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Individual and State Land Dispute Management Aystem in Ethiopia: Appraisal of the Legislative Framework

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Abstract

Land dispute composes various types of dispute which range from a simple boundary dispute to a wider ownership rights claim. In Ethiopia, the right to own rural and urban land as well as natural resources belongs to the state and the people. Land is a source of dispute in Ethiopia, just as in other parts of the world. The issue of land dispute between individuals and the state in Ethiopia arises when there is an expropriation of individual land holding by the state. An appraisal of existing legislation governing the dispute settlement mechanism in Ethiopia in line with property rights theories demonstrates that there is a limitation on the subject matter of the complaint; that the administrative body to hear grievances is not independent as it is politically appointed; and, individual disputants are required to hand over the land in order to lodge an appeal. The existing dispute settlement mechanism in general can be said to be inappropriate as the land taker is empowered to handle the dispute. This in turn makes landholders face multifaceted social and economic hardship. The dispute settlement scheme must therefore be rectified with the establishment of an independent body empowered to hear grievances, such as a specialized court convened for this purpose.

Keywords: land, land dispute, dispute settlement mechanisms, administrative body.



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Introduction

Land is the ultimate resource; for without it, life on earth cannot be sustained (United Nations, 1996). Land rights are an integral part of social capital, giving people the foundation on which to assert self-determination within their society, culture, agroecosystem and economic context (Food and Agriculture Organization [FAO], 2002). It is an important economic asset and source of livelihood; it is also closely linked to community identity, history and culture (United Nations, 2012). Article 40 of the FDRE constitution (1995 Constitution of Federal Democratic Republic of Ethiopia) recognized property rights of individuals and public ownership of land and natural resources. Dispute over land is inevitable, regardless of the nature of the ownership system. Which in other words means that whether ownership of land is given to an individual or is public, the probability of disputes arising always exists. Individual land disputes may be related to boundaries and resolution may not involve a problematic situation when compared to disputes between individuals and the State. Land disputes between individuals and the State are current as the government tries to expropriate land under its possession. In Ethiopia, despite there being laws which aim at setting procedures on how such a dispute may be resolved, it is inadequate and does not place the disputing parties on an equal playing field; instead, it marginalizes the rights of individual landholders. Subsequently, there are certain property right theories that are presented against the current dispute management system in Ethiopia.

Land Dispute and its Management Mechanisms: General Overview

Land Dispute

Land is a major source of disputes in rural societies worldwide (Food and Agriculture Organization [FAO], 2010), and the reasons for this may be many and varied. Conflict is a dispute or incompatibility caused by an actual or perceived opposition of needs, values and interests (UNEP, 2009 as cited in United Nations, 2012). All land conflicts, no matter how peaceful or violent they may be, produces negative consequences for individuals as well as for society as a whole (Wehrmann, 2008). It is therefore advisable that care should be taken in managing these conflicts. For the purposes of the current study, land conflict is understood to mean non-violent conflict and disagreement between the government and an individual over land held under individual possession. The term is also used interchangeably with land disputes throughout this paper.

Conflict may be defined as a struggle or contest between people with opposing needs, ideas, beliefs, values, or goals (Foundation Coalition, 2003). A conflict, accordingly, presupposes an involvement of two people and the existence of a competing interest. Land conflict occurs in many forms. It may be between individuals and families over the inheritance of land, or a disagreement over the use of a certain plot of land. These conflicts are comparably easy to resolve. Classification of land disputes can also be based on property ownerships (Wehrmann, 2008); it may be a conflict arising over all types of property, a special conflict over private property when the land is privately owned, conflict over common property, or conflicts over state property (Wehrmann, 2008).

