COMMUNITY INVESTMENT IN OLD URBAN QUARTERS: THE CASE OF A COMMUNITY BASED REDEVELOPMENT PROCESS IN MERKATO, ADDIS ABABA

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ABSTRACT

The history of urban development in Sub-Saharan Africa is dominated by disinvestment and weak investment. Even though that has been changing during the past decade due to improved economic performance, studies on investments in old areas of urban centers are quite scarce. A community-based process of investment in an old market district of Addis Ababa through the redevelopment approach was studied to contribute to reducing the gap.

Historically, urban redevelopment was driven by property value decline and protection of the 'public' interests of health and safety. Its major investors were professional developers and the state. It was criticized for effects such as eviction, community fights, destruction of heritage, and visual 'monotony', and the criticisms have eventually led to emergence of more responsive approaches such as rehabilitation and conservation. The focus of this paper is on why the investor role, in the case of the study redevelopment, has shifted to the community and to what extent the shift has prevented the common effects of redevelopment.

The study indicates that the *drivers of much of the blight were macro-economic and policy factors rather than property value decline; the objectives of redevelopment have not been the classic public interests of health and safety: they were mainly the 'grafted' objectives of modernization, efficient use of land, and increasing tax revenue; and that the community based investment approach was able to prevent the effects of redevelopment only partly due to inadequate support by the state. The study was made by using a case study approach of interview, document review, and observation*

***Keywords*:** blight, community investment, old areas, redevelopment, urban.

INTRODUCTION

Urban Centers and Old Quarters

With close to 70% of its population rural, urban centers are still secondary places of habitation in sub-Saharan Africa. They are, however, rapidly growing towards the role of primary places: by 2030 they are projected to house more than 50% of the population [1]. Urban centers, however, are not only demographic and social; they are also economic and spatial: while they are key factors for the economic development of a country, they also require heavy investment in buildings, infrastructure, and services so that the quality of the spatial dimension depends largely on the strength of the investment.

In a market system, the latter depends on the strength of demand (strength of ‘consumer spending’) which in turn may depend on the overall macro-economy. Most studies on investment in urban centers in sub-Saharan Africa are focused on new urban areas. Studies on old areas which are often place of origin of the centers and, hence, contain historical buildings and spaces are scarce. In the European context, the contents of such areas may include medieval and Victorian buildings and spaces while in the case of sub-Saharan Africa traditional, Islamic, and colonial, buildings and spaces are common. In the latter, one of the major traditional spaces is the open air market which is a major goods and services distribution facility and whose activities belong to the subsistence sector of the economy according to Lewis [2] or to the bazaar sector according to Geertz [3] and Santos [4]. Business in this sector, which dominates in less industrialized countries like Ethiopia, is characterized by small-scale, limited investment on facilities, and low-technology. As a result, it is one of the major sources of employment for vast populations in many urban centers.

The Context of Investment in Old Urban Areas

Historically, the key context for investment in old urban areas has been blight which was, again, historically defined as an urban quality that creates concerns of public health and safety [5]. The qualities are defined more comprehensively by Chapin [6] by dividing it into 'simple' and ‘complex’ forms of blight: simple forms of blight include such physical characteristics as structural deterioration, missing sanitation facilities, structures in disrepair or lacking in elemental maintenance, presence of trash and rubbish accumulation in yards, adverse environmental influences such as noise, odors, dust, and so on, and missing community facilities such as schools, play grounds, public water and sewerage systems and adequate street and drainage facilities.'

Chapin's simple forms of blight also include what he called 'social indicators' such as 'presence of abnormally high rates of juvenile delinquency, venereal disease, and similar results from other health and welfare indices' and 'economic indicators' such as 'concentration of tax delinquent and tax title properties, declining property values, and presence of an abnormally large number of building vacancies.'

On the other hand, complex forms of blight are said to exist: when an area contains incompatible land uses, obsolete or impractical layout of lots, blocks and streets, unsafe and unhealthful conditions existing or possible when marginal land is in use, particularly land subject to floods, mar shiness, [sic] or tidal flows' [6].

