

Debele, Efa Tadesse; Negussie, Taye

Article

Political economy of informal housing scenario in Sebeta, Furi, and Gelan Guda subcity of Sheger City, Oromia, Ethiopia

Research in Globalization

Provided in Cooperation with:

Elsevier

Suggested Citation: Debele, Efa Tadesse; Negussie, Taye (2023) : Political economy of informal housing scenario in Sebeta, Furi, and Gelan Guda subcity of Sheger City, Oromia, Ethiopia, Research in Globalization, ISSN 2590-051X, Elsevier, Amsterdam, Vol. 7, pp. 1-13, <https://doi.org/10.1016/j.resglo.2023.100161>

This Version is available at:

<https://hdl.handle.net/10419/331088>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

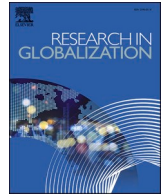
Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>



Political economy of informal housing scenario in Sebeta, Furi, and Gelan Guda subcity of Sheger City, Oromia, Ethiopia

Efa Tadesse Debele^{a,*}, Taye Negussie^b

^a Samara University, Afar, Ethiopia

^b Addis Ababa University, Addis Ababa, Ethiopia

ARTICLE INFO

Keywords:

Informal housing
Political economy
Shelter
Speculation
Structural
Sheger City

ABSTRACT

Access to housing is a fundamental necessity for individuals. Even though the motives of informal housing are complex, analyzing the issue from a political economy perspective needs to be adequately addressed. This study analyzed why informal housing continues and is challenging to eradicate. It motivated researchers to understand the phenomenon from a political economy approach, assuming it offers a holistic understanding. A mixed research design was adopted by considering the nature of the problem and the research objectives intended to be achieved. Three hundred eighty-four respondents were randomly selected to substantiate research questions. Empirical findings indicated that informal housing had become the prevailing housing market. Researchers identified that the motives of speculators, the shelter needs of individuals, the motives of brokers, the interests of farmers, and the level of structural hospitality are significantly associated with the prevalence of informal housing. However, gain motives, need motives, and structural hospitalities were significant variables that significantly predicted the intensity and prevalence of informal housing.

In contrast, brokers' motives and farmers' cooperation did not significantly predict the informal housing scenario. Thus, prospective intervention is expected to reverse the scenario by implementing a political economy analysis-based intervention framework, expanding adequate, affordable housing for the urban low-income people who need shelter, developing land and housing database to reduce structural hospitality, and taking proactive measures against the structural actors who are rent-seekers and exploited opportunities of informal housing. Furthermore, researchers seek to analyze informal housing issues in a political economy approach to understand the problem holistically.

Introduction

Access to housing is a fundamental necessity for individuals. However, when the formal market fails to meet this need, individuals may resort to informal solutions such as squatter settlements. For those who cannot afford a formal home, informal housing may be a more practical alternative. The inadequate response from the formal housing supply has resulted in a surge of informal housing, including squatting and encroachment on free land (Manaster, 1968). Low-income residents have been forced to resort to informal housing for shelter (Solomon, 1996).

Many factors, including inflated prices, inadequate supply, and poor housing management, cause informal housing persistence (Ward, 1976; Assefa, 1996; Matovu, 2000). It is crucial to comprehend the informal housing aspirations' political economy to address critical issues and

acknowledge the significance of structural factors in the prevalence of informal housing. The demolition of informal housing brings severe social, economic, and political problems and security implications (Bello, 2009). It is also a clear indication of the government's lack of concern for housing issues, leading to significant financial losses and depletion of the national housing stock while burdening communities.

Governments must invest in low-cost housing and proactively address informally built houses to prevent massive evictions (Solomon, 2014b). A thorough analysis of the political economy and an examination of administrative responses is necessary to understand the underlying drivers and consequences comprehensively. This shift in focus is crucial in remedying the dysfunctions within the formal housing sector and gaining a deeper comprehension of the severity of the problems at hand.

The urban land market is experiencing an overheated state,

* Corresponding author.

E-mail address: efa.tadesse@aau.edu.et (E.T. Debele).

<https://doi.org/10.1016/j.resglo.2023.100161>

Received 19 April 2023; Received in revised form 28 September 2023; Accepted 28 September 2023

Available online 29 September 2023

2590-051X/© 2023 The Author(s). Published by Elsevier Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

attributed to population growth and an ineffective land delivery system. This situation results in inadequate compensation for expropriated land and instability in land tenure. To make matters worse, land speculation, corruption, and insufficient coordination among land administration institutions exacerbate the issue (Debele, 2019; Shiwaye et al., 2021). The formal housing system's failure to provide adequate housing has led to the acceptance of informal housing. This problem stems from a combination of factors (Alene, 2022; Debele & Negussie, 2022a). Therefore, it is imperative to implement formalization and collaboration to address this problem.

The issue of informal settlements is highly complex and demands a thorough understanding (Arif et al., 2022). Demolishing squatter settlements can significantly deteriorate living conditions and impede homeownership opportunities (Gizachew et al., 2022). Governments need help to handle this issue effectively (Fentaw et al., 2023). Therefore, a well-conducted study is imperative to explore the root causes and implications of informal housing.

Literature review

Housing aspirations

Housing aspiration is a desired goal for individuals seeking housing. A dynamic relationship between personal desires and objective reality shape housing aspiration (McKee et al., 2015). Personal and structural factors influence the attainment of housing aspirations, which can cause these desires to change over time. Although personal resources may enable individuals to pursue their housing aspirations, external factors such as politics and economics play a more significant role in shaping and limiting these goals. To better understand the factors at play, this research employs the political economy framework to analyze how housing aspirations are affected by existing constraints and opportunities within the housing market. This study considers individuals with aspirations for squatting and the growing need for housing.

When it comes to housing, people must have a clear vision of where they want to live and how they plan on achieving it. In some cases, informal housing processes may be considered, but it is important to note that this should not be taken lightly. The achievement of housing goals depends on several factors, such as the relationship between aspirations, available resources, and personal values like ambition, motivation, sacrifice, commitment, and perseverance. Individuals must take these factors seriously and take the necessary actions to secure safe and stable housing (Opoko et al., 2015).

The housing aspiration gap is when someone has desired housing situation that does not match their current one. Personal preferences can change based on life circumstances and social roles (Solomon, 1999). Understanding aspirations is crucial in comprehending why people may move or alter their housing situation. Unfortunately, those with low socioeconomic status often desire affordable housing but face obstacles that impede their mobility or ability to access the housing market. This research aims to clarify this gap concerning informal housing.

Household housing aspirations are crucial, and the 'housing aspirations gap' must be addressed. Crawford and McKee (2018) found a strong association between changing housing aspirations and the state's involvement in extending housing market conditions to disadvantaged groups or low-income residents. Structural support must be provided to achieve the desired outcomes. The differences in aspirations between social groups have changed over time and are influenced by the broader political economy. It is important to note that housing aspirations result from the interaction between subjective desires and objective possibilities.

When thinking about changes in housing aspirations at different stages of life, it is essential to distinguish between the concept of housing aspiration and other factors like expectations, preferences, choices and needs related to housing. Previous studies only looked at tenure and homeownership, but now it is crucial to consider various factors, from

political economy to personal disposition. Safety and security are essential to residents when considering their ideal housing situation, especially given the declining homeownership rate, affordability issues, and unstable socioeconomic conditions in urban areas (Stone et al., 2020).

Political economy of housing aspirations

Affordable housing is urgently needed, especially for low-income groups. Despite the profitable nature of the housing industry, there needs to be more attention given to this critical issue. Understanding the context of housing is essential in addressing the underlying assumptions contributing to the problem.

The social aspects of housing are not just about individual cases but can be analyzed at different levels, including individual, interactional, and structural levels, according to Wile (1919). It is essential to distinguish between personal troubles and public issues related to social structure, as the latter is often open to debate, as highlighted by Mills (1959, p. 14–15). Focusing only on housing and not integrating it into broader social processes could lead to failure, as noted by Kemeny (1992, p. 16). Although the under-theorized nature of housing studies is recognized, little research has been done to understand why this is so and what can be done to address it (Kemeny, 1992, p. 33).

In order to thoroughly examine housing provision, we must consider a multitude of factors, including but not limited to stakeholders, processes, power dynamics, and the ability to execute tasks (Ortalo et al., 2007). Adopting a political economy approach is crucial to identifying what drives or impedes housing aspirations, particularly in Africa, where market dynamics can be complex (Bah et al., 2018). To carry out a political economy analysis, we must understand the structures, institutions, and stakeholders involved and their decision-making power within the housing provision system. This approach is indispensable in revealing the underlying causes of unmet housing demands.

According to the study conducted by Stone et al. in 2020, housing affordability is a significant problem for households striving to achieve their housing goals. Financial barriers such as inaccessible mortgages, scarce secure and well-paying jobs, and high purchasing or renting costs hinder these goals. Low-income households are especially vulnerable and require structural support to overcome these challenges. The political economy approach can help identify the factors contributing to housing problems for low-income groups compared to more privileged social groups. By analyzing these factors, we can find solutions to make the housing market more equitable and improve access to affordable housing for low-income households. The political economy of housing aspirations delves into why these problems persist and why resolving the issue of housing affordability is so complex.

