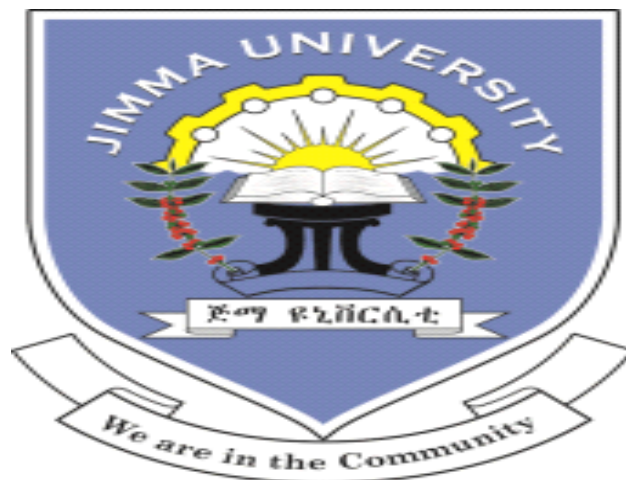


Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. Case Study Jimma Town, Ethiopia

A Thesis Submitted to the School of Graduate Studies of Jimma University, College of Business and Economics, In Partial Fulfilment of the Requirement for the Award of Degree of Master of Science in Economics (MSC).

BY:

FARUK HUSSEN ABA FOGI.



**JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ECONOMICS.**

**JULY, 2021
JIMMA, ETHIOPIA**

Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. *Case Study Jimma Town, Ethiopia*

BY:

FARUK HUSSEN ABA FOGI.

UNDER THE GUIDANCE OF:

Main advisor; Sisay Tolla (Assistance professor)

and

Co-advisor; Esubalewu Ayalew (MSc).



A Thesis Submitted to the School of Graduate Studies of Jimma University, College of Business and Economics, In Partial Fulfilment of the Requirement for the Award of Degree of Master of Science in Economics(MSc).

**JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ECONOMICS.**

**JULY, 2021
JIMMA, ETHIOPIA**

CERTIFICATE

This is to certify that; the thesis entitled “Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. *Case Study Jimma Town, Ethiopia* submitted to Jimma University for the Award Degree of Masters of Science in Developmental Economics that carried out by Mr. Faruk Hussien, Under our Guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

Main Adviser’s

Name: Mr. Sisay Tolla (Assistant Professor)

Signature: _____ Date: _____

Co-Adviser’s

Name: Mr. Esubalewu Ayalew(MSC)

Signature: _____ Date: _____

DECLARATION

I hereby declare this thesis entitled “Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. *Case Study Jimma Town, Ethiopia*”, has carried out by me under the guidance and supervision of Assistance Prof. Sisay Tolla and Mr. Esubalewu Ayalew.

This thesis is original and has not yet submitted for the award of any degree or diploma to any university or institutions.

Declared by:

Name: Mr. Faruk Hussen Aba fogi

Signature: _

Date: _

APPROVAL SHEET

**JIMMA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
COLLEGE of BUSINESS AND ECONOMICS.
DEPARTMENT OF ECONOMICS.**

As member of the Board of Examiners of the M.Sc. Thesis Open Defense Examination, we certify that we have read, and evaluated the thesis prepared by Mr. Faruk Hussen Aba fogi. Entitled of: “Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. *Case Study Jimma Town, Ethiopia.*” And we recommended that the thesis be accepted as fulfilling the thesis requirement for the Degree of Master of Science in Developmental Economics.

Approved by Board of Examiners

Internal Examiners

Name: _____ Signature _____ Date _____

External Examiners

Name: _____ Signature _____ Date _____

Abstract.

This study was on Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. Case Study, Jimma Town, Ethiopia. Expropriation is taking of land by the state for public purpose without proportionate payment of compensation. As a matter of this fact, Jimma Town is among the Ethiopian urban settings experiencing unprecedented rate of urbanization through this expansion which begging 2000GC, due to high urban population growth and expansion and opening of different governmental organization and non-governmental organization recently, Jimma Industrial park open at 1000 hectare by expropriation of 787 on 2019. To accommodate the ever-increasing of population, cities and town has expanded horizontally towards pre-urban areas. This was going by Expropriation per-urban farmers. The study done through employing the descriptive research methods, the researcher collected data based on survey of 300 households head displaced farmers from selected Kebeles of displaced farmers by using purposive and proportionate sampling techniques, those who displaced and hence whose livelihood had been adversely affected. Data sources were of both quantitative and qualitative. The data analysis was descriptive and econometrics by using Binary log it econometrics model applying Stat aversion software. The farmer's perception about urbanization much positively influence by household head education, compensation amount, awareness level, package relevance and negatively by land lost degree of household head affected the perception. Displacement was positive financial impact on displaced household farmers. Also, rule and regulation regarding too complex. Even though, urbanization well development, government should have done well planned, create awareness, follow displaced farmers to cut financial impacts, revise rule and regulation about compensation and pay a proportional compensation to displace all assets.

Keywords: Urban Expansion, Compensation Payment, Livelihood, Perceptions, Binary logistic model, Jimma and Ethiopia.

Acknowledgements.

First and for most, I would like to thank the Almighty **ALHA** for giving me grace, provision of knowledge, wisdom and diligence required for the successful completion of the master's program in Development economics. Next, I would like to express my sincere and deepest gratefulness to my main advisor Sisay Tolla and co-advisor Esubalewu Ayalew for their intellectual advice, guidance, encouragement and regular discussion which were ever valuable and inspiring in the processes of proposal writing, research undertaking and thesis writing. Without their support and endless understanding, this paper couldn't have its present shape. The understanding, support and encouragement that I have obtained from my mother Rabiya Aba biya and sisters Samira jebal was a driving force throughout my study time. They hold all responsibilities in making things at home as well as out of home more convenient and adorable. In every movement of my academic and life, my mother's lion share contribution has been there. I am self-sponsored students of weekend M.Sc. in developmental economics, my mothers and sisters pay all scarification of financial and moral support to this M.Sc.

Special thanks to my organization Ethio-telecom that facilitated and permitted me to follow my M.Sc. weekend program. Also, other supportive organization including Jimma town municipality, Jimma agricultural office, Jimma town land administration office, and study area kebele officials deserve distinct, thanks. Jimma university has a golden share in my life because I had completed my BA degree in this institution, also I am following my M.Sc. degree at this campus. So, it's my home, I have learned a lot from this big Institution.

Finally, I would like to acknowledge the support and encouragement from all my friends, especially my classmate friend Kumar Jebal.

Table of Contents

CERTIFICATE -----	III
DECLARATION -----	IV
APPROVAL SHEET -----	V
Abstract. -----	VI
Acknowledgements. -----	VII
List of Tables -----	XII
List of Figures -----	XIII
ACRONYMS -----	XIV
CHAPTER ONE INTRODUCTION -----	1
1.1 Background of the Study. -----	1
1.3 Statement of the Problem. -----	4
1.4. The Research Questions. -----	7
1.5. Objectives of the Study -----	7
1.5.1 General Objective -----	7
1.5.2. Specific Objectives -----	7
1.6. Significance of the study. -----	8
1.7. Scope and Limitations of the Study. -----	8
1.8. Organization of the Paper. -----	9
1.10. Operational Definition of Related Words and Concepts. -----	9
CHAPTER TWO -----	11
2.1. Theoretical Literature Review of urbanization. -----	11
2.1.1 Causes of Urban Expansion. -----	14
2.2. Urbanization and Urban Sprawl -----	14
2.2.1 Urbanization in Africa -----	14
2.2.2 Urbanization in Ethiopia -----	15
2.2.3 Urbanization in Jimma -----	15
2.3. Pre-urban -----	15
2.3.1. Land Expropriation. -----	16
2.3.2 Compensation Payment. -----	17
2.4. Rationale and International Practices -----	19
2.4.1 Rationale of Expropriation and Compensation -----	19
2.5. Importance of perception in Economics. -----	20

2.6. Origins of sustainable livelihoods. -----	21
2.6.1. Theoretical and Conceptual Framework of Sustainable Livelihoods. -----	21
2.6.1.2 Financial Capital -----	22
2.7.4 Consequences of Urban Expansion -----	22
2.7.4.1. Positive Impacts of Urban Expansion -----	22
2.7.4.2. Negative Impacts of Urban Expansion -----	23
2.8. Empirical Review -----	24
2.9. Conceptual Frame work -----	31
CHAPTER THREE RESEARCH DESIGN AND METHODOLOGY -----	32
3.1. Introduction -----	32
3.2. Research Design. -----	32
3.3. Description of the study area. -----	33
3.4 Sampling Design. -----	35
3.4.1 Target population -----	35
3.4.2. Sample Size and Sampling Techniques. -----	35
3.5. Source of Data and Data Collection Instruments -----	37
3.5.1 Source of data -----	37
3.5.2. Method of data collection. -----	37
3.6. Method of Data Analysis. -----	38
3.7. Econometric Model choice and specification. -----	38
3.7.1 Binary Logit Model. -----	38
3.7.2 Logistic Model specification -----	40
3.7.4. Maximum Likelihood Estimation -----	41
3.7.5. Evaluation of Binary Logistic Regression Model -----	42
3.7.5.1. Overall model evaluation -----	42
3.7.5.2. Statistical significance of individual regression coefficients. -----	43
3.8. 1 Measurement of Variables -----	45
CHAPTER FOUR -----	46
RESULTS AND DISCUSSIONS -----	46
4.1 Introduction. -----	46
4.2. Demographic characteristics -----	47
4.2.1. Sex Structure of the Respondents. -----	47
4.1.2. Households' Family Size. -----	47

4.1.3. Marital Status of the Respondents -----	48
4.2.4. Age of Household Heads. -----	48
4.2.5. Education Status of the Respondents-----	49
4.3 Descriptive statistics presentation of the Explanatory Variable -----	50
Table 4.6 education of household head and their perception -----	50
4.4. Econometric Result.-----	52
4.4.1 Multicolinerty Test. -----	52
4.4.2 Heteroscedasticity Test -----	52
4.4.3 The Goodness of the Model-----	53
4.4.4 Binary Logit and Logistic Model Estimation Results and Interpretation -----	53
4.4.4.1 Logistic regression result and interpretation. -----	53
4.5. Interpretation of marginal effects on perceptions. -----	55
4.6. Economic and Livelihoods Analysis of Target Groups-----	56
4.6.1 Income Generating Analysis -----	56
4.6.2 Impacts on Financial Capital. -----	56
4.7. Legal Rights and Awareness Level of the Farmers. -----	59
4.7.1 Legal Framework and Procedures of Land Acquisition -----	59
4.7.2 Legal Supports and Compensation Payment -----	61
4.8 Compensation Payment Period -----	68
4.8.1. Compensation practice in other Oromia towns. -----	70
CHAPTER FIVE -----	72
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS-----	72
5.1 Introduction -----	72
5.2 Summary of Findings -----	72
5.3. Conclusions. -----	72
5.5: <i>Recommendations for Further Study</i> -----	76
REFERENCE -----	77
APPENDICES -----	81
Appendix I-----	81
Questionnaire -----	81
Appendix II. -----	89
Result from Stata V14, shows relationship between dependent with each independent variable. -----	89
Appendix III -----	91

A.Multicolinerty and Goodness of the model test. -----	92
B. Result of Goodness of the model and their classification-----	93
Appendix IV: - Binary Logit, Logistic regression and Its Marginal Effect Result. -----	94

List of Tables

TABLE 3.1:SAMPLE SIZE DETRMINATIO	36
TABLE 3. 2: LIST OF VARIABLES,DEFINITION	ERROR! BOOKMARK NOT DEFINED.
TABLE 4.1:HOUSE HOLD SEX OF RESSPONDENTS	ERROR! BOOKMARK NOT DEFINED.
TABLE 4.2HOUSE HOLD FAMILY SIZE.....	47
TABLE 4.3:MARITAL STATUS OF RESPONDENTS	48
TABLE 4.4:HOUSE HOLD HEADS AGE	48
TABLE 4.5:EDUCATION STATUS OF THE RESPONDENTS	49
TABLE 4.6:THE RELATION SHIP BETWEEN EDUCATION.....	ERROR! BOOKMARK NOT DEFINED.
TABLE 4.7:THE RELATIONSHIP BETWEEN AMOUNT.....	ERROR! BOOKMARK NOT DEFINED.
TABLE 4.8:AMONT OF COMPENSATION AND PERCEPTION.....	50
TABLE 4.9:RELATION SHIP BETWEEN URBAN SUPPORT PROGRAM AND AWARENESS LEVEL	51
TABLE 4.10:RELATION SHIP BETWEEN PERCEPTION	51
TABLE 4.11:RELATION SHIP BETWEEN FARMERS.....	51
TABLE 4.12 MARGINAL EFFECT ANALYSIS OF THE RESULT	ERROR! BOOKMARK NOT DEFINED.
TABLE 4.13:REPORTED AVERAGE ANNUAL EXPENDITURE	55
TABLE 4.14:MONTHLY INCOME OF DISPLACED FARMERS	ERROR! BOOKMARK NOT DEFINED.
TABLE 4.15:NUMBER OF BANK USER RESPONDENTS.....	58
TABLE 4.16:SAVING AND CREDIT EXPERIENCES	58

List of Figures

FIGURE 1 CONCEPTUAL FRAME WORK OF THE STUDY	31
FIGURE 2 MAP OF JIMMA TOWN.....	34
FIGURE 3 FRAME WORK OF LAND ACQUISITION PROCEDURE	60

ACRONYMS

ARLVCPE Assessment of Rural Land Valuation and Compensation Practices in Ethiopia

CSAE Central Statistical Agency of Ethiopia

DFID Department for international development

ESLAP Ethiopia-Strengthening Land Administration Program

F Facasa

FAO Food and Agricultural Organization

FDRE Federal democratic Republic of Ethiopia.

FGD Focus Group Discussion

FRULP Federal Rural and Urban Land Proclamations

GDP Gross domestic product.

H: Hectare

IVSC International Valuation Standards Committee

JILDA Jimma town Land Development and Administration Agency.

JWARDO: Jimma town Agricultural and Rural Development Office.

Km²: square Kilometer

ORLAU Oromia Rural Land administration and Use.

ORLAU Oromia Rural Land Administration and Use

RUPRI Rural Policy Research Institute

SBD Small Business Development

SLA Sustainable livelihood Approaches.

SNNPRS Southern Nations, Nationalities and Peoples Regional State

SSA Sub Saharan Africa

UK United Kingdom.

UN United nations

UNCED: United Nations Conference on Environment and Development

US

United states

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study.

Land is the main economic, political, social and cultural asset as well as source of generating livelihood income in rural residents. Urbanization is one of the most important dimensions of economic, social and physical changes. Rapid urban population growth means an increasing demand for urban land. The same geographical area like urban fringe, the periphery, inner rural, and rural commuting zone all described the peri-urban. Peri-urban is an area adjacent to build up areas of high population concentrations. In Ethiopia, land is the common property of the 'state and the people. Rural farmers are given possessory or holding prerogatives right. Expropriation is taking of land by the state for public purpose upon advance payment of compensation. Expropriating farmland deprives landholders of one their most important income generating assets and forces them to find new livelihoods(TIKUR, 2017).

The process of urban expansion is a worldwide phenomenon, recorded in the history of all urban centers. It started with the earliest human civilization of Babylonians (CEMEA, 1997). Urbanization is the most powerful and visible force that has fundamental impact on the Land Use and Land Cover Change around the World. High population increment leads to a quick expansion of urban growth, causing changes in land use and land cover in many urban areas of developing countries. Urbanization and urban growth considered as a modern way of life, which reveals economic growth and development in many countries. That means the level of urbanization and socio-economic status of the inhabitants correlated in many countries. According to United Nation (UA) report in 2011, 3.6 billion of the world's populations (52%) were urban dwellers. Universal level of Urbanization expected to rise to 67% in 2050.

In Africa only, the urban population expected to triple from 414 million in 2011 to 1.2 billion in 2050 (Barros, 2004). Although, the level of urbanization in developing countries is low, its rate of urbanization is one of the fastest in the world. Approximately 25% of Africa's population lived in towns and Cities in 1975. But, in 2000, 38% of the continent's population lived in urban areas and the proportion expected to increase to 47% by 2015 and will be double by 2050 (Thao, 2010).

The history of urbanization in Ethiopia goes back to the Axumite period. During this time, there were many towns where commerce had flourished with buildings and constructions of high standard. Centuries later, these urban centers began to shift to Labella and Gondar. Much of the urban history to Ethiopia following the Axumite period characterized by absence fixed urban centers. This trend continues up to the end of the 19th c. In fact, it continues until Addis Ababa selected as a fixed political and commercial center by Minelik II (Kebede 2002). Like most African countries in Ethiopia, large-scale urbanization is a recent phenomenon. But, due to Ethiopia is the second-largest population country of the African continent next to Nigeria and is one of the least urbanized countries in the world the rate of urbanization too fastest (Adam, 2014, 2016).

Ethiopia stands out as a country that is both rapidly urbanizing, high population growth rate and particularly poor. The share of the population living in cities has increased from an estimated 7.1% in 1994 (Schmidt & Kedir, 2009) to 16% in 2008 (Abebe, 2006).

And it is expected to reach 60% by 2040 at the current annual growth rate of 3.5% (Desa, 2014). Therefore, the next three decades are the ones in which Ethiopia will be building its cities with which it may then have to live for many generations. However, given the 2.73% total annual population growth rate, high rate of inner migration to towns, and increase in the number of urban centers, the rate of urbanization is increasing at a rate of 4.4% (Tadesse & Headey, 2010). Furthermore, the country is urban population are expected to grow on average by 3.98%, and by 2050, about 42.1% of the total population are inhabited in urban centers (Tessema,2017; Un-habitat,2010).

Expropriation has surrounded by controversy and stretching right back to its origins in international law. It represents both the most serious infringement of private property rights and the manifest exercise of state sovereignty. It can have explained as the formal withdrawal of property rights for the benefit of the state or for private persons designated by the state. This description covers direct expropriation or formal expropriation. Besides, a state acts in a way that is harmful to a private investment where the investor formally retains its property rights over the investment. This known as indirect expropriation, or a “measure tantamount to expropriation.” In general, expropriation is a forced taking of land by the state for public purpose and upon advance payment of compensation. (Daniel;2014: P2P).

Compensation may have conceptualized as “full indemnity or payment for the loss or damage sustained by the owner of the property taken or injured for the public use”. Compensation is a means to keep balance of social justice.

The compensation requirement demands the expropriated to reimburse the expropriated party for the property taken, and places the latter in as good a pecuniary position as if the property had not taken.

There are two theories about the amount of compensation: “owner’s loss” and taker's gain theories. Under the “owner’s loss” theory, the owner is entitled put in as good a monetary position as he would have been if his property had not been taken. The “taker's gain” theory holds that “the government should pay only for what it gets. (Daniel; 2014: N10).

Firew (2010:1-2) has tried to point out that horizontal urban expansion or urban sprawl inevitably results the displacements pre-urban farmers. The displacement schemes always followed with compensation. However, in developing countries like Ethiopia where land ownership belongs to the public, the amount of compensation paid to displaced peasants depends on government’s good will. If the payment is insignificant, it directly leads to insecurity of life expelled communities. For example, the studies conducted in the sub-urban community of the Hawasa city show that the surrounding pre-urban community is lying to the horizontal expansion of the city and faced livelihood adjustment problem beyond the compensation. Therefore, it is important to find the specific influence the horizontal urban expansion has on the livelihood of the pre-urban community after their move. But the urban land lease policy is not very pleasant to rural households in general and the poor land holders in particular. Because, the policy criticized as it has not taken into account the lives of rural households living in towns and cities. As a result, implementation of the policy has marginalized the rural settled farming communities. The rural farming community has little knowledge and know-how to adapt to situation of urban life as most of them unskilled to compete for urban job opportunity. Perception plays just as important a role as other economic issues like interest rates, employment figures, inflation, government spending, tax cuts, and the like. The perception that consumers, investors, entrepreneurs, government officials, and the media have about the economy can have a tremendous influence upon a national economy (Tegegne (2000); Yeraswork and Fantu (2003)).

Jimma is old aged town in the South Western Ethiopia and a market center for above 180 years begging of king Aba Jifar I. Presently, a horizontal high landscape growth and high population growth is there in the town. The number of populations lived in the town around 195,228

according to the recent census of Ethiopia in 2020. Urban expansion in the town augmenting at alarming rate due to informal settlements and different sector establishment of governmental and non-governmental sectors.

1.2 Statement of the Problem.

Expansion of urbanization may result in the change of land from agriculture to urban land use. Urbanization, the process of urban expansion, may include both horizontal and vertical expansion of the physical structure of urban areas. It can result in loss of agricultural land, natural beauties, weather condition may change, rangelands, parks and scenarios (Melese, 2004). For urbanization site is one of the most important aspects, which figure Population growth, and housing value. This indicated, that, expansion of urban area has greater importance because of its strong effect on other land cover classes, such as agricultural lands in particular and forests and others in general (Leulseged,2015). The first source of urban expansion-urban development induced by economic advancement, urban clearance and/ or industrialization (Kedir, 2010).

The impact of urban expansion on pre-urban environment and livelihoods show mixed results: positive and negative aspects. Also, perception have positive and negative impacts on farmer's readiness for displaced from their original farm land for public purpose. Therefore, perception in this situation is similar to expectations and or attitude. The negative aspects shown that some dislocated households are working on agriculture with limited access to land, few works as daily laborer and others are in worsening situation because of the change in the mode of life. Urbanization has exposed the displaced farmers and their families without jobs, make them to stay on low-income level and standard of living. The prices of land and house rent increases; food becomes expensive; and the occupations of households have tended to shift from farming activities to non-farm sectors like trade, employed in other different sectors as daily laborer; (Leulseged,2015)

Urbanization in most countries has historically pushed all forms of agriculture out of the city and into rural areas, considering it too dirty for the glory of the city. Land use regulations today still follow that same path, despite prevailing evidence that producing food within cities today would solve many threatening problems. Governments today tends to systematically seek firms, residences, or commercial centers that will bring them the monetary return, using the rationale that the income generated for city from this sort of land use will offer the money for the social services the government provides. This system, however, fails to take into account

environmental and social sustainability, and fair food security (Gittleman, 2009). The Ethiopian urban centers are expanding in unexpected rate, resulting in peasant displacement with concomitant loss of agricultural land and change of their livelihood.

Also, in some regions in Ethiopia, the situation worse by the absence of land expropriation and compensation directives. This kind of situation happened in Hawassa sub-urban area. Although Proclamation No-455 (2005) on land expropriation and compensation to its effect provides direction on how the private holdings are was expropriated and what and how the compensation was executed at the Federal level, in the Hawassa City, however, there is no such directives and legal provisions in this regard. Because of that, the pre-urban agricultural community had affected adversely by the decisions of municipality in (Firew, 2010).

