

# LARGE-SCALE URBANIZATION IN ETHIOPIA

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## **ABSTRACT**

The current urbanization level in Ethiopia is 21.1% (Worldometer, 2019), and is lower than the world average (55.7%, *ibid*) and Africa (40% cited in Teye, 2015). Still large number of people migrate to urban centers in search of jobs and rural push factors such as landlessness, lowering share of land, poor productivity and lack of non-agricultural jobs. The urban population of Ethiopia is estimated to reach 38.51% by 2050, almost doubling within the coming 30 years. Urban administrations are unable to cater for demands of existing residents and it is expected that they will be overwhelmed by forthcoming populations. Government prepared and implemented a number of policies, and as a result the GDP has been growing at a double digit in recent years. Nevertheless, unemployment and poverty are still prevalent. These resulted in poor quality of living and working environments, poor quality of life which diminished public aspirations; and retarded economic developments. It appears that through time, tolerance towards poverty was developed, which coupled with the lack of capacity partly narrowed our development visions. Moreover, the slow and fragmented implementation of projects led to multiplication and complication of our problems and wastage of resources. Now, the surplus rural labour force need jobs at the same place or massive shifting to urban centers. On the other hand, the food insufficiency and increasing demand of agricultural inputs for industries calls for expansion of large-scale farming. Urban centers will not be able to accommodate the rural and their own labour forces; cater for demands of housing, infrastructure and services and be competitive at the national and international levels and meet the Millennium Development Goals (11) through existing small-scale and disintegrated interventions. Therefore, designing and implementing unique and localized strategies by turning around our approaches to urbanization and rural development are recommended to address these challenges. Accordingly four solutions: (a) carrying out large-scale urbanization, scaling up the rate, level and quality of urbanization by applying alternative options and interventions from lower spatial levels to large-scale urban agglomerations supported by investments and learning by doing (b) improving quality of urban centers and quality of life (c) transforming rural areas (d) unlocking the financing potentials of urban centers from within through options and alternatives are proposed with corresponding actions to strengthen and sustain economic development in Ethiopia. Addis Ababa, Dire Dawa, Hawassa, and Bahir Dar; medium and small urban centers and rural areas are studied by applying quantitative and qualitative research methods; findings are summarized and the said recommendations are forwarded.

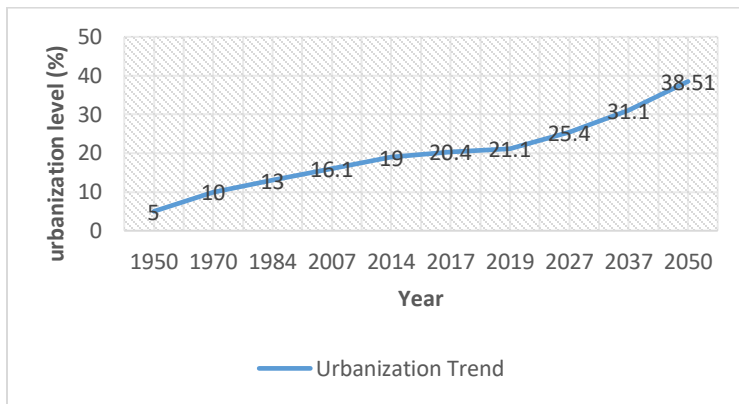
## **1. INTRODUCTION**

This paper focuses on the study of challenges of urbanization, urban centers and rural areas in Ethiopia. Its main premise is that increasing landlessness; decreasing of land share; and shortage of non-agricultural jobs is resulting in migration of people from rural to urban areas. On the other hand, urban centers are already unable to create sufficient jobs and cater for demands housing, infrastructure and services of their own population and migrants face serious poverty situations. Urbanization level will nearly double by 2050 and will overwhelm the capacities of urban administrations unless they are prepared for it. At the same time, rural areas will have large surplus labour force; face food insufficiency, while the demand for agricultural inputs for industries will increase. These create opportunities, which if exploited will help to overcome the challenges of urban centers and rural areas. The paper intends to identify and analyze problems faced by urban centers and rural areas and recommends solutions for their treatment. The limitations of the study include the lack of official urban population projection beyond 2037. The result of the study will help in addressing the challenges of urbanization and strengthening economic development in Ethiopia. Quantitative and qualitative research methods are applied in preparation of the paper to benefit from existing data and numerous recent studies already conducted on various issues of urbanization and rural development in Ethiopia. Following the abstract, the paper has four parts: introduction, description of problems, discussion and conclusion and proposed solutions and actions.

