

Implications of Urban Development-Induced Resettlement on Poor Households in Addis Ababa

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&

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Abstract

This article examines the outcomes of recent slum resettlement projects on the socio-economic well-being of the relocated people in Addis Ababa. Drawing on qualitative methods involving observation, in-depth interviews and focus group discussions, the paper examines the benefits and challenges of urban development projects on the lives of poor relocated households. The empirical findings demonstrate that although relocated household benefited in terms of an improved quality of new houses, the city upgrading projects have negatively affected these families. Differential quality of housing and increasing costs of rent, income loss, changing schools for children, health problems and loss of savings were experienced. The study concludes that urban redevelopment and resettlement plans need to include the implications of relocation on the lives and livelihood opportunities of poor households.

Keywords: Urban development; resettlement; poor households; livelihoods; social networks, Addis Ababa.

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Introduction

Recent development interventions in sub-Saharan Africa have involved government sponsored displacement and resettlement (Pankhurst et al. 2009). Ethiopia is no exception; thousands of people are experiencing displacement because of urban redevelopment programs (Abebe 2010). The majority of these people are the urban poor who have resided in neglected quarters of urban areas, often in inner city places. The precise number of displaced households by urban redevelopment projects in Addis Ababa remains unknown. However, the social and economic costs for families directly affected by the redevelopment projects are gaining serious concern. It is recognized that urban development has positive and negative (unintended) outcomes. For example, it has been argued that slum resettlement fosters economic growth through the provision of land for private investments (Cernea 1997). It also provides a better standard of living and infrastructure for residents (Jha and Khosla 2005, Dupont 2008). Some of these benefits have also been mentioned in urban development policies in Ethiopia (FDRE 2007, Ministry of Work and Urban Development 2008). In Addis Ababa, although some households benefited from the relocation program that promised improved housing and services (Koenig 2009), the socio-economic consequences of slum resettlement are not always optimistic. More often than not, relocated households pay the price without reaping significant benefits from the redevelopment activities (Parasuraman and Cernea 1999). Forced evictions and relocations destroy people's traditional lives. They are moved away from their areas of work, their social networks are destroyed and the housing and infrastructure they have built up with their savings are lost (Kalayani 2006).

Studies have revealed that slum resettlements are occurring with a high degree of frequency, and they impact the affected groups in profound ways (Scanlon and Devine 2001, Jha and Khosla 2005, Contractor 2008). These studies reveal that displacement results in not only the loss of low-income people's shelter (Couch 1990) but it is also costly from economic and social perspectives (World Bank 2004, Wei and Bachir 2006). Economically, the consequences include loss of income, such as home-based small businesses and clients and site-related opportunities (Koenig 2009). Unemployment among the resettled is common because of relocation to relatively remote peri-urban places which are far from established sources of livelihoods. The long distances to former work places typically prohibit travel due to time constraints and additional expenses.

Furthermore, slum settlements contain socially cohesive groups of people (Couch 1990) which are structured by considerations of survival (Koenig 2006). In Ethiopia, various traditional organizations exist in both urban and rural environments (Damen and Pankhurst 2000). Examples of such associations in Addis Ababa include community-based social organizations (burial and church based); social and religious gatherings (*Mahber*); memberships in the local parish (*Sebekagubae*); and economic saving groups. As income is affected, resettlement tends to destroy or strongly weaken the function of social systems (Couch 1990) that serve for instance the provision of funeral insurance (Pankhurst et al. 2006) and informal savings associations. The resettlement programs worsen the separation of communities (Gopal et al.

2006) and increasing the disarticulation of social capital and loss of mutual neighbourhood help and inter-personal ties (Contractora 2008).

The objective of the present article is to contribute empirical findings regarding the implications of slum *resettlement* for the socio-economic well-being of people who have experienced residential relocation in Addis Ababa. Drawing on the perspectives of household heads, youth and the elderly using qualitative data (in-depth interviews and group discussions), the research provides a multifaceted understanding of the ways in which resettled households are affected by and experience residential change.