Under such circumstances, existence of good strategic/integrated planning are essential. According to the UN-HABITAT (1996:26), the strategic planning is the key instrument to safeguard the adversary effects of urbanization and to gain most out of it. And this, the strategic plan, needs to be participatory in such a way to integrate urban development to meet growth management and responsive remedial actions at both the city and Sub-urban level (Firew, 2010). Similarly, the pre-urban agricultural community of Jimma faces the same situation, although there are some guides to evict the land (Mengistu, 2016).

Generally, urban expansion is a spontaneous phenomenon that leads to spontaneous growth by displacing rural farming community. It had pointed out that even planned displacement has its own negative effect on the livelihood and the post displacement life of the affected community when the government uproots people for expansion, they are also decreasing the amount of land available for crop cultivation and other cash crop plants. According to the experience of city and town expansion in Ethiopia, agricultural communities are relocated and left with little compensation, with no training for other skills to rely upon in a town already very few employment opportunities. The government expects them to use the small compensation money for investments in new livelihoods and homes, but this does not often happen (Gittleman (2009); Tegegne (1999); Firew (2010); Eyasu (2007)).

Jimma town is one of the oldest and market center towns of South west Ethiopia. From beginning of establishment by Aba Jifar I at Jiren high land area and followed by Aba Jifar II. Neighboring Rural Woreda population and from other SWE a high-population in-town migration and establishment of different governmental and non-governmental organization. So, a high

population growth and different sector establishments rise a high house construction land demand. From thus mention, most of them constructed by displacing pre-urban farmers. Such as, Jimma aba Jifar airport, teacher's college, Jimma university different campus at different time (Mengistu, 2016) and recently Jimma industrial park was constructed by taking a land of 1000 Hectares or 4000 Facasa area measurement language by displaced area farmers from their fixed assets, of which farmer's residence was next to rural Keble of Dido Woreda and Seka chekerosa (Jimma town land Administration and bore Keble unpublished documents, 2021). As a matter of this fact, Jimma Town is among the Ethiopian urban settings experiencing unprecedented rate of urbanization through this expansion which begging 2000GC, due to expansion and opening of different governmental organization and non-governmental organization recently, Jimma Industrial park open at 1000 hectare by expropriation of 787 on 2019. Since, cause of the town is becoming fast, irregular and uncontrolled; it creates displacement to the farming community. There are different problems associated with this expansion, such as loss of agricultural farmlands, reduction of coffee and chat farm lands.

The effect of horizontal urban expansion for variety of purposes on the livelihood strategies including financial capital and perception of households dwelling around the per-urban areas of Jimma town was rarely studied from socio-economic points of view. Out ward expansion of urban settlements and institutions observed in all corners of Jimma. For example, Jimma Airport constructed on the farmlands previously used by farmers.

Results from a study entitled "Horizontal Urban Expansion and Livelihood Adjustment Problem Among Ex-Farmers in the Keble surrounding Jimma Town: The Case of Debra Keble by Mengistu (2016)" show that the multi-faceted effect of the processes of urban expansion on the surrounding farming community needs will be the result clearly known in order cut the negative impacts. In addition to this, the situation of displacement, relocation and its impact on the life making of the ex-farmers around regional towns were less studied. As the time increase severity of the problem may increase from time to time also urbanization at double rate. If the unplanned expansion of urbanization gone with this trend without well management, it may become a one source of urban poverty in the town.

This study differs from earlier studies about to scope and method of the study. Therefore, these conditions forced the researcher to do the research on the "Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. *Case Study Jimma Town, Ethiopia.*" This is not to denounce construction of the large-scale development

projects at the fringes of the cities and towns, but rather to reduce the suffering of people displaced for that purpose.

1.3. The Research Questions.

The paper employed both qualitative and quantitative data analysis to show Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. Case Study Jimma Town, Ethiopia which have tried to answer the following main questions;

1. What are perception of the pre-urban community towards urban expansion?
2. What are the financial impacts of displacements on livelihood strategies in response to changes in livelihood assets?
3. To what extent the implementation of compensation payment versus expropriation laws and regulations of displaced farmers for urban expansion?

1.4. Objectives of the Study

1.4.1 General Objective

The main goal of the study was to identify Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community Livelihood. Case Study Jimma Town, Ethiopia

1.4.2. Specific Objectives

1. To find determinants of perception of the displaced farming community towards urban expansion.
2. To analysis financial capital impacts of horizontal urban expansion on the livening standards of expropriated farmers after displacement.
3. To analysis implementation of compensation payment versus expropriation laws and regulations.

1.5. Significance of the study.

Urbanization and Urban expansion in developing countries like Ethiopia is an issue wants high attention by scholars, state administration, NGO, governments, partners and other stakeholders for various reasons. Which was an urban, surrounding farming community needs will be clearly known of their perception to reduce the negative impacts of horizontal urban expansion.

Which physical area displaced farmers from his former hot-house for public, private and investment purpose? It suggested that this study was contributed to the understanding of the impacts of urban expansion on perception and factors that influence to give livelihood related supports for dislocated communities. Therefore, one of the basic significance of the study or one of the reasons is the need to decrease negative impacts of urban expansion in economic, social and environmental impacts, to bring mutual development and symbiotic integration of the rural and urban life that foster social and economic development (Abdias, 2005).

Analyzing the effects of urban expansion on agricultural land provides greater importance to the town urban planner, urban agriculture and the urban municipality, researchers, as well as decision-making groups in terms of understanding the effects of urban expansion on agricultural land uses of rural Keble surrounding Jimma town. The finding of this study is significant in providing realistic information and first advice for urban planning experts, decision makers, urban managers, researchers policymakers, governmental and non-governmental organizations and academicians. Furthermore, it will also serve as a basis for researchers who have interest to conduct further studies on the issue.

1.6. Scope and Limitations of the Study.

Currently, the town consists of 6 sub-cities (before called Keftenyas) and 17 Keble's which are 13 urban and 4 rural Keble. Sub city is the second administrative level next to the municipal government, while Keble is the least administrative level next to sub city, with population of more than 195,228. The research could have conducted to find perception and impacts on various factors such as, economic and social impacts because of urban expansion.

However, due to budget constraints, respondent's problems dwellers live in the target areas and limitation of time, the scope of study confined only to find the impact of urbanization on the perception conceding their livelihood of expropriated farm households in Jimma town pre-urban farmer's area. In the target pre-urban areas and ignores the other factors. Secondly, all 17 Administrative Units /Keble's/ of the town are experiencing rapid urban expansion. However, the

researcher's target areas are limited only to four corners Keble's of the town which were victims of displacement, namely Becho Bore, Bore, Bosa Kitto and Ifa Bula excludes the remaining.

Thirdly, even if a total number of 91,342 residents are dwelling in these target areas, a sample size of 300 household head taken.

Furthermore, households head who had dwelt in these Keble's for at least 10 years and whose land expropriated for public purpose considered. The study encompasses 10 years' periods (2009/10 to 2019/2020.)

1.7. Organization of the Paper.

This study organized into five chapters. The first chapter has background of the study, statement of the problem, aim, research questions, Research hypothesis, significance, scope and limitation of the thesis, organization of the paper by itself and working definition of related words and concepts. The second chapter devoted to check of related literature. The third chapter deals with description of the study area and method of the study, and the fourth chapter deals with the results and discussion parts of the thesis. Finally, the last chapter presents the conclusion and recommendations of the study

1.8. Operational Definition of Related Words and Concepts.

Urban :(as opposite to rural) refers to areas characterized by denser population settlement per-unit of land, higher heterogeneity of in habitants (in terms of ethnic background, religious adhere-ship, livelihood strategies and sources, educational levels etc.), greater organizational complexities as well as higher formal social control (Bekele, 2010).

Urbanization: Is the process of urban expansion, may involve both horizontal and vertical expansion of the physical structure of urban areas. And it can result in loss of agricultural land, natural beauties, range lands, parks and scenarios (Melese, 2004).

Urban expansion: is synonymous with urban sprawl, is the extension of the attentiveness of people of urban settlement to the surrounding area whose function are non-agricultural. Urban expansion is a common phenomenon in both developed and developing countries. However, in developing countries, urban expansions are known with negative effect. The major effects contributing to rapid urban expansion in Ethiopia include, high natural population growth, rural to urban migration and spatial urban development (Fekadu, 2015).

Peripheral farming communities: is agricultural community in rural settlement pattern to which urban set elements expands (Bekele, 2010).

Livelihood: the most habitually employed definition of livelihood which the researcher agrees, i.e. livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and keep up or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers and Conway, 1992). Livelihood assets can be understood by notion of five main capitals: human capital, social capital, physical capital, natural capital, and financial capital (Ellis, 2000).

Financial capital: consists of shares of money or other savings in liquid form. In the context of this study, it includes not only financial assets, but also it involves disposable assets such as livestock, which in other senses may be considered as natural capital. It includes income levels, variability over time, and distribution within society of financial savings, access to credit, and debt levels.

Physical capital: is that created by economic production. It includes infrastructure such as roads, irrigation works, electricity, reticulated equipment and housing.

Human capital: consisted measure and quality of labor available. At household level, therefore, it is determined by household size, but also by education, nutrition, skills, capacity and health of household members.

Compensation: according to Proclamation # 455/2005, compensation is a means of payment for the property that expropriated body respective executing body of government, both either in cash or kind. The process of compensating for the evicted household should include all forms of asset ownership or use right among the affected population and provided a detailed strategy for partial or complete loss of assets.

Perception; Perception is the process through which the information from outside environment, received, organized and interpreted to make it meaningful to you. This response of meaningful information results in decisions and actions

CHAPTER TWO

2.1. Theoretical Literature Review of urbanization.

In developing countries, urban expansion is often rapid and unplanned, which can lead to unintended and harmful consequences. Cities are often on the most productive agricultural lands, so any expansion of built-up areas quickly consumes natural resources, compromising not only food production, but also provision of ecosystem goods and services. Pre-urban change is a direct result of urban expansion, where the urban area is spreading outwards into rural areas. Different reasons may raise to prove the out expansion of population. However, some main forcing conditions population and economic growth, result in demand for residential and commercial areas as well as its convenience for transport accessibility, employment opportunities, services facilities, and the attractiveness of the environment and increased in land values. ((Javetz, 2013).

Urbanization can understand as the demographic process whereby an increasing share of the national population lives within urban settlement. Throughout history, urbanization has been a key force in human and economic development. (Arouri, et al., 2014)). Urbanization, integration rural inhabitants into new economic and social relations with town-dwellers, can interpreted either as destruction the countryside or as the cooperation of rural and urban inhabitants, resulting disappearance the town/country dichotomy. Urbanization leads villages to become towns, but they no longer suffer from social and economic underdevelopment. These changes are arising from combination urbanization, de-ruralization and modernization (of agricultural techniques and formation of farming cooperatives) which alter both composition the rural population and the structure of the agricultural family. (Laquinta, et al.: 2000: P. 24).

The shifting nature of the pre-urban, coupled with its indeterminate and ambiguous status as a place and/or space, questions about sustainability of the place, of the environment and for poor people become crucial. Conceptualizations of the pre-urban as transitional, as place-based, as flows-orientated, as urban or as rural have major implications for pre-urban planning and policy processes and these, in turn, affect the wellbeing of the poor and sustainability the environment.

When regarded as a place, the pre-urban often becomes a site of expulsion with poor people being expelled or pushed out of the city to make way for visions of modernity, but it can also

become seen as a threatening urban fringe, where communities become associated with health and environmental hazards, which need some form of mitigation and/or control. (ibid: p 5).

Today, expansion pre-urban zones become the most common type of living and working situation in the world. In some parts of the world, it is characterized by affluence and conspicuous consumption. In others, it is where poverty and social displacement are more common, a front line between the problems of the city and the countryside. Underlying this is the changing nature of the city itself as well as the physical expansion of urban and/or suburban form where there are wider interests on economic, social and cultural dynamics of change. (Mandere, et al., 2010: P 1-5).

‘Pre-urban’ and pre-urbanization terms have generally loose meanings. They used to describe the newly urbanized zones at the fringes of cities, especially in developing countries, which are then called the ‘pre-urban interface’. From European perspective, pre-urban areas understand to mixed areas under an urban influence but with a rural morphology. The Council of Europe explains pre-urban as a transition area moving from strictly rural to urban, related to a high pressure towards urban development. Conversely, pre-urban areas can far from ephemeral (short-lived), but instead can form a new kind of permanent landscape. Furthermore, the development is not necessarily limited to purely physical development with urban characteristics, but often marked by emergence urban activities in rural areas like hobby farms and second homes. The fact that the residents can be considered urbanized even if they do not live in a strictly urban spatial type, because of their lifestyles and social focus on the urban, such as, emphasizes the uniqueness of the zone. The urban transformations, which take place outside the urban cores, can be summarized by the term pre-urbanization. (Ravetz, et al. n.d: p.4).

The historical dichotomy of urban and rural space started to blur in Europe with formation nation states, industrialization and the liberalization of the economy in the nineteenth century. However, with the introduction of mass commuter transport systems, the countryside close to towns became a potential place for living, recreation and sometimes working for former urbanites. This development led to expansion cities not only in physical terms with low density housing but also in terms of functional relationships, creating an area of urban influence around cities, also called the urban field. In this urban field, different places developed, characterized by a mixture of urban and rural features. (ibid: p.5).

The term expropriation is an old concept, which existed even before emergence of modern states. Although it is not an easy task to tell the exact thyme when the concept of expropriation came into picture, there is an evidence that elaborates its existence in old times, where rulers were using excessive power to restrict private property in the interest of their sovereign power not for the interest of the public, which forms the prime rationale for expropriation of private property today. During this time, expropriation is an incomplete legal institution because oabsence legal, procedural and other preconditions that could prove the taking of private property. Afterwards, the notion of expropriation was familiarized as a legal institution, particularly with the rise of modern states and at the time when political leaders started representing and safeguarding the interest of the public. Due to this reason, there are a number of prerequisites that must be fulfilled before taking private property against payment of compensation in the current expropriation laws. (Girma,2001).

In Ethiopia, it believed that the concept of expropriation introduced, at least in law, during the regime of Minelik II when the first regulation, which made land a private commodity, enacted in 1907 for the city of Addis Ababa. The provisions became applicable to other parts of the country soon after. Since enactment the 1907 regulation, few property owners, regional chiefs became private owners of the large tracts of land. In the interest of the public, however, the government allowed to have the right of expropriation (dispossession) of private owners. Despite the right to own and dispose of property was given legal recognition in several articles of the civil code of Ethiopia; the government had eminent power to expropriated private property for public purpose.

The Ethiopian Civil Code Art 1460 defined expropriation proceedings as proceedings whereby the competent authorities compel an owner to surrender the ownership of an immovable required by such authorities for public purposes. According to Art 1461, expropriation should realize for its own purposes. That is, expropriation may use for acquiring or extinguishing a right of usufruct (legal rights to use another's property), servitude or other rights in rim of an immovable.

Such proceedings may use for terminating prior the agreed term contract of lease on an immovable the property of the public authorities. (Belachew; 2013: P. 90).

The power to expropriated land holdings means “the power to expropriated rural or urban landholdings by a Woreda or an Urban Administration for public purpose paying compensation in advance where it believes that it should use for a better development project to be carried out by public entities, private investors, cooperative societies or other organs, or where such

expropriation has been decided by the proper higher regional or federal government organ for the same purpose” (Proc. No 455/2005; Article 3).

2.1.1 Causes of Urban Expansion.

Urbanization in worldwide has resulted in cities that are rapidly growing and expanding to be able to host their increasing population, and this expansion termed as urban sprawl. expansion urban to the neighboring rural environment caused by two major factors, namely spatial urban growth and increase in urban population due to high birth rate and in-migration (both rural to urban and urban to urban) migration. The first source of urban expansion-urban development induced economic advancement, urban clearance and/ or industrialization (Kedir, 2010).

Hence, places or sites that are next to urban areas might be needed for social, economic, industrial and communication, road construction and for other infrastructure and investment that may in turn need resettlement and displacement of the neighboring rural farming community (Cernea, 2000).

2.2. Urbanization and Urban Sprawl

Urbanization refers to a process where an increasing proportion of an entire population lives in cities and the suburbs of cities. It movements population from rural to urban areas and the resulting in increasing proportion of a population that resides in urban than rural places. Urbanization is a form of metropolitan growth that is a response to often bewildering sets of economic, social, and political forces and to the physical geography of an area. Population increase as well as immigration from rural area towards larger cities, particularly in developing countries, results in considerable increase in urban areas. Sprawl is a pattern and pace of land development in which the rate of land consumed for urban purposes exceeds the rate of population growth, which results in an inefficient and consumptive use of land and its associated resources (Melese and sprawl is a pattern and pace of land development in which the rate of land consumed for urban purposes exceeds the rate of population growth which results in an inefficient and consumptive use of land and its associated resources (Melese and Vanum, 2012).

2.2.1 Urbanization in Africa

Urbanization is increasing in both developed and developing countries. However, rapid urbanization, particularly the growth cities, and the associated problems of unemployment, poverty, inadequate health, poor sanitation, urban slums and environmental degradation pose a

formidable challenge in many developing countries. Although urbanization is the driving force for modernization, economic growth and development, there is increasing concern about the effects of expanding cities, principally on human health, livelihoods and the environment (UN CED,1992). Natural population increase (high births than death) and migration are significant factors in the growth of cities in the developing countries. The natural increase fueled by improved medical care, better sanitation and improved food supplies, which cut death rates and cause populations to grow. In many developing countries, it is rural poverty that drives people from the rural areas into the city in search of employment, food, shelter and education.

In Africa, most people move into the urban areas because they are pushed out by factors such as poverty, environmental degradation, religious strife, political persecution, food insecurity and lack of basic infrastructure and services in the rural areas or because they pulled into the urban areas by the advantages and opportunities of the city including education, electricity, water etc. Even though in many African countries the urban areas offer few jobs for the youth, they are often attracted there by the amenities of urban life (Tarver, 1996).

2.2.2 Urbanization in Ethiopia

The urban population in Ethiopia is increasing rapidly. Estimated at only 17.3 percent in 2012, Ethiopia's urban population share is one of the lowest in the world, well below the Sub-Saharan Africa average of 37 percent. But this set to change dramatically. According to official figures from the Ethiopian Central Statistics Agency, the urban population projected to nearly triple from 15.2 million in 2012 to 42.3 million in 2037, growing at 3.8 percent a year. Analysis for this report indicates that the rate of urbanization would be even faster, at about 5.4 percent a year. That would mean a tripling of the urban population even earlier by 2034, with 30 percent of the country's people in urban areas by 2028 (World Bank, Ethiopia Economic Update II (2013)).

2.2.3 Urbanization in Jimma

Jimma town is one of the rapidly expanding towns. The reason is that, the area is suitable for settlement and other infrastructure purposes. Because of this reason, the expansion is increasing at an alarming rate.

2.3. Pre-urban

The term per urban used often in the literature and in policy discussions, yet definitions are largely conditional and case specific. The word basis of "urban" and "rural" definitions arguing

that many of the characteristics that define rural areas exist along a continuum within which people, households, communities and institutions distribute themselves. A key feature of per urban environments is their dynamic nature, wherein social forms and arrangements created, modified and discarded. They are areas of social compression or intensification where density of social forms, types and meanings increases, provoking conflict and social evolution. It also refers to the transition or interaction zone where urban and rural activities interrelated, and landscape features subjected to rapid change, induced by human activities. (Laquinta, et al.: 2000: P. 2-4).

Pre-urbanization can also be defined as the process through which urban fringe areas physically and/or functionally get incorporated into the urban system. It involves various transformations on the edges of large cities, such as transformation of existing rural settlements into urban settlements without necessarily displacing the rural residents (UNFPA, 2007). The urbanization process also incorporates changes in the structure of the pre-urban local economy, including changes in both sectoral compositions of economic activities and labor force. Furthermore, the expansion involves changes in demography, social structure, land use, land use management and architecture in the pre-urban zone as well as increased demand for land in pre-urban communities where indigenous and long-term settlers have depended on agriculture for centuries. (Yaw, et al.; 2015: P 81-82).

2.3.1. Land Expropriation.

Development requires governments to offer public facilities and infrastructure that make sure safety and security, health and welfare, social and economic enhancement, and protection and restoration of the natural environment.

An early step in the process of providing such facilities and infrastructure is acquisition proper land. Government may use alternative land acquisition mechanisms, such as buy, to secure land for public purpose activities. But, it is impossible to rely totally on the land market as people may create a holdout on the projects or the land required may involve the interest of many owners that warrants the exercise of land expropriation power.

Theories of land expropriation contain three requirements: public purpose, adequate compensation paid in advance and a fair process of land taking. Public purpose is the use land defined as such by decision the right body conformity urban structure plan or development plan to make sure the interest of the people's to acquire direct or indirect benefits from the land and to merge sustainable socio-economic development.

Besides, it is a service given to the public directly or indirectly assumed important to development people by the Government and to implemented on the rural land. (Johan,). Adequate compensation described as just compensation, which would be calculated, so the expropriated person can put himself into the same situation as before. (ibid: p 44).

Ethiopia, being a follower of the Civil Law legal system, uses the terminology expropriation. The concept of land expropriation is the right of the nation or state, or of those to whom the power has been lawfully delegated, to condemn private property for public use, and to right the ownership and possession of such property without the owner's consent on paying the owner a due compensation to ascertained according to law. The governments have the right of compulsory land acquisition, with compensation, for the broader public service. The main idea, here, is that the state must make sure due process of law before appropriating the property. (Daniel; 2014: p. 3-4).

2.3.2 Compensation Payment.

There are four kinds of compensations identified by different scholars: Land Taken, Disturbance, Severance and Injurious Affection. Most countries in the world distinguish four different kinds of compensation, which is to assessed as part of the expropriation process. These are compensation for land taken, disturbance, severance and Injurious affection. Land taken assed as the purchase price usually based on 'market value' or reinstatement value for the landholdings, buildings, structures and standing crops taken by the authority. The second type of compensation internationally agreed on is payments effected for disturbance during displacement or undertaking resettlement. This may necessarily have associated with land values, but a payment made to compensate for costs incurred as a result of having to vacate the premises. The third class, severance, which is the compensation paid for the depreciation in the value of the land retained after the land taken. The last kind of compensation is injurious affection, which is the diminution in the value of land held by the claimant that would be arising from various construction activities.

Compensation, in case of land expropriation, deals with a mode of compensation not only in cash, i.e., money but also of direct something in return (something given/ received for something else) relationship between the owner and the government. In other words, the government must

pay compensation to the owner for what it has taken away from the personal, which seems that payment compensation should be the real value of the property taken. It also adds that a land belonging to the state does not offer a constitutional compensation. Compensation payment made for expropriation is an essential remedy to protect not only private owners' property rights but also disciplines the government branches to exercise their powers only for legally and economically justified reasons.