The failure to meet residents' housing needs and aspirations is primarily due to political and economic factors, with personal factors playing a secondary role. Understanding the dysfunctional housing market requires a thorough analysis of these assumptions. A comprehensive investigation from a political economy perspective is imperative to uncover the root causes of this dire situation. The political economy approach encourages researchers to consider how they define housing problems and to question any assumptions they may have. Understanding why housing aspirations still need to be met and examining structural factors while considering dispositional factors is essential. This research takes a political economy approach to problematize housing aspirations in Sheger City, Oromia, Ethiopia.

Informal housing

When formal housing options are scarce in urban areas, people often resort to informal housing, including illegal housing or squatting. Squatter settlements may be built when demand outweighs supply, and some individuals may even squat for personal gain or speculation.

Occupying land without ownership may be a way to improve

housing options for some (Walsh, 1978), but it comes with the severe risk of demolition (1997). Therefore, transitional rental housing options must be available for newcomers and migrants (Erman, 1997). Informal settlements become necessary when formal housing options are insufficient (Hacker, 1998).

Squatters enjoy an increased level of housing freedom as they operate outside the boundaries of the law; they are not burdened with paying rent or adhering to land use regulations (Roy and Abdullah, 2005). Unfortunately, limited law enforcement, land speculators, and inconsistent legal responses have increased squatter settlements (Melesse, 2005). Demolishing these squatter houses can have serious social, economic, and political ramifications, and even government-built settlements can lead to adverse outcomes (Bello, 2009).

Informal settlements, also called squatter settlements, can be attributed to poor land management and eviction practices (Gossaye, 2007); cited in Røe (2009). Upgrading and legitimizing these settlements can offer benefits such as fostering self-housing and infrastructure growth (Bartasaghi, 2011). Nevertheless, this issue is complex, as many actors prioritize their interests over the needs of the majority.

The role of informal housing in urban development must be addressed, as it highlights the weaknesses of state involvement (Hashemi et al., 2012). Social perceptions of informal housing must be considered when assessing the housing market and land tenure (Garland, 2012). Due to a lack of formal affordable housing, self-built informal homes are often seen as a more affordable alternative.

The occupation of urban land, whether it is publicly or privately owned, can occur in various ways. Informal housing is more likely to occur when urban land is under public ownership than private, according to Solomon (2014b). Before land nationalization in Addis Ababa, squatter settlements were rare or nonexistent. Socioeconomic and demographic factors influence informal settlements' prevalence, as evidenced by Getalem and Dessie (2014).

A lack of access to land and poor urban management causes squatter settlements (Degu et al., 2014; Malik and Wahid, 2014). Informal housing is the primary source of shelter for low-income individuals in developing countries (Isabaeva, 2014). This problem arises because states must implement planning schemes and provide adequate housing projects (Abu-Salia, Osumanu, & Ahmed, 2015; Elfarnouk, 2015). Rapid urbanization leads to unregulated growth and weak enforcement of laws and regulations regarding land development control (Abu-Salia et al., 2015).

Informalization is more likely to offer affordable choices for low-income renters, alleviating chronic housing unaffordability. However, promoting informal housing has detrimental effects, such as poorly developed and substandard housing, continuous speculative building, and the displacement of low-income individuals (Debele & Negussie, 2020; Gurran et al., 2020). Surprisingly, despite government oversight at lower levels of administration, informal housing persists (Charitonidou, 2021).

Urban residents often choose informal homeownership due to the absence of regulated rental housing and affordable rent levels (Watts and Blenkinsopp, 2021). However, this leads to squatter settlements arising from land scarcity and the unavailability of formal housing and land provision (Garrido, 2021). While informal housing may offer a sense of ownership, secure tenure, and hospitality (Watts and Blenkinsopp, 2021), it is crucial to understand the political economy behind it and its primary drivers.

Definition, measurement of variables, and conceptual framework

Proper definition and measurement in research require a thorough definition and contextualization of significant variables.

Informal housing refers to a type of occupation that exists without a legal title and is developed outside regulatory housing planning and development. Typically, informal housing is achieved through a cooperative effort between squatters and structural agents who exploit

loopholes in the planning and formalization process, further exacerbating informal housing proliferation. Despite the infrastructure and basic facilities shortage, there is a growing trend of informal housing. The informal housing market is a de facto structure where various political and economic actors and brokers form paternalistic structures alongside formal structures, all motivated by their specific interests to advance multiple purposes.

Shelter need is a fundamental human need critical to ensuring physical well-being. However, many individuals often approach informal housing solutions such as squatting to meet this need, particularly for low-income individuals who struggle to find affordable housing in highly competitive housing markets. As a result, rental housing problems often push residents towards illegal housing, which can lead to the development of squatter settlements. Despite the possibility of legal action being taken against them, residents continue to build unlawful housing, as squatting seems more viable than struggling with rental unaffordability and the unavailability of public accommodation. The increasing demand for adequate housing and inadequate housing supply further exacerbates this issue.

Speculative motive in informal housing involves pursuing economic and political gains, even if that means taking on risks. Those interested in the informal housing market have noted that brokers and economic and political actors play a role in the prevalence of informal housing through speculation. It's not uncommon for economic and political interests to drive the development of such housing, with some areas informally developed to help a specific group achieve their political goals at the expense of providing adequate housing for those in need. As a result, the artificial informal housing market is rife with political implications.

Structural factors are structural variables that can explain why informal housing persists despite the state's reactive approach toward informal housing. These factors take into account the contradictions in the formal structure that influence the prevalence of informal housing. Interest conflicts have led to the emergence of divergent interest groups, opening up urban land to settlers. A hidden interest group has further complicated informal housing within the formal and outer structures. Local governors, brokers, and economic actors play a significant role in the prevalence of informal housing. Brokers are the initiating agents, and their political ties with higher officials incentivize speculators to advance their interests at the expense of ordinary citizens' shelter needs. These actors' bargaining power and influence facilitate the displacement of poor citizens.

Political economy is an analytical tool argues that understanding the political economy is crucial in analyzing the structural context of urban informal housing development scenarios. The political economy analysis model provides valuable insights by examining the contributing factors to informal housing development. The study highlights that structural elements significantly impact existing housing problems more than personal factors. It also suggests that structural factors are vital in shaping informal housing aspirations. More structural support is needed to achieve informal housing aspirations in urban areas, emphasizing the importance of structural hospitality as a substantial predictor of informal housing.

Administrative responses refer to Local authorities taking legal action in response to informal housing that poses a significant threat to valuable resources, such as government and farmers' land. However, despite being considered illegal, the reasons behind informal housing are varied and require more nuanced legal and administrative solutions. In the study area, demolition and upgrading measures are frequently employed to address informal housing.

A dysfunctional formal housing market refers to challenges to achieving legal homeownership aspirations due to rising land costs and limited income levels; it's challenging for many people to own a home in conventional ways. Unfortunately, self-help housing is also hindered by corruption and inaccessible land. The high costs of land and brokerage activities make formal housing unaffordable for average urban

residents. Additionally, the brokerage industry's lack of control and deregulation worsened the housing market.

Demolition refers to a legal measure against illegally built houses, which involves destroying informal houses without compensation. It is a reactive approach of local administration against informal housing.

Upgrading refers to promoting illegally built houses to legal status through legalization and procedural processes. It is a reactive administration approach that involves approving the tenurial status of the settler.

To measure variables in terms of dependent and independent factors, researcher uses a process called operationalization. The scale of measurement for the variables is operationally written as follows;

Independent variables: informal housing drivers, administrative responses, local community roles, land provision, formal housing supply, and management or structural factors (nominal), shelter needs motive (nominal), speculative motive (nominal), brokering factors (nominal), and farmers' factors (nominal) which are nominal measurements.

Dependent Variables: informal housing aspiration, Informal housing scenario, upgrading, informal housing demolition, and housing tenure are nominal scale measurements of the variable.

Fig. 1 illustrates the hypothetical relationship between informal housing and the major drivers underlying the phenomenon.

Methodology

Description of the study area

The research was conducted in Sheger City, previously Oromia Special Zone surrounding Finfinne, Oromia, Ethiopia. The sample area is 24 km southwest of Addis Ababa. Its longitudinal coordinates range from 44° 36'30" to 44° 40'30" East, while its latitudinal location is 8° 54'56" North (see Fig. 2). Sheger City is located surrounding Addis Ababa city. The study area has three sub-cities, Sebeta, Furi, and Gelan Guda, which have undergone rapid residential growth due to the ongoing urbanization process. The study aimed to investigate the political economy of homeownership aspirations. Specifically, the study aimed to examine the housing mortgages and housing market associated with homeownership aspirations in Sheger City.

Research approach

This article used pragmatism as a research philosophy for a housing inquiry. The mixed method is employed to look at different housing problems within this research by employing different approaches. Thus, this article intends to explore different data, elaborate on homeownership aspirations from different perspectives, and observe diverse aspects of housing. The researchers triangulated multiple theories, data sources, methods, and investigations. Researchers used a mixed method technique, starting with a qualitative approach, including in-depth interviews and focus groups, followed by a quantitative approach using a cross-sectional and questionnaire survey. The primary methods were

surveys, interviews, focus groups, and field observation checklists. The researchers developed unbiased questions based on impartiality and fairness standards. The approach followed social problem-solving principles and value-free research ethics. Personal characteristics and interests were avoided to ensure research ethics and promote data quality.