It is argued that residential relocation tends to have several "costs". Although it is observed that resettlement has enabled households to acquire somewhat improved shelter, income loss, changing schools for children, health problems and loss of savings were reported to be common problems. The impacts of residential relocation have varied outcomes for the households in terms of loss of locational advantages (distance from usual sites of work, access to markets); additional travel cost to new schools; limited access to infrastructure and social services; and expenses associated with family changes.

The paper is structured as follows. First we provide some background information on the inner city conditions of Addis Ababa followed by a brief discussion of methods of data collection and the research participants. Then the empirical findings of the research are presented and analyzed in the perspectives of the relocated households' diverse problems.

Study Context: The Conditions in Inner-city Addis Ababa

Most residents of Addis Ababa live in highly jam-packed neighbourhoods with substandard infrastructure and social services (Tarekegn 2000, Terefe 2003, UNHSP 2007, Yitbarek 2008). These studies indicate that the significant characteristic of Addis Ababa is poor housing conditions, and that the majority of residents are living in slums, commonly known as *Chika bets*, houses made of mud and wood. These houses do not satisfy the criteria of "decent housing" (AACAA 2007) and are manifestations of problems of poverty in the city (Haregewoin 2007). *Chika bets* lack one or more of the following conditions: a) access to improved water; b) access to improved sanitation; c) sufficient living space; d) durability of houses and; e) access to security of tenure (UN-Habitat 2003). The housing-related infrastructure of Addis Ababa remains poor (UN-Habitat 2007). The majority the houses do not have toilets, private taps and modern kitchens (CSA 2010). Lack of resources for maintenance results in that the houses have a sharp deterioration over time.

It has been argued that the rapid growth of slum settlements in Addis Ababa appears to have a number of causes such as the long decay of the inner-city, failed policies and lack of political will (Qubay 2005) and an inability of the poor to access affordable land for housing (RGS 2003). On the other hand, poor urban governance, corruption, unresponsive financial systems and the emergence of squatter settlements (UN-Habitat 2007) are some of the challenges Addis Ababa faces as a prime city. Studies noted during the past decade that the fast deteriorating residential areas have attracted local authorities, NGOs and the wider community to participate

in slum upgrading programs. While the program has had a positive impact on the living conditions of the residents (Yitbarek 2008), it has been observed that there are only marginal efforts to improve slum settlements (UN-Habitat 2011). It is difficult to improve the quality of life through an upgrading program since slums in Addis Ababa are very densely populated. The slum redevelopment approach in Addis Ababa is thus an imperative intervention that often requires a certain amount of population displacement (Patel et al. 2002).

The city authority of Addis Ababa has currently given increased attention to urban development by replacing poor residential areas with condominium houses and modern apartment complexes. Different documents (the Office for the Revision of Addis Ababa Master Plan (ORRAMP) 2002, the Integrated Housing Development Program (IHDP) 2006, the Addis Ababa City Administration (AACCA) 2007) explain that the program of urban redevelopment aims at achieving an improved living environment for the residents and a better image (beautification) of the city in order to enable an exploitation of its economic potential. The Plan for Urban Development and Urban Good Governance (FDRE 2007) discusses the three pillars of the urban development objectives in Addis Ababa. These are a) micro and small-scale enterprises and job creation; b) integrated housing development and; c) improved access to serviced land and facilities. Presently, Addis Ababa is undergoing rapid socio-economic and spatial change. These include the construction of roads as well as tall skyscraper buildings that once characterized the modern, western world. Although the city authority of Addis Ababa is making different urban development interventions, the programs are undertaken in areas predominantly occupied by poor inhabitants. The program of urban redevelopment is a continuing process (AACG 2011) with an increasing number of displacement-induced resettlements (Abebe 2010). The houses built for families to be displaced are in the form of low-cost condominium apartments located in fringe lands an average of 20 km from the centre. The sites are found in the new peri-urban development areas, where there are few activities of the type in which the relocated people use to be engaged. Furthermore, physical and social infrastructure is available to a limited degree (Addissie 2007, UN-Habitat 2007).