Once it accepted that compensation should be paid in the preceding of expropriation, and then it accustomed to asking how to compensate the owner. (Girma; 2011: P.70-71). Compensation has largely been understood to refer to specific measures intended to make good the losses suffered by people displaced. It usually takes the form of payment, either in cash or in kind, and is principally about awards to negatively affected persons. The manners of determining compensation are a debatable issue, since the terms used in legislations often create confusion among evaluators.

In this discussion, we can recognize two major controversial theories: the principle of indemnity (Owner's Loss) theory and the "Taker's Gain" theory, which will be discussed below. ((Girma; 2011)

A) Owner's Loss Theory.

The central idea of the "Owner's Loss Theory" is that the owner whose property expropriated should be entitled to be put in as good a pecuniary position as he would have been if his property had not been taken. Thus, its targeted message resettles the owner to the original position he would have had his property had not been taken.

So that the dispossessed owner would go out into the market and purchase with his compensation money a property roughly like that, which had acquired, any incidental loss or expense being met from the proceeds of the disturbance claims. In general, the laws of the countries which follow the indemnity principle/ owner's loss theory/, takes the loss of the property owner into consideration in the course of valuation of compensation, irrespective of the benefit of the expropriating organ. The main purpose of compensation is to reinstate the owner of the expropriated property in the same economic place at the time when the property was taken. The principle of indemnity suggested that any claim for increased compensation do to the value of

expropriated property should not allow. This implies that the possessor is to be compensated for the increased value of expropriated property. There could also be equivalent to compensating the landowner for the loss he/she has not suffered (Girma; 2011)

B) The Taker's Gain Theory.

The Taker's Gain Theory elucidates that the government is required to pay only for what it gets. This argument emanates from the discrepancy between the value of the property taken away by the government and the amount of loss the owner suffered from. The variation may be caused due to disturbance of the life of the property-owner or other similar remote damages, which would drain the purse of the government. These two contradictory speculations have tried to reply how to check the compensation to be paid to the possessor of the landholder in case of expropriation. Regardless of their operation in countries accepting them with few important qualifications, the principle of the owner's loss theory has received predominant recognition over the taker's gain theory. (ibid; p 76). Principles of indemnity have also been stated under the Ethiopian Civil Code, Art 1470 to 1477 which elucidate about compensation. These provisions apply in regards to compensation due to persons whose rights taken away or restricted from make use of it. It again dictates about the amounts of compensation by stressing that the amount of compensation or the value of the land that may give to replace the expropriated land shall be equal to the amount of the real damage caused by expropriation. The amount of damage stated under Art 1474 (2) is to mean the payment assessed by the committee on the day when it makes its decision.

2.4. Rationale and International Practices

2.4.1 Rationale of Expropriation and Compensation

At the time acquisition of land for public development purpose is inevitable, the taking of land and related properties and implementation of expropriation should rationally undertake and be convincing from the landholders' point of view.

Even though action of expropriation has taken place for various developmental purposes, the target destination and end output should benefit the society, and not target specific people. On the other hand, payment of compensation may be justified on the grounds of economic, social and political issues. The economic justifications argued that payment of compensation can encourage

the governments to make wise decisions. Because of the high expropriation cost the government sacrifices for compensation, it usually strives to make rational economic decisions that will bring beneficial development to the target parties. The owners may not have interest to take risks and make investment on their properties. The other justification rests up on the principle of distributing the burden of public improvements. If property of a person taken for public purpose without payment of any form of compensation, the person whose property has taken would be compelled to give a disproportionate share to the common good, where there is no strong reason to single him out and compel him to bear all the expenses the society requires to satisfy its needs of development. (Girma; 2011: P.72).

Accordingly, compensation is a means to keep balance of social justice. It requires the government to bear the inconveniences resulting from expropriation. Hence, it argued that no single person should bear the costs of government development activities that are intended to for the common good, as there are no justifiable reasons to single out an individual and oblige him to bear the entire burden for the benefit of the society. The third reasoning for compensation is to protect private property from arbitrary and unauthorized takings of the government organs that exercise the power of expropriation. Thus, requirements compensation is to serve as a shelter for private property against the strong power of the government. (ibid; p72).

2.5. Importance of perception in Economics.

I think to answer this question; we should first understand the meaning of the word "perception". Define this word as "a way of understanding or interpreting something". In a typical microeconomic model, we usually have three sides: producers and consumers and the government. From the point of the producers, right understanding of the situation in the market is essential. Producers should decide what they should produce, the amount of goods/services they should produce and how to produce that. So, wrong perception of markets is likely to lead to an economic inefficiency ("wrong" good supplied, shortage/surplus of the good, productive inefficiency). From the point of the consumers, right understanding of the market system is also important. In my humble opinion, perception in this situation is similar to expectations. Expectations influence demand and therefore may also lead to an economic inefficiency. For example, if people are said that there is no more salt left in shops, they will increase demand and therefore by all salt from the shops. From the point of the government, wrong perception of the economic situation is likely to lead to the government failure and therefore greater economic inefficiency.

In a typical macroeconomic model, we also may define three main macroeconomic agents: firms, households and the government. Firms should have right perception of the economic situation to decide on the production (as well as producers in the first model), they also should have confidence in current economic situation to plan investment. Households should have the right perception of the economic situation as well as have confidence in it. These elements joint will encourage households to spend more and save less, therefore improving economic performance of the country. Government should understand the current situation in the country because wrong policies may ruin not only economic prosperity but also may damage every other sphere of people' life. Perception plays just as important a role as other economic issues like interest rates, employment figures, inflation, government spending, tax cuts, and the like. The perception that consumers, investors, entrepreneurs, government officials, and the media have about the economy can have a tremendous influence upon a national economy (Jeffrey ,2009).

2.6. Origins of sustainable livelihoods.

The sustainable livelihood's idea was first introduced by the Brundtland Commission on Environment and Development, and the 1992 United Nations Conference on Environment and Development expanded the concept, advocating for the achievement of sustainable livelihoods as a broad goal for poverty eradication (DFID, 2000, Krantz, 2001).

2.6.1. Theoretical and Conceptual Framework of Sustainable Livelihoods.

Livelihood thinking dates back to the work of Robert Chambers in the mid-1980s (further developed by Chambers, Conway and others in the early 1990s). The term 'sustainable livelihood' came to prominence as a development concept in the early 1990s, drawing on advances in understanding of famine and food insecurity during the 1980s (Haidar, 2009). His concepts join the basics of the Sustainable Livelihoods Approach (SLA), and finally adopted by the Department for International Development (IFID) in 1997 as a strategy for pro-poor policy intervention. The framework argues that the success of any development intervention that touches the livelihoods of the people requires an understanding of the underlying conditions that supports the livelihoods. Therefore, the Sustainable Livelihoods Framework postulates that an understanding of what comprises and supports the livelihoods of the people should an entry point for the success of interventions into the livelihoods. (Ashley and Carney 1999, Krantz, 2001, Farrington, et al., 2002, Msangi, 2011). They have also indicated households have adopted diverse non-farm activities whose earnings were of varying importance to the annual household income.

The infrastructural developments coupled with emerging business enterprises were found to be the main factors that enhanced the opportunities for household engagement in non-farm activities. They then concluded peri-urban development is not only dependent on the infrastructural developments but also on the socio-economic opportunities and government policy. Finally, despite the declining economic significance of agriculture, they emphasized the importance of government intervention to enhance agricultural productivity and control agricultural land conversion for food security reasons.

2.6.1.2 Financial Capital

Is the capital base (cash, credit/debt, savings, and other economic assets, it includes basic infrastructure and production equipment and technologies) which are essential for the pursuit of any livelihood strategy (Scions, 1998). Consists of stocks of money or other savings in liquid form. In this study context, it includes not only financial assets, but also it does easily disposable assets such as livestock, which in other senses may be considered as natural capital. It includes income levels, variability over time, and distribution within society of financial savings, access to credit, and debt levels.

2.7.4 Consequences of Urban Expansion

Rapid urban expansion in developing countries is usually associated with unplanned development in the periphery that requires high cost of infrastructure. It is also clear that even in planned activity, the development of infrastructure usually does not correspond to the large tract of land that develops in a low-density pattern. Thus, urban expansion consequently results in social, environmental and economic problems to the society (Bhatta, 2010).

2.7.4.1. Positive Impacts of Urban Expansion

Urban centers have a positive impact on the development of their surrounding peri-urban areas through different ways. According to (Satterthwaite and Tacoli, 2004), the surrounding area of urban centers are mostly engaged in agricultural production either for local consumers or as links to national and export markets, urban centers act as access to market which is the prerequisite to increasing rural agricultural incomes.

Proximity also contributes to decrease the risks of perishable products to produce timely to market areas and to get affordable transportation. According to (G/Egziabher, 1998) and others, the practical activities approved that people who live in the surrounding urban centers can have

possible access to both private and public services such as health, education, banking, postal & telephone and services of different professionals (lawyers) and private services like wholesale and retail, sales of manufactured goods.

As to the view of (Kamete and Tvedten, 2006) in order to assure that people who live around urban centers, because of their proximity, have a better access to employment and modern way of living than those who far rural dwellers. Besides, urban centers create employment opportunities through development of small and micro enterprises and cooperatives.

Fekadu (2015), in his study on urban expansion and its effect on peripheral farming community in Hosanna town pointed out that, physical capital i.e. Number of houserooms- buildings increased in percentage.

2.7.4.2. Negative Impacts of Urban Expansion

Urbanization has also some negative effects to its nearby pre-urban areas in different aspects especially, to dislocation of farmers from their farmland and to degradation of valuable agricultural land. This is because as the nation's population increase, cities must grow spatially to their pre-urban areas to accommodate more people and to serve different services for them. In Ethiopia, the urbanization was increased from 5% in 1950 to 16% in 2000, on average 4.3% per year. Furthermore, it is estimated that by 2025 the World's, African's and Ethiopian's population rate will reach 58%, 52%, and 32% respectively (Webster, 2005 as cited in Mahari, 2011). The reason for an optimistic prediction towards the urbanization growth is that, it will have the following negative effects of urban expanding on their pre-urban areas.

As pointed out by (Dayong, 2004) uneven urban expansion will occupy much valuable farmland around urban centers, which causes to sensitive contradiction and conflicts with the farmers displaced who displaced from their farm land. Urbanization negatively affects the pre-urban areas in different ways. As urban centers, expand by occupying fertile farm land and displacing farmers cause to cut the amount of production and number of family farmers and move to the nearby urban centers. As a result, the farmers with their large family size will be exposed to unemployment and poverty (food insecure) for the reason that they are not well-educated and skilled rather depending on their agricultural production. It is understood that, people without basic qualification or literally skilled are unable to compete and get job in the labor market (G/Egziabher and Solomon, 1997).

According to (Mc Granahan et al., 2004), rapid urbanization leads to over exploitation of renewable and non-renewable resources of their pre-urban areas (especially, land). Because people who live in urban areas have varied and different consumption pattern than these who live in the pre-urban areas. The demands made by urban centers greatly exceed the carrying capacity of their own territory.

According to G/Egziabher and Solomon (1997), urbanization causes for enormous conflicts associated with land acquisition. The most sources of conflict are found at the borders of the urban and rural, common and private, smallholder and investors land. Hectares of farmland changed to urban use in 5 Kebeles in three years' time (1997-1999).

2.8. Empirical Review

The world's urban population reached 3.2 billion in 2005 and expected to rise to 5 billion by 2030. On the other hand, the rural population of the world expected to decline slightly from 3.3 billion in 2005 to 3.2 billion in 2030. About 30% of the world population lived in urban areas in 1950 since the proportion rose to 49% by 2005. The average annual rate of urban population growth in less developed countries reached 3.4% in the period 1975-2005, compared with 0.8% in the more developed regions. In the future, the growth rate will continue to particularly rapid in the urban areas of the less developed regions, averaging 2.2% per year during 2005-2030. In contrast, the urban population in the more developed countries will be growing at an annual rate of change of only 0.5 per cent. (UN Report, 2005).

Urbanization has brought economic development to many countries, with real improvement the provision of social services to many communities. However, conversion of farmland into urban built-up areas reduces the amount of lands available for food and crop production. In the US, such as, the total area of cropland, pastureland, and rangeland decreased by 76 million acres in the lower 48 states between 1982 and 2003, because the total area of developed land increased by 36 million acres or 48%. China has also experienced a drastic decrease of farmland due to urban expansion. For example, between 1996 and 2002, cultivated land was reduced from 130 million hectares to 126 million hectares. Urban expansion creates high pressure on agricultural lands, and after, brings negative impacts on the socioeconomic conditions of communities and the environment.(UN Report, 2005).

The process of urbanization is one of the most important dimensions of economic, social and physical changes in developing countries. Most of the world's urban growth occurs in the

developing world. Even though Africa is the least urbanized region in the world, it has the fastest rate of urbanization. According to the United Nations Department of Economic and Social Affairs (2014), the share of Africa's population living in urban areas increased from 14.5% in 1950 to 38% in 2010 with the annual growth rate of 3.6%, compared to Asia's 2.5%. This fast rate of urbanization has various effects on pre-urban zones that surround the continent's cities. Rapid urban growth leads to the proliferation of unplanned settlements and in the last pre-urban informal areas have accommodated most of the demographic expansion in African cities.

Rapid urban population growth means an increasing demand for urban land, particularly for housing, but also for various other urban uses. In many countries, the increasing demand is most likely to affect (or is affecting) rural-urban fringe areas. As the city expands, the rural-urban fringe experience its direct impacts on those living there, facing new challenges and opportunities in meeting their life needs and accommodating the by-products of land use changes. Although urbanization of these fringe areas provides opportunities for employment, better housing, education, knowledge and technology transfer, and ready markets for the agricultural products, increase in population places enormous stress on natural resources and existing social services and infrastructure (Aggrey)

In African nations, agricultural production and land use in areas that surround urban centers been affected by urban expansion. In Kenya, for example, have found a sharp decline in farming activities in the pre-urban area of the capital, Nairobi, where the number of full-time farming households declined from 90% in the 1960s to 49% in 2010. This failure indication of the declining economic significance of agriculture. The decline of household agricultural activities was mainly due to the sale of land for residential/business premises and land bequests to children. The rapid conversion of agriculture land to non-farming purposes jeopardized farming activities, which are considered the major source of livelihood of people living in the pre-urban areas. As a result, these areas have become exposed to all sources of vulnerability, which has led to negative effects on the livelihoods of local communities (Narimah,2012)

Since pre-urban area is very important in providing linkages between urban and rural areas, there is an urgent need to strategically plan and manage the spread of urban spatial growth. Likewise, uncontrolled economic growth and urbanization can cause adverse environmental impacts and pressurize the likelihood of the local communities.

Therefore, proper planning control and management should in place to make sure the local communities are benefited from urban development. However, lack of rigorous policy on

managing and planning of urban expansion aggravates the negative impact of urbanization in many developing countries. ((Narimah,2012)). During the last three decades, many cities in the developing nations have shifted from a mainly agriculture-based economy to one of industrialization to foster economic growth.

This shift induces a large group of the rural people, who lose their major source of livelihood, land, to flee to the urban centers. Even if urbanization creates various opportunities for people living within the pre-urban area, a few negative consequences go with the development. It leads to significant reduction of agricultural land and green space and becomes the potential threat of resource depletion due to rivers contamination from industrial discharge. During the last half of the 20th century in Western Europe, relatively steady economic and population growth and stable patterns of governance have led to our urban growth, creating what been referred to as dynamic and/or multiple use of landscapes in these areas. Urbanization in Africa, however, has generally been more rapid and chaotic than in Europe, with deficiencies in regulation and infrastructural development. The rapid urban growth is often with inadequate governance systems, infrastructural development and land administration and most often, lack of industrial and economic growth has led to what is often called the African urban crisis. (Narimah,2012)

Urban population growth results in increased population densities within established urban areas as well as in the out thrust of urban agglomerations (that is, pre-urban regions). It is therefore anticipated that this enormous urban growth will result in our population thrust of the urban agglomerations. Following the outward urban population drive, many recent rural areas around the cities been converted to pre-urban status. The rural-urban migration considered as one of the major driving forces behind the rapid urban growth. This massive migration has placed high pressure on the existing social services, pollution increase social problems: it has become a challenge for the state to meet the demand of continuous growing urban population. (Narimah,2012)

On the contrary, urbanization brings economic development with real improvement provision of social services to various communities in many countries. Apart from the urban expansion or physical increase of built-up environment, urbanization also brings ecological and socioeconomic effects. Conversion of farm and vegetation lands cover into urban built-up areas reduces the amount of lands available for food and crop production.

The major rehabilitation support programs include land reallocation, alternative job creation, skill training, alternative housing, and social security provisions. For example, the Chinese

government negotiates with respective industries on expropriated land to offer permanent employment for the expropriated farmers.

Land scarcity in urban vicinity and marginalization of agricultural lands results in the failure of farmers in the pre-urban areas to meet the consumption need of their family, which has a negative impact for attaining food security in the area. The number of livestock reared also declines along with the decline of farmlands. The money given for compensation to those farm households who displaced from their land does not replace what they have lost. It is also not enough because the valuation method does not show the current land market and cost of living. This conversion of farmlands along with expansion of cities result in the decline in income and livelihood of the fringe farmers ((Zemenfes, 2014). The negativity associated with rapid urbanization, particularly the environmental consequences in cities and pre-urban areas, are among the most documented issues in urban environmental research (Keshaun, 2014).

The urban hinterland is clearly subject to the direct impact of urban expansion, resulting in great significant stress on the ecological footprints of natural resources. Furthermore, the conversion of farmlands and watersheds for residential purposes implies negative consequences for food security, water supply and the health of local populations, both in cities and in pre-urban areas. In different parts of the world, especially China and parts of urban Europe in the mid-19th century, rapid urbanization often produced unique settlement morphologies in pre-urban areas, a pattern characterized by an intensive combination of agricultural and non-agricultural activities.

Expansion of cities has direct impact on rural-urban fringe experience, with those living there met new challenges and opportunities in fulfilling their life needs and accommodating the byproducts of land and other recourses use changes. (Thao,2013: P.1).

Urbanization been resulted in new income opportunities for the people who originally had to contend to either working on their farm as farmers or laborers, or seeking for paid job opportunities. With increases in population from new corners, who are urban based in terms of their employment, the villagers have an opportunity to start small-scale business such as shops, to cater for the increasing needs of the newcomers. The expropriated farmers do also have opportunities in the construction sector within the area as new houses are coming up in their midst. Land and other resources in the rural-urban fringe are a bit expensive when compared, particularly with land prices of the same quality of land in a more rural setting. This is beneficial to the landholders in that they are able to sell their portions of land and by bigger ones in further rural distances.

This is happening to a good number of landholders in the areas who have sold either their whole parcel of land or just some portions of it and bought some land in neighboring province. Urbanization and its expansion are highly distinctive between developing and developed nations. In developing countries, rapid urbanization is considered as the out expansion of urban centers towards to the countryside. Most of the time, this process is employed at the cost of agricultural land. On the contrary, urbanization in developed countries is characterized by industrialization. ((Thao, 2013 P 72-73.))

In Ethiopian context, land owned by the state and the land policy grants compensation to the dispossessed household (individual) when land is expropriated for investment purposes (FDRE, 2005). Although urban and rural areas have clear administrative boundaries, urban territories can expand over time. Demarcation of a new boundary of the urban center is enacted after the development plan is defended in a public hearing and approved by the respective council (FDRE, 2008). Whenever new space is needed to carry out the development plan, the urban administrative body amalgamated the surroundings rural villages in consultation with the surrounding rural administration or the regional council. This procedure ultimately creates a new boundary to the urban center and continually shrinks the land resources of the nearby rural villagers.

The "Public Ownership of Rural Land Proclamation" nationalized all rural land and set out to redistribute it to its tillers and to organize farmers in cooperatives, thereby abolishing exploitative landlord-tenant relations so pertinent under the imperial regime. The provisions of the Proc No. 31/ 1975 include: public ownership of all rural lands; distribution of private land to the tiller; prohibitions on transfer-of-use rights by sale, exchange, succession, mortgage or lease, except upon death and only then to a wife, husband or children of the deceased. This time urban expansion was curbed remarkably because most tillers with the rights of owing and benefited from land reform. In a nutshell, the rate of rural- urban population migration was declined to the stage having insignificant contribution to urban expansion.

On the contrary, the adult person was not allowed to use hired labor to cultivate their holdings, problems associated with declining agricultural productivity and poor farming techniques were prevalent. The government endeavors to put land reform in practice again created problems related to land fragmentation, insecurity of tenure, and shortages of farm inputs and tools. In addition, diminution and land fragmentation of holdings, tenure insecurity, land degradation and inefficient allocation of land by the way of restrictions on land transfer, lack of proper land use

and administration were among commonly cited problems in relation to the land policy. (Girma, 2011) These problems pushed up the rural landless peasants to migrate to urban areas and gradually, in the end, became contribute to urban expansion.

Throughout the developing nations, high population growth has mainly caused by migration from rural areas to towns. The key drivers of these trends include push factors, such as increasing agricultural commodity prices; worsened livelihood opportunities and insufficient rural land to confer social standing. There are also pull factors which comprises the prospect of cash employment, perhaps with the government, availability of public services in town and the intrinsic excitement of urban areas. More to the points, even in rural areas many people aspire to urban as the availability of non-manual labor employment. Strong kinship traditions have, even, encouraged rural migrants to fulfil these aspirations by moving to towns. (World Bank, 2000: p1; UNDP, 1997: p5).

((Gittleman 2009); Feyera ((2005); Firew ((2000); Carter ((1995) and others had tried to study that whether the displaced people find new homes and what is happening to them. However, the situation of displacement, relocation and its impact on the life making of the ex-farmers around.

Firew (2010:1-2) has tried to point out that horizontal urban expansion or urban sprawl inevitably results the displacements pre-urban farmers. The displacement schemes always followed with compensation. However, in developing countries like Ethiopia where land ownership belongs to the public, the amount of compensation paid to displaced peasants depends on government's good will. If the payment is insignificant, it directly leads to insecurity of life expelled communities. For example, the studies conducted in the sub-urban community of the Hawasa city show that the surrounding pre-urban community is lying to the horizontal expansion of the city and faced livelihood adjustment problem beyond the compensation. Thus, expansion of the urban settlement to fringes results in a significant change in the way of life, production, and social structure. In some cases, the "win-loss scenario prevails during horizontal urban expansion "i.e., the firms become profitable at the cost of farmers. Therefore, it is important to find the specific influence the horizontal urban expansion has on the livelihood of the pre-urban community after their move. But the urban land lease policy is not very pleasant to rural households in general and the poor land holders in particular. Because, the policy criticized as it has not taken into account the lives of rural households living in towns and cities. As a result, implementation of the policy has marginalized the rural settled farming communities. The non-

farm based economic sector was not developed to absorb those displaced from farming, most of which unskilled laborers.