However, definition of characteristics of blight alone does not provide its sufficient understanding. Its driving factors, investment approaches that are available to remedy it, and the impacts of the approaches shall also be defined.

The Driving Factors of Blight

Various studies indicate that blight is driven, generally, by disinvestment and weak investment in urban centers and areas [7]. They also indicate that disinvestments and weak investments, in turn, are driven mainly by three types of factors: decline of demand or property value, macro-economic or structural factors, and policy and planning.

The first refers to a type of blight driven by decline of the capacity of property owners to invest on maintenance of property due to decline of value and rent. Historically, the origin of this type of blight can be traced back to the aftermath of the Industrial Revolution when the pre-industrial city core was filled by rapid urbanization leading to crowded and unsanitary conditions, flight of business and the middle class, decline of property value, and further deterioration of the city core[8][9]. In principle, decline of rent may also result from oversupply of property and 'real estate crash' in extreme cases.

The second refers to blight driven by the overall political economy rather than by one of its segments such as the property market [10]. For example Magubane [11] argues that blight is an 'inevitable result of the capitalist economy which, in order to grow...must, besides providing employment, create a large industrial reserve army of labor', an army which is forced to reside in 'urban slums, shanty towns, and favelas' due to its weak capacity to invest or pay rent. This is a case in which blight is created mainly not because of the problem of wealth creation but partly because of its distribution.

The concept, however, appears to apply also to a political economy that has constraints of wealth creation, in the first place, such as the pre-capitalist or the agrarian macro-economy. In this case, although the level of urbanization may be low and urban centers may be small in size, the capacity of the public and private sectors to invest in buildings and infrastructure is quite weak and, as a result, urban centers are characterized by blight conditions. The difference is that, in the first case, weak investment concerns mainly the 'reserve army' while in the second case it concerns nearly the total population.

The third refers to blight driven by governments [12] [13]. Governments may drive blight in two major ways: directly, by expanding the definition of blight and, thereby, expanding the urban areas and number of buildings viewed as blighted and indirectly, through rent and investment controls. For example Gordon [5] laments the practice of 'grafting economic considerations such as underutilization of land, uneven commercial development, insufficient tax revenues and commerce and prosperity to the older health and welfare notion of urban blight' and giving more and more areas blight designation.

He gives an extensive review of how the definition has been shifting, in the US, to the extent of becoming an 'art form', based on the interest of local governments in obtaining 'federal funds', 'tax breaks' and 'prospect of capturing larger tax base' and how not only ' development officials' but also 'developers have the power to blight virtually any urban parcel' and make it available for redevelopment [5].

On the other hand, studies like Ault [14] indicate that rent control policies may contribute to decline of quantity and quality of properties. In addition, other studies and observation of urban centers in former communist countries like Ethiopia indicate that, anti-capitalist policies and ideologies that had banned private ownership of property and entrepreneurial activities and which have contributed to the weakening of public and private investments were partly responsible for much of the blight in those contexts.

Investment Approaches in Old Urban Areas

The history of investment in old urban areas indicates that redevelopment has been one of the first types of approaches. The approach is defined as a strategy that involves large scale clearance of property, re-planning, and rebuilding [15]. The definition suggests that if its scale is not large and if it does not involve a preconceived plan aimed at layout change through‘re-planning’ the strategy is not redevelopment; it is just rebuilding [15].

Originally, redevelopment’s objective was viewed as serving the ‘public’ interests of health, safety and welfare. According to this view, the public sector initiates redevelopment either when an old area is required to accommodate new public uses such as schools, parks, highways, etc. or when the qualities of its existing use threaten or affect the ‘public’ interests. Later, there were criticisms of expanding the public interest by ‘grafting’ to it other interest such as increasing efficiency of land use and tax revenue [5] or, more seriously, replacing it with the private interest. In the latter case, the use of eminent domain: taking property from one financially weaker private party to transfer it to another financially powerful private party is emphasized [1]. This is thought to be in conflict with the original understanding of the use of eminent domain which had been 'to take private property and convey it to a public body for public use' (ibid.). In addition, the fact that redevelopment involves producing built-form which is a crucial input for private' capital accumulation process' and for profit making, first as a 'physical setting for the production and sale of other commodities' and second as a 'commodity itself that can be traded in the market place for profit' is emphasized [5] [17].