Source of the data

The Researchers collected information from both primary and secondary sources for this study. Primary sources included questionnaires, in-depth interviews, and focus group discussions. Secondary sources included archives, journal articles, books, relevant governmental and non-governmental organizations documents, and suggestion boxes.

Study population

The study focuses on urban residents living in the Sebeta, Furi, and GelanGuda sub-city, regardless of their social status. To ensure a comprehensive understanding, the researchers used a stratified survey for the quantitative part, with participants sharing a common trait or characteristic. For the qualitative part, participants were chosen from diverse backgrounds, including factory workers, officials, experts, renters, owners, brokers, and informal settlers. The researchers believe that insights from all categories of urban residents are crucial to fully understanding the housing situation and problems. The study explores homeownership aspirations factors to provide a viable and plausible analysis.

Sample size estimation

The researchers focused on urban residents and used stratified sampling based on location to get a representative sample. They aimed for a larger sample size with a margin of error of 5 %, desired reliability of 95 %, and confidence level of 1.96. The estimated sample size was calculated using a formula by Robert Magnani in 1997.

Sample size estimation equation

$$n = \frac{\left(\frac{z}{2}\right)^2 p(1-p)}{(d)^2}$$

$$n = \frac{(1.96)^2 \cdot 5(1-.5)}{(05)^2}$$

$$n = \frac{(3.8416)(25)}{(0025)}$$

$$n = \frac{0.9604}{0.0025}$$

$$n = 384$$

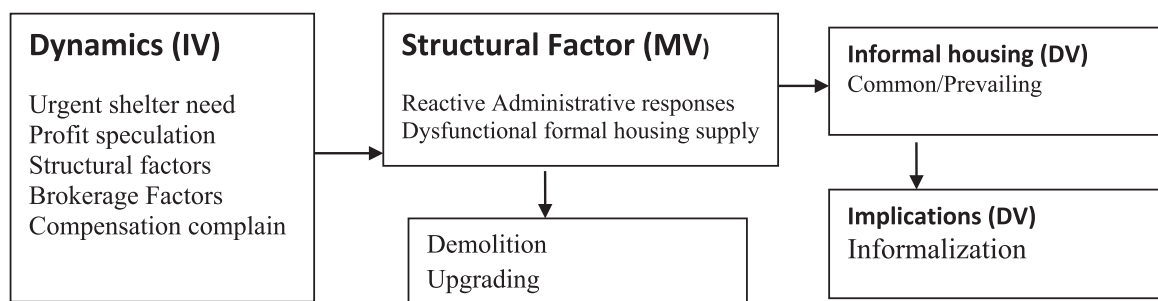


Fig. 1. Conceptual framework of informal housing and associated Drivers (Researcher, 2020).

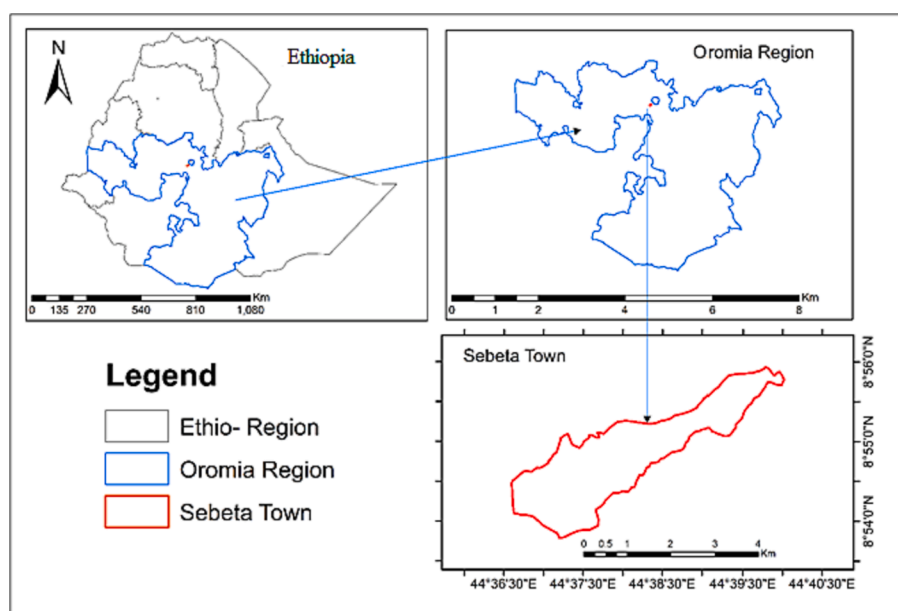


Fig. 2. Map of Ethiopia, Oromia, and sample area (three sub-cities of Sheger City since 2022).

Probability sampling design: stratified proportional sampling

The study uses stratified sampling to survey the housing situation of households in the study area. The target population is divided based on administrative units, and respondents are selected through proportional sampling. This approach ensures that each subgroup is represented and the sample size is proportional to the sub-population size in each stratum.

Then the required number of samples within each subgroup was drawn by using a systematic sampling technique which was stratified systematic sampling techniques. In using this design, researchers had first to establish the sampling interval using this formula:

Equation: Sampling interval computation

$$k = \frac{N}{n}$$

where: k = is the sampling interval. N = is the total number of the Population. n = is the total number of the sample.

The sample was drawn by listing all population units randomly and selecting every k th unit, starting with a randomly selected number until reaching the desired sample size. Accordingly, dividing the total Population by subpopulation or dividing sample size by a single subgroup sample size by its sample size gives k , i.e., the k th unit interval was selected.

Since the sample size for each group is proportional to the size of the sub-population in each stratum called stratified proportional sampling (see Table 1). Accordingly, based on a given the size of the subpopulation in group k (N_k), Total Population (N), and sample size for Population (n), the sample size (n_k) for each sub-population in group k was computed as follows using the following formula:

$$n_k = \frac{N_k \cdot n}{N}$$

Non-probability sampling design

This study used purposive and snowball sampling techniques- non-probability methods to collect qualitative data through in-depth interviews and participant referrals (see Table 2).

Table 1

Stratified proportional sampling and estimated sampling size.

Sample Group (Stratum group, k)	Subpopulation size (N_k)	Subpopulation Sample size (n_k)
Dalati subgroup	36, 878	37
Dima subgroup	23,848	24
Furi subgroup	72, 656	72
KarabuKorbu subgroup	22, 867	23
Alemgena subgroup	54, 081	54
Sebeta 01 subgroup	42, 392	42
Sebeta 07 subgroup	29, 211	29
FuriGara Bolo subgroup	6, 607	7
ChaffeHora subgroup	16, 958	17
GedaFaji subgroup	79, 446	79
Total target population size (N)	384, 942	
Total sample size (n)	384	

Table 2

Summary of non-probability sampling design.

Sample area	Data collection tools		Case Study Household	Focus Group Discussion Group	Category
	In-depth Interview Male	In-depth Interview Female			
Dalati	2	2	1	FGD1	Owners
Dima	2	2	1		
Furi	2	2	1	FGD2	Renters
Karabu	2	2	1		
Sebeta 01	2	2	1	FGD3	Squatters
Sebeta 07	2	2	1		
FuriGara Bolo	2	2	1	FGD4	Experts
ChaffeHora	2	2	1		
Alemgena	2	2	1	FGD5	Brokers
GedaFaji	2	2	1		
Total non-probability sample size = 90					

Operational research design and data collection instruments

Survey design: questionnaire

A standardized questionnaire was used to gather information on selected sub-cities urban housing issues. The questionnaire consisted of scaling and multiple-choice questions and was distributed to 384 residents through ten administrative units in selected sub-cities.

Proportional sampling techniques were employed based on the subgroup population size to select respondents from each unit, providing a more comprehensive understanding of housing development in the area. Trained data collectors fluent in Afan Oromo and Amharic languages were recruited to collect the data. The researchers provided thorough training to the data collectors on the questionnaire and data collection procedures and possible challenges during questioning and responding. Each data collector was assigned a specific unit for better management and effectiveness. The data collectors approached systematically selected respondents during their two-day data collection period.

In-depth interview: guiding questions

A data collection tool was utilized to gather essential information from urban residents and influential community members. The key informants were chosen based on their socioeconomic status and assumed knowledge. A total of 40 knowledgeable research informants were purposively chosen for interviews. This tool is particularly useful in addressing sensitive issues in the housing sector, such as injustices, tragedies, and catastrophic conditions. Interviews were conducted with private homeowners, real estate owners/delegates, renters, officers, housing cooperation representatives, agencies, brokers, and squatters, using interview guiding questions. Each in-depth interview followed the same flow of discussion, and notes were taken. Interviews were conducted in a secure and private location with the informant's verbal consent. The interview contained significant and minor research questions to meet the objectives.