Data Collection and Research Participants

The fieldwork for this article took place over a period of five months (June-September 2009) and (July-August 2011) with a shorter visit made to collect additional data in October 2011. A qualitative method of data collection is used. This method is well suited to provide in-depth information on the impacts of urban redevelopment on the lives and livelihoods of poor households (Guba et al. 1985). Purposive sampling was used to select participants that were affected by development induced-displacement. The goal is to convey the views of people with different characteristics. There is no intension of empirically generalizing these views. The data collection techniques include *observation, individual in-depth interviews, group interviews* and *focus-group discussions* with relocated people in a settlement with private homeowners (*Ayat*); in two areas with government housing (*Akaki* and *Gerji*); and in two areas with condominium houses (*Chefe* and *Gellan*). The fieldwork began after obtaining consent from the research participants. The privacy and anonymity of the research participants were preserved and remain confidential.

During the fieldwork we used a semi-structured guide for individual in-depth interviews. Group interviews were made with mostly young people. Focus group discussions were conducted with local-level associations representatives (*Idir*), and with dual-headed and female-headed households. The issues discussed include: Access to housing, housing-related services, and market places; availability of health facilities; quality of roads and existence of means of transportation; as well as household affordability of services. The re-establishment of social networks and income sources were also looked into.

Table 1. Overview of Methods and Data.

Research tools	Number of individuals
Individual in-depth interviews	
Female-headed households 21	21
Dual heads (both mother and father) 25	27
Young people (between 18 – 30 years of age) 23	24
Children (between 13 – 17 years of age) 17	17
Key informants 9	9
Group interviews	
Young (between 18 - 30 years of age) 4(n=5)	4
Children (under 17 years of age) 2(n=4)	2
Focus group discussions	
<i>Idir</i> representatives 2(n=4)	2
Female-headed household 2(n=5)	2
Dual-heads 1(n=4)	1

In addition, the study involved a number of informal dialogues with different people including the elderly, community representatives, youth who were willing and open to give information about their experiences of past practices of resettlement. Most of the informants were visited in their homes, which provided an opportunity for the informants to feel secure and to take time to discuss the research questions. The data collected through household visits were supplemented with observations to gain further insights into the context of the research. In applying multiple qualitative tools and having a diversity of household members provides rich and detailed experiences of residential relocation.

Empirical Findings and Discussion

Housing Conditions and Affordability

One of the positive aspects of residential relocation in Addis Ababa is the provision of improved housing conditions for those who can afford the new housing as well as for some of the relocated poor people. The IHDP has been playing an important role in addressing the housing problem in Addis Ababa. The 2005 National Urban Development Policy of Ethiopia envisages that the construction and provision of condominium housing for low-income households is a key priority. It is believed that the housing projects have an important role to play to address the poor housing conditions in the city by providing basic services and amenities; creating employment opportunities; and assist the expansion of micro and small enterprises. In view of this, the city authority has constructed and transferred a number of condominium housing units to beneficiaries through a lottery system. The condominium-housing sector has witnessed several changes in terms of improved shelter with security of tenancy. However, it is widely observed during the fieldwork that the low purchasing capacity of the city inhabitants posed a serious problem for relocated households. Recent studies indicate that about two-thirds of the city residents depend on home-based businesses and other informal sector activities (Haregewoin 2007, Gossaye 2008). The majority of these residents live at or below the subsistence level (UN-Habitat 2007). This raises the issue of affordability of the housing units, that is, the extent to which households are able to pay for a condominium unit. The following narrative from a female informant living in a condominium (*Chefe*) illustrates the problem:

"The housing condition is by far better than the old place of residence. The place is also healthy and secure. [But] the allotted price is unaffordable. Besides the first installment, finishing the house costs me too much. "

Despite the government's commitment to provide affordable housing to low and middle-income groups, the down-payment and monthly installments are beyond the financial capacity of these groups. Table 2 gives details of condominium housing units.

People's ability to afford the houses is also problematic because they must pay for the additional costs of completing the infrastructure in the area. It is a common experience that condominium housing units are transferred to the beneficiaries after 80% of the construction is completed. The beneficiary households are then expected to finish as well as maintain services such as water and electricity within their units. Furthermore, they must also cover the costs related to maintenance of private and communal areas. This ever-increasing construction cost is a major impediment to the poor's affordability of condominium-housing units. This can be shown by comparing the current average selling price with the first round of condominium unit costs. It was ranging from 16,000 birr for a studio unit; 18-27,000 birr for a 1 bedroom unit; 33-50,000 birr for a 2 bedroom unit; and above 50,000 birr for a 3 bedroom unit. A UN-Habitat study (2011) of a condominium housing scheme in Ethiopia reveals that the Local

Development Plan (LDP) for *Lideta* displaced 932 households. About half of the households could not afford to purchase a condominium unit.