There are different causes of land disputes (Wehrmann, 2008). The first cause is political. Change in political and economic systems, including nationalization or privatization

of land are political causes for land conflict. The second cause is economic, which is the evolution of the land market. The third cause is socioeconomic, which includes poverty and poverty-related marginalization or exclusion. The fourth cause of land dispute is demographic. Strong population growth can be a cause for land conflict. Legislation is the fifth cause of land dispute, with contradictory legislation, insufficient establishment of the rule of law, insufficient implementation of legislation are examples from this category. The final cause is administrative; where there is insufficient implementation of formal regulations, or the centralization of land use planning are examples of administrative causes of land dispute (Wehrmann, 2008). Land conflicts usually have multifaceted negative effects on the socioeconomic aspects of society. Impacts are more apparent in developing countries like Ethiopia, where there is no suitably workable land administration or transaction system.

Land Dispute Management

Land conflicts in general have negative effects on individual households, as well as to the national economy. Such conflicts increase costs, slow down investment, and can result in the loss of property for a conflict party, and thereby reduce income tax for the state or municipality (Wehrmann, 2008). Wherever there are multiple sales, evictions, land grabs etc., individuals lose confidence in the State and start mistrusting each other. Social and political stability suffers more when land conflicts are accompanied by violence. Long lasting confrontation and chaos are the manifestation of such disputes.

The first step in land conflict resolution is a thorough analysis of the conflict. It is necessary to have a clear and deep understanding of the special characteristics of each particular conflict, the causes of that conflict and all the actors involved as well as their interrelations with each other (Wehrmann, 2008). There are stages of land conflict that should be understood in order to successfully manage it. The stages reflect the changes in activity, intensity, tension, and violence of a conflict over time; from first movement towards tension to its final resolution (Wehrmann, 2008). Once a land dispute has been identified and is brought to the level of discussion, its settlement can be initiated. This can involve classical or alternative ways of conflict resolution. There is increasing recognition that while many disputes can be resolved, there is no single formula as to which resolution process is most suited or appropriate to conflict resolution (Law Reform Commission, 2008). Accordingly, there are various ways to resolve disputes over land; however, these approaches can be generally categorized as consensual or non-consensual.

Consensual Land Dispute Management

Consensual approaches are alternative dispute mechanisms to formal adjudication or litigation. Alternative dispute resolution encompasses a variety of methods for the resolution of disputes between parties (Agaewal & Owasanoye, 2001). Consensual approaches are those conflict resolution strategies which aim to find compromise acceptable to all parties involved, and which can best reestablish peace, respect and even friendship between the parties (Agaewal & Owasanoye, 2001). This approach in general is considered as the amicable method of dispute resolution. Consensual approaches are: consultation, conciliation, and mediation (Agaewal & Owasanoye, 2001). They are generally faster and cheaper to achieve resolution than non-consensual approaches. Consultation is a negotiation that refers to the efforts of the parties themselves to resolve an area of contention before resorting to calling in a third party (Rasnic, 2004). Consultation is a dispute

resolution mechanism which involves discussion towards agreement among the parties of the dispute. Conciliation is the process by which one or more independent person(s) is selected by the parties to bring about a settlement to their dispute through consensus between the parties by employing various techniques (United Nations, 2012). The conciliator basically discusses the matters separately with each of the conflicting parties, with the aim of producing basis for direct talks. Mediation is a consensual dispute resolution process by which a party brings in a neutral party to help them find solution to a dispute (United Nations, 2012). The role of the mediator is not judgmental, nor do they take a position on behalf of one party or another (Rasnic, 2004). With regard to land disputes, mediation can be conducted by a professional mediator or by a land expert who has received special training in mediation (Rasnic, 2004). They are then responsible for the entire process of negotiation, first talking separately to each party, and then moderating the negotiation.