The rural farming community has little knowledge and know-how to adapt to situation of urban life as most of them unskilled to compete for urban job opportunity. Perception plays just as important a role as other economic issues like interest rates, employment figures, inflation, government spending, tax cuts, and the like. The perception that consumers, investors, entrepreneurs, government officials, and the media have about the economy can have a tremendous influence upon a national economy (Tegegne (2000); Yeraswork and Fantu (2003)).

The effect of horizontal urban expansion for variety of purposes on the livelihood strategy of financial capital and perception of households dwelling around the per urban areas of Jimma town was rarely studied from sociological point of view. Out ward expansion of urban settlements and institutions are observed in all corners of Jimma. For example, Jimma Airport constructed on the farmlands previously used by farmers.

Horizontal Urban Expansion and Livelihood Adjustment Problem Among Ex-Farmers in the Kebeles Surrounding Jimma Town: The Case of Debra Kebele (Mengistu,2016). Result shows, the multi-faceted effect of the processes of urban expansion on the surrounding farming community needs to be clearly known to cut the negative impacts. In addition to this, the situation of displacement, relocation and its impact on the life making of the ex-farmers around regional towns were less studied. As the time increase, severity of the problem may increase from time to time also urbanization. If the unplanned expansion of urbanization gone with this trend without well management, it may become one source of Urban poverty in the town.

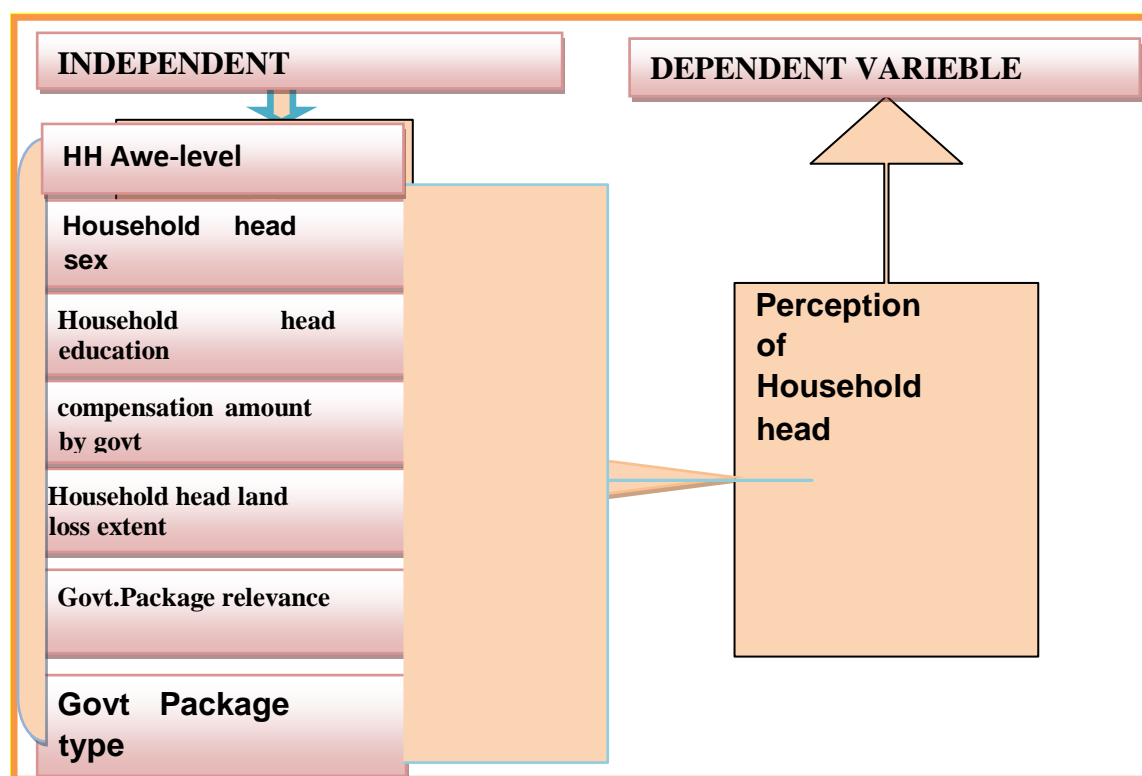
This study differs from earlier study by scope and method of study. Therefore, these conditions forced the researcher to do the research on the Impacts of Horizontal Urban Expansion on Sub-Urban Agricultural Community perception about their Livelihood, jimma town. This is not to denounce construction of the large-scale development projects at the fringes of the cities and towns, but to reduce the suffering of people displaced for that purpose

2.9. Conceptual Frame work

The researcher has constructed the dependent and independent variable based on reviewed literature. The researcher has constructed the dependent and independent variable based on reviewed literature. The dependent variable of study was displaced household head perception.

The study employed independent variable of HH characteristics, pre-awareness level of displaced farmers, Land lost extent household head Amount of compensation paid by, package relevance given by and package type given by government.

Figure 1 conceptual frame work of the study



Source: Adapted from literature review, (WEGEDIE, 2018, Leulseged , 2015).

HH Characteristics: Its include Genders, Household head age, Family size and Household head education (Leulseged Kassa, 2015)). (Leulseged Kassa, 2015)).

Amount of compensation;(com-amo) which measured by ETB compensation amount of cash paid for displaced body for the area of displaced, which measure in number or ETB (Ethiopian birr). Which used as independent variable (in journal of (WEGEDIE),2018)

Land loss extent: (Lanlos_ext); Land loss extent, a degree of displaced farmer's loss of their land in the lifetime history of the area residents or other palaces. Which used as independent variable in the journal study of ((Leulseged Kassa, 2015)).

Pre-awareness level on displacement (Lanlos_ext): awareness of farmers about urban expansions or industry expansion or other public sector expansions. As independent variable used in the study of ((WEGEDIE,2018

Government package relevance:(Awe-lev) Government package relevance means a package for displaced farmers may exist or not. ((WEGEDIE,2018))

Types of compensating package (Pack type) A package for displaced may given which in kind, cash and both. Continues variable measured by number. ((WEGEDIE,2018))

CHAPTER THREE

RESEARCH DESGIEN AND METHODOLOGY

3.1. Introduction

This chapter briefly outlines the research design, description of the study area, and methods employed in this study. It describes the research type, strategy, and approach, source of data, sampling design, methods of data collection, and, method of data analysis, model and model specification, interpretation and data presentations techniques.

3.2. Research Design.

Research design is the plan and structure of investigation so conceived to get answers to research questions. As stated above, this study aims to look at, the Impact of Horizontal Urban Expansion on Perception of Sub-Urban Agricultural Community livelihood. In order to analyze these impacts, a survey using questionnaires and group focus discussion. The cause and effects (causal) relationship between perception of urban expansion variables going assessed throughout the study. Descriptive and explanatory analyses both conducted in the study. Descriptive statistic is one of the techniques used to summarize information (data) collected from an interview and others documents and analyzing the financial impacts of displaced farmers also legal issue of compensation payment described. By applying descriptive statistics such as mean, frequency of appearance, percentage, greatest and minimum value etc. One can compare different categories

of sample units with respect to the desired characters to draw some important understanding. Explanatory analysis using econometrics regression model employed to analyze cause-effect relation between perception of pre-urban farmers in the town and what it affects their perception on their livelihood.

3.3. Description of the study area.

Jimma town is found in Oromia regional state. Historically, Jimma founded in 1822 during the regime of emperor Aba Jifar I. It located at 335 km by road southwest of Addis Ababa. Its geographical coordinates are about 7°41 'N latitude and 36°50'E longitude. The town is found in an area of average altitude, of about 5400 ft. (1780 m) above sea level. It lies in the climatic zone locally known as Wayne Daga which considered best for agriculture as well as human settlement. The town bordered by Dido Wereda in the South, Seka Wereda in the North-West, Kersa Wereda in the East, Manna Wereda in the North-West, and it possesses or covers a total area of 100.2 KM². Jimma town was horizontally expanded in to the four-neighboring rural wereda Keble mention in the above. The town is one of the 10 "grade A" towns found in Oromia National Regional State. Currently, the town consists of 6 sub-cities (previously called Keftenyas) and 17 Keble's which are 13 urban and 4 rural Keble's.

Sub city is the second administrative level next to the municipal government, while Keble is the least administrative level next to sub city.

In terms of population size, the Jimma town population estimated above 195,956 of which 100,201(50.2) are men and 95756 (49.8) are women (CSA: 2010). According to JO FED, (2013) population has grown from 120,960 in 2007/2008 to 195,956 in 2019/2020 so that the town horizontal growth at unpredicted rate increased for house construction land demand, industrial park and other sectors establishments high demand of land. The number as well as rate of population is highly increasing from time to time i.e., informal settlements, there is high fertility rate and productive rate that migrate from rural to the town with the purpose of seek job. Which is a sum of a reason for high horizontal urban expansions of Jimma town. The town is home to people from various nations and nationalities that composed of different ethnic groups of the country.

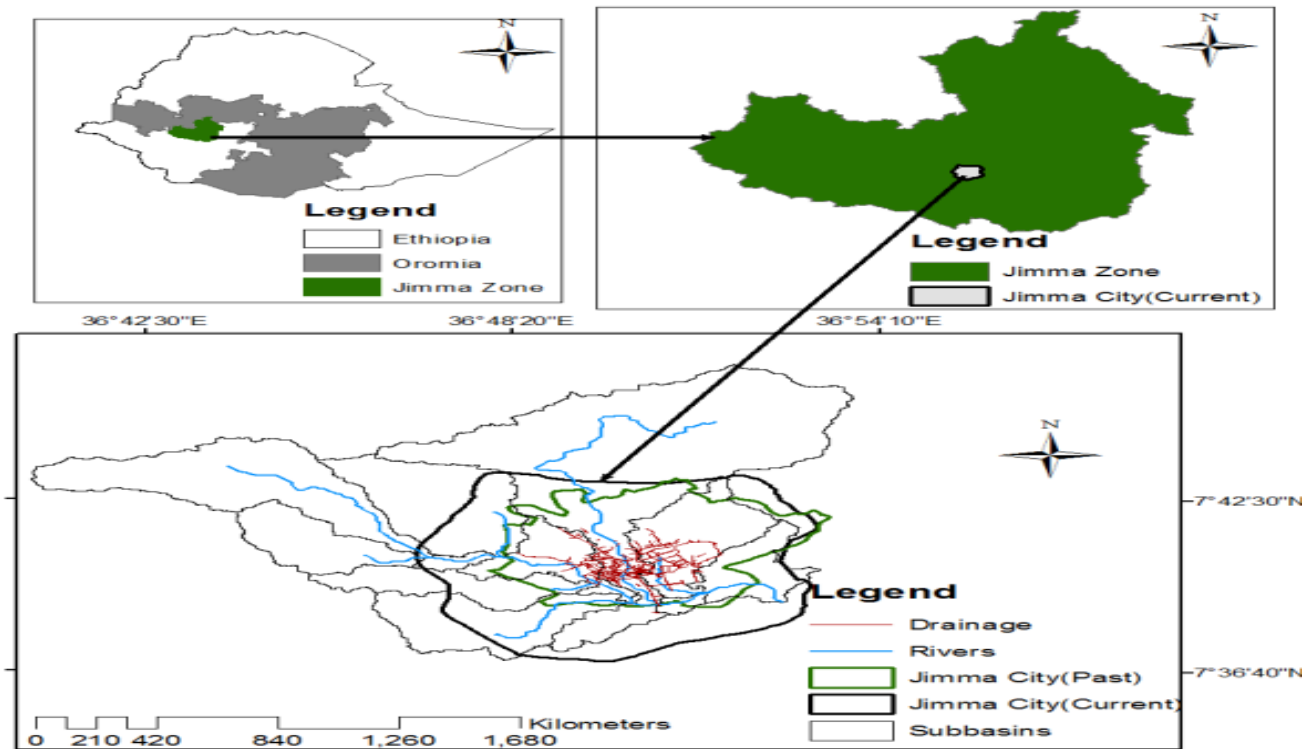
The town severs as commercial, political and economic center of southwest part of the country for 184 years. Service and commercial trade is the dominant activities within the area of the town. Due to suitable weather, and economic condition, high population growth the town to expand with different time to different purpose horizontal by attacking rural Keble which circle

the town Bosa Kitto, ifa bulla, Bore and Becho Bore. Also, organization just like jimma aba Jifar airport, jimma university, condominium building in the town all this done on peri-urban household lands this may impact on economic, social as well as environmental impacts even if planned horizontal expansion of the town will influence the livelihood and perception of farmers displaced.

From Oromia regional state town next to Finfinnee special zone, it has a high population growth and a high urbanization also center of many governments, non-governmental and private institution.

Different government institution opened Jimma aba Jifar airport (Bosa kitto Keble), jimma university (jiren and ifa bulla Keble) and jimma town condominium (Becho bore Keble) housing in different time which done by displaced farmers from their original residing area and income generating assets. Recently, as of Ethiopian industrial sector expanding strategies, in the year of 2019 jimma industrial park was open on 1000 hectares by 345 displaced farmers on from their original income gain area and residing area. In addition to this, the industrial park also on process of expanding in to Seka chekersa wereda neighboring rural wereda Keble by taking around 875 land hectares by displaced 770 farmers but compensation on process yet not paid. Generally, Jimma town was expanding at alarming rate due to the above all mention reason and informal settlements in neighboring rural wereda kebele (source jimma town municipality and from study area Keble office).

Figure 2 map of Jimma town



source: 2011 GIZ survey.

3.4 Sampling Design.

A sample design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the study would adopt in selecting some sampling units from which inferences about the population drawn.

3.4.1 Target population

Population this study is only Jimma town. Population this study does not include all households in the 17 Kebeles due to inadequacy of resources such as time and money. In addition to this, focus of this study was the case of displaced farmers only, which happened in different time for different purpose. According to Jimma town Municipality documents, there are about 10,050 households. Populations, 195,258 households and 50,375 house units, within the total households. Moreover, around 1200 household in four corner kebele of the town have displacement history. From these households, displaced farmer's household head is selected, which are resident of four corner Kebeles of the town.

3.4.2. Sample Size and Sampling Techniques.

The study used both probability and non-probability sampling techniques. From non-probability sampling techniques, purposive for Kebeles in Jimma town selected because there are more displaced

farmers there in the four corner kebele of the town compared to other remaining kebele. In the process of realization of this study, a purposive sampling technique was employed to assure the representatives of samples on-target group-households that faced with problem in the peripheral part of Jimma town. In this regard, the researcher purposive designated four Keble's from seventy (17) Kebeles in the town as they are Keble's which affected with horizontal urban expansion. These Kebeles are Becho Bore, Bore, Ifa bulla and Bosa Kitto.

Representative samples from the households of selected Kebeles based on scientific formula at the required degree of confidence. Therefore, representative sample of these households have been calculated based on formula for sample size determination and for target population. First, to find the sample households from these peri-urban farmers, the following simplified formula from Israel (1992).

$$n = \frac{N}{1+N(e^2)} \dots\dots\dots 1$$

Where, **n**= minimum required sample size,

N=the estimated population size and

e = is level of precision or confidence interval. By using the above formula;

N=1200, which is our target population or displaced farmers in peri-urban rural Kebeles. So, in order to obtain the wanted sample size,we employed the aforementioned formula.

$$n = \frac{1200}{1+1200(0.05^2)} = 300 \dots\dots\dots 2$$

From chance sampling techniques, we used proportional chance to select displaced farmer's representative in each kebele. The following is the detail about the sample respondents from each kebele which computed as total population of each kebele or part/total population*total calculated sample using the above formula: **n=portion**

Bore displaced:348/1200*300=**87**.

Becho Bore: displaced, 252/1200*300=**63**.

Ifa Bulla: displaced, 304/1200*300= **76** and

Bosa kitto; 296/1200*300=**74**.

Total= 87+63+76+74=**300**. This is summarized with the following (table 3.1).

Table 3.1:sample size determinations.

No	Kebele	Estimated Displaced farmers	Land in hectares	Sample Size
1	Bore	348	125	87
2	Ifa Bulla	252	75	63

3	Bosa Kitto	304	40	76
4	Becho Bore	296	25	74
Total		1200	265	300

Source: municipality and kebele administration,2021.

3.5. Source of Data and Data Collection Instruments

3.5.1 Source of data

The study was relying on both primary and secondary data. Primary data collected using a pretested structured questionnaire through household survey. Secondary data collected from official documents, websites and reports from displaced issues of farmers jimma town, Kebeles administrations and municipality Jimma town municipality administration office, land administration office, from different Kebeles unpublished information, trade office, finance and economic development office of annual plan and quarterly reports, market information, research papers, journal articles, land use regulation policy documents, CSA reports used as a data source

3.5.2. Method of data collection.

Primary data were collected through observations, questionnaires, focus group discussion (FGD), Key Informant Interview (KII) and household survey based on pre-developed semi structured and unstructured interview instruments. Semi structured household level questionnaire and unstructured questions (checklist) for FGD & KII designed. Feasibility of the instrument is also pre-tested to make early correction on the shortcomings of assessment tools as well as to estimate the time it will take to complete the data collection. Semi structured household level questions closed ended with few open-ended questions included to capture essential ideas useful to carry out the research but missed by the questionnaire, any more problems raised and recommendations suggested by respondents (qualitative information) than what is given in closed ended questions.

Structured questionnaire: To gather information from selected displaced household head, a formal survey was conducted on the sample population of 300 household heads by using structured questionnaires with closed-ended questions from each Kebeles. Questionnaires designed both in Afaan Oromo and Amharic languages. The purpose of translation from English to Afaan Oromo and Amharic language was to use and to gather wanted information from. The

structured questionnaires organized into two main sections, the first section personal information of the respondents which includes gender and age composition, marital status, educational level. The second section of the questionnaire focused on obtaining the socio-economic condition of the sample households head impacts of displaced after displacement. The third how implementation compensation and rule regulation and the last about variable question or perception displaced farmers in the town.

Focus group discussions (FGDs): Focus group discussions is conducts to capture qualitative data and to fill in the gap of information that not be covered by other methods of data collection and to confirm the findings. The discussion is conduct by giving special emphasis to the living condition and other perspective of displaced farmers with Kebeles officials, stakeholders and selecting respondent. A structured questionnaire designed for this purpose focused at household level and used to collect data from sampled household head. To collect reliable data, right questions formed and pre tested. Data collected by trained field staff. The collected data entered in to Stat software version 14.

3.6. Method of Data Analysis.

After data sets are collected, the researcher encoded it in to STATA tool. In this study, both descriptive and econometric analysis of binary logit model were used to analyze the effect of urban expansion on their perception about financial capital impacts, rule and regulation regrading compensation payment and implementation. Excel used to generate descriptive statistics, frequency distributions, and tables.

3.7. Econometric Model choice and specification.

3.7.1 Binary Logit Model.

The choice of econometric model depends on the nature of the dependent variable i.e. nominal, ordinal, interval and / ratio scale. Households' perception was the dependent variable of this study, which takes 1 if the household support urban expansion and 0, otherwise not support urban expansion.

Logistic regression is one of binary choice models (or dichotomous models), which designed to model the 'choice' between two discrete alternatives. This model essentially describes the likelihood of support urban expansion event ($Y = 1$) is directly depends on observed explanatory variables which are exogenous (independent) to the model. The perception is dichotomies issue in its nature; whether to support and not. Therefore, based on the above theoretical concept, the researcher developed the model as of (WEGEDIE, 2018). Since, dependent variable, (i.e.,

perception) is a binary outcome (dichotomous) variable and treated as qualitative data, the researcher assumes one (1) to support urban expansion and zero (0) otherwise. And the dependent variables analyzed as dummy variables for simplicity the analysis. Consequently, for this data, logistic regression is a right model to measure how explanatory variables definitely find perception household head urban expansion. The Log function can have derived from odds ratio.

$$\log(\text{odd ratio}) = \log\left(\frac{\text{support urban}}{\text{not support urban}}\right) = \log\left(\frac{y_i}{1 - y_i}\right) = \beta_0 + x_i\beta \dots \text{Equation 1}$$

Where $y = 1$ represents support urban expansion (success) and $y = 0$ represents not support (Fail), x is column vector of independent explanatory variables, β c(success) coefficient of the explanatory variable and also β_0 is the intercept.

Equation 1 shows that the natural logarithmic form of odds ratio depends on observed explanatory variables. This equation can also be expressed in terms of probability.

$$\log\left(\frac{P(y_i=1)}{P(y_i=0)}\right) = \log\left(\frac{p(y_i=1)}{1-p(y_i=1)}\right) = \beta_0 + x_i'\beta \dots \text{Equation 2}$$

Where, $P(y = 1)$ is the probability of the farmers supports urban expansion and $1 - P(y = 1)$ is the probability of the not support urban expansion. The stochastic version of equation (2) can be formulated by adding disturbance error term

$$\log\left(\frac{p(y_i=1)}{1-p(y_i=)}$$

Where, e_i is stochastic error term which represents all unobservable factors may affect weather support or not of urban expansion, and this model shows that odds' ratio is not only depends on variables incorporated in the model but also other factors which are not included in the equation. By taking exponential (antilogarithm) both side of equation (3) and rearranging it we have logistic function as follows.

$$\frac{p(y_i=1)}{1-p(y_i=1)} = e^{(\beta_0 + x_i'\beta + e_i)}$$

$$p(y_i = 1) = (1 - p(y_i = 1))e^{(\beta_0 + x_i'\beta + e_i)}$$

$$p(y_i = 1) = \frac{e^{(\beta_0 + x_i'\beta + e_i)}}{1 + e^{(\beta_0 + x_i'\beta + e_i)}} \dots \text{Equation 4}$$

Equation (4) describes that the probability of being the farmers support urban expansion on observed exogenous variables. This probability is positive and limited between 1 and 0 since the

underlying model follows a logistic distribution. The predicted probability of being not support urban expansion therefore can be expressed as.

$$p(y_i = 1) = \frac{e(\beta_0 + x_i\beta)}{1 + e(\beta_0 + x_i\beta)} \dots\dots\dots \text{Equation 5}$$

$$Y_i = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 \dots\dots\dots \beta_i x_i + \epsilon_i$$

Binary outcome (logit model) function is derived from odds ratio and explained in the above manner for the current study as that of (WEGEDIE, 2018).

3.7.2 Logistic Model specification

Logistic regression, sometimes called the logistic model or logit model, used to analyze the relationship between independent variables and a categorical dependent variable and estimates the chance or probability occurrence of an event by fitting observations to a logistic curve. Binary logistic regression used when the dependent variable is dichotomous or dummy and the independent variables are either continuous or categorical (Park, 2013).