Table 2. The current costs of different condominium housing units in *birr*.

	Studio	1 bedroom	2 bedroom	3 bedroom
Average monthly payment	450	700	1400	1600
Area M ² (average)	28	40	64	75
Average price/M ²	1,481.00	1,931.00	2,523.00	2,633.00
Selling price	45,289.00	82,202.00	168,233.00	205,479.00
Down-payment	20%	20%	20%	20%
Interest rate	9.5%	9.5%	9.5%	9.5%
Grace period	1 year	1 year	1 year	1 year
Repayment period (max.)	20 years	20 years	15 years	15 years
Cross-subsidy rate	- 30%	- 10%	+5%	+10%

Source: Compiled from field data, published and unpublished documents from housing agencies and the Commercial Bank of Ethiopia. 100 birr = 5 dollar.

Similarly, an elderly informant in a condominium (*Gellan*) noted a monthly payment-related frustration:

"My children paid me the down-payment for the condominium. My worry now is that we finished the grace period and monthly payment to the bank will start soon. We entered into a loan-agreement with the bank, but to be honest the cost is expensive. This has forced many people who I know to rent out their units to others."

Following the above information, we asked informants how they coped with paying the monthly installments. The inability to pay the monthly mortgage and service payments forces many households to rent their houses out and to move to cheaper accommodation. The government maintains that those beneficiaries, who do not have financial capacity to pay the loan to the bank, can rent out their house to another household. It is widely believed that such possibilities enable the poor beneficiaries to generate a regular income and thus ease the process of paying back their bank loan. A dual-head informant in a condominium (*Gellan*) narrates the challenge of improved housing:

"If we fail to pay the installments regularly, our house will be transferred to another person who can pay the loan to the bank."

This is a formidable challenge particularly for those beneficiaries who do not have a regular income. Default in a monthly payment is quite common. An informant in a condominium (*Chefe*) said:

"Thinking about the loan by itself is stressful. Our stress will further increase as we do not have anything here to pay with."

The issue of affordability is closely entwined with the location of the housing. As noted earlier, most of the relocation sites are found on the fringe of the city, while the majority of the city residents were involved in the informal sector within the city. This implies that an appropriate housing location for these groups would be close to their work sites. Increasing distance to their place of work means increasing costs of transportation and travel time that in turn decreases the income available to save for housing. In order to increase the affordability and benefit to poor households, it is evident that there have been encouraging cases where the government attempts to cross-subsidize studio and one-bedroom condominium units. In other words, these units are sold to the beneficiaries with a lower price than the actual construction costs. This is done simply by adding 5% and 10% of additional construction cost on two and three-bedroom beneficiaries respectively. While such a situation have created opportunities for poor beneficiaries to receive relatively cheaper shelter, the additional costs on the latter two categories restrict the availability of more space of accommodation for the near poor.

Informants, who used to pay less than 10 birr per month but are now resettled in government housing, reported the increasing costs of the monthly housing rent. The survey findings of Yntiso (2008) in four government housing schemes show that in the previous place of residence 46% of the households paid less than ETB 10, 21% paid between ETB 10 and 39, and only 8% paid over ETB 40 per month. In the new settlements, on the other hand, about 51% paid over ETB 40 per month and only 17% paid less than that. A street vendor, who is an informant for our study, articulated the incremental rate and explained that little consideration was taken on the household's ability to pay according to their priority and capability:

"I pay 45 birr per month for a single room. It is ten times larger than the previous one. It is expensive for me. I do not have a permanent income. The allotted price does not consider the affordability of the poor."

As compared to condominium units, experiences from relocated households indicate an important problem related to the supply of housing. The small size of the bedrooms made it hard to accommodate all the family members. In the allocation process they were offered opportunities to choose the number of rooms. Poor people with large families could not afford such units, and were thus forced to live very crowded. The percentage of resettled households, who previously lived in single bedroom houses, was 47. This increased in the relocation site to 66% (Yntiso 2008).