## **2. DESCRIPTION OF THE PROBLEM**

### **2.1 Background**

The urbanization level in Ethiopia was 5% in the 1950s, 10% in the 1970s, 13% by 1984 and 19% in 2014 (World Bank and Cities Alliance, 2016). It increased by 6% between 1984 and 2014 and by 2% per decade between 1950 and 2014 (ibid). On the other hand, CSA ICPS shows that urban population in 2007 was 16.1% and was projected to reach 20.4, 25.4 and 31.1% in 2017, 2027 and 2037 respectively at medium variant. Currently 21.1 % of people in Ethiopia live in urban centers, while the world urban population is 55.7% (Worldometers, 2019) and Africa 40% even in 2015 (Teye, 2018). Furthermore, by 2050 the projected total population of Ethiopia will reach 164.59 million of which, 633.87 million (38.51%) will be living in urban centers (own estimation taking CSA ICPS 2012-2037 trend), while African urban population will reach 60% and world 66% (UN-DESA, 2014, cited in Teye, 2018).



Year	Urbanization Level (%)
1950	5
1970	10
1984	13
2007	16.1
2014	19
2017	20.4
2019	21.1
2027	25.4
2037	31.1
2050	38.51

Table and graph showing the urbanization level in Ethiopia within 1950-2050 period. (Source: Compiled from sources in the paragraph above).

Despite the fast urbanization, about 61.49% of the population of Ethiopia will still be living in rural areas by 2050. This is bad news, considering the already declining land share and increasing landlessness in rural areas. The average household farm size in Ethiopia in 2012 was 1.22 hectares, but 57% of the households have less than one hectare (CSA, 2012a cited in Bezu and Holden, 2014). The same source showed that youth in rural areas had limited access to land due to land scarcity and market restrictions and only 9% pursue agriculture as their livelihood and 10% of the economically active population were employed in non-agricultural sectors. ILO, modeled estimates (cited in FAO, 2018) shows that the vast majority (72%) of the world's farms are small and less than 1 hectare but huge portion of the food are produced by large-scale farms, and most of the labour force are absorbed in non-agricultural economic sectors. However, in Ethiopia there are limited large-scale farms, irrigated farming is at a lower level, which resulted in food insecurity, and shortage of inputs for industries.

The Federal Government of Ethiopia prepared and implemented consecutive policies and strategies starting from Agricultural Development Led Industrialization (ADLI, 1993-2000), to the current GTP II (2016-2020). In the former policies the government focused on rural development and industrialization; while later, on strengthened improving productivity, and finally started diversifying developments across other economic sectors. As a result of implementation of these policies and remarkable growth with a 10.3% growth rate in GDP was recorded in 2013/14 (WB 2015, cited in AYUP, 2015). However, due to lack of integration and persistence rural areas are still marginalized, while urban centers suffer due to population growth.

Population growth is the basis for expansion and development of urban centers. People create demand for goods and services and markets for entrepreneurs. Urban centers are hubs and engines of economic development and transformation. Literature shows that there is correlation between urbanization and economic developments. It is hard to find any country or region of the world where sustained economic growth has occurred without urbanization (Tacoli, 2017). Economic growth is the most powerful instrument for reducing poverty and improving the quality of life in developing countries (DFID, 2010). For instance, China's urbanization has supported growth and rapid transformation of the

economy, allowing 260 million migrants to move from agriculture to more productive activities, lifting 500 million people out of poverty, and thereby registering of 10 percent annual average economic growth for three consecutive decades (World Bank Group, 2014).