Non-consensual Land Dispute Management

Non-consensual land dispute management is characterized by third-party decision making. One of the prominent non-consensual dispute resolution methods is adjudication, or court litigation. Adjudication is a formal litigation process before a court of law (Agaewal & Owasanoye, 2001). The decision-maker is a judge sat at a regular court or tribunal especially established for land disputes with a judge who specializes in land law. The process of complaint lodging and decision making follows formal procedures and rules. In the decision-making process, there will be definitely a winner and a loser. Adjudication will, therefore, unlikely re-establish any pre-existing relationships between the parties. In such a procedure, the current land dispute may be legally resolved, but hostilities may continue thereafter. Adjudication should therefore always be considered the method of last resort. Adjudication is hindered in many countries because of the fact that it creates case overload before the courts. An alternative to adjudication is arbitration, which is more flexible, much quicker and generally less costly (Agaewal & Owasanoye, 2001). Arbitration is one of the oldest methods for the resolution of disputes between parties (Agaewal & Owasanoye, 2001). Arbitration is a method of dispute resolution mechanism whereby the parties choose an conciliator of their own, and submit the case to that party. Just like a court, the third party arbitrator becomes involved in the decision-making process. The only difference is that in the case of arbitration, the third party is jointly selected by the parties in dispute.

Rural Land Valuation and Compensation in Ethiopia

Fear with regard to the fairness of land valuation and the inadequacy of compensation for land expropriated by administrative agencies may create tenure insecurity among rural landholders (Georgia Department of Revenue, 2016). Addressing such fears of the valuation and compensation laws and, more importantly, in applying these laws in a fair and equitable manner is essential to enhance tenure security (Georgia Department of Revenue, 2016).

Land taking by regional governments for the expansion of cities, towns and for lease to investors in agriculture and industry is rising rapidly (Georgia Department of Revenue, 2016). The Ethiopian laws on rural land expropriation and compensation, having been crafted by the agencies that are taking the land seem to disfavor those that are set to lose the land (Bekure, Mulatu, Abebe, & Michael, 2006). Lack of standardized valuation and compensation methods and procedures are the cause of differing valuations by various land-taking agencies, resulting in different compensation values being set for similar lands (Bekure et al.,

2006). Furthermore, regional agencies, mainly municipalities that are zoning large expanses of land for lease to housing and real-estate developers are facing cash flow problems (Bekure et al., 2006). While they are evicting farmers from urban areas, they are having to pay immediate compensation for the land that they in turn will be leasing and receiving fees for in the future. No government account is set in advance for compensation. This in turn is leading to the undervaluation of urban land and property to match the available funds, which is unfair to those losing their lands and faced with establishing new livelihoods elsewhere (Bekure et al., 2006).

Where land is expropriated by regional governments for leasing to agricultural and industrial investors, there is a large variance between what the investors pay and what is paid out in compensation in many cases. Many farmers complain that government agencies are just taking their land in order to lease it to another individual or company. They believe that the investors should negotiate directly with landholders on the conditions and terms of the lease, because the land laws allow them to lease their own land. In their opinion, the government should take on the role of mediator, not land taker.

A negative aspect of rural land taken by regional agencies, is that the householders often evicted are farmers who face difficulty in starting a new livelihood if not offered alternative lands to farm because it is the only skill and experience they possess (Bekure et al., 2006). Often, the authority will simply take the land without any concern shown for the fate of the evicted farmer. No mechanisms are currently in place that are crafted to permanently settle evicted farmers and to equip them with the necessary training to maintain their livelihood. Consequently, the small amount of cash given to them is improperly spent and the families end up homeless and jobless. Both the federal and regional governments should pay due attention to such problems before it reaches a point of no return.

Land Dispute Management Between Individuals and the State in Ethiopia: Appraisal of the Legislative Framework

Background of Land Disputes Causes Between the State and Individuals

The Ethiopian People's Revolutionary Democratic Front (EPRDF), that took power after the Derg regime was ousted in 1991, continued the same policy of state ownership of land as the previous regime. This continuation was even enshrined in the 1995 Constitution of the Federal Democratic Republic of Ethiopia, making land ownership an inflexible policy instrument. Article 40(3) of the 1995 Constitution states:

"The right to own rural and urban land as well as natural resources belongs only to the state and the people. Land is an inalienable common property of the nations, nationalities and peoples of Ethiopia and shall not be subject to sale or to other means of transfer."