The problems related to the use of poor quality construction materials and the limited availability of basic infrastructure have a direct impact on housing conditions. Currently, the government housing conditions are not only becoming dilapidated but also a large number of

households live in congested conditions. It was observed in the fieldwork that households differ both according to income and in terms of their family size and composition. This implies that the housing requirements and preferences vary accordingly. It seems that the allocation process's lack of consideration for household size and composition was the main problem.

Residents in the new settlements have used various approaches to cope with the housing shortage. Similar to the previous slum residents they divide their room either by a curtain or temporary materials in order to create separate spaces for living and sleeping. The following quotation from a female informant explains the need for storing house materials:

"Five of us are living in a single room. I had a lot of home materials. Few of them were sold, as no place is here to put it. This is a living room but it is multipurpose; it serves as a bedroom during the night. To keep some of the materials in, I extended a room with all-sided iron sheets."

The above quotations collectively demonstrate that the problem of housing and basic infrastructure faced by poor households is compromising their socio-economic well-being. Limited space, relocation to far away sites and insecurity of tenures due to higher costs are key problems that are not fully addressed in the new urban development policy of Addis Ababa.

Housing-related Infrastructure and Social Services

The national urban development policy in Ethiopia is designed to tackle the problems of the city, such as bad infrastructure, e.g. lack of water taps and minor roads, and absence of social services and shelter. The problems are not quite as acute in condominium sites. Before residents move to these sites the city administration provides basic infrastructure and services. Observation of households reveals that the living conditions in condominium houses have significantly improved in terms of the physical environment. There is relatively little congestion, and each site includes infrastructure such as the roads, car parks, footpaths and services such as water, electricity and a sewerage connection for each unit. In regards to waste disposal, residents in the condominium sites take the solid waste to the nearest open space and collected trash to the nearest garbage bin. They usually pay per month for the municipal trucks to pick up the trash.

The positive aspects of redevelopment were not seen regarding government housing. In this case, the resettlement activities were taking place before on-site and off-site services were supplied. The provision of services among the selected relocation sites is poorly supplied and it shows considerable variations. Among the housing-related infrastructure and services, electricity is one of the issues that households fully enjoy. Although there is a significant shortage of potable water, almost all the resettlement sites have piped water as the primary source of drinking water. We observed that people were relocated at the city outskirts mainly because of the availability of undeveloped space there. However, basic services and infrastructure are inadequately developed in such sites. Thus, most of the residents informed us that they travel fairly long distances to obtain services such as grinding mills, shops and a daily market.

In regards to drainage systems, no up-to-date data is available on the proportion of housing units that are connected to drainage lines in Addis Ababa (UN-Habitat 2007). Government housing at the outskirts, as inner-city slums, are characterized by inadequate circulation systems and toilet facilities. It was observed in nearly all the studied government housing projects that a single toilet serves several large families. Residents said that there was no real improvement in terms of toilet supply in the resettled areas compared to the slums. A dual-head household informant explained:

"We share a single toilet for three households. Lack of maintenance makes it unclean. We could not make a private toilet due to the compactness of the land."

The above quotation reveals that the sanitary conditions in some of these sites remain poor. This poses health risks. Again this has particularly health impacts on children, women and the elderly.

During the fieldwork additional problems were raised linked to access to basic services such as health care facilities. We observed that government health facilities are non-existent in and close to the resettlement sites. However, some private health centres are operational not too far from the relocation sites. However, they are very expensive. In a study of the impacts of resettlement projects on low-income households, Yntiso (2008) shows that 83% of the respondents answered that the distance from current homes to the nearest affordable health-care facility is far or very far. Similarly, a housewife informant in our study explains the situation below:

"Nowadays some private health-care facilities are found. However, our economic capacity could not allow us to go there to get services. Their expensiveness starts out from taking a card for registration. Hence, we go far to get to a government health centres."

The problem of the provision of school facilities was also observed. Some children travel long distances to schools, which are relatively concentrated towards the centre. Some private kindergarten and primary schools are now running close to the new neighbourhoods. However, there is always a question about monthly payment at these schools. The economic incapability of the poor is the major barrier to the education of children in the nearby private schools. After resettlement, children had to walk long distances to the public schools.