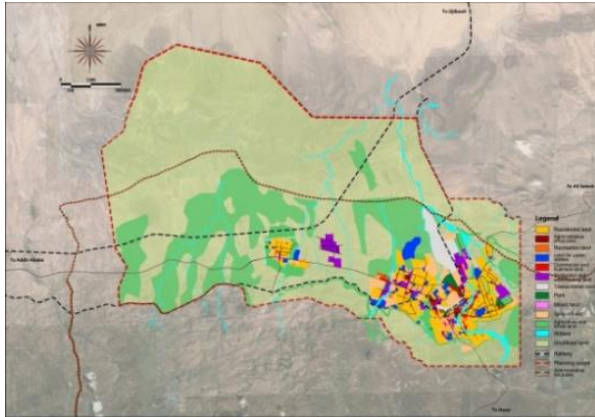
According to UN ECA, 2013, economic transformation involves: a reallocation of resources from less productive to more productive sectors and activities; an increase in the relative contribution of manufacturing to GDP; a declining share of agricultural employment to total employment; a shift in economic activity from rural to urban areas; the rise of a modern industrial and service economy; a demographic transition from high rates of births and deaths to low rates and a rise in urbanization. Africa's urbanization experience can be described as urbanization gone wrong, having originated from forces other than the ones described above as it is characterized by proliferation of slums in urban areas due to the inability of urban infrastructure to cope with the influx of rural migrants; high levels of inequality and poor quality of social services; poor social inclusion. (UN ECA, 2013). As presented below, Addis Ababa, secondary cities of Direedawa, Hawassa, and Bahirdar medium and small urban centers face similar challenges.

## **2.2 Challenges facing urban centers**

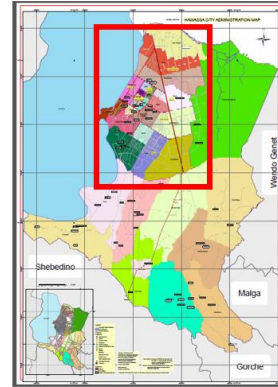
The paper analyzed population growth trends; unemployment rates; proportion of rural-urban migrants; built-up and expansion areas; coverage of roads and utilities; housing demand, quality and affordability; the share of green areas, quality of the built and natural environments; urban plans and related issues in Addis Ababa, Direedawa, Hawassa and Bahirdar, small and medium towns to identify the challenges facing urban centers in Ethiopia. The findings showed that the four cities have large population within working age (71.8, 73.4, 64.2 and 68.3%); high proportion of migrants (47.6, 46.6, 60.1 and 55.6% respectively in that order). The cities also face high housing demand, low housing affordability, and high share of informal developments. They also face problems of unemployment and high dependency ratios. The population of Hawassa and Bahirdar will triple by 2050, while that of Addis Ababa and Direedawa will almost double.

As shown in the maps below, Hawassa, Direedawa and Bahirdar delineated large areas beyond their built-up boundaries. These cities suffer from lack of overall integrated planning and management covering their respective administrative areas. Except Addis Ababa the structure plans of the other cities are already outdated, and implementation of Local Development Plans were found to be difficult in all urban centers. The percentage of areas of streets to the total areas of the urban centers are below 30% specified in the national standard of the Ministry of Urban Development and Housing in 2017. Demands for new and improved infrastructure are high and expected to increase in all urban centers. The urban centers suffer from shortage and poor quality of green areas and environmental deterioration. These will increase temperature levels, the occurrence of unwanted changes in microclimate, and natural hazards, thereby making urban centers more unsafe and uncomfortable. Cities are suffering due to lack of proper planning, design and management. According to Egis et al, 2016 poor design, rudimentary physical planning, ineffective management and the lack of urban infrastructure and services quickly leads to the rise of agglomeration diseconomies, such as congestion, overcrowding

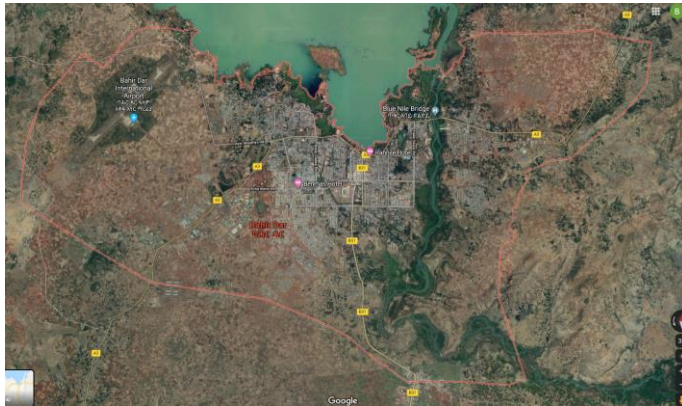
and pollution, the development of dysfunctional urban markets (such as the urban housing and land markets) and difficulty in attempting to improve the business environment.



