

QUESTION REGARDING RURAL LAND OWNERSHIP RIGHTS in ETHIOPIA

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Key words: land fragmentation; land redistribution; ownership rights; state ownership; tenure insecurity; usufruct rights.

ABSTRACT

This study reveals that the land tenure system was the main obstacle to general rural development in the pre-land reform Ethiopia. Although the 1975 land reform freed the peasantry from merciless exploitation by the landlord class, through a series of misguided policies, the military regime placed the peasants before an impassable barrier. The study shows also that the current government maintains the state ownership of land and pursues policies concerning the allocation, transfer and redistribution of land that are closely akin to those of the military regime. Furthermore, the results of study point to the fact that state ownership of land and the latent fear of future redistribution have created a sense of uncertainty, which in turn is translated in reluctance to invest in long-term land improvement measures.

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“Ethiopian peasants are strongly attached to the land. As such, land belongs to the dead, the alive, and the unborn.”

Abdulkarim A. Guleid, Member of the Ethiopian Parliament

I . Introduction

Ethiopia is one of the largest countries in Africa both in terms of land area (1.1 million km²) and population (70 million). The Ethiopian economy is based mainly on agriculture which provides employment for 85 percent of the labour force and accounts for a little over 50 percent of the GDP and about 90 percent of export revenue (CSA 2002). Low productivity characterises Ethiopian agriculture. The average grain yield for various crops is less than 1 metric ton per hectare (CSA). Available evidence shows that yields of major crops under farmers' management are still by far lower than what can be obtained under research managed plots (Belay 2004). The livestock sub-sector plays an important role in the Ethiopian economy. However, the productivity of the sub-sector is very low and decreasing as a result of poor management systems, shortage of feed and inadequate health care services.

Over the last three decades, Ethiopian agriculture has been unable to produce sufficient quantities to feed the country's rapidly growing population. The low productivity of the agricultural sector coupled with the rapid population growth forced the nation to be an important recipient of food aid and net importer of commercial food grain. A brief historical survey reveals that Ethiopia had been self-sufficient in staple food production and had been classified as a net exporter of food grains till the late 1950s (Belay 2004). However, Ethiopia has been food deficit since the early 1960s in that the domestic production has failed to meet the food requirements of the population. It is estimated that on average more than 3.5 million people are in need of substantial food aid every year, including years of abundant rainfall and good harvests; this represents about 450,000 metric tons of grain (RESAL 2001).

Peasant agriculture accounts for almost all of the agricultural production in the country. However, experience over the past three decades shows that the peasant sub-sector has not been given adequate attention. At present, there is mounting evidence that over and above the natural factors, the successive governments have been contributing to the pauperisation of the peasantry and the low productivity of the agricultural sector (Pickett 1991; Dessalegn 1999; Mesfin 1999). More precisely, a host of policy related factors including top-down policy making approach, lack of enabling environment, inappropriate policies, wrong priorities and poorly defined property rights seem to have affected the growth and development of the Ethiopian economy in general and the agricultural sector in particular. While these factors are crucial and deserve closer examination, it is not the intent of this paper to look into all the policy related factors, which obstruct the peasant sector from being a dynamic force in agricultural development. Rather, the objectives of the paper are limited to examining land ownership systems under different political regimes (the periods of the monarchical rule, the military government and the current government) and analysing the extent to which the land ownership systems have been favourable to peasants.

The rest of the paper is organised in six sections. Section II deals with the method employed in the study. Section III reviews the concepts and roles of property rights. Section IV discusses land ownership systems in the country during the 1875~1974 period (during the reign of Emperor Menelik II and Emperor Haile Selassie I). Section V presents the land tenure system under the military government (1975~1991). Section VI looks into the land tenure system under the current government (1991 to present). Section VII summarises the main findings of the study and draws appropriate conclusions.

II. Methodology

The issue of land tenure system is one of the most politicised and unsettled issues in the Ethiopian political landscape. This

study is based on information on the land tenure systems in Ethiopia over the 1875~2003 period. With regard to the approach followed, the study period is split into three sub-periods: 1875~1974, 1974~1991 and 1991~2003. The three sub-periods are associated with recognised political, economic and social conditions in the country. The first sub-period was a period during which Emperors Menilik II and Haile Sellasie I dominated the Ethiopian political landscape. The second sub-period is the period of reign of the military government (*Dergue*) during which the country experienced a radical change in its political and economic systems. The policy priority of this sub-period was the establishment of state-controlled socialist economy. The third sub-period is the period during which the current government has been in power. This sub-period is characterised by the downfall of the *Dergue* regime, the introduction of unprecedented political system (based on ethnic federalism), the secession of Eritrea from Ethiopia and a series of economic reform measures including privatisation of state owned enterprises and market and price liberalisation.

III. The Concepts and Roles of Property Rights

Over the last forty years, property rights have been receiving considerable attention from scholars, governments, and international organizations. At present, there is a rich body of literature treating the subject of property rights from different angles. The property rights theory is based on the reasoning that changes in the allocation of property rights alter the structure of incentives faced by decision-makers and hence lead to changes in both managerial behavior and economic performance. Property rights define the accepted array of resource uses, determine who has decision-making authority, and describe who will receive the associated rewards and costs of those decisions (Libecap, 2001). In a recent book on institutions and economic theory, the concept of property rights is said to contain three basic elements: the right to use the asset (*usus*); the right to appropriate the returns

from the asset (*usus fructus*); and the right to change its form, substance, and location (*abusus*), including the right of transfer to others through market trades or to heirs through inheritance (Furubotn and Richter 1997).

The concepts of completeness and exclusivity, transferability, and enforceability are used to define and evaluate property rights (Rideout and Hessein 1997). Completeness refers to the degree to which ownership rights may be attenuated. Exclusivity compliments the concept of completeness and refers to the degree to which all benefits and costs accrue to the owner. Completeness and exclusivity have little meaning if enforcement of property rights is too expensive or the property is located in a jurisdiction without a fully developed legal system. Enforceability of rights is intimately linked with security of rights in that the security of rights depends on their enforceability. The concept of transferability of property rights expands time horizons in resource use decisions because it forces owners to consider the impact of current uses on the longer-term value of the resource and in so doing provides incentives to maintain a maximum market value.