The main aim of the study was to conduct to assess detriments of perception of displaced farmer’s household head hold perception of urban expansion program. In trying to address the research questions, various descriptive indicators such as frequency distributions, averages, and percentages reported and presented from the field survey data collected to draw inferences.

Household perception on urban expansion satisfaction and wellbeing profiles and information examined using descriptive analysis. The results from the descriptive statistics also serve to develop and specify the proper variables used in the econometric analysis.

The logistic distribution was more preferable than the others in the analysis of dichotomous outcome variable, in that it is extremely flexible and easily uses a model from the mathematical point of view and results in a meaningful interpretation ((Gujarati: 2004).

The log it model was a maximum likelihood estimator that allows for estimating the chance that an event occurs or not by predicting a binary dependent outcome from a set of observable independent or predictor variables.

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_n x_n + \dots\dots\dots + \epsilon_i \dots\dots\dots \text{equation 1.}$$

Let us consider a linear regression of the form;

Y= Perception

β's = a vector of regression coefficients to be estimated

X1= Sex of household head.

X2= Household head Education level.

X3= Amount of compensation.

X4 = Land loss extent.

X5 = Pre-awareness level on displacement.

X6 = Government package relevance.

X7= Age of Household Head

ϵ_i = the error terms

Logistic regression assumes meaningful coding of the variables. A logistic coefficient is difficult to interpret if not coded meaningfully. The convention for binomial logistic regression is to code the dependent class of interest as 1 and the other as 0.

3.7.4. Maximum Likelihood Estimation

Although logistic regression model looks like simple linear regression model, the underlying distribution is binomial and α & β parameters cannot be estimated in the same way as for simple linear regression. The coefficients are usually estimated by the Maximum Likelihood Model (Park, Hyeoun-Ae, 2013). The likelihood is a probability to get observed values of the dependent variable given the observed values of independent variables. The likelihood varies from 0 to 1 like any other probabilities. The probability estimation of the dependent variable as applied by Gujarati: (2004) can be represented by;

$$p_{ob} = y_i = 1 = F(\beta' x_i) \dots \dots \dots (2)$$

$$p_{ob} = y_i = 0 = 1 - F(\beta' x_i) \dots \dots \dots (3)$$

Where,

$$\text{Whereby} = 1, \text{ if HH Support. } 0, \text{ if HH is not support.} \dots \dots \dots (4)$$

The probability model involves regression of the conditional expectation of Y on X as given by:

$$E[Y/X] = 1[F(\beta^{\wedge'} x)] + 0[1-F(\beta^{\wedge'} x)] = F(\beta^{\wedge'} x) \dots \dots \dots (5)$$

The F-function represents that the logit models uses a log is cumulative distributive function. When an outcome variable is dichotomous or binary, the relationship between variables may be nonlinear and can be converted into linear ones through logarithmic transformation. Therefore, the log regression equation from which the probability of the outcome variable (Y) is predicted is given by:

$$Y=1/x] = e^{\beta x} / 1 + e^{\beta x} \dots\dots\dots (6)$$

$$Y=0/x] = 1 - e^{\beta x} / 1 + e^{\beta x} = 1 / 1 + e^{\beta x} \dots\dots\dots (7)$$

Where: P(Y) = the probability of Y occurring as defined in equation (4)

e = the base of natural logarithms

The logit regression in equation 6 and 7 expressed in logarithm terms and overcomes the problem of nonlinearity. The result of the logit regression varies between 0 and 1: values closer to 0 indicates that the outcome variable (Y) is unlikely to have occurred, and values closer to 1 show probability of Y occurring is very high.

The output of the log regression model explained the chance that outcome variable (Y) changes when the independent variables change. Thus, a positive log coefficient tells us that a change in the independent variable (X) increases the probability that (Y=1). A significant coefficient indicates that the positive effect is statistically significant. But the logit coefficient does not tell us by how much percentage chance of (Y=1) change when the explanatory variable (X) changes by one unit. The logit coefficient shows direction the change, not the magnitude of the change. The magnitude of the effect would be estimated by calculating the marginal effects.

According to Gujarati: (2004).

$$E[Y/X] / X = F(\beta' X) [1 - F(\beta' X)] \beta \dots\dots\dots (8)$$

It indicates how much percent the probability of (Y=1) changes when the X covariance change by one unit. Stat version 14 has an inbuilt system to compute the coefficients of the log it functions and the marginal effects.

3.7.5. Evaluation of Binary Logistic Regression Model

3.7.5.1. Overall model evaluation

a) Likelihood ratio test

Due to overall model evaluation, we can see how strong the relationship between all independent variables and dependent variable. If logistic regression with k independent variables demonstrates an improvement over the model without independent variables (null model), then it provides a better fit to data (Park, Hyeoun-Ae, 2013). This performed using the likelihood ratio test, which compares the likelihood of the data under the full model with the likelihood of the data under the model without

independent variables. The overall fit of the model with k coefficients can be accessed via likelihood ratio test which tests the null hypothesis $-2 \log$ likelihood of the null method compared with $2 \log$ likelihoods of the given model. Likelihood of null method is the likelihood of obtaining the observation, if explanatory variables have no impact on the outcome. Likelihood of the given model is likelihood of obtaining the observation if all explanatory variables included in the model. It measures how well independent variables influence on the dependent variable. If the p -value for the overall model fit statistic is less than 0.05, then decline H_0 with the conclusion that at least one of the independent variables has an impact on the outcome or dependent variable.

b) Chi-square Goodness of Fit Tests Chi-square goodness of fit test is a non-parametric test that is used to find out how the observed value of a given event is much different from the expected value. There are two hypotheses to test to the overall fit of the model:

H_0 : In Chi-square goodness of fit test, the null hypothesis assumes that there is no significant difference between the observed and expected value.

H_1 : In Chi-square goodness of fit test, the alternative hypothesis assumes that there is a significant difference between the observed and expected value. If the p -value is less than significance level, the null hypothesis is rejected.

c) Hosmer Lemeshow test.

Hosmer Lemeshow test also measures how good the model. The test evaluates whether observed event rates match expected event rates in subgroups of the model population. Divides the subject into 10 ordered groups of subjects and then compares the number actually in each group (observed) to the number predicted by the logistic regression model (predicted).

If the H-L goodness-of-fit test statistic is greater than .05, as we want for well-fitting models, we fail to reject the null hypothesis that there is no difference between observed and predicted values, implying that the model's estimates fit the data at an acceptable level (Hosmer and Lemeshow, 2000)

3.7.5.2. Statistical significance of individual regression coefficients.

After evaluating the overall model, the next step is to assess significance every independent variable. The coefficient of its explanatory variable indicates the change in the predicted log odds for one unit change in its explanatory variable, when all other explanatory variables remain unchanged.

a) Likelihood ratio test

As mentioned above, the likelihood ratio test used to check the overall fit model. The test is also used to test statistical significance of each predictor.

b) Wald statistic,

The Wald statistic used to test the significance of each coefficient in a given model (Berwick et al., 2005). The statistic is the ratio of the square of the regression coefficient to the square of the standard error of the coefficient. Cox and Snell's R-Square and Nagelkerkes R² is part of STAT output in the "Model Summary" Table and is the most-reported of the R-squared estimates. The result indicates the relationship between the predictors and the prediction.

3.8 Definition of Dependent and Independent Variable.

Dependent variable. The choice of econometric model depends on the nature of the dependent variable i.e. nominal, ordinal, interval and / ratio scale. Households' perception was the dependent variable of this study, which takes 1 if the household support urban expansion program and 0, otherwise.

Independent variable.

Sex of the household head;(head-sex) Household in this shows a head of household may female or male, dummy variable which shows 1 for male and zero for female,

Household head Education;(head-educ): Household Head education, was household literate or illiterate. displaced farmer's education in this context categorical difference for literate and illiterate

Amount of compensation;(com-amo) compensation amount of cash paid for displaced body in the area of displaced, which measure in number or ETB (Ethiopian birr). Continues variable.

Land loss extent household head: (Lanlos_ext) House hold Land loss extent, a degree of displaced farmer's loss of their land in the lifetime history of the area residents or other palaces. Measured by ratio.

Pre-awareness level on displacement of household head (Lanlos_ext): Household head awareness farmers about urban expansions or industry expansion or other public sector expansions. So, it is dummy variable aware or not.1 if aware, or 0 otherwise

Government package relevance:(pack relev) Government package relevance means a package for displaced farmers may exist or not.This also dummy variable 1 if exists,0 otherwise.

Types of compensating package (Pack type): A package for displaced may given which in kind, cash and both. Continues variable measured by number.

3.8. 1 Measurement of Variables

Table 3.2: list of variables, definition

Variable	Definition	Measurement	Hypothesis
head-sex	Sex of Household Head	1 if Male, 0 otherwise	Negative or positive
head-educ	Educational level of the household head Level category	level	Positive or negative
com-amo	Amount of compensation given by city administration.	Ethiopian birr	Positive or negative
Lanlos_ext	Degree of land loss/ land loss ratio	Ratio/percent	Positive or negative
Awe-lev	Level of Awareness about urban expansion	1 if aware, 0 otherwise	Positive or negative
pack-relev	Government package relevancy	1 if relevant, 0 otherwise	positive or negative
Pack type	Types of compensation package given government	number	Positive or negative

3.9. Ethical Considerations

All research studies present a number of ethical and moral dilemmas which must be identified and addressed prior to carrying out any research study in order to protect all participants from potential harm. Also the privacy and confidentiality of study's subjects was maintaining, all findings are portrayed in a confidential manner so that no personal or identifiable information is record or print in the study. Thus, the name of participants was not record during the data collection process. Therefore, before data collection, a formal letter was given to the researcher from Jimma University and the researcher show to the concerned organization and explained the general objective of the study. Then, the researcher gathers the required data for the study after getting permission from the concerned organizations.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction.

In this chapter, the main findings of the study on the impact of horizontal urban expansion on sub-urban agricultural community perception about their livelihood analyzed. The data gathered are statistically analyzed in the required statistical tools, and the results of the analysis of the data interpreted and discussed. The data summarized using the numerical methods of frequency table (two-way of table with measures of association) of descriptive statistics. Urban expansion support compared with not support the program for each independent variable by using the descriptive statistics. Tests of significance for a logistic relationship are also conducted in this chapter. Appropriate statistical tests used to conduct both overall significance and individual significance. A test for overall significance helps to decide whether a significant relationship exists between the dependent variable and the set of all independent variables, while a test for personal significance helps to decide whether the individual independent variables is significant for the dependent variable. The direction and size of relationship between each independent variable and the dependent variable has also been explained. Moreover, multicollinearity test

conducted to know whether there exists a correlation among independent variables. The method of handling the problem of heteroscedasticity is also discussed in the chapter. Also, this part of the thesis deals with description general characteristics of sample respondents and then information's are presenting, analyzing and interpreting perception of household head collected/gathered. Financial impacts of displaced farmers and rule and regulation of compensation farmers displaced from their assets.

4.2. Demographic characteristics

The demographic variables of the respondents such as sex, age, education status, household family size and marital status collected, and the results presented as follows.

4.2.1. Sex Structure of the Respondents.

Sex of the household head is an important variable influencing participation and decision of about program of urban expansion in jimma surrounding peri-rural kebele. Majority 244(82.07%) of the respondents is male headed and the rest 56(17.93%) were female. Which shows majority of respondents was men.

Table 4.1: house hold sex of respondents

Sex of household head	Frequency	Percent
Male	244	81.33
Female	56	18.66
Total	300	100

Source: Own survey, 2021

4.1.2. Households' Family Size.

The sample household's respondents, minimum family size 29 (9.6%) of the respondents have 1-3 family size and largest family size 151(50) that 4-6 family sizes. Therefore, majority the respondents were 4-6 family sizes in the area. An average family size is 5-6. From this, we can learn that those farmers in per-urban areas and whose land had been expropriated have a large family size burden under the narrower income source condition.

Table 1.2:household family size

Households' Family Size	Frequency	Percent
1-3	121	40.33

4-6	151	50.66
>7	29	9.6
Total	300	100.0

Source: Own survey, 2021

4.1.3. Marital Status of the Respondents

The majority of the respondents 180(60%) are married and minimum number of divorced 19(9.33%) respectively. Hence, the respondents could give their answer from their experience of administering family and caring responsibility.

Table 4.3: marital status of respondents

Marital Status	Frequency	Percent
Married	180	60.0
Single	55	18.33
Divorced	28	12.33
Widowed	19	9.7
Total	300	100.0

Source: Own survey, 2021

4.2.4. Age of Household Heads.

Age also one characteristics of our respondents and used for our study. The majority respondents of the sample households were 82 respondents or 27.33% above 70 age and minimum of 23 respondents 7.66%,between 30-40. which shows old aged household head have the probability to have fixed assets. **Table 4.4: house hold heads age**

Age of household head	Frequency	Percent
From 30-40	23	7.66
From 41-49	53	17.6
From 51-59	65	21.66
From 60-70	77	25.66
70 and above	82	27.33
Total	300	100

Source: Own survey, 2021.

4.2.5. Education Status of the Respondents

Majority the sample households head respondents 251(81.66) table above to read and write and above 49(16.33%) not read and write, However, majority the household number of the respondents 251(81.66%) read and write from displaced household head respondents.

Table 4.5: education status of the respondents.

Level of education of household head	Frequency	Percent
Illiterate	49	16.33
Read and write	152	50.6
Primary First Cycle (1-4)	21	7
Primary Second Cycle(5-8)	24	8
Secondary First Cycle (9-10)	30	10
Secondary Second Cycle(11-12)	2	0.67
Tertiary (college and university)	2	0.67
Total	300	100.0

4.3 Descriptive statistics presentation of the Explanatory Variable

Table 4.6 education of household head and their perception

Education	Not support urban expansion	Percentage	Support urban expansion	Percentage	Total sample size	Percentage
(Yes)	24	42.10%	227	93.42%	251	83.67%
(No)	33	57.89%	16	6.58%	49	16.33%
Total	57	100%	243	100%	300	100%

Source: Own computation based on analyzed on perception of urban expansion,2021.

As the binary regression result at appendix II(A) and the above table shows, the more literate persons support urban expansion than illiterate. Which shows around 83.67% or 251 displaced household head support urban expansion compared to illiterate 49(16.33). Literate household head supports urban expansion. This shows educated or literate farmers more information and have know-how of urban expansion.

Table 4.7: amount of compensation and perception

Amount of compensation	Not Support	Percentage	support	Percentage	Total sample size	Percentage
(Yes)	47	15.66%	210	84.4%	243	81%
(No)	10	3.44%	47	15.66%	57	19%
Total	57	100%	243	100%	300	100%

Source: Own computation based on analyzed on perception of urban expansion,2021.

As the binary regression result at appendix II(B) and the above table shows, the relationship between farmer's perception of urban expansion and amount of compensation paid by government for their displacement from their fixed assets. Which shows, as of compensation paid for displaced farmers increases, perception of farmers to support urban expansion program will increase. This shows around 243 displaced household head or 81% displaced farmers perception of urban expansion increases as compensation paid for their assets as increases.

Generally, as this analyze shows as amount of compensation paid increases for farm or other pilots any assets which may displaced, it will increase the perception to support increases, so it has a positive relationship.

Table 4.8: relationship between urban support program and awareness level

Awareness level	Not Support	Percentage	support	Percentage	Total sample size	Percentage
(Yes)	15	26.32%	228	93.98%	243	81%
(No)	42	73.80%	15	6.17%	57	19%
Total	57	100%	243	100%	300	100%

Source: Own computation based on analyzed on perception of urban expansion,2021.

As the binary regression result at appendix II(C) and the above table shows, when pre awareness level increases, farmers of perception support urban expansion will increase. Aware farmers ask about land ownership right and ready for urban expansion program. If not aware, the issue to complex may not support. Which was shows a positive relationship between pre-awarded farmers and urban expansion program.

Table 4.9: Relationship between perception

Package relevance	Not Support	Percentage	support	Percentage	Total sample size	Percentage
(Yes)	20	35.09%	217	89.30%	237	79%
(No)	37	64.91%	26	10.70%	63	21%
Total	57	100%	243	100%	300	100%

Source: Own computation based on analyzed on perception on urban expansion,2021.

As the binary regression result at appendix II(D) and the above table shows, the government package relevance influence farmer's perception about urbanization or urban expansion, package relevance means of payments or a given as for displaced household head may exist or not. This was as country land procedures; land was assets of government. If not have plants or any other thing that land. Package relevance may exist or not exist.

Table 4.10: relationship between farmers

Land lost	Not Support	Percentage	support	Percentage	Total sample	Percentage
-----------	-------------	------------	---------	------------	--------------	------------

extent				size		
(Yes)	46	20%	11	15.71%	57	19%
(No)	184	80%	59	84.29%	243	81%
Total	230	100%	70	100%	300	100%

Source: Own computation based on analyzed on perception on urban expansion,2021.

As the binary regression result at appendix II(E) and the above table shows as land loss extent of displaced farmers increases there is a negative relationship with perception. Which means a more land lost displaced farmers ratio not want again loss other part of their land. A result shows around 81% of respondents or 243 displaced farmers. Which displaced farmers have history of land loss extent not support urban expansion program in the town.

4.4. Econometric Result.

This subsection presents the result of the determinants of urban expansion perception of farmers in Jimma town, the Binary Logit Model. Before proceeding to that of result discussion of the Binary Logit Model, result study checked multicollinearity between independent variables' variance of contingency coefficient test used for discrete variables; checked existence heteroscedasticity problem and test the goodness of the model.

4.4.1 Multicollinearity Test.

Existence serious problem of multicollinearity among the variables examined help of variance inflation reason (VIF) for the continuous variables and the values of contingency coefficient (CC) for the discrete variables. For the continuous variables the VIF greater than ten (10) reveals strong correlation and measures inflation in variance due to multicollinearity and the value of contingency coefficient is a chi-square-based measure of association where a value above 0.8 shows existence of strong multicollinearity problem (Greene, 2003).Based on the results of the contingency coefficient (CC) showed that absence of strong association between different hypothesized discrete explanatory variables, since the respective coefficients were very low (less than 0.8) as given on (appendix III, A). Therefore, the dummy variables included in the model. For this reason, all the explanatory variables were included in the last analysis.

4.4.2 Heteroscedasticity Test

Heteroscedasticity is a systematic error that happens when variance of the errors is constant, Gujarati (2005). Heteroscedasticity problem makes the model inefficient to estimate the regression coefficients because of biased variance and covariance of the coefficient. According to Gujarati, presence heteroscedasticity, the usual logit(Binary) model overestimates the standard

errors of estimators. The heteroscedasticity test made using Breusch-Pagan/Cook-Weisberg test of OLS regression on STATA software has shown that significance of the problem. Thus, to reduce the heteroscedasticity problem, the Binary logit model used with robust.

4.4.3 The Goodness of the Model

As it shown in the table, the pseudo R2 value is 60.55 which means that the model explains 60.55% of the data and depicted the strength of the model to fit the data. However, pseudo R2 is not widely accepted test to show the goodness of the binary regression models. Therefore, the goodness-of-fit test continued further to check the appropriateness of the model to explain the data. The goodness-of-fit test for the model exhibited that 92.67% of the observations classified correctly by this binary regression model and confirmed that the fitness of the regression model to estimate the explanatory variables, appendix (III,B).

4.4.4 Binary Logit and Logistic Model Estimation Results and Interpretation

Binary Logit model used to estimate the size, sign and significance of each coefficient. Binary Logistic Regression Model used to estimate the odd ratios. Marginal effects measure influence of independent variable on dependent variables.

4.4.4.1 Logistic regression result and interpretation.

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_n x_n + \dots + \epsilon_i \dots \dots \dots \text{equation.}$$

$$\text{Log} (P|1 - P) = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + \dots \dots \dots B_k X_k$$

$$Y = -3.27\beta_0 + 2.61\beta_1 + 5.62\beta_2 + 2.05\beta_3 + 4.012\beta_4 - 1.145\beta_5 + 0.2522\epsilon_i$$

Let us consider a linear regression of the form;

Y= Perception

β 's = a vector of regression coefficients to be estimated

X1= Household head education

X2= Amount of compensation.

X3 = Land loss extent. X4 = Pre-awareness level on displacement.

X5 = Government package relevance.

ϵ_i = the error terms.

```
Logistic regression                               Number of obs   =     300
                                                    LR chi2(7)      =    176.66
                                                    Prob > chi2     =     0.0000
Log likelihood = -57.537668                    Pseudo R2      =     0.6055
```

HHP	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
HHS	-.2839043	.5949796	-0.48	0.633	-1.450043	.8822342
HHE	2.61057	.6622194	3.94	0.000	1.312643	3.908496
lle	-1.142052	.3238769	-3.53	0.000	-1.776839	-.5072648
comamo	5.62e-07	2.47e-07	2.28	0.023	7.86e-08	1.05e-06
Awelew	4.012241	.623432	6.44	0.000	2.790337	5.234146
packrele	2.054115	.5762937	3.56	0.000	.9246002	3.18363
Packtype	-.8147362	.7908599	-1.03	0.303	-2.364793	.7353206
_cons	-3.278796	1.020715	-3.21	0.001	-5.279361	-1.278232

The logit coefficient shows direction the change, The firstone was the relationship between education and perception of urbanization positive relationship. secondly, the relationship between amount of compensation paid and perception of farmers about urbanization positively. thirdly, Pre-awareness level and displaced farmer's perception positively related. fourthly, package relevance and perception also positive and lastly, land loss extent negatively related. The size or magnitude the effect of independent on the dependent would be estimated by calculating the marginal effects. It indicates how much percent chance of (Y=1) changes when the X covariance change by one unit. **Marginal effects result from Stata.**

```
. mfx
```

```
Marginal effects after logistic
      y = Pr(HHP) (predict)
        = .94646428
```

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
HHAge	.00112	.00105	1.07	0.284	-.00093	.00317	49.3667	
LLE	-.0582622	.01752	-3.33	0.001	-.092595	-.023929	1.27667	
HHE*	.3236841	.13403	2.41	0.016	.060988	.58638	.836667	
HHS*	-.0119492	.02444	-0.49	0.625	-.059846	.035947	.816667	
comamo	2.82e-08	.00000	2.33	0.020	4.5e-09	5.2e-08	2.5e+06	
packre~v*	.1877175	.07942	2.36	0.018	.032055	.34338	.79	
Packtype*	-.0289864	.02449	-1.18	0.237	-.07699	.019017	.823333	
Awelew*	.5510694	.1105	4.99	0.000	.334495	.767644	.81	

(*) dy/dx is for discrete change of dummy variable from 0 to 1

4.5. Interpretation of marginal effects on perceptions.

1. Household head Education (head_educ): The marginal effects of the study result show that head education positively influenced farmer's perception to urban expansion at 5% significance level, other thing remains constant. The model result shows that one more year of education of the household head will increase the chance of support to urban expansion by 32.37 %. This means literate farmers have better understanding and information about urban development program as compared to illiterate farm household. Other study (WEGEDIE, 2018). Shows the same result of this study, literate household head will support urban expansion compared to illiterate, which shows literate household head have a more understanding than illiterate once.