Field observation: guiding checklist

The Researchers gathered important information and closely studied social interactions within the housing using field observation and other techniques like FGDs, in-depth interviews, and case studies to ensure accurate data collection. As a client, the Researchers actively participated in the observation process and took detailed notes on people's actions and reactions in housing settings. They also took photographs of events and observed behaviors at service centers. The observation focused on housing institutions, brokers' centers/offices, and squatting sites.

Focus group discussion: discussion guiding questions

The focus group discussion (FGD) aimed to collect data on residents' perspectives regarding informal housing. The FGD informants comprised five groups: housing officers, owners, renters, brokers, and squatters, with eight informants each, totaling 40 informants. The Researchers acted as the moderator and note-taker, while the facilitator was a resident with similar characteristics to the discussants. The FGD informants were selected based on their housing-related job categories, involvement in any housing-related affairs, and housing status categories of residents, with the Researchers handpicking discussants from the rest of the community. The FGD took place in an appropriate venue for discussion, with permission from the local administrator. The Researchers moderated the discussion in the local language using guiding questions, and the participants were residents who did not participate in the questionnaire and in-depth interview. This approach allowed FGD informants to express their opinions freely on urban housing problems from their viewpoints and personal understanding.

Case Study: Guiding questions for exploring life stories of residents

A case study is an ethnographic case study that intends to explore the life stories of respondents with particular emphasis on squatters. A case study is a practical methodology to address the research objective. The tool focuses on instant cases. The Researchers interviewed one household from each stratum selected by snowball sampling.

Data processing and analysis

The quantitative and qualitative data obtained through the

predetermined data collection tools were analyzed using appropriate analysis methods, as explained below.

Quantitative data analysis

Statistical analysis was used in the quantitative approach for this research. SPSS version 20 software was used for computerized analysis. Chi-square tests were used to check the association between determinants and homeownership aspirations. Frequencies, percentages, tables, and regression analysis were also utilized. The chi-square test helped determine the association between variables, and the normality of variable distribution was tested. The null hypothesis was rejected if the chi-square value exceeded the critical value and the p-value was less than the significance level.

Qualitative data Analysis: Thematic and documentary analysis

The researchers analyzed the qualitative data by organizing, summarizing, and interpreting the data collected through qualitatively-thematic analysis. In other words, qualitative data were analyzed descriptively through narration. This part dealt with the results extracted from the in-depth interview, field observation, focus group discussion, and archives.

Ethical consideration

In this study, the researchers adhered to fundamental ethical principles to ensure the study's accuracy and relevance. Participants were fully informed about the study's purpose and nature, and no attempts were made to coerce them. The researchers upheld the participants' self-respect and dignity while promoting self-determination and stress-free freedom. Additionally, privacy and equity were secured in distributing the benefits of the research process among all participants. The researchers obtained authorization by seeking permission from local authorities and obtaining written consent from all participants, thus guaranteeing confidentiality throughout the study. Overall, the researchers exhibited exceptional respect and moral consideration toward all participants.

Results and discussion

Informal housing scenario

Before examining the dynamics of informal housing, it is essential to evaluate the scenario. Informal housing is an occupation without a legal title and takes place outside regulatory housing planning and development. More cooperation between structural agents and squatters is needed during the planning and formalization to improve the situation and lead to deviated housing patterns (Can.,p. 20). Informal housing is often associated with inadequate infrastructure and basic facilities. Despite these issues, informal housing is still growing at an alarming rate.

Research has found that a significant amount of informal housing is constructed overnight to avoid legal supervision. In Ethiopia, this type of housing is known as 'charakabetoch.' Informal housing activities are almost nonexistent during the day but occur at night to evade police supervision. Squatters often pretend that legal operations are paused during the night or non-functional at night time to avoid legal sanctions. There must be a legal gap in managing the prevalence of informal housing (Sebeta Housing Development and Management Office, 2021). Although the government has declared that informal houses built before 2013 should be legalized, this legislation can be exploited and manipulated.

Discussions with experts explored the reasons for people engaging in informal housing. The experts agreed that the high cost and inaccessibility of formal housing, compounded by bureaucratic hurdles and poor service delivery, led residents to seek informal housing. Another factor was the flexibility, affordability, and freedom offered by informal

housing compared to formal housing. However, the profit-seeking behavior of brokers and speculators also contributed to the prevalence of informal housing. The shortage of formal housing and structural barriers were also identified as reasons why residents resort to informal housing. The experts emphasized the importance of collaboration between squatters and local governments and the role of security enforcement in both formal and informal housing.

The experts noted that informal housing is a common practice that reflects a structural interest in tolerating and legalizing squatters. They also observed that weak and ineffective land and housing management contribute to the proliferation of informal housing. Interviewees stated that the shortage of low-cost housing for low-income groups is one of the main reasons for engaging in informal housing. The high rental fees and deregulation costs also play a significant role in informal housing. Residents see informal housing as a form of self-help homeownership. Desire to own a house drives residents to seek informal housing, as traditional homeownership is costly, rigid, and procedurally burdensome.

Brokers knowledgeable about informal housing were interviewed and revealed that local governors and political actors cooperate in promoting informal housing as long as they receive payment. Corrupt political actors are also contributing to the prevalence of informal housing. The availability of unoccupied and undeveloped land is a factor that enables informal housing to thrive, and legalization through informal networks is all that is necessary. Additionally, inadequate compensation for farmers has led to their collaboration with squatters, further contributing to the prevalence of informal housing.

According to a survey of residents, informal housing is widespread in most areas of the city, with 70.9 % of respondents reporting its prevalence (see Fig. 3). Sebeta, Furi, and Gelan Guda, the neighboring towns to the capital city, are particularly affected by informal housing, weak land management, and poor regulatory mechanisms. In contrast, urban centers without available land have less informal housing.

A concerning trend is the sale and purchase of rural land on the outskirts of cities, with the active involvement of local governors (Assefa, 1996). Squatter settlements emerge due to demand pressure, supply constraints, and a lack of comprehensive legal responsibility (Minwuyelet, 2005). Developing countries have the highest percentage of informal settlements, and policymakers are currently seeking solutions to upgrade and deter the formation of new squatter settlements (Solomon, 2014b).

Many individuals who are excluded from the formal housing market most often turn to informal housing as a survival strategy, according to

Gillespie (2017). The dynamics of informal housing revolve around necessity, profit, and opportunity. For marginalized residents, informal housing is necessary, while speculators profit from it and structural actors engage with it as an opportunity. However, the proliferation of informal housing requires political contexts that provide fertile ground for it. Political actors often need to pay more attention to the public interest and engage in informal housing to gain prosperity, causing low-income residents to be excluded. Political actors often contribute to the legalization of informal homeownership. Squatting is more likely on undeveloped land that belongs to the public.

Although the formal housing gap reinforces the need for informal housing, its unintended consequences make it only accessible to some urban residents. Structural barriers also challenge formal self-help housing efforts, leading residents to seek affordable alternatives. Business-oriented housing markets often marginalize low-income residents, making informal housing the only option. However, growing the informal housing market does not guarantee fair and equal housing opportunities, and it is more likely to widen housing inequalities. Poor and rich engagement levels in informal housing are affected by housing resources such as land accessibility, procedural serviceability, and financial affordability.

Factors such as urban population growth, poverty, inappropriate policies, archaic legal and institutional frameworks, dysfunctional land markets, poor financial markets, and lack of good governance have contributed to the proliferation of informal urban housing in Africa (Solomon, 2014b). All income groups have practiced informal housing, and inadequate infrastructure, substandard quality, and insecure tenure are critical issues. Despite its tenure insecurity and unofficial status, informal housing remains essential to many African residents, particularly in urban centers with a shortage of formal housing. Challenging formal procedures and an unaffordable private rental market pushed residents to seek informal housing.

Informalization is expected to offer affordable choices for low-income renters, alleviating chronic housing unaffordability (Gurran et al., 2020). However, encouraging informal housing has undesirable consequences, such as amorphous housing development, poor quality, persistent speculative structure, and displacement of low-income groups. Gurran et al. (2020) insist on urging informal housing and legitimizing the informal housing market by tolerating its impacts on planning, equity, and regulatory structures. Informal housing paradoxically exists within the government, managing housing regimes at lower administrative structures (Charitonidou, 2021). Most housing in urban areas is informal and unplanned (Charitonidou, 2021).

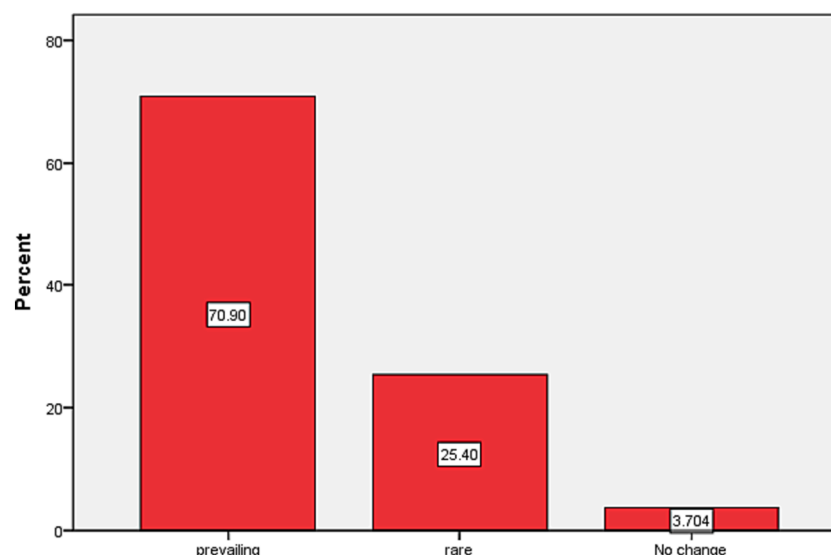


Fig. 3. Descriptive statistics of informal housing scenario (Survey, 2021).

