is estimated at 3.5 per cent UN-HABITAT.

The Ethiopian economy has remained basically agrarian, and the share of secondary and tertiary sectors in the GDP is limited. As a result, the level of urbanization has been very low, which only got momentum during the post WW II period associated with the introduction and consolidation of modern government bureaucracy, transport systems, public services, etc. The level of urbanization was only 3 per cent at the end of WW II, which increased to 6 per cent in 1960, 11 per cent in 1994 and 14 per cent in 1994, which is estimated to have already reached 16 per cent in 2003 and projected to account for 20 per cent of the total population in the year 2020.

**Urban housing problem vs. access to urban land**

As stated by Angel [21] for cities to expand outward at their current pace to accommodate their growing populations or the increased demand for space resulting from higher incomes the supply of land must not be artificially constrained. Land supply bottlenecks lead to increases in land prices and, since land is a major housing input, to increases in house prices. The more stringent the restrictions, the less is the housing market able to respond to increased demand, and the more likely house prices are to increase. And when residential land is very difficult to come by, housing becomes unaffordable land and housing. This makes irregular settlements in many cities of the developing world reflects differences in national laws and or systems of tenure. The proliferation of irregular settlements in many cities of the developing world reflects increasing disparities in the distribution of wealth and resources. Ensuring equitable access to land has always been a daunting task for many governments even though the majority of the obstacles hampering access to land by the poor have been almost obvious Gondo [23].

Land access forms an essential element in urban shelter. Urban land in Ethiopia is owned by government. The urban land lease holding regulations (proclamation No 272/2000) provide by the constitution of the Federal Democratic Republic of Ethiopia that land is the property of the state and people of Ethiopia and that its use is a subject of specific regulation by the law. The condition attached to get land restricts access and ownership of land by the poor since potential allotters are expected to pay 250-birr registration fee and a deposit of 20% of the cost of construction. Such conditions are beyond the reach of the urban poor UNCHS [24].

**The Study Area Context**

Nekemte, Capital of Eastern Wellega Zone Administration, is located about 330 kilometres a road distance to the west of Addis Ababa. With over 90,000 estimated total populations. Nekemte is one of the major urban centres in western Ethiopia. Moreover, Nekemte is one of the reform towns in Oromiya National Regional State Oromia urban plan institute (Figure 3).

**Historical background**

According to the Oromia urban planning institute origin of the name “Nekemte” has three views. The first view holds the stance that the name Nekemte is rooted in a historic phrase: "Nekemte Gada Habo" which indicates that the area originally served as a place where the local Gada Council used to hold its meetings.

The second view attempts to interpret the word Nekemte as standing in rows by referring houses that were built in rows at that time. In sharp contrast to this, the second interpretation of the word invokes the original Oromo word of “Nakamte” or “Nakatamte” which literally means engaged. The third view associates the name Nekemte to name of the original settler of the area who was known by the same name. Some key informants state that the person bearing that name

![Map of study area](image)

**Source** Nekemte town administrative office 2016.

**Figure 3: Map of study area.**
most probably lived in a locality found at about 500 meters to the north east of the present St. Mary Church (ibid)

Historical development of Nekemte

Nekemte in pre 1936 period: Historically the urban emergence in Ethiopia goes back to the expansion emperor Menelik’s control over the area. But the emergence of Nekemte not matches with this history. As can be inferred from accounts of two British travellers, namely, Weld Blundell and Major Gwyn, the area of today’s Nekemte was densely populated in the second half of the 19th. Weld Blundell estimated the population of Nekemte area about 40,000 when he passed through it, while the second explorer, Major Gwyn, referred the area as “a very thickly populated English Park” Solomon.

Nekemte during the Italian occupation: It is mostly true that the urban center of Ethiopia was developed first as a form of military camp this fact also the base for Nekemte expansion as a town. As stated by (OUPI 2008), rapid growth of population continued in Nekemte until the Italian invasion in 1936. Following the fall of Addis Ababa under Italian occupation, about 300 cadets from Holeta Military School fled to Nekemte and organized themselves into a patriotic resistance group that named itself “Tikur Anbesa” or Black Lion, under the guardianship of Dejazmach Habte Mariam Kumsa Moroda.

Post Italian occupation in 1941, Nekemte emerged as capital of Wellega Administrative Region. The town was divided into three major quarters apparently for administrative purposes; the first quarter Andegna sefer consisted of Ghibi area and its surroundings, the second squarer Huletegna sefer included mainly the area surrounding the Iyesus Church whereas the third quarter Sostegna Sefer encompassed the Shewa Ber and Buna Board areas. Nekemte was given a municipal status in 1942.