This clearly points out that the individual has only holding rights over the land. Proclamation No. 456/2005 on Rural Land administration further defines the scope of individual land usage rights, and states that such rights can be leased and bequeathed (2005 Ethiopia Rural Land Administration and Land Use Proclamation). The land rights themselves cannot be sold or exchanged or used as collateral, but private property improvements on the land can be sold or exchanged. This legislation vested the power to administer land to the

regional state and stipulated that their land administration and land use policies conform to the national and regional constitutions and federal land legislation.

Land is a source of dispute in Ethiopia like any other part of the world. The disputes are perhaps more serious in Ethiopia due to the absence of steadfast land administration. Based on the statistics from the Federal Justice and Legal Research Training Module, the rate of cases lodged before the Federal cassation bench has increased considerably. The issue of land dispute between individuals and the State in Ethiopia arise when there is expropriation by the State of land under individual holding. There is no absolute right over the property and this is true for all lands, regardless of any kinds of rights exercised over it. The only limitation to this is the procedure of how expropriation is conducted.

The major source of tenure insecurity in Ethiopia rests on the fear of the government taking away individual land holdings. Expropriation is the process by which land can be seized from an individual citizen and utilized for government purposes. With the need for infrastructure and investment, citizens dread a takeover of their individual interest in their land for such infrastructural investments (2005 Ethiopia Rural Land Administration and Land Use Proclamation). The government can at any time seize land for public purposes and only need to provide compensation for the improvements made to the land. This low threshold is frequently used to make landholders feel uneasy about their interest in property.

The 1995 FDRE Constitution raised the legal standard where Expropriation under the constitution is allowed only for public purposes (1995 Constitution of Federal Democratic Republic of Ethiopia). Specifically, “the state may expropriate private property for public use with the prior payment of adequate compensation” (1995 Constitution of Federal Democratic Republic of Ethiopia). The standard for the taking of land continues to remain for “public purposes” (1995 Constitution of Federal Democratic Republic of Ethiopia). Without proper clarification, any government taking can be easily justified as a public purpose, which is the major trend seen in Ethiopia. Any land, whether a rural or urban holding, is subject to this same practice. The Federal Rural Land Administration and Land Use Proclamation of 2005 further clarified many aspects of land policy, yet expropriation still remains unclear. Also, the advanced compensation called for in the 1995 Constitution is important in providing assurances to farmers that they will be remunerated for any improvements that they make to the land; however, the process has not been seen as positive as the language intended. The expropriation taking place has generally provided inadequate compensation. John Locke states that the “government is set up to ensure the property rights of those who own property” (Tumushabe, 2005). The essence of this theory is expressing the responsibility of the government in securing the property rights of individuals. In legislation and execution activities the government should protect the property rights of the individual as the basis of power for any democratically elected government are the individuals. The Law must be for the good of the people.

The fear of unfair valuation of land, lengthy and inadequate compensation for land taken under the powers of eminent domain can create a high degree of tenure insecurity and anxiety among rural landholders (Georgia Department of Revenue, 2016). Addressing such fears in valuation and compensation laws and, more importantly in applying these laws in a fair and equitable manner is essential to enhance tenure security.

Land taking by regional governments for the expansion of cities, towns and for lease to investors in agriculture and industry is rising rapidly (Georgia Department of Revenue, 2016). Lack of standardized valuation and compensation methods and procedures are resulting in differing valuations by different land-taking agencies, resulting in different compensation values for similar lands (Bekure et al., 2006). Whilst evicting farmers from urban areas and paying immediate compensation, land-taking agencies are then able to lease the land and receive rental fees in the future.

Where land is expropriated by regional governments for leasing to agricultural and industrial investors, there is a large variance between what the investors pay and what is paid out in compensation in many cases (Bekure et al., 2006). Many farmers complain that government agencies are taking their land and then subsequently lease it to another individual or firm at a lower rate.