In this line it is also argued that processes as diverse as urban disinvestment and decay, suburbanization, deindustrialization, urban renewal, and gentrification are part and parcel of the continuous reshaping of the built environment to create a more efficient arena for profit making' [18].

All in all, the literature indicate that, historically, redevelopment was a process generated by a sequence of factors such as rapid urbanization and filling of the pre-industrial city core, overloading and blight, ‘de-urbanization’ or flight of the middle class to suburbia, and further blight. The sequence may not explain redevelopment in cities like Addis Ababa where, although rapid urbanization has been filling the traditional core and, therefore, there has been overload and much blight, there has not been large-scale market driven de-urbanization of the core.

At a project level, the process includes activities such as designating an area for redevelopment, assessing the value of properties to be cleared, conducting voluntary or compulsory purchase of property from private owners by using the power of eminent domain, land transfer to commercial developers by the state, re-planning, clearance, and rebuilding. In this context land transfer is based on market value which is determined in the context of competition among land buyers and sellers [19]. While in the context of a specific redevelopment site the state may be the only land seller the general context is a standard market system in which, in principle, the state has to compete with land sellers in other parts of a city in order to sell the land in the redevelopment site. Rebuilding itself involves processes like building design, design review and approval and construction.

This project level process, as well, may not adequately explain the situation in cities like Addis Ababa in which the state is the sole land owner and, therefore, competition is only among buyers.

While proponents of redevelopment emphasize its benefits such as bringing back demand and economic vibrancy to old areas, others focus attention on its undesirable effects such as loss of housing and small businesses, displacement and loss of community ties, destruction of old urban fabric and heritage, monotonous and dull cityscape, and community fight [8,9,20].

It is argued that clearance leads to displacement of residents and small businesses, loss of community ties and social capital and, when there is re-housing of the displaced residents in new locations, to social segregation and visual monotony through design duplication and centralization of design process aimed at saving cost. As Adams [19] notes the 'new urban environment, consciously planned and developed across entire neighborhoods lacked interest and vitality.' For example, the infamous Pruitt-Igoe redevelopment project was based on duplication of a single building 33 times without major change in height, layout, and façade design. On the other hand, when the cleared site is redeveloped into houses and businesses that can be afforded only by middle income and wealthy residents' redevelopment leads to gentrification. Such areas may be free from the causes of visual monotony, since design duplication may not be needed, but they may not be free from the effect as a result of destruction of old structures by clearance. Clearance also, typically, leads to community fights which according to Castells [21] are 'instruments of participation' types of 'urban social movements'.

Their objectives are, typically, to stop the redevelopment, to 'shoot down' the project or to negotiate compensation for losses. Their most common actions are organization, protest, petitions, lobbying, and sometimes seeking historic designation for the redevelopment area [22].

These criticisms have eventually led to the emergence of the rehabilitation and conservation approaches. The approaches have the objective of solving the problems of old areas not by gross demolition and rebuilding but by using a variety of strategies that can maintain most of the urban fabric. Strategies have to be many because old areas commonly have many problems such as aging of heritage and other structures, structural unsoundness of some buildings, lack of social services, obsoleteness of infrastructure, and obsoleteness of uses.

The first require conservation and repair, the second and third demolition and rebuilding, the third upgrading, and the fourth change of use. While redevelopment's objective is to fight blight by any means that of rehabilitation is to fight it by means that may 'adapt the area to new needs, saves heritage, minimizes displacement of businesses and residences, and maintains the visual richness of the area.' The approach, however, is more challenging than redevelopment. It requires more complex planning and management, mobilization of political support, overcoming challenges from vested interests such as land owners, developers and even professionals, and challenges of financing [23].