The principal implication of the foregoing discussion is that a perfect property right would be totally exclusive, completely secure, fully transferable and of infinite duration. In practice, property rights are rarely absolute, as often the law places restrictions on the way rights can be exercised (Furubotn and Pejovich 1972; Alemu 1999; Libecap 2001). The discussion of property rights points to a fairly obvious conclusion that well-defined and well-enforced property rights internalize externalities and thereby, guide decision-makers to consider the social consequences of their actions. Several studies support the conventional expectation that that well-defined and well-enforced property rights on land are the main instruments for increasing tenure security, empowering a flourishing land market, facilitating the use of land as collateral in credit markets, enhancing the sustainability of resource use, and preventing environmental degradation (Atwood 1990; Schlager and Ostrom 1992; Deininger and Binswanger 1999; Platteau 2000). The majority of the

literature on property rights witness that rights are exercised under at least four different regimes: private property, state property, common property, and non-property (or open access) (Bromley 1989; Furubotn and Richter 1997; Heltberg 2002). Over time, the structures of property rights move from one category to another, often as a reflection of society's changing values and the scarcity of certain types of property. They change in response to many different conditions, including market behavior, social and political sentiments, population pressure, scientific knowledge, and new technologies (Bromley 1989; Platteau 2000; Libecap 2001).

Rights to use and/or of control over land are central to the lives of rural populations especially in countries where the majority of the population lives in rural areas and the main sources of income and livelihood are derived from land. In areas where other income-earning opportunities are limited access to land determines not only households' level of living and livelihood but also food security. The extent to which individuals and families are able to be food-secure depends in large part on the opportunities they have to increase their access to assets such as land, as well as access to markets and other economic opportunities (FAO 2002). Land tenure issues have become increasingly important in the Ethiopian political landscape principally because land is the major asset in the life of Ethiopian rural communities. Problems such as high population pressure, increases in resource degradation, recurrence of food shortages, and the low capacity of the non-farm sector to siphon-off the excess population from rural areas have made land tenure a politically sensitive issue. The way property rights over land is defined and the efficacy in administering it and resolving conflicts around it among economic agents is crucial for the country's overall development (EEA/EEPRI 2002).

IV. Land Ownership Rights in the Period of the Monarchical Rule

The country's present day boundaries were defined in the late

nineteenth and early twentieth centuries following the conquest of the eastern, southern, south-eastern and south-western parts of the present Ethiopian state and their incorporation into the Christian Highland Kingdom or Abyssinia proper by Emperor Menelik II (who reigned as king of Shoa from 1865 to 1889 and as Emperor of Ethiopia from 1889 to 1913).

Prior to the 1975 land reform, diverse and complex forms of land ownership that emanated from different social, political, economic, cultural and historical perspectives co-existed in the country. A closer look at the types of ownership across the country shows that there were regional variations. The variations were based on whether the region in question was part of the Empire since ancient times (the northern part of the country) or was conquered and incorporated into it during the last quarter of the 19th century (the southern part of the country). In the north (more precisely in the provinces of northern Shoa, Western Wollo, Tirgrai, Gondar and Gojjam), the rist or kinship ownership system was in place. Whereas in the South (Shoa excluding northern shoa, Eastern Wollo, Wollega, Illubabor, Kafa, Gomo Gofa, Sidamo, Bale, Arussie and Hararghe), the private ownership system was predominant. Notwithstanding the great diversity of land ownership systems that existed in the pre-1975 land reform, they can be grouped into four major categories: private ownership; rist (kinship) ownership; church ownership; and state ownership.

In the course of incorporating the Southern regions into the Empire, Menelik II adopted two different policies depending on whether a region had been annexed by force of arms or subordinated to the Emperor's authority through peaceful negotiations. In those regions that accepted Menelik's authority without fighting (Wollega, Jimma and Beni Shangul), the traditional chiefs and rulers retained their governing power as representatives of the conquerors (Goricke 1979). Likewise, the traditional land ownership patterns were not disturbed very much for land was not confiscated. The native population in these regions was merely obliged to pay fixed annual tribute to the officials appointed by the Emperor. Stahl (1974) noted that in

these areas, over the years, the insatiable appropriation of land by the local ruling groups turned a considerable proportion of the indigenous peasants into tenants.

In the areas annexed to the Empire by force of arms, Menelik adopted a systematic policy of expropriating the native population of their land and turning the overwhelming majority of them into tenants. In all these areas the conquered land was proclaimed the property of the Imperial Crown. In general, one-third of the land in each conquered region was granted to traditional chiefs or other local leaders among the subdued peoples who co-operated with Menelik. They were recognised as local representatives of the Imperial power and were called *balabbats* (Stahl 1974). The land allotted to them was known as *Siso* (*balabbat*) land. The remaining two-thirds were systematically divided up among the crown (the Emperor and the Royal family), the church, the nobility, warlords, individual clergymen and soldiers. The *balabbats* were entitled to extract tribute from peasants living in their holdings, often as a quarter of the produce, but were expected to go to war when requested (Markakis 1974). The *Siso* (*balabbat*) landholders were exempted from paying taxes until March 1966.¹

In order to control and administer the local population as well as hold his empire intact, in all conquered areas of the South, Emperor Menelik II appointed governors, along with groups of soldiers, down to the local level. He had also established military garrison towns and settled civilians and

¹ The Land Tax (Amendment) proclamation No. 230/1966 abolished *siso* (*balabbat*) and *rist-gult* landholding rights by requiring that former right holders pay land taxes to the state as specified in the land tax proclamation No. 70/1944. However, landlords illegally shifted the payment of land taxes up on tenants. As a result, as of this time, the tenants were required to pay the land tax, in addition to the tribute, to the landlords who in turn paid the collected land tax to the state treasury. The tax payment established legal title to land and the former right holders were able to retain a substantial part of their former holdings as private property.

soldiers from the northern regions. As reward for their services, governors, soldiers and other state functionaries were given part of the confiscated two-thirds of the land to live on in lieu of salary. The size of the land grant varied according to the rank of the grantees and service rendered to the crown. The process gave rise to two forms of land ownership: *riste-gult* and *maderia*.

Riste-gult land was land granted by Emperor Menelik II and his successors to members of the royal family, persons of influence as well as military, civil and ecclesiastical officials and some people for their meritorious services. Its beneficiary became its owner and could bequeath it to his heirs. The *riste-gult* holders were exempted from paying taxes until March 1966. The *riste-gult* landholders collected tribute from their tenants for their own purpose. *Maderia-land* was state land granted temporarily, in lieu of salary, to the lower echelon state functionaries and others who rendered services to the Crown. *Maderia* rights were attached to an office or to the provision of services. The holder enjoyed the rights to collect and appropriate the tribute from the tenants, who worked the land, during his tenure in office or as long as he continued to render services to the Crown. The *Maderia-land* holder was required to pay tithe (one-tenth of the farm produce), health and education tax on his holdings to the state. Markakis (1974) noted that the *Maderia-land* could not be transferred through sale or gift or inheritance and it reverted to the state when the holder was removed from office, and the tenants remained on the land as dependent of the state.