Dynamics of informal housing

The prevalence of informal housing is due to underlying forces in informal and formal sectors. To better understand this theme, the central dynamics of informal housing were examined, including speculative motive, need motive, and structural factors. These factors and others contribute to the prevalence of informal housing.

Housing speculation: gain motive approach

Speculative motive involves economic and political gain, despite the risk of loss. Participants identified brokers and economic and political actors as contributors to the prevalence of informal housing through speculation. Economic and political motives often back informal housing, with some towns informally developed in the name of a master plan that advances the political gain of a particular group at the expense of poor citizens' housing needs. Therefore, the artificial informal housing market prevalence is politically charged.

According to in-depth interviews, inadequate compensation for farmers, corrupt governors, engagement of political actors in the land market and land grabbing, inflated land market, investors and economic actors, land business, and other money-making factors have contributed to escalated informal housing. This trend has become the fashion of squatter settlements, especially in strategically essential towns.

The verbatim of one interviewee is worth quoting;

Security personnel takes money from settlers. Local governors are engaged in land selling. Political actors build informal housing for themselves and their relatives, and they aggravate squatter settlements and sizeable land occupied by them. Local governors discriminately demolish some houses (R11, male, 40yo).

During interviews, it was confirmed that governors receive money and cooperate in upgrading informal housing, which violates de jure housing procedures as lands are exchanged for money. A collaboration between speculators and governors has widely initiated informal housing. The interviewees agreed that rich people engage in squatter settlements, expecting these houses to become valuable assets soon. This finding shows that rich people are determined to initiate and proliferate informal housing. They pay political actors to legalize these houses and lobby political actors and officials to legitimize squatter settlements. Brokers give information to speculators about the legal status of occupied land, and they must have adequate information about free lands and whether squatting on those lands is viable. Brokers are known as land chasers and are double agents working as structural or speculator agents.

Research participants reported that informal housing is intended to result in economic, political, identity, social, and demographic gains. Wealthy people invest in squatter settlements expecting these houses to bring wealth and high-profit sources. Some individuals sponsor squatter settlements to bring demographic change and gain a political upper hand. Squatter settlements play a tremendous role in maintaining specific identities and eroding others. The [Sebeta Housing Development and Management Office \(2021\)](#) reported that informal housing is mainly built for profit, bribing land and local governors' interest. The coordination and networking of speculators, brokers, farmers, and local governors working for personal gains aggravate informal housing.

In addition to owner-occupiers, there are slum landlords who purposely build shacks in response to the shelter needs of people who cannot afford to pay monthly rent for formal sector accommodations. Most slum landlords are absentee landlords, typically highly placed government officials or local merchants. Speculation about housing accompanied by housing commodification provokes a shortage of housing land supply. Gain-motivated informal housing makes housing land unavailable for low incomes, thereby hampering equitable housing development. [Gurran et al. \(2020\)](#) argue that informal housing results from the structural failure to meet the shelter needs of residents. Informal housing brings viable opportunities that the formal market

failed to provide due to unaffordability, unavailability, and inaccessibility.

[Issar \(2020\)](#) argued that informal and formal housing markets are connected either by competing with each other on land encroachment or may substitute others. Informal housing causes the land value to rise and discourages formal housing development, leading to land shortages for formal housing and affecting the price of formal housing. Since informal housing is low priced, people prefer it despite its substandard quality and negative externalities such as precariousness. [Issar \(2020\)](#) added that since informal housing has flexibility in generating income opportunities such as rent and home business, people prefer this market. Housing status and housing ladder also affect residents' mobility between informal and formal housing.

Housing Need: Just sheltering access and protection

In order to ensure their physical well-being, residents need to find shelter for protection. However, it has been found that squatters often turn to informal housing to meet their shelter needs. Due to the highly competitive housing market, low-income individuals need help finding affordable housing for homeownership, and rental housing problems most often push residents to engage in illegal housing. The increase in urban migration and inadequate housing supply also prompts squatter settlements. Despite the possibility of legal action being taken against them, residents continue to build illegal housing, preferring squatting over suffering from a housing crisis associated with rental unaffordability and public housing unavailability.

Interviewees have stated that low-income people do not engage in squatter settlements because it is expensive but provides little benefit. However, they also cannot afford rental fees. Most informal housing is motivated by the prospect of future financial gain, and only a few squatters are motivated by their need for shelter. Rental housing difficulties influence this small segment, and migrants often make squatting their primary housing choice strategy. Even when there is a need for shelter, informal housing is often unaffordable and inaccessible due to networks of speculators, brokers, and local governors. The [Sebeta Town Administration, 2021](#) endorses that some squatters choose informal housing to cope with shelter problems in urban centers.

Formal affordable housing is often nonexistent or inaccessible for poor residents, and the unfair formal housing market paradoxically stimulates informal housing. While income and job factors are often associated with informal housing, empirical findings suggest that it results from various intersecting factors. Therefore, informal housing helps disadvantaged residents protect their housing needs. The following case highlights the dynamics underlying informal housing, which is worth quoting:

Informal housing was different from my vision. However, the existing housing situation forced me to engage in it. I am not usually the one that handles it but rather our situation. It is not my only problem; it is common here and there. It is the failure of the government to shelter residents. Informality is not the residents' problem. Informal housing is not the residents' making. It is a government that makes informal housing to be widespread. The local governor's weakness is responsible for making informal housing prevail. I see those job seekers who come to towns without viable housing to shelter themselves. Poores are helpless, but informal housing is chosen to be a self-help housing strategy. I am here not by my choice but because the question of survival makes me in this living situation (R12, Male, 42yo).

It has been found that formal housing could be made more affordable for low-income individuals. However, informal housing exacerbates the problem of land shortage. Self-help housing is often considered necessary for individuals but requires more structure to manage resources effectively. Long-established squatters form a social fabric that is difficult to reverse. Informal housing is an essential means of providing affordable housing to low-income individuals excluded from formal

housing.

Those who illegally occupy public or private land tend to exploit gaps in urban land administration policies or practices to build makeshift homes, often with the help of friends or family and under cover of darkness (Solomon, 2014b). Without proper policies, the prevalence of informal housing will likely continue to rise (Solomon, 2014b). High housing costs and unaffordable down payments discourage low-income earners from pursuing homeownership, leading them to seek informal housing (UN-HABITAT, 2011; Nyametso, 2012; Begna, 2017). Informal housing is a reaction to the shortage of low-cost housing for low-income individuals (Ebekozen et al., 2019) Debele and Negussie (2021a), Debele and Negussie (2021b), Debele and Negussie (2021c). It is often seen as a necessity-based self-help effort that leads to a concerning prevalence of informal housing.

However, informal housing can help lower-income individuals cope with housing and non-housing expenses, as they can often save on housing expenses compared to renters (Issar, 2020; McKee et al., 2020). In order to achieve homeownership, individuals often require financial resources or a social network. Those who lack these resources will likely turn to informal homeownership.

Informal housing is becoming increasingly prevalent as traditional housing markets become more competitive and unaffordable in urban centers (Nasreen and Ruming, 2020; Isabela, 2021). This type of housing is often a response to socioeconomic and structural inequalities and can vary in scale and nature. However, the affordability stress associated with informal housing has forced low-income earners into substandard and precarious accommodations (Gurran et al., 2020). A significant percentage of urban housing is unplanned, informal housing due to inadequate affordable public housing options and rising rural-urban migration (Charitonidou, 2021).

The absence of regulated rental housing and high rent prices have also pushed individuals towards informal homeownership to live securely and decently (Isabaeva, 2021). Many individuals seek living situations that offer political participation, a sense of ownership, friendly working environments, mobility, social life, family life, secure tenure, free accommodation, and hospitality - all of which can be found through informal housing (Watts and Blenkinsopp, 2021). For economic migrants, informal housing is a practical solution to the lack of affordable housing options and can serve as an effective immediate solution to the existing housing problem (Garrido, 2021; Debele & Negussie, 2022b).

Structural factors

This article explains why informal housing persists despite the state's reactive approach. Speculative motives, the need for housing, and contradictions in the formal structure influence the prevalence of informal housing. Participants believe that divergent interest groups, created by interest conflicts, have opened up urban land to squatters. A hidden interest group within the formal and outer structures has complicated informal housing.

Local governors, brokers, and economic actors collaborate to play a vital role in the prevalence of informal housing. Brokers are considered the initiating agents, and their political ties with higher officials incentivize speculators to advance their interests at the expense of ordinary citizens' shelter needs. These actors' bargaining power and influence facilitate the displacement of poor citizens.