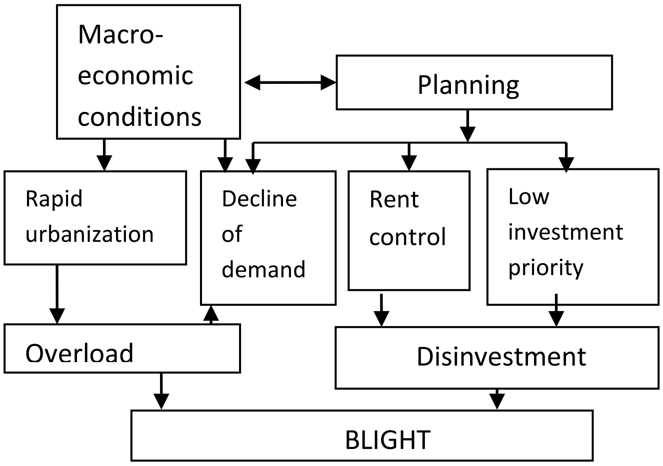

Figure 1 Conceptual framework of blight

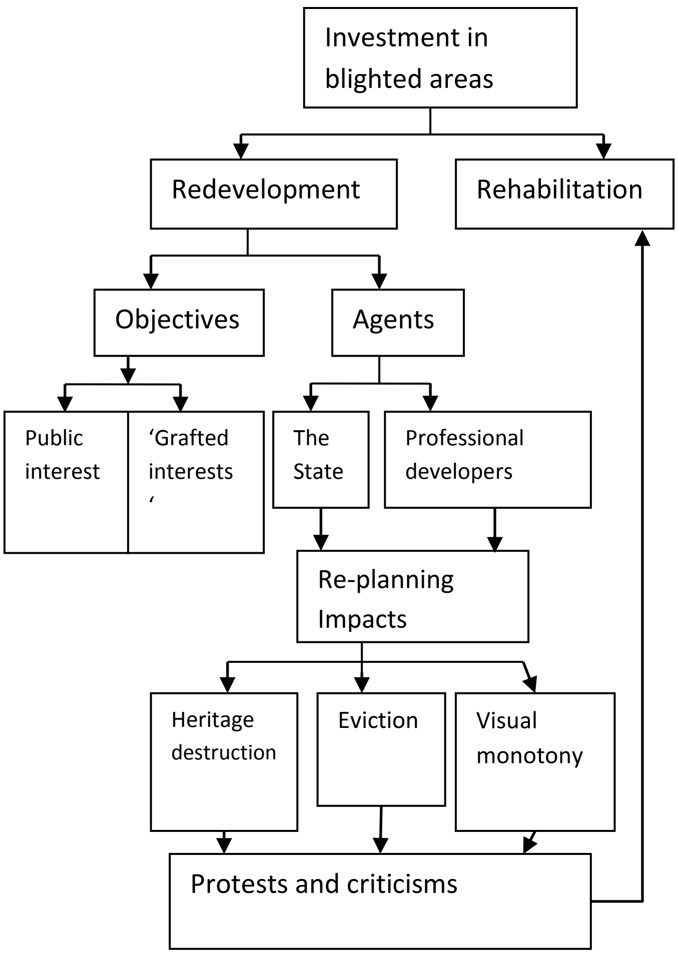

Figure 2 Conceptual Framework of investment approaches in blighted areas

Method

The objective of the research is to conduct an in-depth study of a single case within its context in which data are found in multiple sources such as people, documents, and the physical environment, and as a result, different data collection techniques such as interview, document review, and observation had to be used. A case study approach, considered as more appropriate for such studies, [24] was thus used.

The redevelopment process of the study area had two major parts:

- Designation of the area for redevelopment and selection of developer; and
- Re-planning, clearance, and rebuilding of the area.

Data on the first part and on the re-planning element of the second were collected in 2001 and 2003 for a thesis project. The major focus of the current paper is not on those parts. It is on the remaining elements of the second part and, more importantly, on whether the community based redevelopment approach has prevented the negative effects of professional developer-based redevelopment or conventional redevelopment. The first part is included only to provide a complete description of the redevelopment process of the area.