As stated by OUPI, 2008 Nekemte witnessed considerable progress under the rule of Derg. Two very important factors have led to the positive developments that the town experienced in the post 1974 period. Fund raising program to improve the appearance of Nekemte On top of asking people to make financial contributions for the development of Nekemte, the program went as far as increasing the unit price of bottled drinks by a fixed margin with the intent of using the proceeds to finance construction projects in Nekemte. The second most significant factor that considerably impacted the economy Nekemte during the Derg period was the opening of several large scale state farms in the immediate hinterland of Nekemte.

Nekemte’s accelerated population growth and spatial expansion continued at an even greater speed following the takeover of power by the Ethiopian People’s Revolutionary Democratic Forces (EPRDF) in 1991. This happened in spite of the change of the town’s administrative status from being the capital of the former and much larger Wollega region to the capital of the much smaller area of the Eastern Wellega Zone.

Geographic setting location

As mentioned earlier, Nekemte is located in Western parts of the Oromiya National Regional State at earth distance of 331 km South West of Addis Ababa and 250 km North West of Jimma.

Its astronomical location is 9° 46” N and 36° 31” E, whilst its elevation is 2088 meters above sea level. The town linearly stretches, mainly along the Addis Ababa Assosa highway.

Climate temperature: According to the records of various meteorological information (i.e., temperature, annual rainfall, elevation, etc.), Nekemte is found in a Woyna Dega (semi-humid) climatic zone. This type of climate is amicable both for human habitation and economic activities. As data from Ethiopian National Meteorology Agency reveal, the annual mean temperature of the town revolves around 20°C OUPI 2008.

Demographic and socio-economic aspects of Nekemte demography

Even though Ethiopia is one of the least urbanized African countries, its urban growth has been taking place at an alarming rate, which is the order of 6 percent per annum Fassil, Taddesse, Tesema.

According to data obtained from oromia urban planning institute, the population size of Nekemte town could be traced as far back as 1965. In 1965 when the first round sample survey was conducted at national level the population size of Nekemte town stood at 12,345. In the second round sample survey which was carried out five years later in 1970 the population size of the town grew to 16,228. The two population and housing censuses conducted at national level in 1984 and 1994 have resulted in population size of 28,703 and 47,100, respectively. The 2008 population size of the Town, as estimated by CSA, is reckoned to be 92,709 (Table 2, Figures 4 and 5).

<table>
<thead>
<tr>
<th>Year</th>
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<td>1965</td>
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<td>1984</td>
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<tr>
<td>1994</td>
<td>47100</td>
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<td>2008</td>
<td>92709</td>
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Table 2: Trends in Population Size of Nekemte town.

Figure 4: Sample image for Slum Settlements around down town of Nekemte.

Figure 5: Partial View of Nekemte around the Center.
Unemployment: Rapid Urbanization in Ethiopia is not based on economic development rather it is mostly due to high population movement from rural to urban areas and natural increase of population around urban centers. Most urban areas of Ethiopia are concentrated with working age group who has no job. Therefore, unemployment in Ethiopian urban centers is a critical problem due to lack of job creation in the formal sector. In line with other urban problems of Ethiopia, the situation is strong in Nakemte town. Even though there is no compiled data on unemployment of the town recently it assumed that high rate of non-job youths in the town. For instance, the numbers of unemployed population in 2008 were 4,231 with formal education grade 10 complete and diploma holders according to the Oromia urban institute.

Housing need estimation in Nakemte 2008 to 2018

As estimated by oromia urban planning institute the number of houses to be needed for Consecutive 10 years were 21,125 units. But based on the real context of Nakemte town at this moment may be more than the indicated estimation. This shows that squatter settlements emerged due to the shortage of housing unit (Table 3).

Result Discussion and Analysis

Socio-economic condition of sample households

Age composition of respondents: As shown in Table 4, the majority of the household population who was squatting at the time of study where between the age 25-34. From the result the researcher can conclude that young population who migrate from the surrounding rural areas to Nakemte for searching of job opportunity, better life, and education caused the highest squatting process on study area.

According to UN-Habitat [14] the most consistent factor to distinguish landlords form the rest of the population is their age. As shown in Table 4, landlords tend to be older than other owners and much older than tenants. In many cities, tenants tend to a luster at opposite ends of the age range. In most cities of the world, renting tends to be a young landlords because of their major occupation. With little income status which not afford them to have their own houses became with large family size, it is difficult to afford them housing rent in the urban center.

Mostly the people who migrate from rural area to urban centers were unmarred young people for the search of job opportunity, safe living condition and others, which may not be unique for Nakemte town. Due to shortage of housing condition around the destination, these migrants forced to squat illegally around urban space.

Education status of respondent: In developing country for the advantage of education safety life majority of the rural people migrates from rural area to urban. This situation is not unique for Nakemte town. Accordingly, Table 4 shows that, majority of the sample population were educated. This indicates that, the elite of the population is not willing to live around the rural areas for the search of quality life which intern forced them to hold land illegally (Table 6).