One striking outcome of the whole process of conquest was the subjugation of the indigenous population and their relegation to the status of tenant on land that had once been their own. In effect, the new landowners were free to misuse their power and inflict inconsiderate treatment on tenants, requiring them to pay tribute ranging from one fourth to three-fourths of the tenants' produce (Stahl 1974; Alula and Fassil 1983; Alemu 1999). In reality, the contribution of the landlords to the production process did not go beyond the land itself and the rest had to be provided by the tenants. This situation dissuaded

tenants from investing in modern technologies and in long-term land improvement practices (Markakis 1974; Goricke 1979; Dessalegn 1984; Alemu 1999). This was precisely because they had little or no savings, were haunted by the permanent fear of being evicted at any moment, and only a fraction of the increased output caused by the adoption of a new technology would accrue to them.

In addition to paying tribute, tenants were required to provide various services to landlords, such as free labour on the farm, herding cattle and to give gifts on special occasions (Schwab 1972; Stahl 1974; Goricke 1979). Though the provision of services of tenant to his landlord was made illegal by proclamation No. 230/1966, it had been widely practised in many areas till it was completely abolished by the 1975 land reform proclamation (Schwab 1972; Markakis 1974; Goricke 1979). The land ownership system in the southern regions was, therefore, characterised by a predominant private ownership pattern, a wide-spread and exploitative landlord-tenant relationship, tenure insecurity, widespread landlessness, as well as large proportion of tenants with miserable living conditions.²

As already noted, the most common form of land ownership in the north was the *rist* or kinship system that was a system of land distribution based on genealogical links. Under this system, individuals could claim irrespective of their sex, including those born out of wedlock, through both ancestors and obtain the rights of use on a fixed proportion of the joint property or the *rist* land (Hoben 1973; Markakis 1974; Alula and Fassil 1983; Dessalegn 1984). More precisely, they had to legally justify that they were the descendants of the pioneer settler, who had first occupied and worked the land. Because individuals could claim *rist* rights through both ancestors, it was possible for them to be members of various kinship groups (Hoben 1973). In fact, what was inherited was not a specific plot of land with

² Negash (1997) cited government sources that reported that in southern Ethiopia up to 50 percent of the peasants were tenants.

fixed boundaries but rather the right to a share of the *rist* land (Dessalegn 1984; Kebede 1998). The important point to be noted is that *rist* rights basically denoted kinship or community control mechanism in land use.

In this system, land was operated individually except pastureland, which was held in common. Consequently, it can be concluded that the *rist* land was not a private property or freehold and *rist* holders enjoyed *rist* rights only, which were nothing more than land use rights which were hereditary and inalienable. According to Markakis and Nega (1986), hereditary rights were not lost through pre-emption or absence and periodic redistribution of the communal land was practised in order to accommodate all claims.³ This implies that land had to be divided without limit in the course of time. The *rist* right holders could cultivate or lease the land provided that they met their tax obligations but they could not (at least in principle) dispose of by sale or gift, any portion of the land outside of the extended family unless all members agree to it (Dessalegn 1984; Mengisteab 1990).

Several authors (among others, Goricke 1979; Alula and Fassil 1983; Mengisteab 1990; Kebede 1998) remarked that the *rist* system of land ownership had strangled agricultural development and was a permanent source of conflict among kinsmen. More precisely, it was reported that the *rist* system resulted in endless litigation in courts among claimants of *rist* rights over small parcels of land that lasted several years and sometimes ended in murders and vendettas that could go on through several generations (Hoben 1973; Alula and Fassil 1983; Dessalegn 1984). The system was also found to be responsible for the dismemberment of a single farmer's farm, sometimes, into several small sized parcels, which were very far from each other (Markakis 1974; Dessalegn 1984; Mengisteab 1990; Kebede 1998). Similarly, Goricke (1979) pointed out that as the duration of land use rights

³ The responsibility for distributing land was that of the community elders who had also the power to reallocate land at any time to accommodate new claimants.

for *rist* land was uncertain, cultivation took place not from the point of view of long-term profitability but only to overcome immediate requirements. He further noted that costly investments (whether financial or labour-wise) in yield-consolidating or-boosting inputs and crops were rare.

With regard to the size of holdings at the disposal of *rist* rights holders, it was variable depending on the kinship group's territory, the number of kinship groups in which they were members, and the number of claimants to *rist* land in the kinship group(s) to which they belonged. However, it is widely believed that the *rist* system encouraged unlimited land fragmentation through time and resulted in very small and uneconomical farm sizes (Hoben 1973; Markakis 1974; Goricke 1979; Dessalegn 1984; Mengisteab 1990; Kebede 1998). As a result, those with small landholdings could either farm other people's land on a produce-sharing basis or they could rent land from those who could not farm their holdings for one reason or another and/or from absentee *rist* rights holders. This situation gave rise to the development of tenancy arrangements, though almost everyone cultivated some plots rent-free, however small these plots might be (Alula and Fassil, 1983).⁴

The tenant-landholder relationship under the *rist* system was more of a contractual type where the tenants were treated fairly and humanly as compared to their counterparts in the south. In this regard, Hoben (1973) reported that tenancy under the *rist*

⁴ Alula and Fassil (1983) reported that, by the end of the 1960s, in northern Ethiopia, where the kinship form of tenure predominated, pure tenants were insignificant, amounting to only a little over 10 percent of the rural population. Markakis (1974) noted, in northern Ethiopia, the state confiscated the following categories of land: hereditary *rist* rights were abrogated through failure to pay tribute; abandoned land and the land whose previous possessor died without leaving heirs; land that belonged to people who were involved in crimes or political activities against the interest of the Emperor. The distribution of confiscated land to individuals gave rise to private ownership of land in northern Ethiopia.

pattern did not always involve subordination and one-sided control. He further noted that rist tenants did not necessarily constitute a distinct class of landless people; rather, the prevailing distinction within the peasantry was between a class of rich peasants, who were not necessarily owners of big land, and poor peasants. In the same vein, Stahl (1974) underlined that the prohibition to buy and sell land has prevented a sharp polarisation of the peasantry into large-scale owners and landless tenants. Markakis (1974) made the point that rist rights were highly valued because they guaranteed security of tenure that was quasi-absolute. He further noted that the *rist* system of landholding was a factor of social cohesion for it ensured that nearly everyone owned land by virtue of membership in kinship group. The only exceptions in this case were minority groups (ethnic and religious) who were not allowed to possess land. These were craftsmen who were engaged in menial work other than farming, such as weaving, tanning, iron smelting, and pottery. In this connection, Goricke (1979) noted that in northern Ethiopia craftsmen had no role to play in the social organisation of local communities and were politically even more underprivileged than landless tenants; socially, the group as a whole was held in contempt.