Data were collected by focusing on the main events of the parts of the process which are the focus of the study including clearance, land transfer, design, financing, construction and operation and the rebuilding output, especially, the buildings. The events were then used to generate questions for interview and checklists for document review and observation. The interview included community leaders, their employed managers, building designers, and land lease officials. Document review included land transfer contracts, building designs, and construction and occupancy documents. Physical observation was focused on urban renewal blocks and individual buildings. The data collection process has also benefited from participant observation due to employment of the researcher as a consultant by two community associations (Dubai Tera and Tesfachin) for a period extending from design up to construction. Data were analyzed mainly by categorization under the events followed by sequencing and narration.

The Case Study

Introduction

The history of sub-Saharan African urban centers, including Addis Ababa, is dominated by weak investment. Mainly due to its macro-economic condition, many of the subcontinent's urban centers were characterized by poor quality buildings, unpaved roads, and absence of infrastructure for water supply and waste management [25].

Investment began to gain strength mainly after the continent had widened its contact with the industrialized capitalist world, first through colonialism and later through trade. In Ethiopia, the first type of contact was limited to five years of occupation while the second was interrupted from 1974-1991 after the country had joined the socialist bloc in which private investments in property and rents were controlled by policy.

Addis Ababa's founding in the 1880s was not only based on weak investment but it was, in fact, based on no investment: it was founded as a traditional military camp in which there was no need for investment since traditional Ethiopian military camps needed only tents which were mobile. Investment began only after decision was made to make the settlement permanent, following the victory over the first colonial attempt by Italy in 1896. The investment however was very weak mainly due to macro-economic conditions. As a result, buildings were limited to tukuls, roads were unpaved and infrastructures were non-existent. Investment capacity had strengthened shortly after as a result of construction of a railway line to the port city of Djibouti. Following that the city was able to import tin and steel nails and upgrade its tukul buildings to tin roof houses for the masses and to higher investment buildings named the 'Addis Ababa style' by Lindhal [26] for the chiefs in addition to investments in some public buildings and roads by government.

Investment in the city was dramatically strengthened during the brief occupation of the country by Italy even though its objective was not public interest. One of the areas which were the center of such investment was the central market place. Addis Ababa's central market (then locally known as Arada) was a large open space devoid of any investment. It had no shopping structures, infrastructure, or paved roads apart from stone and earth mounds (locally called medeb) from which thousands of small retailers selling many kinds of goods operated. Following construction of the railway line mentioned earlier, it had begun to be provided with public and private investment in roads and low investment shopping structures (Fig.3).

Figure 3 The market at its original location (Arada)

Figure 4 Italian master plan for the relocated market

Figure 5 Market Structures for the ‘natives’

Figure 6 Typical Expatriate Community Shops

During the Italian occupation it was relocated to its current location and was provided with a planned layout, paved roads, shopping structures, a cinema, and a mosque (Fig.4). But, even in that relatively high investment context, local traders were able to afford only low investment spaces such as open stalls and simple shelters like tents (Fig.5) while expatriate community traders like Arabs, Greeks, Indians and Armenians were able to invest on shopping buildings organized around the perimeters of the open air markets (Fig.3,4,5,6).

During the post-occupation period the market continued to be one of the centers of public and private investments: government and business invested in several modern market, bank, and hotel buildings, and communities invested in an orthodox church. But it also continued to be dominated by disinvestment and weak investment since the occupation had not changed the country’s macro-economic conditions significantly: landowners, who were the great majority of the investors, invested in typically low investment rental structures for shops in the center of the market and for residence at the periphery. The situation became even worse after the country had joined the communist bloc and the weak investment context was replaced, abruptly, by nearly two decades of disinvestment as a result of private investment bank and rent control policies. During that period rental properties together with land were nationalized and private investments in new and the nationalized rental buildings were prohibited. In addition, rent control policies which had reduced rent up to half had diminished the capacity of the property owner (government) to invest in the upkeep of the nationalized properties.

However, the policies could not effectively prohibit growth of the marketplace through informal subdivision and conversion of properties, appropriation of streets, open spaces, and the arcades. As a result, at the end of this period, and the beginning of the transition in 1991, it had grown into densely packed low-rise residential areas in its northern part, market areas for goods imported from Asian countries such as China, India, and Dubai in its central part, and markets for local products such as food, spices, handicraft and recycled products together with a large area for the recycling in its southern part all in a very severe blight condition (Fig.7). The business part of the market had developed into numerous submarkets (Teras or blocks) in which people largely from similar cultural groups traded similar types of goods.