Occupational status of sample household heads: Figure 5 indicates that, 42.4% and 24.5% of sample household heads were government employees with little income status which not afford them to have their own legal housing.

Therefore, from the survey of household heads the researcher generalized that, in Nakamte town most people who were forced to squat illegally due to shortage of housing unit and financial constraints. The squatter households are mostly young migrants who migrated from rural areas, and few are permanent settlers. Most squatter settlement emerged due to the shortage of housing unit (Table 3).

Table 4: Age status of respondents.

<table>
<thead>
<tr>
<th>Sub city</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burqa jato</td>
<td>3</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Chalalaki</td>
<td>7</td>
<td>17</td>
<td>13</td>
<td>4</td>
<td>41</td>
</tr>
<tr>
<td>Bakkanisaqase</td>
<td>3</td>
<td>8</td>
<td>7</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>Bake jama</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Darge</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Kaso</td>
<td>2</td>
<td>8</td>
<td>9</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>55</td>
<td>40</td>
<td>13</td>
<td>125</td>
</tr>
</tbody>
</table>

Table 6: Education status of household heads.

<table>
<thead>
<tr>
<th>Sub cities</th>
<th>01-Jun</th>
<th>07-Oct</th>
<th>10 or 12 certificate</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burqa jato</td>
<td>2</td>
<td>7</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Chalalaki</td>
<td>4</td>
<td>14</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Bakkanisaqase</td>
<td>1</td>
<td>8</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Bake jama</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Darge</td>
<td>-</td>
<td>5</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Kaso</td>
<td>2</td>
<td>7</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>43</td>
<td>57</td>
<td>5</td>
</tr>
<tr>
<td>Percent</td>
<td>8%</td>
<td>34.40%</td>
<td>45.60%</td>
<td>12%</td>
</tr>
</tbody>
</table>
squatter around the free space, agricultural land and other illegal holding areas were mostly government employees. This was due to low income status of the employees which cannot make them competent in land holding market activities.

Economic condition of sample household respondents: Monthly income of the squatter settlements in Nakemte was very low with the context of land lease price market of the state. This suggests that if they had sustainable income they would have tenure security, because they had the funds to do so. Therefore, there would be an incentive to invest more in their housing and improve their immediate environments (Table 7).

Finance for shelter is evidently crucial in the shelter delivery process and to realization of adequate shelter for all. Effective shelter policies have to address financing needs only when shelter delivery system allow every one access to shelter, whether through purchase, renting or self-help construction and where absolutely necessary, through subsidized access to basic units. The availability of adequate housing finance is the corner stone of any effective and sustainable shelter program without well-conceived housing finance policies and program there can little effective action for improving the environment of human settlement. Housing finance is there for a very important of human tool in successful implementation of the habitat agenda (UN-Habitat, 2002). As indicated in Table 7, 42% of sample household heads were earn monthly income of 500 to 1000 Ethiopian birr and 29.6% and 16.8% were monthly income of 1001 to 1500 and 1501 to 2000 respectively. As shown in above table, the income of households was not enough to accessing land for housing, which were a main cause for the sample households to hold land for housing illegally.

Years of stay of household heads in Nakemte: Urbanization is a recent phenomenon in Ethiopian context because as it is already stated in unit two; even though urbanization is law, the rate of urbanization process is very high even to the world standard. Thus the rate of urbanization is measured in terms of the number of population. Figure 6 realized the stated situation that squatter settlements emerged more recently in Nekemte town. Majority (46 Percent) of sample household heads dwells at Nekemte town from 1991 to 2000 (Figure 6). Generally, author generalized that, the rapid urban expansion in case of Nekemte town was very recent event.

Origin of the sample household heads: Rural urban migration was/is a great problem in urban area in which the massive movement of population from rural area to urban centers to have good opportunity of working environment and access to other social services. In reality this creates a great problem where deadly available institutions like industry are not found in urban areas it accommodates this large movement of population but in opposite it turns to unemployment and insecurity of urban areas.

Urbanization as well as internal migration continues all over the world. As cities are viewed as a territory and experiential texture for half the global population, "the twin processes of urbanization and migration are closely linked. Migration is a predominantly urban, phenomenon and the impact of migration on urbanization and sustainable urban development is important to understand. Urbanization is also an important part of the process of globalization urban areas continue to be the essential sites of destination and settlement for migrant populations across the globe and the dynamics of urban growth and urbanization are often closely related to the dynamics of migration. Demographic change is contributing to rapid urbanization, reorganization and metropolitan station. Given the inexorability of urbanization and migration dynamics and the recognition that poverty is shifting from rural areas to cities, it is important to address these challenges. (UN-HABITAT 2008) place of birth is one of the explanatory social variable that affect the condition of housing, was proposed to be a factor causing squatter settlement to the urban areas because mast of urban dwellers was migrants. Table 8 shows that, majority of the sample household heads with 56% were migrated from the surrounding areas of Nekemte town, east wollega zone and the other were came from different region like west wollega, zone Amhara regional state Hero Guturo wollega and some from west Shaw zone, during the survey the household heads were asked why they left their place of origin, thus the majority respond that they came to Nakemte to search for job opportunities the other for better living condition and education. Based on the table above, almost all squatter household heads migrated to the town due to different factors (Table 8).”