Interviewees assert that informal interest groups influence cabinet decisions and closely work with high-ranking officials. These interest groups turn off the formal structure and enrich their members. Two types of actors have been involved in the interest group: front actors are brokers that facilitate the informal housing market. In contrast, backstage actors facilitate the security and legalization process of informal housing. The backstage actors design favorable structures to counteract particular group interests and advance their members' interests, aggravating the expansion of interest groups and conflicts.

Regulatory factors contribute to the prevalence of informal housing.

Limited land supply encourages informal housing, and the corrupt land governing system attracts informal housing investors. The absence of a land management system and lack of know-how in land handling open land to illegal seizure. A problem of fairness characterizes land supply, and informal actors exploit structurally created opportunities.

The researchers quoted the interviewee's report, which is worth mentioning:

Local political actors networked with high-ranking officials to squat land directly or indirectly. Those individuals know where free lands are available that can be squatted. Free lands in town and periphery are under local governors' supervision that can be manipulated at any time. Local authorities and top officials' networks are used to squat and escape legal punishment. Those vacant lands are easily encroached on by those local actors who are confident to allocate those lands among themselves, families, relatives, fellow villagers, and friends for a relatively low price. This process may either consult state actors or take place via local decision. This process of selling vacant land continues until there is demand for squatting land. State authorities and security forces are not committed to ending mass squatting. Paradoxically, some public figures indicated that state agencies and officials were involved in the squatting by either giving information on where to squat and how to proceed afterward or simply ignoring squatting. Mass land squatting in the town and outskirts are continued as if it were out of state authorities' control, which is associated with legal and illegal actors' needless collaboration. Many preferred informal housing processes that were assumed to be effective. It is noticed that authorities favored informal procedures, which are less likely to cause legal responsibility of decision making. Those actors extract public resources and boost their benefits (R4, Male, 38yo).

During interviews, it was reported that local governors work with speculators to create and expand squatter settlements, often using fabricated evidence to justify the legalization of these settlements. The extent of these settlements is determined by the amount of money paid to local governors and the supportive networks within the local structure. The easy conversion of land ownership by local ICT experts and existing fragile land management also contribute to the proliferation of illegal titles and fake licenses.

The network between brokers, speculators, and political actors exacerbates the issue as they collaborate to extract gains from squatter settlements. Interest groups with economic and political power, both visible and invisible, sponsor squatter settlements and aspire to be the dominant group. The absence of proactive control, follow-up, and weak legal measures also contribute to the expansion of informal housing.

Bureaucrats working in town administration are often money-oriented and expect payment for their services, with informal housing customers paying without hesitation. They may even facilitate formal procedures, diverting attention from paying customers. Bureaucrats also chase sources of money associated with informal housing, often compromising their objectives and pursuing their interests. The researchers found cases of squatters becoming homeowners by bribing bureaucrats, and bureaucrats may even compromise their criteria for accepting squatters in exchange for payment.

Informal housing is prevalent in urban areas due to a variety of factors. Firstly, high building standards and procedural issues with formal land provision make it difficult for moderate and middle-income households to afford housing in the city center (Minwuyet, 2005; Somerville and Mayer, 2003). Secondly, poor governance and outdated legal frameworks contribute to the high cost of urban land, leading to the proliferation of squatting (Solomon, 2014b). Political crises and periods of unrest also create opportunities for informal housing to emerge. Unmanaged urban development processes and weak government institutions further exacerbate the problem.

Frustration and lack of coordination among governmental institutions also contribute to expanding informal housing. Squatters rely

on vital infrastructure such as roads, power grids, and water mains, which can be seen as a sign of recognition from municipal authorities. The failure of local structures and housing developers to provide affordable housing further reinforces the need for informal settlements (Gillespie, 2018).

Formal regulatory and planning systems also support informal housing, and there needs to be a policy gap in providing affordable housing (Ebekozen et al., 2019; Grander, 2019). Structural factors play a central role in escalating squatter settlements, and the engagement of political actors can make informal housing justifiable for others. Legal action may deter informal housing but does not guarantee its discontinuity. The nature and objective of housing policy also affect informal housing dynamics (Issar, 2020). Overall, the prevalence of informal housing is a complex issue that requires solid institutional reaction, policy design, and political support. Hospitable structures that tolerate informal housing and promote informalization may be the paramount explanation.

The government owns the land and low-cost rental housing in a city, but the legality of tenancy patterns for low-income housing is complicated (Charitonidou, 2021). Legal and illegal types of informal housing exist, which are owned by the state but still precarious. The legal status of informal housing in the inner city differs from that in the outskirts - the former is legal but precarious, while the latter is illegal and precarious. Kebele houses are the most common form of legal urban informal housing the state provides for low-income residents. However, procedural distortion within the system makes it an informal housing category.

Squatter settlements arise due to land scarcity and the unavailability of formal housing (Garrido, 2021). The failure of formal housing structures is reflected in the tolerance of informal housing, a subject of debate. The structure's failure implies two things: first, it cannot react, and second, formal structural actors knowingly ignore personal gain. This scenario leads to formalizing and collaborating with informal housing, driven by structural hospitality and gain-motivated actors, which are fundamental causes for persistent and prevailing informal housing. Administrative problems contribute to the emergence and development of informal settlements (Fentaw et al., 2023). However, the roles of other stakeholders need to be included, as political actors are not solely responsible for perpetuating the formalization process.

Political economy of informal housing

Sheger City is becoming industrialized, and housing demand is rising due to new migrants. However, poor government regulation has led to informal housing and land markets, resulting in the establishment of new villages, with brokers and speculators playing a significant role. In a survey, people rated their agreement with ten statements about how the administration deals with informal housing (see Table 3). The statement about squatting due to a lack of housing had the lowest rating. In

Table 3

Descriptive statistics of dynamics of informal housing and endorsement scale (survey, 2021).

Statements on the Patterns of Informal Housing	Mean
1st-The large portion of squatters are economically prosperous when compared with poor squatters	4.2831
2nd-Squatting occurred due to lack of housing or by citizens living long without owning a house of their own	2.5289
3rd-Local governors intentionally encourage informal housing	4.3858
4th-Local community, including farmers, welcomes squatter settlement	3.4974
5th-Brokers mediate squatters, landowners, and legal bodies for their legal title	4.4121
6th-The cause of informal housing is land inaccessibility/poor land supply	4.3622
7th-Disregarding legality of informal housing makes squatters beneficiary	4.3789
8th-Ineffective formal housing push residents to a squatter settlement	4.3140
9th-Uncontrolled rent push residents to engage in squatter habitation	3.4921
10th-Presence of free land attracted squatters	2.5827

contrast, the statement about brokers helping squatters had the highest, which suggests that the political economy of informal housing should be analyzed, as it involves not just the need for shelter but also the involvement of brokers, governors, and investors. Therefore, it is essential to analyze the political economy of informal housing, which helps more understanding of the problem and its dynamics.

Based on Table 4, it was found that multinomial regression is the most effective method for predicting informal housing. In order to reach this conclusion, various factors were taken into account, including the motives of speculators, the shelter needs of individuals, the motives of brokers, the interests of farmers, and the level of structural hospitality. After analyzing these factors, it was determined that structural hospitality, speculation motive, and need motive were the most influential predictors of informal housing. In contrast, brokers' motives and farmers' cooperation did not significantly predict the scenario of informal housing. Before determining the significance of these predictors, the data was subjected to model fitting analysis, likelihood ratio tests, and parameter estimates significance. The p-value was less than 0.05, indicating that the data fit the model well. Moreover, the model's strength in predicting outcomes was compared to that of the null model and was found to be superior.

The multinomial logit of the coefficient reveals that, as local structures become more welcoming (i.e., from unwelcoming to more hospitable), the likelihood of rare informal housing decreases by 1.643. Additionally, the multinomial logit of the speculative factor coefficient indicates that a shift from lower profit-seeking to higher profit-seeking (i.e., less speculative to more speculative) decreases the likelihood of rare informal housing by 0.737. On the other hand, a change from less shelter motive to more shelter motive increases the relative log odds of rare informal housing versus prevailing informal housing by 0.883.

The relative risk ratio for a more hospitable structure compared to a less hospitable structure is 0.193 lower for rare informal housing than for prevailing informal housing. Therefore, hospitable structures (OR = 0.193) compared to inhospitable structures decrease the probability of rare informal housing. Similarly, the relative risk for more speculative motives (investment) than less speculative motives is 0.479 times less for rare informal housing than for prevailing informal housing. More speculative motives (OR = 0.479) decrease the probability of rare informal housing. Finally, the relative risk ratio for more shelter motive compared to less shelter motive is 2.417 times higher for rare informal housing than for prevailing informal housing, which indicates that more shelter motive (OR = 2.417) increases the probability of rare informal housing. Overall, the model explained 41 % of the variation in informal housing.

Conclusion

The informal housing market and formal housing market have a negative relationship. The accessibility and affordability of formal housing can address the need for shelter that informal housing typically fulfills. However, the prevalence of informal housing can reduce the demand for formal housing. The prevalence of informal housing is due to

Table 4

Multinomial regression for informal housing scenario.