In rist areas, a hierarchy of authorities used to extract tribute from rist right holders through a territorial framework for secular administration or gult. Gult rights were acquired through a formal grant from the monarch, or from provincial rulers who were empowered to make such grants. Gult rights were the typical form of compensation for an official until the government instituted salaries in the period after World War II. The Gult rights holder was empowered to collect the tribute owed to the state from the land within his jurisdiction. The rist rights holders within the gult rights holder's jurisdiction were liable to pay tribute to him and the disposition of the tribute depended upon the nature of grant held by the gult rights holder (he might keep all or part of it for himself). The gult rights holder was entitled to labour service from all the rist rights holders within his jurisdiction. Markakis and Nega (1986) noted that the gult rights

holder was exempted from taxation from his own land. They further remarked that the gult rights holder performed administrative and judicial functions within his jurisdiction, in the course of which he collected fees and fines from the peasantry. The gult system was abolished in 1966 and the rist rights holders were formally freed of obligations to the gult rights holder.

Until 1974, the Ethiopian Orthodox Church was a very influential force in the political, economic, and social aspect of life in Ethiopia and its impact on land tenure of the nation was very profound. Church ownership of land in Ethiopia seems to have had its origin in the early days of Christianity (fourth century). It is widely believed that in those days the absence of a monetary economy had called for the provision of adequate and secure source of income required to upkeep the church and support of the clergy, in this case land. According to Markakis (1974), what was called church land was not always land in the immediate possession and exploitation of the clergy. In a more precise sense, it was land, which was under the obligation of tribute to the church. Prior to 1974 the church owned some 10 to 12 percent of the total area of the country (Dessalegn 1984).

In the early 1970s, the church exercised two principal forms of land control: direct ownership (church gult-land) and samon-land (Stahl 1974). Church gult-land was land over which a church or a monastery had ownership rights. The church apportioned such a land among the ecclesiastical members who rendered service to it for their maintenance. The ecclesiastical members paid tithe to the church, but did not pay land tax. The holder of church gult-land could cultivate it himself or lease to peasants on a produce-sharing basis. When a clergyman died or otherwise terminated his office, the land he had held was given to his successor. Samon-land refers to land, which in theory belonged to the state but the usufruct rights of which were granted to the church in perpetuity and such a land was cultivated by peasants who paid tribute to the church rather than taxes to the state. Those who operated samon holdings could rent them out to others, either on a produce-sharing basis or in

payment of a fixed tribute, but they could not sell, mortgage, or exchange them in other ways (Dessalegn 1984).

The Crown as one of the main claimants of rights over land had vast territories under its possession. It is worth noting that there was a very close association between the Imperial Government and the Crown. Their roles and prerogatives were also overlapping, rendering it difficult to make clear distinctions between them (Stahl 1974; Goricke 1979). Consequently, the term state or government land is used to encompass land possessed by the Crown and the Imperial government.⁵ Some of the state land was used to produce different agricultural products for palace use. Agricultural work on such land was done by peasants living there, who actually had tenant status, under the supervision of officials appointed by the Emperor. Though state land was found in both southern and northern regions, the vast majority of it was located in the south (Stahl 1974; Mengisteab 1990; Kebede 1998).

In the period between Menelik's death (1913) and the end of Italian occupation (1941), the land ownership systems, which prevailed during the reign of Menelik were maintained without marked changes. It was only after the restoration of the Imperial rule in 1941 that considerable changes were made in the land ownership systems. By a series of Imperial Orders, Emperor Haile Selassie I granted state land to his entourage, important political figures, veterans, families of deceased soldiers, members of the armed forces, civil servants, unemployed and landless as a freehold. The quasi-totality of the land granted was in the southern regions where there were large areas of state-owned land.

⁵ State land (government land) included the following categories of land: crown land; unclaimed land; the undistributed part of the confiscated land in the newly annexed provinces; unoccupied land; all pastoral lands, land on which individuals had temporary usufruct rights; as well as land confiscated from people who failed to pay taxes, who were involved in political activities against the government, and who died without leaving heirs. According to Stahl (1974), prior to the 1975 land reform what was called state land constituted 42 percent of the total area of the country.

The officially stated motives for the imperial land grants were to improve the standard of living of the grantees and to make them owners of a property, which could be passed on to their children. However, at present, there is mounting evidence that shows that they were rather aimed at strengthening the imperial power, preserving the political loyalty of the aristocracy, and buying off the opposition (Stahl 1974; Goricke 1979). In reality, the nobility, government employees and persons of influence were the principal beneficiaries of the grants. Despite the fact that landless and unemployed people were entitled to the Imperial land grants under the 1952 order, as a result of the bureaucratic red-tape, the long administrative channel, and the endemic nature of corruption they received a negligible proportion of the total grants (Stahl 1974; Goricke 1979; Mengisteab 1990). The size of the freehold grants varied depending on the beneficiaries. The freehold grants were very large for politically important loyal personalities and were relatively small for civil servants, landless and unemployed people. As most of the grantees were from urban areas and had non-agricultural occupations, they became absentee landowners who leased their holdings on tenancy basis (Stahl 1974; Goricke 1979).

In the 1960s, the imperial land grants and various incentives, such as exemption from import duty for agricultural machinery, provision of credit, and grace period on income tax payment, were provided to national and foreign investors who were willing to invest in agriculture. This had resulted in the development of large-scale private commercial farms. These farms were concentrated in the valley of the river Awash, which was formerly communal grazing area of pastoralists.⁶ This region offered the additional attractions of irrigation from the water of the river, road and rail transportation, and proximity to the area of industrial concentration that extended along the railway line.

⁶ The imperial regime did not recognise the land use rights of pastoralists whereby, like unoccupied land, all pastoralist areas were categorised as state holdings (Kebede 1998).