Land holding methods of sample households

The squatter household heads were acquired the land by different mechanism at study area. Among these as it identified by the survey of the sample household heads the majority 43% were rural land holding
35.5% were bought from private specially from the neighbouring peasants and from parents 12%, free space 9.5% respectively (Figure 7).

Generally, from the table the researcher can conclude that, directly or indirectly the illegal land market between the squatting people and the neighbouring peasant change agricultural land to the urban site. Thus this results in loss of agricultural land, deforestation, land degradation, unplanned urban expansion and other many problems in area (Figure 8).

For the millions of urban poor in developing areas of the world urban areas have always been means for improving their quality of living and environment besides getting better jobs and income. Due to this fact many people are/were moving to the urban centres to search indicated opportunities which results in uncontrollable land holding for housing. This survey of sample household heads identified the most important factors like due to delay of government response to the question of land holding right, unclear transfer of rural land to urban area, shortage of money for high building standard and lease cost and cost of housing rent. Majority of the population of the study area 31% were forced to squat due to affordability problems for housing. This survey of sample household heads this research generalized that, the squatting process can affect the natural environment not only the social and economic aspect of the people. Also this land holding process harms the rural agricultural economy by forcing the farmers out of their land.

Accesses to housing facilities of sample households

For dwelling units of human being housing facilities are very important concern. Facilities such as water supply, electricity, toilet facilities, sold waste disposal areas and kitchen facilities are taken as very important services at study area. According to CSA (1999), the availability of pure water for drinking and other household uses as well as electric light are considered to be the most valuable indicators of the quality of housing units. Besides these, the availability of bathing and kitchen facilities as well as safe and efficient disposal of human waste is among the first basic facilities.

As presented in Table 9, the study focused mainly on six housing facilities namely water supply, electricity, toilet facility, kitchen, bathing and waste disposal facilities during the time of survey. Source of water supply is one of the most important housing facilities which help us to identify whether the house is affordable or not. Looking at source of water supply from the table above, most of the sample household dwelling units had access to water from different sources like from private and shared taps, public bono and other sources. 48 percent of sample household population had access water from public taps. As it observed during sample household survey, sample population travelled long distance to purchase water from public bono. Even though majority have shared their water source, because of the fact that no much exaggerated water problem has seen in the study concerning the electricity, the majority of the population shared the electric meter from the other. This indicates that due to the illegality of the dwelling unit they have no right to have their own electric meter. Regarding toilet facility, the result of household survey in Table 9 reveals that, the squatted households mostly have traditional private toilet. Concerning waste disposal areas, securing the usual manner of collection and

<table>
<thead>
<tr>
<th>Purpose of land before holding:</th>
<th>The poor in developing countries are often assuming of victims and agents in process of environmental degradation. In most cases they appear to be at the sometime both its victims and unwilling agents. But poor urban people are more clearly victims than agents of degradation (Chamhuri Binsiwar 2001). Likewise, as it stated in Figure 6, majority of the household heads squatted on farm land with 42% and 30.4% and 20% of respondents settled on grazing area and forest land respectively. From the survey of household heads this research generalized that, the squatting process can affect the natural environment not only the social and economic aspect of the people. Also this land holding process harms the rural agricultural economy by forcing the farmers out of their land.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accesses to living facilities of sample households:</td>
<td>For dwelling units of human being housing facilities are very important concern. Facilities such as water supply, electricity, toilet facilities, sold waste disposal areas and kitchen facilities are taken as very important services at study area. According to CSA (1999), the availability of pure water for drinking and other household uses as well as electric light are considered to be the most valuable indicators of the quality of housing units. Besides these, the availability of bathing and kitchen facilities as well as safe and efficient disposal of human waste is among the first basic facilities.</td>
</tr>
<tr>
<td>Figure 7: Distribution of years of stay of household population in nekemte.</td>
<td>Figure 8: Distribution of household heads by method of land holding.</td>
</tr>
<tr>
<td>Figure 7: Distribution of years of stay of household population in nekemte.</td>
<td>Figure 8: Distribution of household heads by method of land holding.</td>
</tr>
<tr>
<td>Table 9: Percentage distribution of housing facilities of the sample households.</td>
<td>Table 9: Percentage distribution of housing facilities of the sample households.</td>
</tr>
<tr>
<td>Traditional private</td>
<td>102</td>
</tr>
<tr>
<td>Traditional shared</td>
<td>15</td>
</tr>
<tr>
<td>Modern private</td>
<td>-</td>
</tr>
<tr>
<td>Modern shared</td>
<td>-</td>
</tr>
<tr>
<td>Not stated</td>
<td>8</td>
</tr>
<tr>
<td>Bathing type</td>
<td>-</td>
</tr>
<tr>
<td>Private shower</td>
<td>-</td>
</tr>
<tr>
<td>Shared shower</td>
<td>-</td>
</tr>
<tr>
<td>Private bath</td>
<td>10</td>
</tr>
<tr>
<td>No shower</td>
<td>91</td>
</tr>
<tr>
<td>Not stated</td>
<td>24</td>
</tr>
<tr>
<td>Solid waste disposal</td>
<td>-</td>
</tr>
<tr>
<td>Collected by authorized collectors</td>
<td>-</td>
</tr>
<tr>
<td>Collected by self-appointed or informally</td>
<td>7</td>
</tr>
<tr>
<td>Occupant burn sold waste</td>
<td>46</td>
</tr>
<tr>
<td>There is no collection at all</td>
<td>64</td>
</tr>
<tr>
<td>Note stated</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: The percentages may not add up to 100 due to rounding.
disposal of solid waste generated by occupant of the housing unit is very important to protect human and environmental health of urban areas. According to information that obtained during the survey, more than half (51 percent) sample respondents were not collect solid waste at all and 36.8 percent burn sold waste around their dwelling unit and 5.6 percent of sample respondents collect waste by self-appointed or informally. This has negative implication on environment and human health of the area. Generally, there is the problem of waste disposal facilities for squatter sample respondents due to their illegality in Nekemte town (Figures 9-11).