Informal Housing Scenario ^a		B	df	Sig.	Exp (B)	Pseudo R-square Nagelkerke
Rare	Structural factors (hospitable)	-1.643	1	0.000*	0.193	0.412
	Speculative factors (gain motive)	-0.737	1	0.039*	0.479	
	Shelter need factors (Necessity motive)	0.883	1	0.011*	2.417	

a. The reference category is: Prevailing, *P < 0.05.

the weaknesses in the formal housing system and procedural challenges. Additionally, political and economic factors contribute to the informal housing scenario, such as rent-seeking behaviors of structural actors and profit-focused economic actors. Statistical analysis shows that structural hospitality, speculative motives, and shelter needs all play a role in predicting the prevalence of informal housing. However, shelter needs are the least significant predictor. The response of structural actors to the development of informal housing significantly affects the effectiveness of administrative action. Collaborative efforts to address practical problems instead of promoting subjective interests are crucial in improving the vitality of informal housing development.

Recommendation

- o Empirical research suggests strict land management and public land protection from speculation.
- o The declaration is needed to break the bondage of interest groups in the informal housing market.
- o The housing needs of residents should be addressed through a research-based problem-solving strategy and tackling structural bottlenecks.
- o Mechanisms should be designed to contain broker activities in the informal housing market, recognizing the brokerage industry's integral role in economic, social, and political vitality.
- o Municipalities should address farmers' complaints about inadequate compensation and improve awareness of the opposing sides of informal housing.
- o The land management system should be advanced through sophisticated technology; digitalization and a cadastral system are the best options.

Appendix

Questionnaire on informal housing and factors

1	How do you describe informal housing in your town?	1. Prevailing 2. Rare 3. No change	1 2 3
2	Do you think squatters are motivated to extract profit from squatter settlements?	1. Yes 2. No	1 2
3	Do you think squatters are motivated to access shelter needs?	1. Yes 2. No	1 2
4	How do you evaluate local structure reaction to a squatter settlement	1. Hospitable 2. Inhospitable	1 2
5	Do you think brokers engage in squatter settlement activities?	1. Yes 2. No	1 2
6	How do you evaluate the reaction of farmers towards squatter settlement?	1. Cooperative 2. Uncooperative	1 2

Checklists for informal housing and contributing factors

1. Outline and justify the significant factors associated with your town's informal housing dynamics phenomenon. controversies about the squatting phenomenon
2. What are the trends or patterns of informal housing development in your town?
3. What are the particular roles of institutions, from the community side, in enhancing the dynamics of informal housing? Local formal and informal structures, developers, and Brokers

References

Abu-Salia, R., Osumanu, I. K., & Ahmed, A. (2015). Coping with the challenges of urbanization in low-income areas: an analysis of the livelihood systems of slum dwellers of the WA municipality, Ghana. *Current Urban Studies*, 105–118. <https://doi.org/10.4236/cus.2015.32010>

- o Policy elements should be implemented through training, education, awareness/advocacy/promotion, coordination, networking, or a combination of these aspects.
- o Both political and administrative measures are necessary against informal housing, but advanced technology-based land and housing databases are needed for a lasting solution.
- o Structural actors aggravate informal housing by supporting the process with technical aspects.
- o Structural reform is needed to clear corrupt elements and promote responsibility for informal housing.
- o Hence, the government should clear corrupted elements in its structure before using a reactive approach. It can shift to a proactive approach that guarantees a lasting solution.

Funding statement

This research work was not funded. Researchers managed all necessary costs associated with this research work.

CRediT authorship contribution statement

Efa Tadesse Debele: Writing – original draft, Methodology, Software. **Taye Negussie:** Supervision, Validation.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Elfarnouk, A. N. (2015). Squatter settlements in Tripoli, Libya: Assessing, monitoring, and analyzing the incidence and prevalence of urban squatter areas in the peri-urban fringe. Submitted to the graduate degree program in Geography and the Graduate Faculty of the University of Kansas in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