One negative aspect of rural land taking by regional agencies is that evicted farmers face difficulty in starting a new livelihood where they do not receive another piece of land to farm because it is the only skill that they possess. Mechanisms are not in place to train evicted landless farmers in new skills, or to provide them with social, financial, and management advice in starting new livelihoods. Some manage to secure new employment within the enterprises that were developed on their former farmland. Some evictees spend their compensation not really knowing what to do with it, and find that it has soon been squandered. This area requires serious attention by both the federal and regional governments.

Article 3 of the 2005 Federal Democratic Republic of Ethiopia Expropriation of Landholdings for Public Purposes and Payment of Compensation, hereinafter called the Proclamation, provides the government the power to expropriate rural or urban land for public purposes. This provision of the proclamation is in line with provision of the constitution regarding the expropriation of land (1995 Constitution of Federal Democratic Republic of Ethiopia). The term public purpose is broad and is subject to abuse or misapplication. It is therefore advisable that some caution should be taken when employing it. Article 2(5) of the 455/2005 Proclamation states that:

“Public purpose is defined as the use of land by the decision of the appropriate body in conformity with urban structure plan or development plan in order to ensure the interest of the peoples to acquire direct or indirect benefits from the use of the land and to consolidate sustainable socio-economic development.”

The all-encompassing view of this provision affords broad powers to the administrative body in deciding what constitutes public purpose. In practice, land is expropriated under the guise of public purpose and subsequently passed to an investor. The investor, after collecting many plots of lands, will later sell the land to other individuals without having made any improvements. This is an example of the concept of public purpose not having been properly implemented.

Article 10(1) of the same Proclamation provides that, “when rural land is expropriated, the property situated thereon shall be valued by a committee of not more than five experts having relevant qualification.” The problem here is whether or not there exists a qualified expert at the district level administration, as this is the cause of many rural area land disputes. What the committee does in practice is to measure the size of the land, and then

multiplying that by a rate fixed by the executive bodies. This act of the committee directly contradicts the Regulation Issued by the Council of Ministers for the Implementation of Proclamation 455/2005. The Council of Minister's Regulation no. 135/2007 on the Payment of Compensation for Property Situated on Landholding Expropriated for Public Purpose set guidelines on how valuation and payment of compensation shall be effected. This 2007 Regulation set the baseline rules on the valuation and compensation of both rural and urban land expropriations. The working procedure for expropriations and valuation of land is generally said not to be in line with the law set in place regarding these subject matters and has become a major source of land disputes between individuals and the State in Ethiopia. In general, inadequate compensation and lack of standard rules on the valuation of compensations are the major causes of such land disputes.

Appraisal of Legislative Framework

In Ethiopia, the law enacted with the aim of governing land disputes between individuals and the State (2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation), provides some guidelines as to how disputes between individuals and the State should be resolved. However, it failed to put in place rules which treat the disputant parties equally. It is more in favor of the State, and even empowers the State to preside over the case. The following are some of the problems experienced based on the current legislation.

Limitation on the Subject Matters of Complaint

In Ethiopia, when it comes to land dispute settlement mechanisms, the Proclamation seems to favor non-consensual approaches. Article 11(1) of Proclamation 455/2005 (2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation) states that complaints regarding the amount of compensation can be submitted to an administrative body set to hear such grievances, or to an ordinary court of law where such a body has not been established. When one looks at this provision of the proclamation, the subject matter for complaint is limited only to the amount of the compensation, so it is only the compensation amount upon which the land possessor can lodge a complaint. The question here is why a complaint is limited only to the amount of the compensation. One may argue that the state has the full right to expropriate the land under the guise of "public purpose," but what if it is proven that the expropriation is not for a public purpose after all; an important issue which should be challengeable. As a minimum, the chance should be given to the evictee to challenge the appropriateness or not of the expropriation. For one thing, the term "public purpose" itself is broad and requires legal justification for an act to fall under this category. The definition under Proclamation 455/2005 though gave broad power to the administrative body in the determination of what constitutes a public purpose. The aim was to assure the interest of the people in acquiring direct or indirect benefits from the use of the land and to consolidate sustainable socioeconomic development (2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation). The holder of the rights should, therefore, be afforded the chance to challenge any perceived inappropriateness of the expropriation. The holder may argue that there is no direct or indirect benefit to the public from the expropriation, and therefore no socioeconomic gain. If this is not addressed, the term "public interest" can be a ground for abuse by land-taking agents.