### Housing legislative and policy frame work

**Historical overview of housing policy in Ethiopia:** Irrespective of its long history of urban development, Ethiopia has no comprehensive national urban housing Policy or strategy to date. Nonetheless, the country has been experiencing various policy measures that have profoundly influenced the course of development the national urban housing sector, at least as of the first few decades of the 20 century. According to World Bank [22], Housing policies should benefit the large population living in slums and squatter settlements. A “blind-eye” policy is not good enough to ensure that there is a progressive realization of the right to housing and that eventually the entire urban population is adequately housed. There is a need to develop policies and programs that aim at regularizing and upgrading the settlements of the urban poor, wherever possible, and to undertake voluntary resettlement of slum dwellers and squatters to suitable new locations, if regularization and upgrading are not possible. Housing policies should promote a division of labour and responsibilities between the government, the low-income communities, civil society organizations and the private sector, with each doing what it can do best.

As it stated by Solomon and Asefa; the some to any other third world cities and towns housing problem in Ethiopia is attributed to the unrealistic and inflexible housing policies and programs. Clear cut urban land and housing policy emerged in 1970s also some land use provision directives were evident during 1950s. However, such initiative was finally held back by the construction of urban land in the hands of few feudal lords and the lack of finance for investment in the housing sector. According to Abraham, the primary instrument for implementing the military government housing policy was the proclamation on government ownership of urban land and extra houses (Proclamation No. 47/1975), which effectively eliminated private sector rental or sale of real estate development.

After the nationalization of extra urban housing by durge regime, he tried to solve the problem of housing for urban low income people by making low rent public housing less than 100 Ethiopian birr per month and producing housing to respond housing requirement to low income individuals. To encourage the development of the cooperative system, the military government of Ethiopia intervened with a wide range of incentives. These include free land allocation, Mortgage loans with interest ret of 10 percent for housing purchase, and 9 percent for construction regardless of the type of the developer. But 1986, the Housing and Saving Bank began lending to cooperatives and public housing enterprises at 6 percent for purchasing and 4.5 percent for construction.

Since the transition in 1991, the government has sought to introduce a more market-oriented approach to housing development. With the introduction of the urban land lease holding proclamation in 1993, the government defined leasehold as the tenure form of choice. As it stated by Solomon and Asefa; the some to any other third world cities and towns housing problem in Ethiopia is attributed to the unrealistic and inflexible housing policies and programs. Clear cut urban land and housing policy emerged in 1970s also some land use provision directives were evident during 1950s. However, such initiative was finally held back by the construction of urban land in the hands of few feudal lords and the lack of finance for investment in the housing sector. According to Abraham, the primary instrument for implementing the military government housing policy was the proclamation on government ownership of urban land and extra houses (Proclamation No. 47/1975), which effectively eliminated private sector rental or sale of real estate development.

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Since the transition in 1991, the government has sought to introduce a more market-oriented approach to housing development. With the introduction of the urban land lease holding proclamation in 1993, the government defined leasehold as the tenure form of choice. The period of lease varies from 99 years for owner occupied holding to 50 years for commercial and other uses.