The rapid expansion of commercial farms in the Awash valley constrained the mobility on which pastoralists depended and forced them to move to other areas. In other areas, especially in the south where large-scale private commercial farms were established, the process resulted in the eviction of tenants, mainly as a result of mechanisation of the farms (Stahl 1974; Goricke 1979; Markakis and Nega, 1986; Mengisteab 1990). It is worth noting that at the time of the land reform proclamation private commercial farms covered only 1 to 2 percent of the total cultivated area in Ethiopia (Hansson 1995).

In its attempt to quell domestic opposition to the land tenure system and soften international pressure, the Imperial Government established the Ministry of Land Reform and Administration in 1966.⁷ There were mixed feelings about the establishment of this new Ministry. On one hand, it was considered by many as an important opportunity, which could give a powerful impetus to the agricultural sector. On the other hand, sceptics believed that the newly established Ministry would not bring fundamental changes in the miserable living conditions of tenants and its establishment was seen as an attempt on the part of the government to deflect attention from the real problems.⁸ In 1968 a first draft of a bill “to provide for the regulation of agricultural tenancy relationships” was prepared in the Ministry and forwarded to the Council of Ministers. It was revised in 1970 and again in 1971. The 1971 draft was submitted to the Chamber of Deputies in the Parliament in November 1972. This draft was still in early 1974 pending in Parliament. Stahl (1974) pointed out that the bill did not touch up on the fundamental issue of land reform-ownership of land. It only specified the forms of

⁷ The principal mission of the Ministry was to study the land tenure patterns of the country and prepare policy recommendations for reform.

⁸ For instance, Stahl (1974) noted that one department of the Ministry distributed Imperial land grants and was thus instrumental in the creation of landlords of various magnitudes, while another department of the Ministry dealt with measures to restrict the privileges of the landlords.

tenancy relationships. The aim of the bill was said to be to encourage landholders and tenants to work in co-operation to increase agricultural productivity and contribute to the future prosperity of Ethiopia.

Although the 1971 bill did not go far enough in terms of protecting tenants, the Parliament dominated by feudal landlords, suspicious of any change which might threaten their class interest, was not willing to rescind the old tenancy system. By virtue of the extraordinary negligence with which the question of land reform had been handled by the monarchical government it became the nerve-centre for all forms of resistance against the system and it resulted in the downfall of the Imperial regime on September 12, 1974.

V. Land Ownership Rights under the Military Government

On March 4, 1975 the Military Government (the Dergue) which overthrew the Imperial Government enacted a land reform law (Proclamation No. 31 of 1975). Through this proclamation all rural land became the “collective property of the Ethiopian people” (the Ethiopian State). The proclamation banned private ownership of rural land and its transfer by sale, exchange, succession, mortgage, lease or other means. However, it was made clear that any person willing to cultivate land shall be allotted a family holding which may not exceed 10 hectares over which he/she would have only usufruct rights. Accordingly, land in excess of 10 hectares and large-scale commercial farms were expropriated and were organised into state farms or co-operatives and in some cases distributed to landless farmers. It should be noted that the land reform ignored the significant regional differences in land ownership systems in the country. In this respect, Mesfin (1999) argued that despite the glaring differences in ownership systems between southern and northern Ethiopia, the land reform perceived a uniform problem and prescribed a uniform solution, that of nationalising land and making all

peasants effectively landless.

Article 4 sub-article 4 of the Land Reform Proclamation states that the size of land to be allotted to farming families shall as far as possible be equal. The size may, however, vary depending on the local conditions and the productive potential of the land (PMAC 1975). To carry out the provisions of the proclamation, Peasant Associations (PAs) were formed.⁹ Peasant associations were commissioned to carry out a number of functions related to land administration, specifically: allocation of land to peasant households; implementing land use directives of the government; administering and conserving public property in their units; and settling land cases through their PA judicial tribunals. PA officials distributed land among households based primarily on family size. Peasant associations often were periodically compelled to redistribute land to accommodate young families or new households moving into their areas. To be eligible for land at the time of next redistribution, a farmer was required to register with the peasant association at the age of 18 or when he married. New demands for land by young peasants and/or new comers to the community could only be met by reducing the size of holdings of those farmers who had relatively larger plots. In reality, the land reform distributed very little land. Most peasants just kept the land they ploughed. In most villages, there was not enough land available for redistribution to the poor who had been granted rights to land (Dessalegn 1984; Kebede 1998). Consequently, in many rural areas individual holdings were far smaller than the permitted maximum allotment of the 10 hectares (Alula and Fassil 1983; Kebede 1998; Dessalegn 1999). The periodic land redistribution gave rise to a process of diminution of peasant plots. Family holdings were further diminished, in the event of either old age or death, by subdivision among children. According to Dessalegn (1999), with much uncertainty as to how

⁹ A Peasant Association is a territorial organisation with broad administrative and legal powers encompassing 800 hectares or more. The average PA membership is 250-270 families (households).

long a family's holding would remain its own, there was little incentive to invest in it, nor to manage it carefully according to traditional methods of crop rotation, organic soil fertilisation and fallowing. The main effects of the land reform was not to change the pattern of cultivated holdings but to abolish rent and other payments to landlords (Kebede 1998).

By the end of the 1970s authorities and policy makers came to realise that private family farms were incompatible with the regime's determination to build a socialist society and devised an alternative way of capturing the peasantry. To this effect, in 1979 the Dergue issued a 'Directive on the Establishment of Producer Co-operatives' which outlined procedures for organising and operating producer co-operatives. As of this period, producer co-operatives were promoted by the government through various incentives and more direct coercion (Cohen and Isaksson 1988; Stahl 1989). The Ten Year Perspective Plan issued in 1984 stated that the Dergue's official target was to bring over half of the country's cultivated land under the control of producer co-operatives by 1994 (ONCCP 1984). The impetus behind the promotion of producer co-operatives had been among others: the regime's belief that small farms were inefficient and collective holdings provided the optimal use of land and manpower; and its commitment to accelerate the construction of a socialist society (Kebede 1998; Belay 2004).

Although the 1975 radical land reform put an end to the tumultuous tenant-landlord relationships, this great opportunity to develop the agricultural sector was nipped in the bud by ill-designed policies of the Dergue. For instance, in the early 1980s the Dergue put in place different instruments, which persistently discriminated against smallholders and favoured producer co-operatives. It is now recognised that the collectivisation policies pursued by the Dergue and its commitment to increasing public ownership contributed a lot to the low performance of the agricultural sector in the 1980s. In this regard, various empirical studies on the Dergue's agricultural development strategy concluded that collective farms, which accounted for less than 10 percent of

the total cultivated area, received the lion's share of subsidised agricultural inputs (agricultural credit, fertilisers, improved seeds, etc.), extension services, and government's investment in agriculture, at the expense of peasant farms, which accounted for more than 90 percent of the total agricultural production (Cohen and Isaksson 1988; Mengisteab 1990; Pickett 1991; Kebede 1998;). Paradoxically, collective farms have proved disappointing in terms of productivity, employment creation and environmental protection (Cohen and Isaksson 1988; Mengisteab 1990).