Complaint Mechanisms and Appropriateness of the Body Hearing Grievances

In Ethiopia, when individual's evicted want to complain over the amount of compensation determined by the valuation committee, they are required to lodge a complaint to the body specified in Proclamation 455/2005 (2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation). Article 11(1) of the Proclamation provides that a complaint regarding the amount of compensation can be submitted to an administrative body to hear their grievance. The complaint is obviously submitted in written form and submitted to the body in order for the grievance to be heard on behalf of the government. The administrative body hearing the grievance is basically established by the government agency that is taking the land; therefore, many questions, specifically those regarding the competence and impartiality of the body, may be justifiably raised.

The first concern raised regarding the body is the question of its qualification. The body is composed of individuals on the basis of their loyalty, not merit. Due to this fact, the body may not properly interpret the law pertaining to the issues. Even in its interpretation, it may favor the government party because they themselves are part of the problem. The proclamation did not state the specific qualifications that individuals that constitutes the body to hear grievances should possess.

The other concern is regarding the independence of the body established to hear grievances. The body is established by the State, and therefore the State obviously selects individuals based on political loyalty. It is the land-taking government agency which establishes the body. They are therefore a political appointee and less likely to be sufficiently independent. It can therefore be said that the government which took the land are involved in adjudicating its own case where an individual has lodged a complaint. The Proclamation, therefore, did not adequately establish a body of impartiality which can equally treat all the disputant parties.

Handing Over Land as Prerequisite to Appealing Decision of Administrative Organ Hearing Grievances

Proclamation 455/2005 (2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation) established an administrative body to hear the grievances of parties in relation to the amount of compensation offered. However, decisions of an administrative body to hear a grievance is not final. Once the administrative body has rendered its final decision, the aggrieved individual may lodge an appeal through an ordinary court of law. An individual litigant aggrieved by the decision of the body may therefore appeal to the ordinary court. Article 11(4) of the Proclamation states that an appeal to the courts is possible, but only when the aggrieved party has accompanied an appeal with documentary proof of the land handover. Further still, the same provision of sub-article 11(7) states that execution of an expropriation order may not be delayed due to a complaint regarding the amount of compensation. The critical examination of this provision dictates that the dispute settlement favors the State. From the outset, the administrative body hearing the grievance is established as part and parcel of the State and not some neutral body. If an appeal is taken to the regular court, the landholder should first hand over the land to the administrative authority. This, on the other hand, creates another mess for the evictee since it totally removes any rights over the land. Should the evictee have held on to

the land, and the decision of the court was in the evictee's favor and the body refused to pay compensation, then the evictee would have been able to retain the land and negotiate with the land-taking government agency. The provision stating that execution appropriation must not be delayed where a complaint over the amount of compensation has been lodged is a clear indication that the dispute settlement mechanism is ineffective and only favors the State. The State agencies can evict the landholder despite the fact that they are not satisfied with the amount of compensation on offer. This is against the theory of property by John Rawls, "*which states property rights include immunity from loss without one's consent*" (Tumushabe, 2005, p. 3). It is seen that landholders have no ownership rights over the land, but have ownership over what has been invested in terms of improvements and should therefore be entitled to immunity. John Locke states that "government is set up to ensure the property rights of those who own property" (Tumushabe, 2005, p. 2). The essence of this theory is expressing the responsibility of the government in securing the property rights of individuals. In legislation and execution activities, the government should protect the property rights of individuals, as the very source of power for a democratically elected government is the individuals. The Law must be for the good of the people. Critical examination of the proclamation which forces individuals to hand over land in order to lodge a complaint over the decision of the administrative body to hear their grievance is against the John Locke labor theory of property, and also the constitution of Ethiopia which was crafted in line with the theory.