Although the law gave the regions the authority to establish the lease rates, it is stipulated that land leases should be sold via auction. Land to be used for social services and low-cost houses may be leased free of charge (Proclamation No. 80/1993).

From this historical prospective the research was generalized that there is an attempt to solve the problem of housing for low income urban dwellers during military government regime.

### Squatter settlement and housing policy interface:

Accessibility of land for housing measured by its availability to the end user which considering economy of all users. In general population increase in urban area increases the demand for the land by government, private individual and corporate bodies therefore this unbalanced demand of land for housing needs critical policy. Accordingly, with the land lease

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**Figure 9:** Reason of sample households for illegal holding of land.

**Figure 10:** Distribution of respondents by the purpose of land before holding.

**Figure 11:** Improper waste management at the study area.
policy the government has the largest share to have accessibility of land in open competition of land lease policy due to the reason that land is belongs to the government. Secondly rich individual and incorporated bodies have high accessibility to have urban land for different purposes next to the government but the urban poor left with little or no choice. Therefore, these individuals forced to occupy marginal areas of urban firings or boarders informally.

Based on the above reality context the poor people living in the city are vulnerable to another form of eviction and really recorded market evacuation. This market evacuation is a result of market competition excreted on the urban poor these may include the land lease policy bid, housing rent with costly living condition of urban area.

**Land lease policy:** Oxford student dictionary 1988 cited by Belachew Yirsaw defines lease as a written agreement by which owner of land or a building agrees to another to have a fixed rent payment and period of time. It is a contract agreement granting the exclusive right to possession of land or determinable period /shorter in duration than the interest of person making the grant. The interest created by the grant is formally called a term of years but is more usually referred to as a lease or a lease hold interest.

Farvacque and McCauslan define free hold tenure as the absolute ownership of the land. Land delivery system in Ethiopia has undergone different land tenure systems. This has large under different government regimes. Notable example includes the free hold land tenure system pre 1975, public controlled system 1975 to 1992 and public lease hold system 1993 up to date.

A free hold is of indefinite duration and is inheritable. Lease hold tenure in contrast, involves a land lord and in most cases the tenure is of fixed duration. The main difference between the two is that the lease holder governed by the laws of the land and the terms of the lease lay down by the land lord while the freehold is only bound to the laws of the land and no things else. Lease hold made of land tenure is not new to Ethiopia however it was a part of variety of land holding types prior to 1974. It became part of the overriding urban land holding system through proclamation No 80/1993. The national lease holding policy of urban land was enacted to address the inequalities through about the nationalization of urban land and extra-houses (Proclamation No. 47/1975).

**Oromia urban areas under lease proclamation:** As stated by the proclamation of federal government (federal Negarit Gazette proclamation No 721/2001) “the right to use of urban land by lease shall be permitted in order to realize the common interest and development of the people” here the proclamation grants accessibility of land for all population equally through bid process. But in reality since the land lease process is competition, this indicate that, the law income people in urban areas of the state in general and Nekemte town in particular cannot afford the cost of lease price due to the tangible condition of their monthly income (Table 10).

**Urban land lease price and household income:** Land price are closely linked to demand and supply; when high population growth exceeds the capacity of developers to provide land for housing, land price rise or if the land regulation is limits the expiration of supply price increases should be expected.

According to land lease proclamation of Ethiopia, every plot of urban land shall have a benchmark lease price. The valuation method shall be determined on the bases of the objective conditions of each urban center in accordance with regulations issued by the respective regions and administration price for the lease proclamation according to the order of towns (Table 11).

As indicated in Table 10 the land price for Nekemte is fall under group 2 division of Oromia land lease price benchmark. there for the total price for the 1st land rank of 160 m² land lease price is 307.79 × 160 m² = 49246.40, 2nd land rank 160 × 261.62 = 41859.2 and 3rd land rank of 160 m² lease price is 160 × 222.41 = 35585.6. Based on the above table land cost price of the Oromia towns in comparison of the monthly earning of sample household population, land for housing for the poor people is not affordable and even it was difficult to pay the first 10% down payment of the lease cost. There for the lease policy did not considered the right of the poor and totally excludes the poor urban dwellers from the competition of land for housing. This bad condition forced the urban poor to hold land for housing illegally.

Hence according to land lease proclamation the down payment or 10% percent of the total price of the lease cost is not affordable with the actual income of the squatting people indicated in Table 10. Therefore, this market approach of land lease price was not inclusive approach for the poor people of the urban areas. In addition to the down payment the proclamation guarantees the completion of construction which in the period specified under the lease contract indicates up to 24 months for small construction project, up to 36 months for the medium construction project and 48 months for large construction project.

From this limited periods, and actual income of the households it was too simple for the research to investigate that, if the poor or squatting people win the land lease bid, it is difficult to construct house with in the period due to the cost in addition to the price of down payment.