The reduced income-earning opportunities of relocated families limit their children's schooling options. Parents raised the problem that after displacement they were forced to send their children far away from their locality. Some also noted that the school-related fees involved significantly higher expenses than before. One informant reports:

"Lack of public kindergarten is the main problem. I send my small daughter to school. One private nursery school is found nearby but it has a high monthly payment. Sending her to this school is the only option I have."

Informants in particular stressed the bad timing of displacement on children's education because it took place after the school year had begun. The timing resulted in some children had

to interrupt their education and thus were forced to repeat the same grade. Some displacement processes were undertaken at the time when children were preparing themselves for examinations. For children, changing the school brings difficulties such as becoming familiar with new teachers and making new friends, among other things. The children's school performance is negatively affected (Scanlon and Devine 2001).

Implications on Households Income

It is evident that the city authority of Addis Ababa is giving attention to the urban sector through their redevelopment and resettlement schemes. However, the ongoing slum resettlement programs have led to significant adverse impacts on people's means of making a livelihood. The programs represent a continuing process. Thus the distance of resettlement sites increases and the negative impacts of residential relocation become worse. As it was noted, many resettlement sites are located on the periphery of the city and do not acknowledge the need for employment opportunities for the new residents. Moving to the fringe lands has directly affected the income of the poor by raising the transportation cost to workplaces. Most of the resettlement sites are an average of one hour's distance to the city centre. An immediate decline in the income of the relocated households has led to impoverishment.

One of the strategies that families and their children use is to commute on foot to save money for basic necessities. People are walking long distance before they can catch either a taxi or bus. In most of the study sites horse-cart and motor-cycles (*Bajaj*) that carry few passengers, are the main means of transport to reach a transport station. A female informant told us that her livelihood is affected by distance. Although her work is continued after relocation, her income has dropped significantly as she allocates a large part of her budget for transportation. According to Yntiso (2008), the overwhelming majority of his study respondents (78%) said their transport cost in the new villages was very high. This is further supported by the following quotation from one of our informants regarding distance to work coupled with transportation problems and its fees:

"The problem of transportation is crucial. What makes the place worse; we do not get a direct transportation to the city centre. I have to take two to three taxis to get to the workplace. [As a result] it takes a substantial portion of my salary."

As noted before, the informal economy, which is the dominant income earning sector for the poor, is principally situated in the city centre. This sector is characterized in Addis Ababa by irregularity, low wages, unreliability and seasonality. While both women and men have been affected by the resettlement programs, relocation has disrupted many home-based and small-scale income-generating businesses. A livelihood strategy in the old surroundings was for many women to add to the income of the family by selling vegetables and other food items at local markets. Other women used to sell in their houses a local staple pancake (*inger*); bread; an alcoholic beverage or beer (*tella*) and local whisky (*katikala*). Low-income groups in Addis Ababa use their houses for different functions. It is not only a place to live but also seen as a financial asset since many informal activities are home-based. Due to the distance between the

new place of residence and their earlier work place, many, especially women, discontinue their work. Furthermore, since they do not any longer have a shelter in the inner city, they are forced to end their home-based businesses. For those changing to a condominium house in the renovated inner-city sites, the same problem arose. Informants from condominium houses indicated that their activities had been affected because condominium units could not accommodate their former economic activities.

Most relocated households could not run the same businesses in the new settlements as they were engaged in before. The possibility of making money from selling local drinks, for instance, declined significantly. This is due to the fact that the resettlement sites are found in the expansion areas, where the demand for these types of activities is limited. A woman's narrative highlights the important differences between the two places in terms of market for local drinks:

"I am working the same kind of work [selling local drinks] before and after relocation. The profit enabled me to pay *Idir* and *Iqub*. Here, I do not have a good market. My profit is *dekam becha* [meaning being tired without a significant return]. At times, I give the drinks, which could not be sold to neighbours for free."