Appropriate Mechanisms of Dispute Settlement Where State and Individuals Involved

The proclamation discussed here failed to establish a neutral body to determine fairness, in the provision of adequate and timely compensation. It did not afford any bargaining power to the landholder, giving the land-taking government agencies the land expropriated at the rate it fixes. The expropriation does not even take into account the regulation issued by the Council of Ministers that aimed at setting the guidelines for compensation calculations. The same problem is reflected in the dispute settlement mechanisms. The proclamation did not establish an independent body resolving disputes over the amount of compensation; which endangers the property rights of the individuals. Therefore, the dispute settlement mechanism should either be consensual, giving the landholder the right to bargain; or non-consensual, in which an independent body properly considers the merits of each dispute in an impartial manner.

In general, the appropriate body that handles disputes between individuals and the State should be either a court of law that is specialized on land matters, or an independent body composed of law and economics experts to handle the issues. These bodies should be independent in order to litigate disputes between individuals and the State, and act as experts for others. Taking into account the human power of the country and other compelling factors, either of the two dispute settlement mechanisms should be adopted by the country as the existing dispute settlement mechanism does not establish an independent body which substantially affects the rights of disputant individuals and creates an atmosphere of despair among aggrieved individuals due to the amount of compensation and other expropriation-related matters.

Conclusion

Land is an ultimate resource for without it life on earth cannot be sustained. It is widely recognized that property rights of land are critical for economic growth, sustainable development, social security, and for good governance. There are different systems of land ownerships. Article 40(3) of the 1995 Constitution of Federal Democratic Republic of Ethiopia states that the rights to ownership of land and natural resource is exclusively vested in the State and the people. The important issue raised in relation to land property rights is land administration, which is a process by which the land resources are put to good effect. Land is a major source of disputes in rural societies worldwide. Land disputes are indeed a widespread phenomenon and can occur at any time or place, regardless of the system of ownership.

Land is a source of dispute in Ethiopia, just as in any other part of the world. The issue of land dispute between individuals and the State arises in Ethiopia in the case of expropriation. There is a legal standard in the Constitution under which expropriation is carried out. Currently, the expropriation provides inadequate compensation and has become a source of dispute. The law governing dispute settlement mechanism between individuals and the State in Ethiopia, under Proclamation 455/2005, provides a procedure under which expropriation should be carried out and the dispute settlement mechanism. However, it is only for the amount of compensation on offer that the landholder can lodge a complaint to the administrative body set up to hear grievances, or an ordinary court of law where such a body has not been established. This limits the right of complaint for individuals to only the amount of compensation. The administrative body set up to hear grievances is not independent, but a political appointee associated with the land-taking bodies. The individual disputant is required to hand over the land first in order to lodge an appeal over the decision of an administrative body to hear the grievance. This can make individuals despair from the outset and not properly litigate their case. The existing dispute settlement mechanism in general can be said to be inappropriate as the land taker is empowered to handle the dispute. This in turn makes the landholders face multifaceted social and economic hardship. It is therefore recommended to:

- Established an independent body empowered to entertain disputes over the valuation and the amount of compensation; maybe through a specialized court for this purpose.
- Existing legislation must be amended to equally protect all parties to a dispute, especially individuals with limited litigating powers when compared to the State.

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- 2007 Council of Ministers Regulation on Payment of Compensation for Property Situated on Landholding Expropriated for Public Purpose, (fed.Neg.gazeta.pro.no.135/2007, year 13th, No.36).