**Conversion of old possessions to lease holding:** Unclear urban demarcation, unlimited urbanization process and housing policy interface with these two problems were other critical issue at study area. Because due to physical development of the town the agrarian land converted in to urban site and old settlers considered as squatter settlement if they were built their housing after 2005 E.C housing area. As indicated under Federal Negarit gazeta urban lands lease proclamation number 721/2011 “No person may acquire urban land

<table>
<thead>
<tr>
<th>Group</th>
<th>Towns</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st order towns (9)</td>
<td>Burayu, Sabat, Sululla, Lagaxafo lagadadi, Galan, Dukem Bishofto, Adama Shashimane</td>
</tr>
<tr>
<td>2nd order towns (11)</td>
<td>Mojo, Nekemte, Jimma, Asa, Waliso Ambo, Bishan Guracha, Sandafo, Bakee Batu, Kolotas Managasha</td>
</tr>
<tr>
<td>3rd order towns</td>
<td>Boqoji, Dodala, Ans-Nagale, Goba, Ginir, Ya'abalo, Bule-Hora, Nagale, Adola, Haramaya, Dadar, Awaday, Ciro</td>
</tr>
<tr>
<td>4th order towns</td>
<td>Bodesa, Shambmu Matu, badele adale, Dambi Dalo, Agaro, Matahara, Fiche, Gimbi, Najo</td>
</tr>
</tbody>
</table>

**Table 10:** Distribution of towns in Oromia under lease proclamation.

<table>
<thead>
<tr>
<th>Town groups</th>
<th>Land rank</th>
<th>Price/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>426</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>362.1</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>307.79</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>261.62</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>222.41</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>189.05</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>160.69</td>
</tr>
</tbody>
</table>

**Table 11:** Bench mark lease price for residential area.
other than the lease holding system' provided this proclamation, Oromia regional state specify some rule and regulation on urban squatters which stated that individuals or groups hold land illegally and made any construction for any purpose have no acceptance and it taken over by the government. A well as during the distraction of illegal housing no composition or no payment given for the property.

**Progress and gaps of the housing policy:** As it indicated earlier historically the Ethiopian housing policy does not consider much more on the urban squatting. During the Haile Silasie regime the urban houses and urban land were accessible only for landlords or rich people and military regime were attempt to solve the problem of shortage of housing for the poor by distributing extra housing to low income urban settlers. After the fall of military regime, the urban land mostly shared among the urban officials and it were very open for illegal holding till the urban land reform of FDRE government proclamation 721/2011. But after the urban land lease proclamation, the land become market based approach which has been affordable for the urban rich and to some extent to middle income people. Therefore, the lease policy still does not consider the poor squatting people in urban Ethiopia in general and the study area in particular, because since the holding procedure of land for housing is through bid always winner is the rich which marginalize the accessibility of urban land for squatting people. Generally, the progress and implementation gab of policy to solve the problem of housing in Nekemete still needs reform to make poor active participant in housing accessibility. The result of this research indicates that, the progress and implementation policy of land tenure security for housing, especially the type associated with land lease registration, increased the land value in the study area. Because land for housing was tilted through competition, which fever the rich urban dwellers and the progress of the policy totally evacuate the poor urban squatters. Basically, the land lease policy aimed to solve the shortage of land for housing for the urban poor in Ethiopia in general and in study area in particular. But in reality instead of reducing the hardship of housing shortage in the town, it increases the problem above its previous condition. Therefore, this is a gap in implementing the policy to achieve the objectives for which it designed.

**The integrated housing development program**

The prominent current government approach to solving the low-income housing challenge is the Integrated Housing Development Program (IHDP), initiated by the Ministry of Works and Urban Development (MWUD) in 2005. The IHDP aims to: Increase housing supply for the low-income population, recognize existing urban slum areas and mitigate their expansion in the future, Increase job supply for the low-income population, and the progress of the policy totally evacuate the poor urban squatters. After the fall of military regime, the urban land mostly shared among the urban officials and it were very open for illegal holding till the urban land reform of FDRE government proclamation 721/2011. But after the urban land lease proclamation, the land become market based approach which has been affordable for the urban rich and to some extent to middle income people. Therefore, the lease policy still does not consider the poor squatting people in urban Ethiopia in general and the study area in particular, because since the holding procedure of land for housing is through bid always winner is the rich which marginalize the accessibility of urban land for squatting people. Generally, the progress and implementation gab of policy to solve the problem of housing in Nekemete still needs reform to make poor active participant in housing accessibility. The result of this research indicates that, the progress and implementation policy of land tenure security for housing, especially the type associated with land lease registration, increased the land value in the study area. Because land for housing was tilted through competition, which fever the rich urban dwellers and the progress of the policy totally evacuate the poor urban squatters. Basically, the land lease policy aimed to solve the shortage of land for housing for the urban poor in Ethiopia in general and in study area in particular. But in reality instead of reducing the hardship of housing shortage in the town, it increases the problem above its previous condition. Therefore, this is a gap in implementing the policy to achieve the objectives for which it designed.