2. Amount of compensation (com_amo): Government compensation or other body amount for displaced household was found a positive relation to support urban expansion at 5% significance level, other factors remain constant. The model result shows that an increase in amount of compensation for displaced household by one (1) birr will increase probability to support urban expansion by $2.82e-08$. This means that amounts of compensation can be used to increase perception in urban expansion program. This also shows a more paid compensation and readiness of pre-urban farmers to support the expansion will be more. (WEGEDIE, 2018), study result shows compensation positive influence on perception of displaced farmers about urban expansion. The same result with this study.

3. Land loss extent of household head (land_loss_ext): result of the study indicated that there was negative association of perception and land loss extent of pre-urban farmers at significant of 1% level. The model result shows that an increase in land loss extent by one or 1% will decrease probability to support urban expansion by 0.0582622. A significant land loss among farmers adversely affects their perception about urban expansion programs. Other study (Leulseged,2015) says negative influence on perception of displaced household head about urban expansion. A more land lost farmers have negative attitude about urban expansion compared to land lost extent history of other displaced farmers.

4. Pre-awareness level on displacement of household head (Awe-lev): The result of the study shows that the pre-awareness level of displacement positively influenced farmer's perception about urban expansion at 1% significance level. This indicates an increase in pre awareness level of the household head will increase the probability to support urban expansion program by 0.5510694. This means pre awareness level for displacement increases the right of land ownership. That, means a pre-awarded farmer collects the all documents about all his assets, ready for compensation process and ready for the program complex for government to settle the issues. On another direction which, show the program can run by the fastest way.

Other paper, pre-awareness about urban expansion will negative influence on them on (WEGEDIE, 2018). But, our result differs from the previous study, for this justification study area, time of study and model gap may reason for thus result or influence difference.

5. Government package relevance (pack-relev): The result of the study shows that government package relevance positively influenced farmer's perception to urban expansion at 5% significance level. The model result shows that legal acceptance or appropriateness of government package by displaced farmers will increase probability to support urban expansion by 0.1877175. When government or any other body surest about package relevance to displaced farmers, farmer's readiness for urban expansions program increases. The study of (WEGEDIE, 2018), shows the same result with this study. Package relevance for displaced farmer's perception, existence will positive influence to support urban expansion.

4.6. Economic and Livelihoods Analysis of Target Groups

4.6.1 Income Generating Analysis

Planned and well implemented urban expansion will make sure socio-economic opportunities to the local communities. The urbanization process definitely comes out in positive results or negative impacts. The survey, thus, attempted to point out the livelihoods' situation of target areas by making comparison before and after incorporated under pre-urban. The limits considered as the measuring tools are the saving/capital, widely practiced income generating schemes as well as wages.

The development outcomes could surely enhance various employment opportunities in either formal or informal economic sectors. It also facilitates better market potentials for local products. For instance, farmers can easily offer local tradable commodities like coffee and chat, eggs, hens, sheep, goat, cereal crops, barazafas and so on for markets in general. Again urbanization may improve access to better social services like health, education, recreation and economic infrastructures like telecommunication, roads, power, sanitary system and so on so forth,

4.6.2 Impacts on Financial Capital.

The second objective of study was financial impacts of horizontal urban expansion on exiled farmers in jimma town. Livelihoods is some vast concepts as we try to refer in statements of the problem and literature review. As of the scope of the study, the study tries to see financial impacts of horizontal urban expansion. As indicated in literature review part, financial capital refers to the financial resources that enable people to adopt different livelihood strategies and include income, expenditure, credit, and saving facilities before and after expansion program.

As indicated in (IFC 2002) economic displacement, loss of income stream or means of livelihood that resulting from land acquisition or obstructed access to resources. Table 4.17: reported average annual expenditure

Annual Expenditure in Birr (ETB)					
After dislocation	No. of respondent	Percent (%)	Before dislocation	No. of respondent	Percent (%)
10000 – 30000	30	10	50000--10000	16	5.33
30001 - 50000	42	14	100001-200000	162	54
50001 – 70000	150	50	200001-400000	50	16.67
70001-90000	60	15	400001-500000	63	21
> 10,0000	18	6	>50001	9	3
Total	300	100	Total	300	100

Table 4.17: reported average annual expenditure

verage annual expenditure.

Source: Own survey, 2021.

As revealed by the information collected through household surveys, dislocated farm households their expenditure shows increases after dislocation by too much this was a one way, which a financial impact of displaced, their cost increases because their most of the compensation used by consumer goods not for investment. In addition to this, most of displaced household head was autonomous consumption which fixed resources, change by compensation. Also, other reason market value of the money received as compensation at that time decrease as time passed, its birr marketing value decrease from time to time as the time increases and cost for family as whole increase. Generally, as above table, survey and observation of the study displaced farmer's expenditure more increased compared to before displacement because food item and other all item continue by buying from market center no one can support from internal or from their farm land. **Table 4.12 monthly income of displaced farmers before and after urbanization.**

Monthly Average Income in (ETB)

After dislocation	No. of respondent	Percent (%)	Before dislocation	No. of respondent	Percent (%)
1500-3000	150	50	5000--7000	162	54
30001-4500	60	15	7001-1001-	63	21
45001-6000	18	6	10001-13001	50	16.67
6001-75000	42	14	13001-15000	18	6
> 7500	18	6	>15000	7	2.33
Total	300	100	Total	300	100.0

Source: Own survey, 2021.

As the above table shows and survey of the study, compare and contrast of monthly income of displaced before and after urban expansion program. Which means the before urbanization their income more than after urbanization. Which shows at time of when they use a fixed as assets their income was good, now most of them daily laborers and security guard of the different project in urban expansion program. **Table4.13: number of bank user respondents**

Bank users of respondents after and before urbanization					
After dislocation	No. of respondent	Percent (%)	Before dislocation	No. of respondent	Percent (%)
Yes	300	100	Yes	50	16.67
No	0	3.33	No	250	83.33
Total	300	100	Total	300	100.0

Source: Own survey, 2021.

As the above table shows, Bank users farmers before urbanization was only 50(16.67), which means low. After urbanizing there is total improvement 300(100).

which was one of financial impacts of urbanization and which may positive impacts if followed different concerned organization.

Table 4.14: Saving and credit experiences of displaced household.

Saving and credit experiences of displaced household			

After dislocation	No. of respondent	Percent (%)	Before dislocation	No. of respondent	Percent (%)
Yes	290	96.66	Yes	95	31.66
No	10	3.33	No	205	68.33
Total	300	100	Total	300	100.0

Source: Own survey, 2021.

As of above table shows, there is only 31.66(95) have saving and credit access this also the oldest saving type which is, Ikub. Which was had an impact on their financial future after urbanization. But, after dislocation the around 96.66%(290) have got saving and credit access due thus things paid by bank system. As of the survey observation, it has positive financial impacts of horizontal urban expansion.

4.7. Legal Rights and Awareness Level of the Farmers.

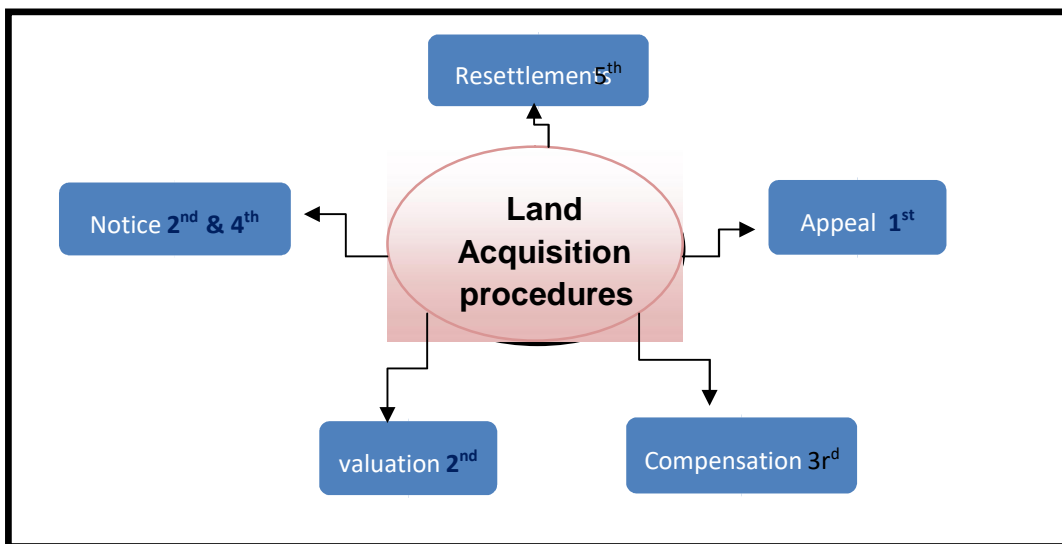
Analysis of the population expansion in the research area shows that most (25%) of the respondents are non-school attendant (i.e. illiterate as well as able to read & write only) and very few joined secondary school or college education. The low-level of education influences them not to well understand about the constitutional rights and laws about compulsory acquisition. Most of the landholders under the survey lack adequate awareness about compensation processes and how can they approach to deal with the concerned body. It revealed that most of them do not know properly what their rights and obligations are in the event of being expropriated. The expropriated farmers asked if they were clear with the expropriation regulation and proclamation, payment mode of compensation and expropriation procedures. On the other hand, they were inquired about the defined property rights and expropriation powers of the government. Accordingly, 14% of the compensated landholders replied that they know the existence of the laws as information, since Majority of them (86%) did not know anything about the expropriation and payment of compensation laws. But, the Ethiopian expropriation and compensation payment legal frameworks (Proc. No. 455/2005 and Regulation No 135/2007, for instance) clearly explain about the rights and duties of farmers concerning expropriation of private landholdings.

4.7.1 Legal Framework and Procedures of Land Acquisition.

The third objective of this study was analysis of implementation of compensation payment versus exiled laws and regulations in jimma town. The various legal documents review as part of this study reveals that the country has a proclamation and regulation that show the procedures of land

acquisition for any development, particularly for urban development. To appropriate the required land for urban services and land acquisition/expropriation for public interest/purpose such as development of infrastructure, social service, urban expansion and investment by legally authorized body Town and Woreda Administration or Town Administration for public purpose. FDRE Proclamation No. 455/2005 and regulation No.135/2007 state the legal procedure to be followed to acquire land for public purpose. They also outline the rules followed in land acquisition as well as that have to be taken into consideration in determining compensation to a person whose landholding has been expropriated and organs that shall have the power to decide and the responsibility to pay compensation and not only paying compensation but also to assist displaced persons to restore their livelihoods (Federal Negarit Gazeta, 2005, 2007)

Figure 3 frame work of land acquisition procedure



Source: Prepared own survey, 2021.

The actual practice of land acquisition in Jimma, however, completely contradicts the above proclamation and regulation. In order to find whether the dislocates received adequate compensation for their agricultural land and permanent asset or resettlement help, questions forwarded to dislocated farm household heads and to selected key informants.

All the respondents indicated that no compensation had been paid (for properties situated on the land and permanent improvements made on the land) either in cash or in kind.

These results were also echoed during the focus group discussions. According to the respondents, the tow Municipality simply forced them to vacate from their land and properties that constitutes house, trees, fence, and backyard vegetables without showing any concern about their future fate and livelihoods After that the payment paid contemporary with construction of the project.

As revealed by (FAO, 2008) if land acquisition procedures done poorly, it may leave people homeless and landless, with no way of earning a livelihood, without access to necessary resources or community support, and with the feeling that they have suffered a grave injustice. Regarding the land acquisition procedures adopted information obtained from the heads of displaced farm households and focus group discussion reveals that the implementation is contradictory to legal provisions that exert at Federal and Regional level. All the respondents stated that no household was voluntarily dislocated from his/her land due to lack of awareness and they dislocated without any compensation and resettlement assistances. The key informants also replied that most the displaced farming communities resisted vacating their land at the beginning.

4.7.2 Legal Supports and Compensation Payment

The Federal Democratic Republic of Ethiopian (FDRE) Constitution requires the government to pay compensation commensurate to the value of the property taken. The Civil Code of Ethiopia also adopts the principle of indemnity by stating that the amount of compensation or the value of the land that may give to replace the expropriated land shall be equal to the amount of the real damage caused by expropriation. This implies the idea that the landholder must indemnified for the loss he has suffered due to the expropriation.

The now working Federal Rural and Urban Land Proclamations (FRULP), and Regulations give significant emphasis to the issue of compensation and the principle of market value in the country. In this respect, Art 7(3) of Proc No.456/2005 stipulates that holder of rural land who evicted for public purpose shall be given compensation proportionate to the development he has made on the land and the property acquired or shall be given substitute land thereon. Art. 7(2) of proc No.455/2005, which states that “the amount of compensation for property situated on the expropriated land shall be determined by replacement cost of the property”. Cumulative reading of words and phrases used in these legislations such as, commensurate, proportionate to, replacement cost and on the basis of the current cost envisages the fact that the landholder should indemnified by market value.

In addition to Federal Laws, proclamation No.130/2007, a proclamation to amend the proclamations No.56/2002, 70/2003, 103/2005 of Oromia Rural Land Administration and Use (ORLAU), provides “any individual or organ whose landholding taken for public uses shall have the right to get compensation for his properties and benefits he gets proportional to replacement

for his holding” which affirms the argument that principle of indemnity employed under the Ethiopian laws.

Proclamation 455/2005, compensation defined as payment made in cash, in kind or both to a person for his property situated on the expropriated holdings. Two broad types of situations for which compensation will be due in case of expropriation are envisaged under the Federal Proclamation. The first category of compensate is what may be considered as immovable private property as defined under Article 40 of the FDRE Constitution. The second compensable is payment for displacement and appears to be based on Article 42 of the same constitution, which requires payment for persons displaced by government development programs. Article 7 of the same proclamation decreed that compensation is payable for each property situated on the land and for permanent improvements made to such land. While compensation for “property” is to be fixed based on replacement cost of the property, compensation for permanent improvement is fixed based on, and equal to, the capital and labor expended on the land. Article 8 also added that compensation is payable for displacement in addition to what paid under Article 7. Compensation for permanent displacement should “equivalent to ten times the average annual income secured during the five years preceding expropriation the land.”

The proclamation also declared that if someone complied from the landholding as a result of expropriation, the Town or Woreda (District) Administration may decide to compensate the person by providing substitute land which can easily plowed and generate a comparable income (Article 8 (3)). In such cases, compensation payment due to the landholder in cash cannot exceed a one-time payment of the average annual income secured during the five years preceding expropriation the land. Article 9 of the same proclamation indicates how and by whom valuation of property takes place. Sub article 1 elucidated that valuation property situated on land expropriated shall be carried out by certified private or public institutions or personal consultants on the basis of valuation formula adopted at the national level. Such valuation shall be carried out by committees which to established accordance with Art 10. This Art states about the establishment and part of property valuation committees.

According to this article;

Where the land may expropriated located in a rural area, the property situated there on shall be valued by a committee of not more than five experts may designated by the Woreda administration; and if the expropriated land is in an urban center, the property shall be valued by a committee of experts to designated by the urban administration; where the

property requires specialized knowledge and experience, it shall be valued by a separate committee of experts to designated by the Woreda or the urban administration'

The other legal support justified about compensation payment process has been plainly stated in Regulation 135/2007 Art 22. It explains that the landholder required to offer all concrete evidences of possession and ownership. That is, "any person who claims for payment of compensation shall produce proof of legitimate possession of the expropriated landholding and ownership of the property entitled to compensation".

According to qualitative data organized from Focus Group Discussion (FGD), the Woreda and Kebele officials are given the lion's share mandate for identifying, determining and confirming the boundaries as well as legality each farmer's documented evidences including landholding insuring books. Art 21 of the regulation, which argues under the title 'records of property', explains that a Woreda or city administration shall record the properties situated on a landholding subject to an expropriation order. Having the confirmation of legal ownership completed, the officials make call for formulation a property valuation team.

As soon as the duty of precondition has accomplished, the property valuation ad hoc committee is formed from Jimma town Administration and jimma zone Agricultural bureau. Based on the interview held with key informant person, choice the experts for technical team formation strictly considers professional knowledge and experience on the inferences of the quantity of crop and surveying skill. The team, first, carefully identifies arable land from non-arable land; protected grass/grazing lands from valleys, tree covered lands and other non-value properties.

Then, it measures the size of land considered of economic advantages. That is, cultivated by the farmer for consecutive years and producing coffee. The main responsibility of property valuation committee is to undertake registration of each amount of coffee that have collected in the current year, trace back to each five years' production and multiply the average products by ten years.

The FDRE Regulation No 135/2007 states how the payment of compensation for property situated on landholding expropriated for public purposes come in to effect. Art 5 of the regulation gives details of the estimation of values, approaches to expropriation and payment of compensation for crops on the expropriated land.

Sub article 1 describes that: *‘the amount of compensation for crops shall be calculated by multiplying the amount of yield that would have been collected from the land at maturity by the current market price of the crop’*. The owner is again provided with another alternative under sub article 2 of the regulation. It articulates that *the owner of ripe crops may, in lieu of compensation, collect and collect the crops on his landholding within the fixed period of time.*

To simplify, compensation paid for crops and coffee on expropriated land is computed as:

Total area of the land (in square meter)

Multiplied by (TAL)=

The amount of crops to be obtained per square meter times (AMC)

The value of the crops (current market price) per kilo gram (VCP)

Plus

Cost of permanent improvement on land

Article 6 of the aforementioned regulation gives the details of compensation for both unripe and ripe perennial crops. Sub articles 1 and 2 describe, respectively, that *the amount of compensation for unripe perennial crops shall be determined by calculating the estimated cost for growing crops while that of ripe perennial crops shall be determined on basis of the average annual yield and the current local market price of the crop plus the cost of permanent improvement on the land*

That is:

Compensation for unripe perennial coffee =

Number of plants (legs)

Times Cost incurred to grow an individual plant

Plus Cost of permanent improvement on land.

Likewise,

Compensation for ripe perennial crops =

The annual yield of the perennial crops in kilo grams

Times The current price of the produce of the perennial crops

Plus Cost of permanent improvement on land.

Federal Government Regulation No 135/2007 (Art 16) makes detail discussion about compensation for lost land used for crops and perennial crops. Sub articles 2 and 3 strengthen article 6 by determining the possible compensation payment period. Sub article 2 states that the amount of displacement compensation payable with respect to land used for growing crops or perennial crops shall be ten times the price of average yield of crops or perennial crops obtained from the land. Whereas sub article 3 makes clear that the average annual yield of crops or perennial crops shall be calculated on the basis of; the yield obtained from the land for the last five years; or where the land used for less than five years, the yield obtained for the real years the land used; or where the crops or perennial crops have not yet started giving annual yield, the yield of similar crops obtained from a similar area of land in the locality for the last five years.

Article 7 of the regulation explains about payment of compensation for trees growing on the expropriated land. Accordingly, sub articles 1 and 2 state that;

The amount of compensation for trees shall be determined on the basis of the level of growth of the trees and the current local market price per square or per unit. Otherwise, the owner of trees, instead of taking compensation, can cut and collect the trees within the period the government fixed.

Correspondingly, Article 8 of the aforesaid regulation states about compensation for protected grass land or grazing land. Sub articles 1 and 2 put in plain words that; *The amount of compensation for protected grass shall be determined on the basis of productive the land and current market price of the grass per square meter. That is, compensation for protected grass amounts to the area covered by the grass per square meter multiplied by the current market price of the grass. Unless and otherwise, the*

owner of the protected grass may, in lieu of compensation, cut and gather within the period fixed. Article 17(2) strengthen that the amount of displacement compensation payable with respect to the protected grass or grazing land shall be ten times the annual average income obtained from the land.

Most of the time jimma area mostly farmers displaced from their coffee producing farming

Compensation for coffee=number of plants or coffee legs * 275 birr * 10 years. =

Amount of compensation at current market.

The survey conducted to point out practicability the proclamation and regulation referenced above. The compare and contrast result depicts that the compensation mode of payment and 10 years' base of valuation implemented in accordance with the procedure stated on the federal proclamation and regulation. The expropriated farmers replied that compensation for all types of crops and trees has affected for ten years. This indicates that the compensation payment aligned with the regulation.

However, the expropriation procedures and approaches have a visible disparity when compared to what is declared by the regulations. The issue of land expropriation process considered as an effortless wealth accumulating opportunity for the expropriating individuals, but an immense dissatisfaction among the displaced farmers in Oromia in general and jimma town specifically. This is highly related with exploitation under the coverage of implementation for the use for public purpose. But, in reality, an illegal land sale in coordination with strong invisible hand of brokers are widely practiced. The paper, hence, attempted to point out the practical expropriation approaches and compensation payment procedures situation against what stated on proclamation and regulation.

Even though the farmers verbalize that the land required for better development which will benefit them more than being used for agriculture, first, the land sonicated without awareness and enough expropriation procedures as stated in the laws; second there have been cases where the land is not implemented for the intended public purposes in accordance with development agreement made with people or developers; Third it identified that because of delay, the developers' hold lap the land for value increment and after a time change the original purpose or otherwise sell the land to some other people in a better price after couples of years.

Thus, it has contended that public purpose has become ignored, but farmers displaced from their life while the intended purposes did not come into existence.

During expropriation process, brokers intervene between the farmers and better-off persons pretending as keeping their favor by facilitating the land sell to investors. They approach the farmers as

making endeavor to maintain their benefits than done by the government. Thus, the brokers prepare signing documents which seems having legal support and facilitate false land selling local agreement. But, it has no legal meaning in front of regular court. By doing this, the farmers are provided with very few moneys. The broker again bargains with land measuring and compensation valuating bodies to complete the registrations of this land in the name of their sons and/or daughter. The broker facilitates taking of investment permission on this land by the name of the stated sons. After the completion of all legal procedures, the broker will transfer the name from the farmer's son and/or daughter to the so-called investor and earn very large money in the name of commission. But the farmer gets insignificant amount of money when processing the legal procedure.

Recalling what has been explained about the relationship among the contribution of landowners, the role of brokers and influences of the pretending investor, the survey also tried to point out the satisfaction level of the target groups in relation to the fairness of compensation paid for expropriation. It is revealed that almost all respondents and those selected for FGD complained about inadequate amount of compensation given for displacement and never considers either the current land value or the lease prices of the town. Similarly, only 6% of the respondents replied that the amount of compensation may partially consider the current local market price, while the majority (94%) concluded that the unit price used for estimation is almost none and by no means consider the current market prices. The evidence mentioned by the respondents is that the rate the government sets for compensation payment for expropriated land per year per square meter. The other issue identified by the study is about expropriation order notification rights vested to the expropriated individuals. The proclamation guarantees that as soon as the decision of expropriation has been made, notification in writing should be given for the landholders to be displaced in accordance with the Proclamation No. 455/2005 Article 4 (1). The notification should fully denote the time period within which the landholders have to be vacated from required areas and the amount of compensation to be paid. The notification process puts an obligation on town administration to prepare comprehensive data pertaining to the land needed for the public purpose and send this compiled data, at least one year before the commencement of the works, to the organs empowered to effect compensation payment. However, the discussions made with displaced individuals and focus group discussion revealed that the one-year notification letter has not disseminated by implementing agencies. Due to this reason, the expropriated farmers replied that they were not given adequate time to solicit about their rights and obligations.