Those women, who work as home servants or have other informal jobs in the city, lost their jobs. The following narrative from a woman explains the difficulties for resettled people of getting new work or retaining previous work. She articulates the situation after resettlement by saying:

"I worked as a home servant. Here households are living with similar status, therefore nobody gives me such kinds of maid work."

In the fieldwork we observed that some informants changed their previous work and became involved in a different activity. The following quotation from a female informant engaged in petty trade:

"The profit is not the same between the two places. Transport costs take the profit. I bring items one or two times per-week for the market days. Before I moved here, I had the chance to visit the market almost daily."

The economic impact of relocation is not only explained by the decline of income level and job opportunities but also by the increasing costs of living in the new areas. The prices of commodities are higher than in the centrally located, old residential places where there are many shops and markets with competitive prices. Families then had access to the large market centres where the choice of commodities is wider and the prices are lower. After relocation, residents are relying on small daily markets traditionally called *Gullet*. This is explained by the following quote:

"Here goods are [relatively] expensive because goods are bought from *yamchi amchi* [retailers who further retail]. If we go to the centre to find such commodities, the transport cost is also expensive."

Similarly, an informant from a female-headed household was engaged in selling food and local drinks in her house. She said that because of the reduction in income coupled with the increasing living expenses, she was not able to cover the costs for her children and other basic needs. Thus, there is a scant scope for investment in an improved quality of life in the relocation sites (Sabir 1998). It was evident that people were living in poverty even before the resettlement took place. However, informants confirmed that every member of the household were generally able to find some work to contribute to the living expenses of their family.

An informant in a group interview noted that in the new site "the day is long, and we simply do nothing". A woman who was engaged in a small retail shop, observed the difficulty of finding new jobs for the youth in the new settlement area:

"Before displacement our children were involved in various [informal] types of work. With the money they earned, they helped themselves; they were not expecting anything from us. Work is not available here. I do not feel good when I see them around idle."

We asked informants what had changed after they were relocated. In the words of one informant:

"Displacement has changed all. I never paid house rent before. I am now paying money for rent. And the new place is not beneficial for my work, I lost my clients."

The importance of local-level organizations

Community-based organizations have proved helpful in many countries in maintaining the livelihood security of poor households (Beal and Schulte 2006). Poor people invest money and energy in developing and maintaining their social capital because it represents a reliable defense mechanism against hardships. It was found during the fieldwork that most of the resettled households were part of some form of organization. Over the years they had built up a support system to maintain their livelihood. Relocation disrupted the neighbourhood-based social networks. Informants reported that their membership status and social networks were discontinued following relocation. They saw these changes as negative. The majority of the residents shared out the contributions made over the years when they moved to a resettlement site. The following female informant narrative explains the significance of such associations:

"I started to see the far-reaching benefits of community-based organizations. All our networks were destroyed following displacement. So we are now more vulnerable."

Similarly, an informant suggested the importance of burial associations (*Idir*): "Living without *Idir* is stressful. Death does not inform you to come today or tomorrow." This view indicates that individuals without sufficient financial and social capital draw on burial association during bad times, and they become marginalized and vulnerable to risks in the absence of such associations. It further reveals that social capital is regarded as an asset that can be used to contribute to their social and economic security. It was noted from key informants that a particular problem in urban redevelopment is inadequate attention paid to the social costs of resettlement in terms, for instance, of maintaining social networks. Informants note the

difficulties of either establishing a new association or maintaining their membership status of previous organizations. Distance was the main barrier when close knit communities are broken apart. In Addis Ababa each burial organization has its own catchment area within which they provide service to their members. People living outside of a service area, will not have the chance to get help. Such limitations forced some relocated families to look for another social organization. It was observed in some cases that households maintained part of their former membership status in order to get support in terms of cash in time of death.

It was observed in the fieldwork that people were struggling to develop new sets of relationships and associations in their neighbourhoods. *Iqub* is such an informal organization important in the livelihood security of poor households in Addis Ababa. It is an informal saving association. *Iqub* collects a specific amount of money from members regularly (per week or month) and allocates it in turn to the members by lot. It brings together a group of people to share financial problems, and may act as a social security for its members. Women involved in small-businesses said they had a problem of loss of their membership status now because their income was less than before. This makes it hard for them to establish savings that they can rely on during emergencies as well as to improve their businesses.