Direedawa city administration boundary and existing landuse, 2015. (Source: Direedawa SEZ, 2015).



Hawassa city administration, 2016. (Source: Hawassa City Administration, 2015).



Bahirdar city, Google Earth, 2018. Bahirdar city administration boundary (Source: Bahirdar University, 2012).

On the other hand, 90.8% of the urban centers in Ethiopia are small towns, which are administered under the weredas and are too small to function as key economic service centers. These urban centers suffer from poor provision of housing, services and infrastructure; poor peri-urban and informal developments, loss of people and economic stagnation and poor economies of scale. Medium urban centers also face similar problems. Overall, with the ongoing trend, urban centers in Ethiopia will not be able to meet Goal 11 of the Millennium Development Goals: “Make Cities Inclusive, Safe, Resilient and Sustainable” unless we come up with better and improved development approaches.

With regard to rural areas it is shown that by 2050, 61.5% of Ethiopia’s population will still be living in rural areas. There is increasing landlessness, decreasing share of agricultural land, low number of non-agricultural jobs, which resulted in food insufficiency and rising of migration to urban centers. Although federal and regional governments implemented many programs to bring about economic developments still poverty is prevalent; services and infrastructure are poor and rural areas are still marginalized. On the other hand, the surplus labour force and increasing demand for agricultural inputs is advantageous for rural areas.

### **3. CONCLUSION AND CALL FOR ACTIONS**

#### **3.1 Conclusion**

Both urban centers and rural areas are facing various problems; poverty is still prevalent and it seems that through time tolerance was developed. This partly narrowed our visions to exploit more opportunities and mechanisms to come out of it. Moreover, the slow and fragmented implementation of projects led to multiplication and complication of our problems and wastage of resources. Now, surplus rural labour force need jobs at the same place or massive shifting to urban centers. On the other hand, the food insufficiency and increasing demand of agricultural inputs for industries calls for expansion of large-scale farming. Urban centers will not be able to accommodate the rural and their own labour forces; cater for demands of housing, infrastructure and services and be competitive at the national and international levels and meet the Millenium Development Goals (11) through small-scale and disintegrated interventions. Therefore, scaling up of urbanization and agriculture; integration and sustaining of development efforts within and across urban centers and rural areas and sectors; improving the quality of the built and natural environments and quality of life are necessary. To this end, we need to open-up; identify the gaps in our policies, laws, strategies and programs; design and implement unique and localized strategies by changing our current approaches to development.

#### **3.2 Call for Actions**

Based on findings and conclusions above, the following solutions and actions are proposed:

A. Carry out large-scale urbanization, scaling up the rate, level and quality by applying alternative options and interventions from lower spatial levels to big agglomerations supported by investments and learning by doing: -

1. Open up urban centers, bring about urban agglomeration and economy of scale.
2. Promote development of urban regions to enable urban centers to become competitive national and international cities.
3. Strengthen the preparation of standardized large-scale new urban development projects.

B. Improve quality of urban development and urban life:

1. Change our approach to urbanization and implement smart urban planning, development and management.
2. Update, execute and sustain implementation of existing and ongoing studies and projects:
3. Solve impediments for development.
4. Promote climate and green oriented developments.
5. Standardize public building structures, compounds of public and government institutions, and urban spaces.
6. Identify and improve deteriorated parts of urban centers progressively.
7. Build urban knowledge base and technical capacities of urban administrations; promote and sustain research and change.

C. Transform rural areas

1. Create jobs at the source, engage people in rural areas in non-agricultural economic activities.
2. Expand and complete ongoing rural access projects, electrification and transportation.

3. Strengthen existing, create new and promote large-scale agriculture.

D. Unlock own financing potentials of urban centers from within options and alternatives:

1. Assist urban administrations to enhance and generate more revenue through strengthening updating of data helping to collect overdue rents, taxes and revenues.
2. Strengthen matching and collaborative financing.
3. Intensify cost recovery.
4. Assist urban administrations to find long and medium-term loans and grants; enable urban administrations to act as entrepreneurs and corporate entities.
5. Promote collaborative and shared financing by urban administrations.

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