Attempts made by donor governments and international organisations to stem the tide of the rapid collectivisation fell on deaf ear. Rather, the Dergue was determined to do away with the private holdings through an accelerated collectivisation process. It is worth noting, however, that despite a steady implementations of policies that discriminated against individual farms and a number of attractive incentives offered to encourage co-operative membership, small-holders were reluctant to join producer co-operatives (Hansson 1995). Several empirical studies reported that private family farms were more productive and made efficient use of productive resources than collective farms (Cohen and Isaksson, 1988; Stahl, 1989; Mengisteab, 1990; Pickett, 1991). Hansson (1995) noted that one important, if not the most important reason behind the poor performance of producer co-operatives was probably the lack of a direct link between an individual's work efforts and the private gains from these efforts.

Another important policy failure was the state control of grain marketing in the 1970s and 1980s as well as farmers' obligation to sell a fixed proportion of their produce (in form of quotas) at fixed prices, which were by far lower than the free market prices, to the state-owned Agricultural Marketing Corporation. This policy was a coercive mechanism of extorting 'surplus production' from the peasants (Stahl 1989; Pickett 1991). In many areas the policy led to farmers' dissatisfaction and hamstrung their motivation.

The ever-increasing realisation of the need for taking a series of measures to revitalise the economy, the political and

economic changes in ex-socialist countries, the bad economic performance of most of state owned enterprises, as well as the pressure from the IMF and the World Bank forced the military leaders to change their economic policy. The new economic policy (Mixed Economic Policy) was made public on the 5th of March 1990. The new policy stipulated, among others, a move away from the command economic system toward a market-oriented economy, lifting the ban on leasing of farmers' holdings and hiring labour, selling farmers' produce on the free market at competitive prices, the right to dismantle producer co-operatives if this was the will of the members as well as nurturing and allowing the private sector to flourish (Hansson 1995). However, the Dergue did not live long to see its reform measures put into place. The only perceptible change, which took place soon after the shift in the Dergue's policy was that almost all of the producer co-operatives in the country were dismantled and land under the co-operatives was divided among members.

VI. Land Ownership Rights in the Post-Dergue Period

The Dergue regime was overthrown on the 28th of May 1991. In November 1991, the Transitional Government of Ethiopia published an economic policy statement, which espoused the main principles of a free market economic system. The policy document emphasised a limited economic role for the state and established a basis for liberalisation of the economy. Regarding the issue of land ownership rights, the policy document stated that "until the issue is settled by a referendum after the transition period, there will be no changes in the policy of public ownership of rural land" (TGE 1991). It was only in 1994, with the drafting of the new constitution, that it became apparent that the Ethiopian People's Revolutionary Democratic Front (EPRDF), the ruling party, was in favour of maintaining state ownership.¹⁰ Sub-article

¹⁰ Following national elections held on May 7, 1995 the EPRDF won overwhelming victory and formed a national government on August 21,

3 of article 40 of the new constitution (FDRE, 1995) states: “The right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and 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”.¹¹

A closer look at the EPRDF’s land policy reveals that it is not fundamentally different from that of the Dergue regime. Like the Dergue’s land ownership policy, the current land policy states that land is state-owned and cannot be sold or exchanged or mortgaged. One noticeable difference between the two policies is that, in the current system, farmers have not only user rights on the land, but they can also rent it out to other people.

According to the official statements of the government, state ownership of land helps prevent: large numbers of farmers from selling, mortgaging or transferring their land and becoming landless; land concentration in the hands of a rich peasantry; and urban and non-indigenous businessmen and elite from buying up rural land, leading to an increase of tenancy, eviction, rural-urban migration and political unrest (MOIPAD 2001). In this respect, it is interesting to note that the current government made the point that although land belongs to the state, the farmer may use it freely forever without any limit in time; he/she can transfer

1995 thereby replacing the Transitional Government, which was in power for almost four years.

¹¹ The constitution also states that the Federal Government shall enact laws for the utilisation and conservation of land and other natural resources (Article 51 sub-article 5). Sub-article 2-d of article 52 states that Regional Governments have the duty to administer land and other natural resources according to Federal laws. The Federal law in question (the Federal Rural Land Administration Proclamation No. 89/1997) was decreed on the 7th of July 1997. Sub-article 2 of article 5 of this proclamation states that each Regional Council shall enact a law on land administration. The land administration responsibility that Regional Governments are entrusted with includes the assignment of holding rights and the execution of distribution of holdings (FDRE 1997).

his/her rights on the land to his/her heirs (MOFED 2002). Although the government emphasises transferable user rights, there is no regulatory or administrative framework in place to support this policy declaration. Article 40 sub-article 4 of the constitution contains a provision whereby any person who is willing to personally cultivate land could be allotted with land. More precisely, it states: "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."

It may be of interest to note that the average size of holdings in the country is one hectare (Belay 2004). In 1999/2000 production year, about 69 percent of the households owned farms of less than or equal to one hectare in size whereas only 0.5 percent of the agricultural households possessed a farm size of greater than 5 hectares (CSA 2002). Given this state of affairs and the provisions provided in article 40 sub-article 4 of the constitution, any attempt aimed at allotting land to new claimants (newly formed households, new arrivals and others) will call for land redistribution, which in turn results in further fragmentation of holdings and fomenting social tensions in peasant communities. The decision made by one of the regional governments (the Amhara National Regional State) to redistribute land in 1996 was followed by a stiff resistance on the part of the peasantry.¹² Officially, the land redistribution was a correction of past injustice and affected only land illegally taken by misuse of power and land exceeding a certain ceiling (Ege 2002). However, farmers were claiming that the process was designed imprudently and politically charged, giving a free hand to those who were commissioned to implement it (Addis Tribune 1997). According to Ege (2002), the land redistribution process was neither

¹² With the change in government in 1991, on the basis of ethnic, linguistic and cultural identity, the country was divided into 9 semi-autonomous regional states, one federal capital (Addis Ababa) and one special administrative division (Dire Dawa).

transparent, nor democratic, and it produced some arbitrary results. The same author underlined that the process was driven by government directives on which the peasants and their representatives had no influence. The important point to be noted is that if land ownership (or user) rights can be alienated from the holder at any point in time by forces outside his/her control and without his/her consent, such a land holder would have little incentive to invest on structures improving land quality.