- Alene, E. T. (2022). Determinant factors for the expansion of informal settlement in Gondar city, Northwest Ethiopia. *Journal of Urban Management*, 11(3), 2226–2585. <https://doi.org/10.1016/j.jum.2022.04.005>
- Arif, M. M., Ahsan, M., Devisch, O., & Schoonjans, Y. (2022). Integrated approach to explore multidimensional urban morphology of informal settlements: The case studies of Lahore, Pakistan. *Sustainability*, 14, 7788. <https://doi.org/10.3390/su14137788>
- Assefa, G. (1996). Basic constraints to urban housing construction and the situation of the majority; Urban Ethiopia: evidence of the 1980s; Post-graduate program in urban and regional planning for developing countries; Venice, November 1996 (pp. 225–234).
- Bah, E.-H., Faye, I., & Geh, F. Z. (2018). *Housing market dynamics in Africa*. Springer ebook collection: Economics and Finance.
- Bartasaghi, C. (2011). *Squatter settlements as social catalysts towards sustainable urban development: a positive look at the case of Villa El Salvador, Lima Peru; Australian Graduate School of Urbanism (AGSU)*. Sydney-Australia: University of New South Wales.
- Begna, T. S. (2017). Rapid urbanization, squatter settlements and housing policy interface in Ethiopia, the Case of Nekemte Town. *J Geogr Nat Disast*, 7, 211. <https://doi.org/10.4172/2167-0587.1000211>
- Bello, M. O. (2009). Squatter settlement, accessibility of land and the urban poor; Mustapha Oyewole BELLO, Nigeria; Squatter Settlement, Accessibility of Land and the Urban Poor.
- Can, A. (n, d). Collaborative partnerships for affordable housing: Experiences from the global South and lessons for the Global North; Aysegul Can; Independent Researcher, Turkey.
- Charitonidou, M. (2021). Housing programs for the poor in Addis Ababa: Urban commons as a bridge between spatial and social. *Journal of Urban History*, 1–20. <https://doi.org/10.1177/0096144221989975>
- Crawford, J., & McKee, K. (2018). Hysteresis: Understanding the housing aspirations gap. *Sociology*, 52(1), 182–197. <https://www.jstor.org/stable/26558694>
- Degu, B., Asfaw, M., & Jafri, S. S. A. (2014). Causes and remedy of squatting in Burayu Town, Ethiopia; Developing Country Studies; ISSN 2224-607X (Paper) ISSN 2225-0565 (Online) Vol.4, No.11, 2014; www.iiste.org.
- Debele, E. T. (2019). Urban housing politics: Dynamics, challenges, and coping. Mechanisms of urban housing problems in Sebata Town. *Journal of Human Resource Management*, 7(4), 93–98. <https://doi.org/10.11648/j.jhrm.20190704.13>
- Debele, E. T., & Negussie, T. (2020). Housing discourse: Historical development, epistemological gap, and sociological modeling. *Advance*. <https://doi.org/10.31124/advance.13268825.v2>
- Debele, E. T., & Negussie, T. (2021a). Growing urban housing consumption and housing policy development trends. *Advance*. <https://doi.org/10.31124/advance.13640627.v1>
- Debele, E. T., & Negussie, T. (2021b). A scholarly glance at theoretical and practical aspects of housing urbanites. *Advance*. <https://doi.org/10.31124/advance.14101853.v1>
- Debele, E. T., & Negussie, T. (2021c). Theoretical foundation of housing research framework. *Advance*. <https://doi.org/10.31124/advance.14495817.v1>
- Ebekozien, A., Abdul-Aziz, A.-R., & Jaafar, M. (2019). Low-cost housing policies and squatters struggle in Nigeria: The Nigerian perspective on possible solutions. *International Journal of Construction Management*. <https://doi.org/10.1080/15623599.2019.1602586>
- Ertan, T. (1997). Squatter (gecekondü) housing versus apartment housing: Turkish Rural to urban migrant residents' perspectives; Bilkent University, Ankara, Turkey; HABITAT.INTL. Vol. 28. No.1.pp. 91–106.
- Fentaw, B., Dagnachew, A., & Solomon M. (2023). Administrative failures contributing to the proliferation and growth of informal settlements in Ethiopia: The case of Woldia Township, Heliyon, Volume 9, Issue 3, 2023, e13758, ISSN 2405-8440, <https://doi.org/10.1016/j.heliyon.2023.e13758>. (<https://www.sciencedirect.com/science/article/pii/S2405844023009659>).
- Garland, A. M. (2012). Innovation in urban development; Incremental Housing, Big Data, and Gender. A new generation of Ideas; Wilson Center; USAID; Comparative Urban Studies Project; Woodrow Wilson International Center for Scholars; One Woodrow Wilson Plaza 1300 Pennsylvania Avenue NW Washington, DC 20004-3027 www.wilsoncenter.org.
- Garrido, M. (2021). Reconceptualizing segregation from the global south; city & community, 2021, Vol. 20(1) 24–37; © American Sociological Association 2020; <https://doi.org/10.1177/15356841211000696>; journals.sagepub.com/home/cty.
- Getalem A. B., & Yenew A. D. (2014). Assessment of Informal Settlement and Associated Factors as a Public Health Issue in Bahir Dar City, North West Ethiopia; A community-based case-control study. *Science Journal of Public Health*. Vol. 2, No. 4, pp. 323–329. doi: 10.11648/j.sjph.20140204.23.
- Gillespie, T. (2018). Collective self-help, financial inclusion, and the commons: searching for solutions to Accra's housing crisis. *Housing Policy Debate*, 28(1), 64–78. <https://doi.org/10.1080/10511482.2017.1324892>
- Gillespie, T. (2017). From quiet to bold encroachment: Contesting dispossession in Accra's informal sector. *Urban Geography*, 38(7), 974–992. <https://doi.org/10.1080/02723638.2016.1191792>
- Gizachew, B., Solomon, M. W., & Ephrem, G. B. (2022). The interrelationships of sustainable livelihood capital assets deprivations and asset-based social policy interventions: The case of Addis Ababa informal settlement areas, Ethiopia. *Research in Globalization*, 4, 2590–12051. <https://doi.org/10.1016/j.resglo.2022.100081>
- Grander, M. (2019). Off the beaten track? Selectivity, discretion, and path-shaping in Swedish public housing. *Housing, Theory, and Society*, 36(4), 385–400. <https://doi.org/10.1080/14036096.2018.1513065>
- Gurran, N., Maalsen, S., & Shrestha, P. (2020). Is 'informal' housing an affordability solution for expensive cities? Evidence from Sydney, Australia. *International Journal of Housing Policy*. <https://doi.org/10.1080/19491247.2020.1805147>
- Hacker, S. (1998). The challenge of an urban world. An Opportunity for US Foreign Assistance; Section 3: Challenges in Addressing Urban Growth and Housing Needs; Habitat for humanity international.
- Hashemi, A., Cruickshank, H., Cheshmehzangi, A. (2012). Sustainable low-income Housing in Uganda, challenges and Opportunities.
- Isabaeva, E. (2021). Transcending illegality in Kyrgyzstan: The case of a squatter settlement in bishkek. *Europe-Asia Studies*, 73(1), 60–80. <https://doi.org/10.1080/09668136.2020.1861222>
- Isabaeva, E. (2014). From denizens to citizens in bishkek: informal squatter-settlement residents in urban Kyrgyzstan. *Journal of Social Policy Studies*, 12(2), 249–260.
- Isabela, E. (2021). Transcending illegality in Kyrgyzstan: The case of a squatter settlement in bishkek. *Europe-Asia Studies*, 73(1), 60–80. <https://doi.org/10.1080/09668136.2020.1861222>
- Issar, S. (2020). Conceptualizing the connections of formal and informal housing markets in low- and middle-income countries. *Housing Studies*. <https://doi.org/10.1080/02673037.2020.1831444>
- Manaster, A. K. (1968). The problems of urban squatters in developing countries. Santa Clara Law, University of School of Law, Faculty Publications; <http://digitalcommons.law.scu.edu/facpubs>.
- Kemeny, J. (1992). Housing and social theory: Housing-Sociological aspects. 2. Social structure; First published 1992 by Routledge: Routledge, a division of Routledge, Chapman and Hall Inc. 29 West 35th Street, New York, NY 10001.
- Malik, S., & Wahid, J. (2014). Rapid urbanization: Problems and challenges for adequate housing in Pakistan. *Journal of Sociology and social work*, 2(2), 87–110.
- Matovu, G. (2000). Upgrading urban low-income settlements in Africa: Constraints, potentials, and policy options; Municipal development program; Eastern and Southern Africa Regional Office; regional roundtable on upgrading low-income settlements Johannesburg, South Africa, October 3–5, 2000.
- McKee, K., Moore, T., & Crawford, J. (2015). Understanding the Housing Aspirations of People in Scotland; People, Communities and Places.
- McKee, K., Soaita, A. M., & Hoolachan, J. (2020). Generation rent and the emotions of private renting: Self-worth, status, and insecurity amongst low-income renters. *Housing Studies*, 35(8), 1468–1487. <https://doi.org/10.1080/02673037.2019.1676400>
- Mills, C. W. (1959). *The sociological imagination*. 198 Madison Avenue, New York: Oxford University Press, Inc.
- Minwuyelet, M. (2005). City expansion, squatter settlements and policy implications in Addis Ababa: The case of KolfeKeranio Sub-City; Working papers on Population and land use change in central Ethiopia, nr. 2 Rapport/Report NTNU.
- Nasreen, Z., & Ruming, K. J. (2020). Informality, the marginalized and regulatory inadequacies: A case study of tenants' experiences of shared room housing in Sydney Australia. *International Journal of Housing Policy*. <https://doi.org/10.1080/19491247.2020.1803531>
- Nyametso, JohnieKodjo (2012). The link between land tenure security, access to housing, and improved living and environmental conditions: A study of three low-income settlements in Accra, Ghana. *NorskGeografiskTidsskrift – Norwegian Journal of Geography*, 66(2), 84–98. <https://doi.org/10.1080/00291951.2012.665079>
- Opoko, A. P., Ibem, E. O., & Adeyemi, E. A. (2015). Housing aspiration in an informal urban settlement: A case study. *Urbani Izziv*, 26(2), 117–131.
- Ortalo, M., François, & Prat, A. (2007). The political economy of housing supply: Homeowners, workers, and voters: François Ortalo-Magné (University of Wisconsin-Madison) and (Andrea Prat) London School of Economics.
- Røe, B. (2009). Urban challenges in Addis Ababa. Ph.D. and Master Theses from the Department of Urban Design and Planning, Faculty of Architecture and Fine Art, NTNU, Trondheim. In: Proceedings of the 16th International Conference of Ethiopian Studies, ed. by Svein Ege, Harald Aspen, Birhanu Teferra and Shiferaw Bekele, Trondheim 2009.
- Sebata Housing Development and Management office (2021).
- Sebata Town Administration. (2021). Plan and Economic Development Office. In *Physical and socioeconomic profile of Sebata town*.
- Shiwaye, M., Solomon, M., & Ephrem, G. (2021). Drivers of informal land transformation: A perspective from the peri-urban area of Addis Ababa. *GeoJournal*, 87, 3541–3554. <https://doi.org/10.1007/s10708-021-10447-w>
- Solomon, M. (2014b). *Upgrading informal settlements in African Cities* (pp. 124–155). New York: Routledge.
- Solomon, M. (1999). Public ownership of urban land and low-income homeownership in Addis Ababa, Ethiopia. In *Eastern Africa Social Sciences Review*; Vol. XV, No.1. pp.78–96.
- Solomon Mulugeta. (1996). Housing cooperatives in Addis Ababa: Achievements and problems; Urban Ethiopia: evidence of the 1980s; post-graduate program in urban and regional planning for developing countries; Venice, November 1996 (pp. 235–257).
- Somerville, C. T. & Mayer, J. C. (2003). Government regulation and changes in the affordable housing stock; FRBNY Economic Policy Review/June 2003.
- Stone, W., Rowley, S., Parkinson, S., James, A., & Spinney, A. (2020). *The housing aspirations of Australians across the life-course: closing the 'housing aspirations gap'*, AHURI Final Report No. 337, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/337>, doi: 10.18408/ahuri-5117001.
- Roy, S. G., & Abdullah, A. Q. M. (2005). Assessing needs and scopes of upgrading urban squatters in Bangladesh. *BRAC University Journal*, II, 33–41.
- UN-HABITAT (2011). Quick Guides for policymakers: Housing people with low incomes in African cities; 7Rental housing: A much-neglected housing option for people with

- low incomes; published by united nations human settlement program (UN+ HABITAT) Training and capacity building Branch (TCBB); website: <https://www.researchgate.net/publication/236974439>.
- Walsh, A. C. (1978). The urban squatter question: Squatting, Housing, and Urbanization in Suva, Fiji. A thesis presented in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Geography at Massey University.
- Ward, P. M. (1976). The Squatter Settlement as Slum or Housing Solution: Evidence from Mexico City; See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/46552288>; Article in Land Economics August 1976; DOI: 10.2307/3145530 Source: RePEc; author; Peter Ward; the University of Texas at Austin.
- Watts, B., & Blenkinsopp, J. (2021). Valuing control over one is immediate living environment: how homelessness responses corrode capabilities. *Housing, Theory and Society*. <https://doi.org/10.1080/14036096.2020.1867236>
- Wile, I. S. (1919). Sociological Aspects of Housing; New York City. American Public Health Association, at New Orleans, LA., October 27, 1919.
- Debele, E.T.; Negussie, Taye .(2022).Housing logic: Rationalities behind housing choice behavior in coping housing market dynamics among urban residents in Sebeta Town, Ethiopia, *Research in Globalization*, Volume 5, 2022,100099, ISSN 2590-051X, <https://doi.org/10.1016/j.resglo.2022.100099>. (<https://www.sciencedirect.com/science/article/pii/S2590051X2200020X>).
- Debele, E. T. & Negussie, Taye. (2022). Socio-demographic and socio-economic dynamics underlying housing development of urban residents in Sebeta town, Ethiopia, *Cogent Social Sciences*, 8:1, DOI: 10.1080/23311886.2022.2130210.