Similarly, informants were dissatisfied due to less mutual help from neighbours. In slum settlements people have collective values that provide security. Long established social relations create a network of faith within which suspicion is reduced. The low-income households note that in their old residential place they were interacting more closely with their neighbours and adopted a certain type of social life together (Koenig 2006). Displaced families, who lived in a communal way, were now separated from one another, and they lived in separate resettlement sites. This was because individual households did not decide where to settle; rather their site was decided by a lottery. This approach tears societies apart. An informant explains his experience of living in a new condominium house by contrasting it with the previous place of residence:

"There [the old residential place] everybody knows each other even at *Kebele* level. People were moved to different places. Some of us came here together. [Because of its distance] people go out for work in the morning and come back after dark. Our neighbourhood relations here are not strong like that of the previous one."

Similarly, an informant's viewpoint explains the loss of a relationship that was built over years of living together:

"We left every social relations there. The previous relations could not emerge here again (or at least it takes a long time). Living in a society who you know well, makes you feel safe and secured."

On top of this, an elderly informant confirms the value of neighbourhood relationships by saying: "*Lehabtam genzebu ledeha habtu gorebetu newe*" (meaning that good neighbours are wealth to poor people). There is even an old saying: "A neighbour is better than a sibling far

off." A woman explains the challenges of leaving a well-acquainted environment: "I do not know how I can adapt to the new place; the situation is being very uphill."

Relocated People's Neighbourhood Preferences

The discussion of the preferred sites for relocation revealed people's high level of dissatisfaction in coming to the new sites. This is because the government focused on the physical relocation of residents rather than on involving them in choosing where they would like to be relocated. No government official visited the relocated households after their resettlement. It was observed during the fieldwork that there were two divergent views in respect to neighbourhood preferences. The first view represents the majority of the households. This view indicates that although they have accepted the relative better quality of housing, they have a clear preference for the old neighbourhood. As a female informant explains: "While the housing situation now is better than the previous house, I prefer to live with my neighbours in the old place in a plastic shelter." Her view clearly highlights how a home is not just the physical territory, but includes the residents' connectedness with the neighbourhood. In the context of extreme material poverty, the main amenity that the low-income families need is space for sleeping. A number of households perceive their old neighbourhood as one that is characterized by a poor housing condition, but they believed that their former homes were adequate to their needs.

"If you contrast the two places, the gap widened like the sky and earth." (a female-head household informant)

"We moved from light to darkness or it seems like being taken from happiness to misery." (a wage employed informant)

"Moving out from the old residential area is like *"keeneat guya endemewtat newe"* [meaning that to move out from the warm hands of a mother]." (a retired male informant)

"They are incomparable by any means. I can say I came from a 'civilization' to an 'uncivilized' neighbourhood." (a male informant)

"The offer of a replacement house could not be seen as an advantage. The loss in terms of income, location advantage and an acquainted environment is higher than the gain." (a female informant)

Conclusion

The empirical findings demonstrate that the residential relocation schemes in Addis Ababa bring limited benefits to households. It makes a large number of people suffer from socio-economic impoverishment. Relocation is experienced as a challenge particularly for those residents who lived in the city centre. Since the informal economy is the dominant livelihood source in slum settlements, restoring income sources and social networks after resettlement are crucial. Because of the vibrant nature of informal work, providing opportunities especially for women and single-headed families, empowering such families to enable them to engage in

alternative forms of income generation is vital for their well-being. Wet (2006) argues that the main aim of any resettlement scheme should be seen as restoring the income-generating capacity of resettled people. This study reveals that the starting point for the exploration of issues relating to relocation is the recognition of the centrality of home and neighbourhood, that is, to the economic and social well-being of families.

We firmly believe that a particular concern should be given to the maintenance of the livelihoods that the poor had in the city centre. In addition, life where there is poor infrastructure and lack of social services is challenging and costly. Thus, urban redevelopment schemes must combine improved physical conditions with both better shelter *and* socio-economic opportunities. Shelter means not only walls and a roof, it also includes provisions of services. Finally, the city authority of Addis Ababa should work with local NGOs, CBOs, donors and residents to ensure that people's preferences are taken into account in resettlement plans.

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