**The program allows low- and middle-income households, who typically live in precarious housing situations to access improved housing. Through the construction of durable, fully-serviced housing units the program greatly improves their living conditions, security of tenure, and access to basic services. Importantly, the program has facilitated access to credit for the low-income sector of the population, through the Commercial Bank of Ethiopia, where previously there was very limited opportunity for low-income households to secure credit for improved housing. Generally, as it indicated above the integrated housing program aim to solve the problem of the poor living in urban areas of the country in general and study area in particular. Based on the proclamation No 122/99 the one want to buy integrated house should pay 20% of the total cost and 80% is covered by bank for residential purpose [25,26].

As indicated in Table 12 the monthly income of sample household respondents was averagely less than 1500 Ethiopian birr. But when we see the integrated housing program housing cost whether for final or down payment, is very high in comparison to household monthly revenue. Therefore, the condominium housing program is not the solution to solve the problem of housing condition of the poor at the study area. This is due to costly payment breakdown which is beyond the household income to pay all the coast of the house. For instance, according to Table 4 the cost of integrated housing program for a single ground floor room (studio) is 61,120.30 and its down payment is 12224 birr which is too difficult for the poor urban dwellers to pay the indicated amount.

**Apprehensive problems and contradictions**

Even though there is clear land lease policy for land holding in Ethiopian urban areas in general and Nekemete town in particular, the implementation and exclusive characteristics of lease policy may not solve the problem of poor squatting people in the study area. There is on the one hand, between the legally prescribed lease approaches that seek to address the structural cause of squatter settlement formation due to unaffordability of land by the poor. The other if the policy strictly practical to the study area it endorses repressive approaches which get rid of informal settlers most probably the poor people from the urban center.

The salient issues which may considered as the other tension in the study area were the change of rural or Agricultural land to the sphere of urban land illegally which is very dangerous for environmental degradation and the cause for squatting process in the town. As it originally aimed the lease policy may not solve the shortage of housing for the poor in the town which can be considered as tension. Therefore, there is high squatting population progress which directly influences the urban development and the living condition of urban poor.

**Table 12:** Cost breakdown of condominium housing at Nakemte based on 2000 project type.
Conclusion and Recommendation

Conclusions

To conclude, urbanization process in the study area was very high with high demand of land for housing. The urban population growth was mostly due to the immigration from rural areas to Nekemte town. This is more forceful against the environment of the ever-increasing urban unemployment, poverty, and widening the gap of socio-economic inequalities. In turn these factors initiate the development of squatting people as option less option at the study area. As indicated in the result of the study, the problem of squatter settlements was low income, inaccessibility of land for housing due to the government policy, little understanding of the lease policy, unclear urban demarcation or boundaries and the others.

Obviously there is the policy to solve squatting environment at the study area. However, the urgent need for practical steps, in order to bridge the gap between the policy and the reality of implementation. As well as the policy is basically designed to solve the housing problem of urban poor but the evidence reveals that, due to its competitive nature the policy by itself causing the people to hold land for housing illegally. There is no special place for the poor in the competition of market oriented urban land holding approach. Therefore, there is clear gap between practical ongoing policy implementation and squatter settlements.

In addition, the government attempts to solve the problem of housing shortage for poor urban residents by building the condominium houses. Similar to the actual land holding for house through lease policy, condominium housing is not affordable for the poor who were living in the study area. It is not deniable that the poor cannot pay even the down payment to purchase communal housing. Therefore, the condition is very suitable for the reach and to some extent for the middle income people in the competition.

Recommendations

Depends on the finding of this study, author recommend the following measures that have to be taken by concerning body. This is to say, what does government (Central and local) need to know for better design, implement and measure the results of its Intervention to improve better living condition for urban poor and to make urban development sustainable.

Central as well as local government should formulate proper policy to balance high town population growth with limited urban land housing which focuses on equitable distribution of land for all urban dwellers.

Urban-rural boundaries were one of the problems for the formation of squatter settlement in study area: There for the local government should identify the outer limit of the urban areas in order to control illegal urban expansion timely.

Even though Land for housing is a basic resource, due to large urban population there is a shortage. Thus, in order to control the problem, the town administration should enact proper policy regarding allocating land for housing with comparative cost with their income.

The government should empower the urban poor. The majority of the household heads in the study area are in low-income groups and they have been forced to live mainly in rental housing due to the market competition, shortage of land for housing and other constraints of housing, which forced them to hold land for housing illegally. Because of this situation government financial empowerment of the poor used to bridge the gap between high housing land market and low income of households in the competition.

References

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