4.8 Compensation Payment Period

The earlier sections, compensation described as the amount of money paid for those who lost their property for the sake of public interest. By principle, compensation payment should fully recompense the value of property lost by people. However, its real implementation process characterized by challenges and mischievous. Unjust amount of compensation, refusal of formal land distribution for children under 18 years old and covertly kept valuation systems are all deliberately and ‘artificially’ fabricated processes used to complicate steps during receiving payment. These bureaucratic procedures, lack of permanently responsible government body to make contact with about the payment and unplanned payment schedule are so tightened to breakthrough.

The collected data attempts to show the practical implementation of average duration required to effect payment. The reference point of payment begins after completion of all necessary conditions; i.e. boundary identification, approval of legality documents, land size measurement, computation of the amount of payment, signing of the minutes held on history of the expropriated people and handover the legalized evidences to compensation paying body as well as the landholder. Accordingly, the most importantly registered cash delivering period is found to vary from 5 months to one year.

Table 4.15 compensation payment duration

Compensation payment duration	Frequency	Percent
Between 1-4 months	9	3
Between 5-8 months	48	16
Between 9-12 months	207	69
Between 1-2 years	24	8
After two years	12	4
Total	300	100.0

Source: Own survey, 2021

Table, there are two extreme edges: the fastest payment made for 9 farmers (3%) within 4 months and the longest payment period effected for farmers 12 (4%) after 2 years. The greatest, i.e. 69. % 207 (9 to 12 months %), and 1 to 2 years (8%) of the respondents were often travelling to the town administration for not less than one year to argue about their rights of payment for expropriated land. The remaining 16% had been paid within 5 to 8 months.

According to the survey, loss in purchasing power of money due to delay in prompt payment, transport costs, expenses for lunch, time waste and other miscellaneous financial losses are never considered as extra cost. One organization was as mediation between government body and displaced farmers to be agree on. The organization established five years ago as Oromia region, now it has branch in jimma by the name of Agency of displaced farmers and compensation related issue of Oromia region, SW district of Oromia region. But it is governmental organization so, it was beside of government as we discuss with key group discussion. But it was good progress organization.

The survey again depicted the main deterring factors on delay in payment. The procedures, steps & process of expropriation; list of properties to compensated; and way of calculating the amount of compensation have been kept secret from the landholders intentionally. The farmers are not provided with necessary information about their obligations and rights. According to respondents, the government officials suddenly come to their vicinity and told them that the area required for public purposes and then give stringent order to urgently make the land free. If the questions of rights are raised, they will come with police force evacuating by exercising power. The survey, thus, disclosed that only 23.3% of the respondents have little information about expropriation and compensation payment stated in regulation while the rest 77.7% have no awareness on what is going to be done. All these mystifications are deliberately practiced in order to get gaps for brokers.

Even if farmers are not equipped with adequate rights, obligations and responsibilities of the government, proclamation No 455/2005 declared the details of approaches, steps and aims of expropriation in preamble section and articles 4 & 5. The preamble section describes the goals of the government towards expropriation. It explains that if the government needs to use land for development works it carries out for public services, the concerned body should vividly explain reason why the land is needed and convince the parties to expropriated. It added that when urban centers have growing and the number of urban dwellers has increasing, land development has become necessary accordance their respective plans as well as preparation and provision of land for development works in rural areas has become necessary. Here, there are two core messages in this statement: the expropriating party should create adequate awareness and convince the expropriated group and second the purpose of expropriation should be clearly explained.

Jimma town Land Development and Administration Agency (JLDAA) is an institution authorized to lead the overall expropriation process coordination Keble officials. It has vested full authority to organize necessary supports about displacement and compensation payment for farmers from their landholdings. About 78% of the respondents had adequate information about the responsible body with

whom permanently make communication about expropriation, while 22% of them have no information with whom to deal. However, they are familiar with this body, it is tedious to come across with them in their office; otherwise the waiting time to contact them is boring, may be not less than one day. Thus, 76% of them replied that they are hardly getting the workers during working hours in their office. What is amazing, according to the respondents, is that these bodies/workers are always busy with meetings of no use to us. Only 6% replied as they can contact them during working hours and the remaining 18% don't care to whom they will deliver their complaints. Therefore, deficiency in acquiring adequate and timely information, difficulty in getting contact with the workers of concerned party and lack of organized data about the holdings all give to the late payment of compensation.

4.8.1. Compensation practice in other Oromia towns.

The actual practice in the study area is completely different from what is prescribed in other parts of Oromia towns and in the existing legal frameworks. Regarding community awareness and participation, the expansion program was not participatory and there was no effort made at creating enough awareness for the dislocates in the study area. On the other hand, they evicted from their land without any compensation and other resettlement help. Experiences practiced in other parts of the Oromia towns (sabeta Bore and Bishoftu...). Regarding community awareness and participation, the expansion program in Sebeta and Bishoftu was participatory; out of four types of compensation packages for evicted farm households (cash compensation, residential plot of land, SBD (Small Business Development) training and employment creation). However, compensation package that have been fully practiced by the Sebeta and Bishoftu town municipality were cash compensation and provision of residential plot of land for evicted household families. The other type of compensation packages in fact promised at the beginning of expropriation but has not still put into practice and implemented by of town municipality. From this, it is possible to conclude that cash compensation is widely practiced during land acquisition in other part of Oromia.

In the case of expropriation procedure and compensation payment, justice may have denied. Hence, the farmers may incapable of getting solution even after tiresome footfall travels to the city. Then they will look for an alternative solution before approaching to regular court process. This option may be applying to the grievance hearing body with written appeal. Based on the data, 92% of the respondents now grievance body established to hear and give solution for an encountered problem. This is because the affected farmers understand that the grievance hearing body has the responsibilities of intervening in case disagreements arise in relation to violation of rights of expropriation, especially compensation. This body can regularize the disputes raised between the government and the expropriated landholders.

Abovementioned, we discussed that the grievance body has entitled to settle disputes between the government and the landholders. But, what is practically carried out by this body is different from the vested mandate and said verbally because the grievance body has no function and provides no solutions except sitting in office to collect appeals. The key informant person interview confirmed that it is difficult to carry out as written on the regulation and talked by mouth. He confirmed that the issues raised by the farmers are acceptable.

However, proclamation No 455/2005 of article 11 sub articles 1 through 4 clearly point out about the procedures and approaches of complaints & appeals presentation; and implementation issues related to compensation. In rural and urban centers where an administrative organ to hear grievances related to urban landholding is not yet established, complaint related to the amount of compensation payment can send his charge application to the regular court. When an expropriated landholder dissatisfied with the payment, he has the right to offer his complaints to the administrative organ established by the urban administration to hear grievances related to urban landholdings. This organ scrutinizes the compliant; and offers the decision within short period and communicates its decision to the disagreed parties in writing. A party still dissatisfied with a decision rendered may appeal to the regular appellate court or municipal appellate court within 30 days from the date of the decision. decisions the court shall be final. Even though these are all court procedure rights vested to the expropriated landowner, the farmers have no or little information about it and limiting exercising their right to town administration.

In general, the government has different plans while targeting to displace farmers from their landholding and not only for the sake of urban expansion. It is to satisfy the development demand of majority the citizen; i.e. for public purpose. The reason why the government gives priority to public good is based on the widely accepted understanding that the general interest of the community outweighs the particular interest of the individual. Thus, the individual surrenders his rights to the benefit of the public regardless of any benefit that might ensue to him from the doing of the act, either directly or indirectly. Therefore, the government viewed expropriation as a legal action since it is advantageous and beneficial to the public at large

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This paper was explanatory and descriptive research made to analysis the major influence of independent variable by assuming that household head sex, household head education, amount of compensation, land loss extent, awareness level, government package relevance and package type influence the farmer's perception of urban expansion program. All the necessary data collected and analyzed using descriptive and econometrics statistics. And to measure significance the explanatory variable, binary logit model employed. The study also examined financial impacts of displacement of farmers from their besides land can consider as economic, political, cultural, social and psychological issue for the government and an asset for the rural communities. In addition to this, this study also evaluate the rule and regulation of compensation payments and implementations.

5.2 Summary of Findings

According to binary logit regression and discussion result of the study shows, Perception of displaced household head farmers affected or influenced by five (5) explanatory variables out of seven variables for this study. From thus five independent variables, Household head education ($dy/dx = 0.3236$, $p < 0.05$), amount of compensation paid ($dy/dx = 2.82e$, $p < 0.05$), package relevance by government or other body ($dy/dx = 0.1877$, $p < 0.05$) and pre awareness level of displaced household head ($dy/dx = 0.5510$, $p < 0.05$) this four explanatory variable will significantly influence perception and positively affects. Other hand Land loss extent of displaced farmers was influence negatively and significantly influence their perception at ($dy/dx = -0.058$, $p < 0.05$)

5.3. Conclusions.

The regression analysis using binary logit model exhibited that five variables are statistically significant while only two of the explanatory variables are statistically insignificant. Depending on our model and study results, the study concludes that and descriptive results;

Firstly, literate farmers support urban expansion than illiterate farmers which shows positive association between literate farmers and urban expansion program; literate farmers are more prone to understand urban expansion program compared to illiterate one. So, farmers how read and write support urban expansion program.

Secondly, amount of compensation paid by government or displaced body a lion shares to support urban expansion program of peri-urban area of Jimma town and result predict positive relationship between amount of compensation paid and farmers readiness for displacement.

Thirdly, land loss extent has negative effects on support of urban expansion due to the fact that a more land lost farmers or a more vacated farmers fear even to lose their livelihood means of income by trailing the remaining.

Fourthly, pre-awareness has positive impacts on perception of household head and the result shows that awaked farmers support urban expansion program by making ready all his/her assets documents, among others; and the last but not the least, one determining factor of perception of farmers to ready for displacement was government package relevance which relates. Government package relevance influence farmers to support urban expansion program and others.

Financial impacts of urban expansion among displaced farmers are conditional, if displaced farmers followed by displaced organization or body and give advice how to use the compensation and change to compensation in the real investment, financial impacts of displaced farmers will be positive; otherwise, negative. As study result shows credit and saving status after displacement change these are positive impacts. Livelihoods strategies before and after displacement, expenditure nature before and after displacement, income status after and before displacement, among others. As of their income decreases but their expenditure too much increase due to urbanization, life will continue by purchasing everything. In addition to this, some positive financial impacts of farmer's displacement the more have assets farmers change the compensation amount in to real investment.

Implementation of compensation payment versus expropriation laws and regulations not that much clear and transparent due to our rule and regulation about land ownership and urbanization. However, it makes the displaced landholders to paid for their ownership right. Compensation is the amount of money paid for expropriated land and lost properties. The payment expected to not reward but the value of those properties.

It revealed that amount of compensation payment for properties sacrificed due to expropriation is mainly unjust because it did not rationally contemplate valuations of items that have legitimate value and serve as the main sources of income generating before urbanization. Moreover, the payment takes long period when compared against the rights stated in the regulation. The best record of payment had made within 7 months and the longest one is after 2 years. The most, i.e., 81%, of the expropriated received compensation payment between 9 months and 3 years. After the loss of purchasing power of money due to delay in prompt payment, and extra cost incurred due to frequent travels were not compensated.

Frightening and imprisoning the landholders requesting their rights; claiming infringement of right; refusing displacement done against expropriation procedure, and hesitating eviction before receiving compensation in advance where main issues identified in many instances. The process of boundary demarcation, documents authentication, property inventory, valuation procedure and determination of the amount of compensation are not most of the time participatory and transparent; instead, executed landholder-unfriendly.

The expropriation approaches and mode of payment is scarcely compliant with regulation, and mainly exposed to subjectivity and unfairness. The compensation payment processes and rules fall short of proper management, characterized by bureaucratic and time-consuming steps.

Besides, the expropriated land will not, sometimes, be employed for intended public purposes; not implemented within the time schedule and was agreed upon.

Most of them were not properly managing what they have received for compensation and used up for consumption purpose. During the town's expansion, despite the community's awareness of the expansion through public orientation and official meeting training, all farming community was not made participant on the decisions about the kinds and amounts of compensations and related benefits to them for their land displaced vacated, for the property they lost and hence for their livelihood interruption and the resulting impact on their family. In fact, in most developing countries like Ethiopia participation of stockholders on the decision about urban expansion compensation is not customary. As a result, dissatisfaction about the land compensation become goes from bad to worse.

5.4 Recommendations.

Urban development induced displacement in peri-urban area is one of the challenges Jimma facing these days. To integrate their perception, sustainable livelihood and urban development, urban development policy should take into account interest and view of urban farming community in policy formulation. Based on the findings of the study, it is possible to suggest the following policy recommendations:

1. The governments should invest heavily to on education(IFAL) household head,pre-awareness of household head,and check land lost extent of household head history farmers displaced. This implies that trend of urban expansion program implemented so far indicated that the peri-urban farming communities considerate and involved in planning and implementation program. To make transparent, participatory and sustainable development in urban expansion, all actors of development especially the peri-urban farming communities or displaced farmers are very crucial. Therefore, consensus in education(IFAL), pre awareness and knowing farmers land loss extent, participation of the farming community in the forgoing programs and decision-making should give first priority before implementation of the program.
2. From the government and concerned body, more works expected on amount of compensation and compensation package relevance which have positive influence on farmers to support urban expansion program, which means government must pay proportionate and balanced compensation to their all assets by considering all things also try to refer the farmers land lost extent history to decrease more land lost farmers not to lose a one additional of other land.
3. The government expansion program should take into account displaced farmers from their land by creating the best alternative means of financial income and creating better economic opportunity in areas need reconsidered because land size is the main source of livelihood outcome difference, just by creating job opportunity in displaced area in constructed industry or and university purpose, any other by affirmative action. Better to give first chance for displaced according to their education and what their ability to do.
4. Land is a permanent property of rural people entitled for lifetime use. Hence, the intended public purpose development implemented in a way urbanization benefits the displaced party. Besides, the compensation laws should vibrantly allow regular courts to decide decision of the expropriating authorities about existence of genuine case of public purposes for expropriation and on the proper implementation of the intervention.

5. The government shall be revised compensation policies that serve on the side of displaced people and become the best alternatives.
6. An organization established five years ago by name of mediation “Agency of displaced farmers and compensation related issue of Oromia region, SW district of Oromia region.”, which is an organization established to play a mediation role between government and displaced farmers. It has played a good roll in mediation for Jimma industrial park displaced farmers and Jimma university Agaro campus displaced farmers. However, this organization is not a neutral institution, it stands more of on the side of government. Therefore, this organization must play the middle roll between government and displaced farmers body.

5.5: Recommendations for Further Study

- ❖ This study has focused the “The Impact of Horizontal Urban Expansion on Sub-Urban Agricultural Community Perception Concerning Their Livelihood.” The Case of Jimma town, Ethiopia. Just if done in other jimma zone town and other area may the problem exists.
- ❖ Further, it would be more important, if future research focuses on compensation benefits of displaced farmers with present inflation.
- ❖ For further study I will suggest that displacement may have various impacts on social, environmental and economic also other what else, try to study this area for benefits for all of us.

REFERENCE

- Abass, K., Afriyie, K. and Adomako, J.A.A., 2013. Household responses to livelihood transformation in peri-urban Kumasi. *Journal of sustainable development*, 6(6), pp.121-136.
- Abbink, J., 2009. The Ethiopian Second Republic and the fragile “social contract”. *Africa Spectrum*, 44(2), pp.3-28.
- Alemu, B.Y., 2013. Expropriation, valuation and compensation practice in Ethiopia. *Property Management*.
- Alemu, B.Y., 2013. Expropriation, valuation and compensation practice in Ethiopia. *Property Management*.
- Alemu, K., 2014. *Impact of Population Growth on the Ethiopian Economic Performance*. LAP LAMBERT Academic Publishing.
- Ambaye, D.W., 2012. Compensation for Expropriation in Ethiopia and the UK: A Comparative Analysis. *Bahir Dar UJL*, 3, p.253.
- Bekele, F., 2010. *The Impact of Horizontal Urban Expansion on Sub-Urban Agricultural Community Livelihood: The Case of Tabor Sub-City, Hawassa city, SNNPRS, Ethiopia* (Doctoral dissertation, Msc. Thesis Addis Ababa University, Addis Ababa, Ethiopia).
- Belachew, Y.A., 2013. Expropriation, valuation and compensation in Ethiopia. *Doctoral Theses, Royal Institute of Technology, Stockholm, Sweden*.
- Belay, A.A., 2017. Ethiopian federal rural land administration institution practices, challenges, gaps and recommendations. *International Review of Humanities and Scientific Research*, pp.287-306.
- Belay, E., 2014. Impact of urban expansion on the agricultural land use a remote sensing and GIS Approach: A Case of Gondar City, Ethiopia. *International Journal of Innovative Research and Development*, 3(6), pp.129-133.
- BOOKS AND JOURNALS.
- Cobbinah, P.B., Gaisie, E. and Owusu-Amponsah, L., 2015. Peri-urban morphology and indigenous livelihoods in Ghana. *Habitat International*, 50, pp.120-129.
- Cobbinah, P.B., Gaisie, E. and Owusu-Amponsah, L., 2015. Peri-urban morphology and indigenous livelihoods in Ghana. *Habitat International*, 50, pp.120-129.

- CSA (2007). " (Central Statistical Authority of Ethiopia) Summery and statistical report of the population and housing censuses result of Ethiopia. .".
- CSA. (2010). Report on the National population and housing census of Ethiopia. Addis Ababa: CSA Ethiopia.
- Dayong, W., 2004. Several acute issues in China's urban planning. *Urban Planning Overseas*, 20(1).
- Dociu, M. and Dunarintu, A., 2012. The socio-economic impact of urbanization. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 2(1), pp.47-52.
- Ganta, B.G., 2019. Access to Rural Land Rights in the Post-1991 Ethiopia: Unconstitutional Policy Shift. *Journal of Land and Rural Studies*, 7(1), pp.1-22.
- Gebeyehu, Z.H., 2013, April. Towards improved transactions of land use rights in Ethiopia. In *Annual World Bank Conference on Land and Poverty* (pp. 8-11).
- Gebregziabher, Z. and Yiadom, K.S., 2014. The Impact of Urban Sprawl on the Livelihood of Fringe Farmers in Mekelle, Ethiopia. *growth*, 4(16).
- Gujarati, D.N., 2003. Basic Econometrics" fourth edition McGraw-Hill. *New York*.
- Harris, A., 2015. Expropriation, compensation and transitions to new livelihoods: Evidence from an expropriation in Ethiopia. *Economics Series Working Paper WPS/2015-04*. *Oxford: University of Oxford, Department of Economics*.
- Iaquinta, D.L., 2000. Defining periurban: understanding rural-urban linkages and their connection to institutional contexts. In *Tenth world congress, Rio de Janeiro, 2000*. IRSA.
- Israel, G.D., 1992. *Sampling the evidence of extension program impact*. Gainesville, FL: University of Florida Cooperative Extension Service, Institute of Food and Agriculture Sciences, EDIS.
- Kasa, L., Zeleke, G., Alemu, D., Hagos, F. and Heinimann, A., 2011. Impact of urbanization of Addis Abeba city on peri-urban environment and livelihoods. *Sekota Dry Land Agricultural Research Centre of Amhara Regional Agricultural Research Institute: Addis Ababa, Ethiopia*.
- Kumsa, G.K., 2011. *LLM Thesis on: Issues of Expropriation: The Law and the Practice in Oromia* (Doctoral dissertation, Addis Ababa University).
- Marshall, F., Waldman, L., MacGregor, H., Mehta, L. and Randhawa, P., 2009. On the edge of sustainability: perspectives on peri-urban dynamics.

- Mengistu, T., 2016. Horizontal Urban Expansion And Livelihood Adjustment Problem Among Ex-Farmers In The Kebeles Surrounding Jimma Town: The Case Of Derba Kebele. *European Scientific Journal*, 12(14).
- Mezgebo, T.G., 2014. *Urbanization effects on welfare and income diversification strategies of peri-urban farm households in Tigray, Northern Ethiopia: An empirical analysis* (Doctoral dissertation, University College Cork).
- MIDEKSA, E., 2017. *URBAN EXPANSION AND ITS EFFECTS ON THE LIVELIHOOD OF PERI-URBAN FARMERS: EVIDENCES FROM SEBETA TOWN* (Doctoral dissertation, St. Mary's University).
- Nicodemus, M. and Ness, B., 2010. Peri-urban development, livelihood change and household income: A case study of peri-urban Nyahururu, Kenya. *Journal of Agricultural Extension and Rural Development*, 2(5), pp.73-83.
- Nigusie, D., 2011. Rapid urban expansion and its implications on livelihood of farming communities on peri-urban area: the case of sebeta town. *Unpublished MA Thesis: Addis Ababa University, Ethiopia*.
- Oduro, C.Y., Adamtey, R. and Ocloo, K., 2015. Urban growth and livelihood transformations on the fringes of African cities: A case study of changing livelihoods in peri-urban Accra. *Environment and Natural Resources Research*, 5(2), p.81.
- Park, H.M., 2015. Regression models for binary dependent variables using STATA, SAS, R, LIMDEP, AND SPSS.
- Ravetz, J., Fertner, C. and Nielsen, T.S., 2013. The dynamics of peri-urbanization. In *Peri-urban futures: Scenarios and models for land use change in Europe* (pp. 13-44). Springer, Berlin, Heidelberg.
- Samat, N., Ghazali, S., Hasni, R. and Elhadary, Y., 2014. Urban Expansion and its Impact on Local Communities: A Case Study of Seberang Perai, Penang, Malaysia. *Pertanika Journal of Social Sciences & Humanities*, 22(2).
- Simon, D., McGregor, D. and Nsiah-Gyabaah, K., 2004. The changing urban-rural interface of African cities: definitional issues and an application to Kumasi, Ghana. *Environment and urbanization*, 16(2), pp.235-248.
- Taffa, T., 2009. Characteristics of property units in Ethiopia, the case of two pilot projects in Amhara National Regional State. *Nordic Journal of Surveying and Real Estate Research*, 6(2).

Tessema, Z., Mainali, B. and Silveira, S., 2014. Mainstreaming and sector-wide approaches to sustainable energy access in Ethiopia. *Energy Strategy Reviews*, 2(3-4), pp.313-322.