The current government seems to realise the negative effects of land redistribution on farmers' willingness to invest in land improvement measures. However, it argues that if land cannot be redistributed from time to time, those who have not taken their share during the initial distribution and especially the younger generation will be devoid of cultivable land and recommends that while land should be redistributed, it should not be redistributed frequently (MOIPAD 2001). In this respect, MOFED (2002) notes: "In order to protect the user rights of farmers, their land holdings should be registered and provided with certificate of user rights. In this regard, a guarantee may be given to the effect that land will not be re-divided for a period ranging from 20-30 years. Some regional states have already started implementing this aspect of the land use policy and is a step in the right direction. This needs to be further strengthened in those regional states where implementation of the policy has already started and the feasibility of introducing it in the rest of the regions needs to be explored."

There is no doubt that the certificate of user rights may help reduce the degree of tenure insecurity. But, its impact on farmers' willingness to invest in land improvement measures is yet to be judged. The certificate of user rights only guarantees the farmers secure usufruct rights on their holdings for a relatively long time. In effect, the issuance of certificate of user rights seems to be a half-hearted attempt to address the question of tenure insecurity in that land is state-owned and it would not help address the problem of reduced sense of ownership resulting from farmers' expectations of future land redistribution. In addition,

it is worth noting that laws and regulations designed to increase the sense of security in land users have usefulness only as long as there is adequate land to keep everybody at least at the subsistence level. The reality is that the average land holding in the country has been declining over the years as a result of increased demographic pressure (Kebede 1998; EEA/EEPRI 2002; Belay 2004). Recent studies suggest that in the Ethiopian context, state ownership of land has resulted in fragmentation of agricultural holdings (Negash 1997; Kebede 1998; Dessalegn 1999; EEA/EEPRI 2002; Kebede 2002).

It is also interesting to see the relationship between the transferable usufruct rights that farmers are supposedly enjoying and the certificate of user rights. If user rights can be bequeathed to descendants only when they remain in effect (in the course of the validity period of the certificate of user rights), the two concepts are intertwined. Thus, the transferable user rights on land that government officials have been referring to in their official statements are subsumed in the certificate of user rights.¹³ Against this background, it would be wrong to claim that all peasants have the right to transfer their user rights. The reason for this being that only in those regions where farmers received certificate of user rights are rights exclusive and transferable.

Partly as a means to make up for precarious usufruct rights, the 1995 Constitution has a provision aimed at inducing landholders to invest in land improvement measures. In this context, sub-article 7 of article 40 of the Constitution states that “Every Ethiopian shall have the full right to the immovable property he builds and to the permanent improvements he brings about on the land by his labour or capital. This right shall

¹³ This impression is confirmed by the Federal Rural Land Administration Proclamation No. 89/1997. Sub-article 3 of article 2 of this proclamation defines “holding rights” as the right any peasant shall have to use rural land for agricultural purposes as well as to lease and, *while the right remains in effect bequeath it to his family member*; and includes the right to acquire property thereon, by his labour or capital, and to sell, exchange and bequeath same (emphasis added).

include the right to alienate, to bequeath, and where the right of use expires, to remove his property, transfer his title, or claim compensation for it. Particulars shall be determined by law.” It is, however, important to note that there is no basis for assuming that secure and exclusive ownership rights in immovable property and permanent improvement alone will translate in increased investment in land improvement measures. It is also interesting to note that the Constitution still gives the government the right to expropriate private property for public purposes subject, however, to payment in advance of compensation commensurate with the value of the property (sub-article 8 of article 40).

From the foregoing discussion it can be concluded that the issue of land ownership rights remains to be one of the contentious problems that Ethiopian agriculture has to live with. In reality, because of the fact that land constitutionally belongs to the state, farmers are rather sceptical to invest in long-term land improvement practices (such as tree planting, construction of anti-erosion barriers, building of ditches and furrows). In this regard, recent studies in different parts of the country found that tenure insecurity generated by fear of further redistribution was the principal factor explaining farmers’ unwillingness to invest effort in measures to improve soil conservation and enhance fertility (Kebede 1998; Girma 2001; EEA/EEPRI 2002; Kebede 2002).

The current government’s land policy contradicts with its officially stated objective of building a free market economic system, since this could hardly be possible without secured property rights including land rights vested in citizens. Various multinational and non-governmental organizations have been expressing their concern about the government’s land ownership policy. The government has, so far, demonstrated an apparently inflexible position on the question of land ownership rights. The government argues also that although land is state-owned, the rights of the farmer are similar to those under private ownership (MOIPAD 2001). However, the usufruct rights that Ethiopian farmers have on the land allotted to them are by no means

similar to private ownership rights in the strict sense of the term.

The government's policy of state-ownership of land seems to be heavily influenced by ideological goals rather than economic considerations. It is also worth emphasising that the policy was implemented without any real public consultation and debate. Clearly, there is a need to move away from the present top-down approach of policy making and embrace a bottom-up approach in which people take increasing responsibility in identifying problems, establishing priorities and making their voices heard on important policy matters such as this one. Instead of blind faith in state ownership, thorough and comprehensive empirical studies should be undertaken, in different parts of the country, to determine the type(s) of land ownership best suited to the local conditions and reflecting farmers' preference and constraints.

As discussed above, there is no strong economic reason for maintaining state ownership of land. Therefore, considering the current state of affairs in the agricultural sector, changes in policy and law are needed to institutionalize a framework for secure and exclusive ownership rights. It is important to emphasise that ownership rights need not necessarily be individualised.¹⁴ As already noted, it is imperative to undertake empirical studies and public consultations that would help formulate alternative forms of land ownership systems (individual and common) adapted to the different areas of the country. In practice, given differences in population density, social structures, as well as availability and fertility of land among the different regions of the country, it is

¹⁴ The absence of cost effective exclusion mechanism may dictate a common property solution. For instance, it is possible to grant communal property rights to the pastoralists in the form of communal and group ranches. Grazing lands in mixed farming system areas can be kept as common property because there are several transaction costs in changing from common grazing land to any form of private property. Similarly, state forests located in remote areas need to be turned into common property if the remoteness and lack of institutional capacity to enforce government regulations happen to be major problems.

possible that different forms of land ownership be enforced in different regions. However, it is essential that the proposed forms of ownership be implemented in selected areas as “pilot schemes” to test out their feasibility and need for amendment before launching a nation-wide land policy reform. This approach is believed to be an essential first step necessary to move the agricultural sector forward.