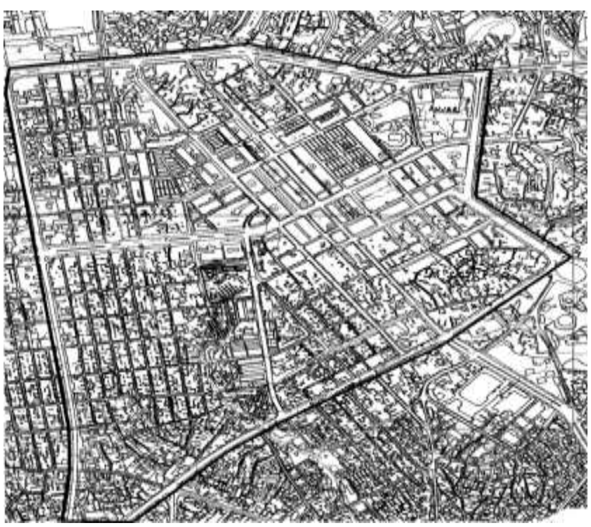

Figure 7 The market place in early 2000

This physical blight was not accompanied by loss of demand or importance. To the contrary, the market was widely viewed as an old and traditional use having heritage value, a public space and a symbol of social integration since it was accessible to all economic and cultural groups, a unique urban area having heritage value also because of its colonial buildings and planned layout, an engine and the 'heart' of the urban and even national economy because of the industriousness of its community and intensity of its activity, and an important goods and service distribution facility, especially, for the low-income majority. In addition it was a peak land value area of the city.

However, after the country had started macro-economic transition in 1991 which has led to lifting of rent control policies and the ban on private investment and strengthening of public and private investment capacities, the market place was earmarked for redevelopment regardless of its heritage value and good reputations. Data obtained from multiple sources indicate that the major factor responsible for the decision was the 'grafted' interest of increasing land use efficiency through high-rise building development which was of particular interest to the government because of its opportunity for increasing land value and tax revenues. The redevelopment was originally focused on professional developers as the subdivision plan above indicates (Fig.8).

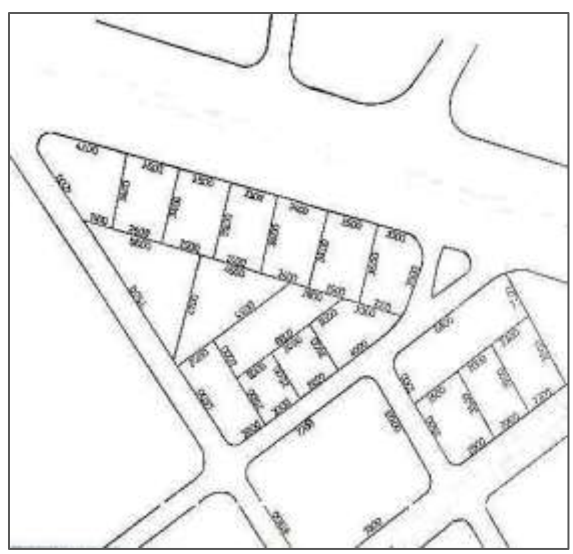

Figure 8 Redevelopment subdivision plan

The focus was even briefly shifted to an international private developer group from Malaysia which had expressed interest to redevelop the market district together with a large residential district south of it. Nonetheless, the final redevelopment agent of the market place was neither the state nor professional developers. It was rather the bazaar trade community. The focus of this paper is on why this shift of agent had occurred and whether it has prevented the common effects of redevelopment.

The Shift of the Redevelopment Agent Role to the Community

Data gathered from multiple sources indicate that the shift of redevelopment agent from the state and professional developers to the community was a result of two major factors:

First, the plan to redevelop the area had led to a threat of eviction and community organization and action consistent with historical trends. The organization was first formed by a market area (Tera) consisting of 160 traders.

Soon it was joined by 1077 traders operating from three market areas and later it was expanded to cover the entire retail and wholesale section of the market place.