Thuo, A.D.M., 2013. Impacts of urbanization on land use planning, livelihood and environment in the nairobi rural-urban fringe, Kenya.

Wegedie, K.T., 2019. Urban Expansion and Farmers' Perceptions in Bahir Dar City, Ethiopia. *African Journal Of Governance & Development*, 8(1).

Weldegebriel, D., 2011. Informal settlement in Ethiopia, the case of two Kebeles in Bahir Dar City. *Informal settlement issues, spatial development, planning and governance*.

Laws

Ethiopian Government, Proclamation No. 31/1975; A Proclamation to Provide for the Public Ownership of Rural Lands

Ethiopian Government, December 1994. Constitution of the Federal Democratic Republic of Ethiopia,

Ethiopian Government, 1997. Federal Rural Land Administration: Proclamation No. 89/1997.

Ethiopian Government, 2005. Expropriation of Landholdings for Public Purposes and Payment of Compensation: Proclamation No 455/2005.

Ethiopian Government. 2005. Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use: Proclamation No. 456/2005.

Ethiopian Government, 2007. The Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes: Regulation No 135/2007.

SNNP Government, 2007. The Southern Nations, Nationalities and Peoples Regional State Rural Land Administration and Utilization: Proclamation No 110/2007.

Oromia Government, 2007. Oromia Rural Land Use and Administration: Proclamation No. 130/2007 decreed to Amend Proclamations No 56/2002, 70/2003, 103/2005.

APPENDICES

Appendix I

Questionnaire

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

Post Graduate Program in Masters of Science in Development Economics

Questionnaire to be filled by displaced Household head.

Dear Respondents: - My name is **Faruk Hussen Aba fogi**. I am studying Masters of Science in Development Economics at Jimma University. Now I'm going to conduct study on the *"The Impact of Horizontal Urban Expansion on Sub-Urban Agricultural Community Perception on Livelihood: The Case of Jimma Town, Ethiopia*. Dear respondent, I would like to express my deep appreciation for your generous time, honest and prompt responses.

Objective: -This questionnaire is designed to collect data about the *"To collect Data for your perception urban expansion or industrial park "*. The information that you offer me with this questionnaire is used as a primary data in my study which I am conducting as a partial fulfillment of the requirements for the Masters of Science at Development Economics at Jimma University College Business and Economics. Therefore, this research is to identify the main impacts of horizontal urban expansions on your life and other related issues

General Instructions

- In all cases where answer options are available please tick (√) in the appropriate box.

Confidentiality:-I want to assure you that this research is only for academic purpose authorized by Jimma University College Business and Economics. No other person will have to access this collected data.

If you have any queries concerning the questionnaire, please contact me:

Name: Faruk Hussen

Phone Number: +251917570379

Email: faruk123hussen@gmail.com.

Thank you for your cooperation!!

PART I: Determinants of household perceptions on words urban expansions related questions.

I) choose only one and put ‘’ on the box provided.

Generally, instruction 1=YES and 2=No, in this questioner contexts in questions only have two choices.

A, Personal Information.

1. Sex of household head respondents.

1.0= female

2.male

2.Age of house Household head respondent’s.

1.From 30-40

2.From 41-49

3.From 51-59

4.From 60-70

5.70 and above

3. The marital status of the respondent.

1. Married 2. Divorced 3. Separate 4. Single.

4. From your families, who was family head of respondents?

1.female or mother.

1. Male or father.

5.what are your family size in number now?

1.Between 1-3

2.5-7

3.greater than 7

6.would write and ready Afaan Oromo or Amharic language.

1.Yes

2. No

B. Assets related questions.

7. From your assets how many Facasa (hectares)fixed assets you lost by thus Government displacement program or urban expansion or industry park.

1.0.5-1 Facasa.

2.1-4 Facasa.

3.4-8 Facasa.

4.above 9 Facasa.

8. How many birr as compensations paid for farm or land lost or other related assets.

1.30000-500000 ETB. 2.5000001-1000000 ETB.

3.1000001-1500001 ETB. 4. Above 2000000 ETB.

9. Have experiences in displaced from your first place before now.

1. Yes 2. No

10. Before this urban expansion program, would have land loss extent from your assets?

1. Yes 2.NO.

11. When you displaced from your farm area, is it government package relevance is there?

1. Yes 2. No.

12. if your answer for question number 8 is yes, what type of package given by government body or displaced body given as a compensation?

1. In cash 2. In kind.

3. Both in kind and cash. 4.Have House plots area.

13. How was pre awareness level of about urban expansion or industry park expansion program?

1. Yes, I have information.

2. No, I haven't any.

14. What type of package given by government body or displaced body?

1. In cash. 2. In kind. 3. Both in kind and cash.

PART: Financial impacts of displacements of farmers from farm land related questions.

15. What are the major sources of your income to sustain your families?

a. By selling agricultural products from the land remaining in the urban area

b. By selling agricultural products from the remaining land out of the urban area

c. By engaging in different non-farm activities like trade

d. Rent collection from the houses I have constructed in the urban

e. Others (specify) _____

16. How do you evaluate changes in your living standard after your farmland is expropriated?

1. Improved after urbanization

2. Declined after urbanization

3. The same in both times,

4. Worsen than when I was farmer.

17. If your answer to question No 16 is “improved live” what are the changes? List of the changes

18. Do you have the experiences of carrying out additional income generating activities out of farming before included under peri-urban?

1. Yes 2. No.

19. If your answer in question No 17 is “yes”, what were the income generating activities?

1. Fom Trade 2. Coffee 3. Chat

4. Animal rearing for milk production

5. Others (specify) _____.

20. For what purpose you use the compensation payment you receive.

1. For Consumption, purpose 2. Investment 3. Deposit in bank 4. Others (specify)

21. Would have saving and credit experiences before urbanization?

1. Yes 2. No.

22. would having a Ikub and the like saving methods institution before urban expansion program?

1. Yes I have. 2. No I haven't.

23. would have a saving and credit experience's after urbanization program or industry park expansion program?

1. yes I have 2. No I haven't.

24. would havea Ikub or other saving methods uses after urbanization?

1. yes 2. No.

25. Are bank users before urbanization program or industry park expansion.

1. Yes 2. No.

26. Are you bank users after urbanization or industry park expansions?

1. Yes 2. No

27. what was the monthly expenditure of your families before urban expansion.

1. 1000-2000 ETB. 2. 2001-4000 ETB.

3. 4001-6000 ETB. 4. 6001-8000 ETB.

5. Above 8000 ETB.

28. what was the monthly expenditures after urban expansion program or industry park expansion or open.

1. 2000-4000 ETB. 2. 4001-6000 ETB.

3. 6001-8000 ETB. 4. 8000 -10000 ETB.

5. above 10000 ETB.

29. Does the government facilitate employment opportunity after expropriation as you are the house head of family?

1. Yes 2. No

30. If your answer in question No 29 is yes, how much monthly salary you earn from the employment?

1. 1500-3000 ETB. 2. From 3001-4500 ETB.

3. 4501 to 6000ETB. 4. 6001-7500 ETB.

5. Above 7501ETB.

31. Does the government facilitate job opportunities for your family members?

1. Yes, facilitate job opportunity for all my families.

2. No, does not arrange job opportunity.

PART III. Questions related Implementation of compensation payment versus expropriation laws and regulations regarding displaced farmers.

31. Does satisfaction by compensation paid for your land size or land lost by urban expansion program.

1. Yes 2. No.

33. If your answers for question number 31 no, what reasons does not satisfy?

1. Amount paid not satisfy with our assets lost?

2. Amount of compensation paid not match with present inflation.

3. other specify

33. Is the compensation payment regulation on expropriated land transparent?

1. Yes, it is transparent 2. Not transparent

34. Is there an organized government body that provides support concerning expropriation?

1. Yes 2. No

35. Do the estimators have willingness to make the compensation payment regulation clear before the valuation process takes place?

1. Yes, all the evaluators are willing to create awareness

2. Yes, but only few of them are willing to create awareness

No, they have no willingness to create transparency on the regulation

36. Does the government give land for your children from the taken away amount?

1. Yes 2. No

37. Does the government arrange a rehabilitation strategy for your family members displaced due to urbanization?

2. Yes 2. No 3. I do not know

38. If the answer in question no 37 is yes, what kind of benefits you get from this rehabilitation strategy?

1. Organizing under cooperatives and facilitate access to credit

2. Organizing under cooperative without facilitating access to credit

3. Providing various business skill building trainings only

4. Organizing under cooperative and provide working place like shed

5. Others (specify) _____

39. Is there an organized government body (institution) who permanently provide support concerning displacement from your landholding?

1. Yes, there are bodies (institutions) that provide support

2. No organized body (institution) that provide support

40. If the answer to question no 39 is "yes", how often you contact these bodies in their office during working hours?

1. All times during working hours,

2. Very rarely during working hours,

3. Very difficult to get them during working hours,

41. In case disagreements arises in relation to violation of rights, is there a grievance hearing body? 1. Yes 2. No

42. If the answer to question no 41 is yes, how often you can make contact with them?

1. Anytime I am in need, 2. Very rarely 3. I cannot get them

43. Is this grievance hearing body impartial or take sides for some others?

1. They are impartial/neutral 2. They take side for the government

3. They take side for the community 4. I don't now

44. Is there a special support the government provided to you due to expropriation?

1. Yes 2. No

45. If the answer to question no 44 is yes, what are these special supports?

1. Prior opportunity to be hired in the newly implemented industry park.

2. Priority to own land by lease for investment purpose without bid competition.

3. Special job creating skill trainings.

4. Others, (specify) _____

Part IV. Checklist for Focus Group Discussion and Key Informant Interviews

1. How is the expropriation procedure? (institutionally, awareness creation, discussions, convincing, ...)
2. Does the government provide support for the expropriated farmers to improve their productivity on the remaining land?

3. Does the government facilitate other income generating opportunity for the farmers and his family members after expropriation?
4. What different advantages/benefits do the farmers get because of being part of urban area? (Example, quality education, health, infrastructure, market information, employment opportunities etc)
5. For how many years does the government pay compensation for expropriated farmers? And how is the payment scheme?
6. Does the government pay compensation for plants, like eucalyptus trees? If yes, how is the compensation payment procedure? (by number of trees, meter cube estimation, land size it is planted etc)
7. How long does the process of compensation payment take place?
8. Is there a compensation payment regulation for an expropriated land? If yes, do the estimators make the regulation clear for the farmers before the valuation process takes place?
9. What is the size of land the government allows for the expropriated farmers?
10. Does the government have a rehabilitation strategy/program for the expropriated farmers and their family members displaced due to urbanization? If yes, what are these strategies? (Organize under cooperatives with/without access to credit, business trainings, with/without working place like shed etc.)
11. Is there an organized government body (institution) who permanently provide support concerning displacement from your landholding?
12. In case disagreements arise in relation to violation of rights, is there a grievance hearing body? If yes, what is the combination of this body?
13. Is there a possibility that the government forces the investors or factory owners of that area to give prior job opportunity for farmers losing their lands?

Appendix II.

Result from Stata V14, shows relationship between dependent with each independent variable.

A.HHP and HHE, Household head perception and household head education

Key
<i>frequency</i>
<i>chi2 contribution</i>

HHP	HHE		Total
	0	1	
0	33 60.3	24 11.8	57 72.0
1	16 14.1	227 2.8	243 16.9
Total	49 74.4	251 14.5	300 88.9

Pearson chi2(1) = 88.9494 Pr = 0.000

B.HHP and AC. Household perception and Amount of compensation

Key
<i>frequency</i>
<i>chi2 contribution</i>
<i>row percentage</i>

HHP	com-amo							Total
	30000	50000	1000000	2000000	3000000	4000000	5000000	
0	6	0	8	15	17	11	0	57
	2.4	0.6	4.0	0.8	0.4	0.5	1.3	10.1
	10.53	0.00	14.04	26.32	29.82	19.30	0.00	100.00
1	11	3	13	85	88	36	7	243
	0.6	0.1	0.9	0.2	0.1	0.1	0.3	2.4
	4.53	1.23	5.35	34.98	36.21	14.81	2.88	100.00
Total	17	3	21	100	105	47	7	300
	2.9	0.7	5.0	1.0	0.5	0.6	1.6	12.4
	5.67	1.00	7.00	33.33	35.00	15.67	2.33	100.00

Pearson chi2(6) = 12.4244 Pr = 0.053

C. HHP and AL, Household head perception and Aweranes level.

Key
<i>frequency</i>
<i>chi2 contribution</i>
<i>row percentage</i>

HHP	Awe-lew		Total
	0	1	
0	42	15	57
	89.7	21.0	110.8
	73.68	26.32	100.00
1	15	228	243
	21.0	4.9	26.0
	6.17	93.83	100.00
Total	57	243	300
	110.8	26.0	136.7
	19.00	81.00	100.00

Pearson chi2(1) = 136.7336 Pr = 0.000

D.HHP and PR.

The relationship between Household head perception and package relevance.

. tabulate HHP packrelev, cchi2 chi2 row

Key
<i>frequency</i>
<i>chi2 contribution</i>
<i>row percentage</i>

HHP	pack-relev		Total
	0	1	
0	37	20	57
	52.3	13.9	66.3
	64.91	35.09	100.00
1	26	217	243
	12.3	3.3	15.5
	10.70	89.30	100.00
Total	63	237	300
	64.6	17.2	81.8
	21.00	79.00	100.00

Pearson chi2(1) = 81.7929 Pr = 0.000

E.HHP and LLE.

Relationship between household head perception and land loss extent.

Key
<i>frequency</i>
<i>chi2 contribution</i>
<i>LR chi2 contribution</i>
<i>row percentage</i>

HHP	LLE		Total
	0	1	
0	46	11	57
	0.1	0.4	0.5
	4.7	-4.2	0.5
	80.70	19.30	100.00
1	184	59	243
	0.0	0.1	0.1
	-4.6	4.7	0.1
	75.72	24.28	100.00
Total	230	70	300
	0.1	0.5	0.6
	0.1	0.5	0.7
	76.67	23.33	100.00

Appendix III

A. Multicolinerty and Goodness of the model test.

. correlate

(obs=300)

	HHP	HHAge	lle	HHE	HHslan~e	comamo	HHS	packre~v	Packtype	Awelew
HHP	1.0000									
HHAge	0.0098	1.0000								
lle	-0.0454	-0.0152	1.0000							
HHE	0.5445	-0.1231	0.2227	1.0000						
HHslansize	0.0973	-0.0479	0.1993	0.0377	1.0000					
comamo	0.0854	-0.0271	-0.0642	-0.0651	0.2101	1.0000				
HHS	0.0999	0.0439	-0.0085	0.0237	0.0204	0.0467	1.0000			
packrelew	0.5222	-0.0190	0.1078	0.5692	0.0041	-0.0635	0.1153	1.0000		
Packtype	0.0430	-0.0011	0.2060	0.0318	0.0647	0.1256	0.0516	0.0401	1.0000	
Awelew	0.6751	-0.0008	0.0834	0.4296	0.0691	0.0469	0.1658	0.3970	0.2212	1.0000

B. Result of Goodness of the model and their classification

. estat gof

Logistic model for HHP, goodness-of-fit test

```

number of observations =          300
number of covariate patterns =      113
    Pearson chi2(105) =          108.90
        Prob > chi2 =              0.3776

```

. estat classification, all

Logistic model for HHP

Classified	True		Total
	D	~D	
+	235	14	249
-	8	43	51
Total	243	57	300

Classified + if predicted Pr(D) >= .5
True D defined as HHP != 0

Sensitivity	Pr(+ D)	96.71%
Specificity	Pr(- ~D)	75.44%
Positive predictive value	Pr(D +)	94.38%
Negative predictive value	Pr(~D -)	84.31%
False + rate for true ~D	Pr(+ ~D)	24.56%
False - rate for true D	Pr(- D)	3.29%
False + rate for classified +	Pr(~D +)	5.62%
False - rate for classified -	Pr(D -)	15.69%
Correctly classified		92.67%

.

Appendix IV: - Binary Logit, Logistic regression and Its Marginal Effect Result.

A. Logistic or coefficient regression.

```
Logistic regression           Number of obs   =       300
                              LR chi2(7)       =       176.66
                              Prob > chi2          =       0.0000
Log likelihood = -57.537668    Pseudo R2       =       0.6055
```

HHP	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
HHS	-.2839043	.5949796	-0.48	0.633	-1.450043	.8822342
HHE	2.61057	.6622194	3.94	0.000	1.312643	3.908496
lle	-1.142052	.3238769	-3.53	0.000	-1.776839	-.5072648
comamo	5.62e-07	2.47e-07	2.28	0.023	7.86e-08	1.05e-06
Awelew	4.012241	.623432	6.44	0.000	2.790337	5.234146
packrelev	2.054115	.5762937	3.56	0.000	.9246002	3.18363
Packtype	-.8147362	.7908599	-1.03	0.303	-2.364793	.7353206
_cons	-3.278796	1.020715	-3.21	0.001	-5.279361	-1.278232

B. Logit or odds ratio regression.

```
Logistic regression           Number of obs   =       300
                              Wald chi2(7)       =       60.25
                              Prob > chi2          =       0.0000
Log pseudolikelihood = -57.537668    Pseudo R2       =       0.6055
```

HHP	Odds Ratio	Robust Std. Err.	z	P> z	[95% Conf. Interval]	
HHS	.7528387	.4142331	-0.52	0.606	.256063	2.213386
HHE	13.6068	10.01153	3.55	0.000	3.217096	57.55035
lle	.3191635	.1022891	-3.56	0.000	.1702984	.598158
comamo	1.000001	2.24e-07	2.51	0.012	1	1.000001
Awelew	55.27062	34.68538	6.39	0.000	16.15541	189.0909
packrelev	7.799933	4.485143	3.57	0.000	2.527145	24.07419
Packtype	.4427561	.2663799	-1.35	0.176	.1361594	1.439732
_cons	.0376736	.0345889	-3.57	0.000	.0062306	.2277937

C. Marginal effects(Mfx).

. mfx

Marginal effects after logistic
y = Pr(HHP) (predict)
= .94646428

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
HHAge	.00112	.00105	1.07	0.284	-.00093 .00317	49.3667
LLE	-.0582622	.01752	-3.33	0.001	-.092595 -.023929	1.27667
HHE*	.3236841	.13403	2.41	0.016	.060988 .58638	.836667
HHS*	-.0119492	.02444	-0.49	0.625	-.059846 .035947	.816667
comamo	2.82e-08	.00000	2.33	0.020	4.5e-09 5.2e-08	2.5e+06
packre~v*	.1877175	.07942	2.36	0.018	.032055 .34338	.79
Packtype*	-.0289864	.02449	-1.18	0.237	-.07699 .019017	.823333
Awelew*	.5510694	.1105	4.99	0.000	.334495 .767644	.81

(*) dy/dx is for discrete change of dummy variable from 0 to 1

General information .

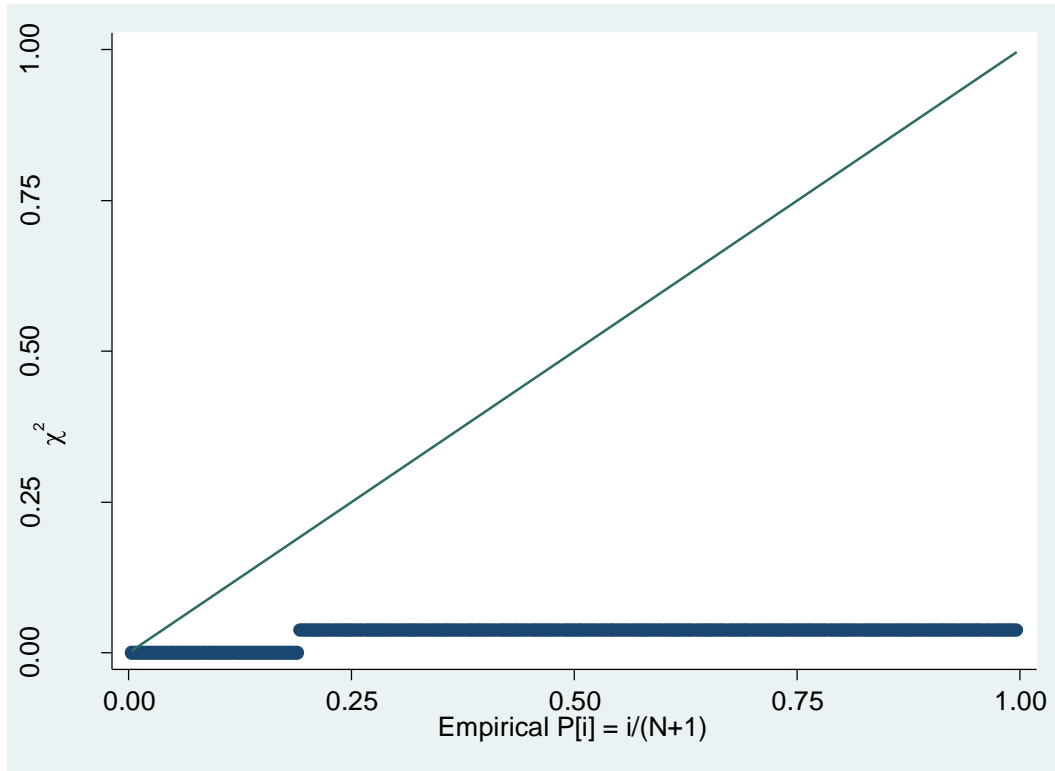
Variable classification tests

A. MEAN, MAXIMUM AND MINIMUM OF THE VARIABLE.

. correlate, means
(obs=300)

Variable	Mean	Std. Dev.	Min	Max
HHP	.81	.3929564	0	1
HHAge	49.36667	12.03113	23	81
lle	1.276667	.7930228	0	4
HHE	.8366667	.3702872	0	1
HHslansize	1.47	1.205797	0	5
comamo	2532200	1111526	30000	5000000
HHS	.8166667	.3875861	0	1
packrelev	.79	.4079888	0	1
Packtype	.8233333	.3820236	0	1
Awelew	.81	.3929564	0	1

B. Normality test.



C.SUMMARY OF THE OBSERVATION.

. summarize

Variable	Obs	Mean	Std. Dev.	Min	Max
HHP	300	.81	.3929564	0	1
HHAge	300	49.36667	12.03113	23	81
lle	300	1.276667	.7930228	0	4
HHE	300	.8366667	.3702872	0	1
HHslansize	300	1.47	1.205797	0	5
comamo	300	2532200	1111526	30000	5000000
HHS	300	.8166667	.3875861	0	1
packrelev	300	.79	.4079888	0	1
Packtype	300	.8233333	.3820236	0	1
Awelew	300	.81	.3929564	0	1

.

For all thanks and I will wait all the best!