It would be naive to expect that vesting well-defined and well-enforced property rights alone is sufficient to unleash the productive potential of smallholder farms. To be an instrument of progress and social betterment, well-defined and well-enforced property rights should go hand in hand with the availability of credit, institutional support as well as the well-organised input and output marketing system. In this respect, recent research findings reveal that in situations where there were no well-functioning input, output, and financial markets and where there was no adequate institutional support, secure and exclusive private land ownership had limited impact on farm income, productivity and investment (Atwood 1990; Place and Migot-Adholla 1998; Deininger and Binswanger 1999).

The contention that if peasants have secure and exclusive ownership right on land, they will simply sell their land seems to be simplistic and unfounded in that it ignores that they are rational economic agents and reduces them to passive agents who can be easily duped by anyone. It should be recognised that Ethiopian peasants value highly their land and are strongly attached to it. There is no doubt that the decision to sell land would be taken either because peasants make economic choices that they believe would make them better off or as a last resort when all options are exhausted and no alternatives are forthcoming.¹⁵ In either case,

¹⁵ For instance, Deininger and Binswanger (1999) argue that, with secure land ownership rights, credit market imperfections that deny smallholders insurance against shocks, such as bad harvests or accidents may force them to sell off land in periods of distress. Belay (2004) noted that in Ethiopia social support-based risk-coping mechanisms that were common in rural areas no longer play a pivotal role in risk

such an important decision that affects the present and future livelihood of the family will not be taken without having previously obtained the approval of the family. This view is confirmed by the most recent research on land tenure system in Ethiopia, which points to the fact that if vested with secure and exclusive land ownership rights, a great majority of the farmers would not consider selling their land under any circumstance (EEA/EEPRI 2002).¹⁶ Similarly, there is growing evidence from other parts of the world that a secure and exclusive private land ownership system has not led to a widespread sell-off and pauperisation of peasants (Place and Migot-Adholla, 1998; Deininger and Binswanger 1999; Platteau 2000).

The most important official reason for maintaining land under state ownership, namely to protect farmers from selling the land to speculators, can be forestalled by designing legislation that would be enforced by local institutions (possibly by peasant associations).¹⁷ The legislation in question should not rule out the

management. In this context, the problem of distress sales would be compounded by the fact that in many rural areas effective and accessible formal financial institutions are non-existent, forcing smallholder to rely on informal money lenders who charge exorbitant interest rates. Even in areas where formal financial institutions exist, the availability of formal credit through the use of land as collateral may be very limited. This is precisely because due to high administrative and foreclosure costs, formal financial institutions have relatively little incentive to offer services to rural clientele. Under this condition, addressing the credit supply problem directly by encouraging the development of community-based lending schemes offers cheaper and effective alternative to formal credits.

¹⁶ It will be, however, reasonable to assume that some farmers might sell their holdings for one reason or another. In this case, it is anticipated that in the short run, given the high rate of population growth and the low capacity of the non-farm sector to siphon-off the excess population from rural areas, market transactions in land may exacerbate the rural-urban migration.

¹⁷ This is a way of devolution of authority and administration over land to the grassroots. Peasant associations, whose officials are elected

right to sell land. However, in the short run, it can be designed to exclude the right to dispose of, by sale or gift, any portion of the land outside of the peasant community. One possible provision of the legislation could be that if a peasant intends to sell his/her holding, community members (fellow peasants) shall have the right of pre-emption, i.e. the peasant must in the first case offer the holding to peasants who live in the same peasant association. If peasants in the same peasant association do not respond to the offer within the time limit (to be specified in the legislation), the peasant is free to sell the land to any enterprising peasant outside his/ her peasant association. This approach is believed to help reverse the current trend of fragmentation of holdings and eventually result in land consolidation, which is the natural course of action that many countries have to follow in their economic development process.

In the same vein, the other official reason for maintaining state ownership of land, namely to prevent land concentration in the hands of a rich peasantry can be regulated by imposing ownership ceilings. Such ceilings might be enforced as a temporary measure to reduce the scope for rapid land accumulation in the hands of farmers with better economic position. In the long-term, however, ceiling laws would be rather counterproductive because they hamper efficiency-enhancing land transfers through market transactions and the realisation of economies of scale.

VII. Conclusions

This paper has examined the question of land ownership rights in Ethiopia. The question of land ownership rights has been a subject of intense debate in different context throughout the country's modern history. A review of the issue of land ownership

democratically by the community, are more suited for tenure administration and dispute resolution than local government machinery. This approach is believed to give peasant associations sufficient political authority to enforce land administration.

rights in Ethiopia reveals that land rights and political power are closely linked. Over the last hundred years, the successive political regimes have been dealing with the question of “who should own land?” in the same way. More precisely, all of them had the firm belief that controlling the land is controlling the people in that they have been using different strategies to maintain their control over land.

Before the 1975 land reform, the archaic land tenure system was ruinous to the tenants because it allowed landowners to extract a significant proportion of the tenants’ produce. The precarious economic position of the tenants and their harsh treatment by the landowners made the land tenure issue a politically important topic over which there was heated debate at all levels of the Ethiopian society. The 1975 land reform was considered by many as the most important and timely response to the plight of millions of destitute landless farmers. The 1975 land reform was successful in eliminating large holdings, absentee landlordism and landlessness. However, over time, through a series of ill-designed policies the Dergue regime enfeebled individual farmers and coerced them to join producer co-operatives. The current government has opted for maintaining state ownership of land and therefore has not reformed the land tenure policy. Even though all rural lands have been owned by the state in the name of the people since the 1975 land reform, the Ethiopian farmers have been forced to face the hard reality of being the “tenants of the state”. This is precisely because the notion that the state is the people does not tally with reality in Ethiopia where successive governments failed to bring perceptible changes in the standard of living of the population.

The current government justifies state ownership of land on the ground that private ownership of land has disastrous consequences for vulnerable groups of the rural population who would be driven to distress sales. This political argument may appear convincing on the surface, but the gravity and eminence of the expressed fear are not supported by empirical evidence. The dismal performance of the agricultural sector over the last 25

years shows clearly that state ownership of land is not necessarily the best remedy for the current low levels of agricultural productivity and degradation of the natural resource base of the country. Thus, there is a need for a political will to enforce policy reform that would guarantee security of land ownership. The initial thrust of the new policy should be to redefine the current property rights regime in land. This approach is likely to bring about long-term social and economic benefits although it imposes some short-term social costs on society.

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