The objective of the organization, however, was not to resist the investment in the market area or to maximize compensation for the impacts of eviction. It was to resist the professional redevelopment approach and to shift it to a community-based investment approach. Three factors were responsible for the choice of this form of resistance: absence of decline of property value; the land's ownership by government; and the community's ability to generate resource. At the time the area was a peak land value area despite its blighted conditions, as mentioned above [27]. 100% of the land and close to 90% of property were owned by government. The community was a bazaar trade community which had some investment capacity.

The community's desired investment approach was, however, not redevelopment. It was rehabilitation as the proposal first submitted by the community to the City Administration indicates. This proposal sought to avoid land purchase and re-planning of the area and to limit investment to rebuilding of the stall type shops without changing their scale and organization. However, when this approach was rejected by the City Administration, by insisting on the redevelopment approach, the community shifted its focus from changing the approach to changing the land purchase and re-planning aspects of the approach. In the redevelopment approach land purchase was planned to be conducted through open auctions while the community sought purchase through negotiated prices. Market areas were planned to be subdivided for private development in multi-story buildings as high as nine floors while the community desired collective ownership of the areas and thought that the planned intensity of development was unviable businesswise and beyond the community's capacity investment wise.

The community's shift of approach from rehabilitation to redevelopment led to the government's shift of focus from professional developers to the community, partly through the efforts of a partnership called the "Merkato Millennium Development Partnership" and to processes to accommodate the latter's concerns. The processes included determining land price through administrative means, discussing the prices on numerous meetings and even conferences, and determining the development intensity through a prolonged and participatory master plan preparation and Local Development Planning process [27]. Data indicate that the community was an active participant in the processes and that the processes were able to address its major concerns stated above. Document data obtained from the Capital [28], and provided below, indicate that the participatory planning process through which development intensities were determined, in particular, was not only accommodative of the community's demands but it was also empowering.

"We, inhabitants of Merkato, for the first time were invited to say something about the future of the place. We were invited and have been participating starting from the initial stage for almost two years, and our effort can be described as successful. We discussed with them about our capacity and the unique features of Merkato. The Master Plan Revision Project is a good model for all other government institutions" [28] In short, the above is analysis of data on why and by what process the redevelopment agent had shifted to the community from professional developers. Analysis of the extent to which this shift has altered the common effects of redevelopment such as eviction, heritage destruction, visual monotony, and re-planning will be presented below.

Eviction

The marketplace's redevelopment did not involve compulsory purchase of land from private owners, state supported eviction of tenants, and transfer of land to commercial developers. As stated above all land in the entire market was owned by the state or the City Administration in addition to, close to 95% of the properties. Therefore, they did not need compulsory purchase by the state in order to be transferred to the investors. The transfer itself was made to the community share companies in which tenants were all registered members regardless of their ability to contribute to the investment. Therefore, the redevelopment did not entail direct state supported eviction of tenants because the latter were protected by the share companies.

The major cost elements of the redevelopment process were land cost and development cost. Land cost for each block was computed by multiplying the unit rate by land area and the lease period which was 50 years for business. Out of this, 25% was required to be paid as advance payment up on signing agreement while the balance and its interest were required to be settled in 15 years. Payments for land during the pre-operation period had to be effected through contributions by the share company members. The Contributions had to cover also 30% of the construction cost to fulfill the requirements of banks to qualify for loan. Banks were highly motivated to provide loans by holding the properties as collateral. They were also one of the major customers for renting space in the new buildings. For example, a total of nine banks have rented space for their branches in Dubai Tera alone. The main challenge was, thus to generate money for the contributions while the shops were cleared for redevelopment. This challenge was overcome by negotiating temporary business space on the right of way, on the perimeter of the cleared blocks. Each member was provided with a shop which could be operated or rented out during the redevelopment period. These shops were more popular than those in the new buildings because of their on-street location so much that they had delayed moving to the new buildings for months in some Teras like Dubai Tera. It was also observed that the colonial short urban blocks and grid street pattern have made provision of space for the temporary shops and storage of construction materials possible without creating serious traffic problems in the market place.

But even with these arrangements not all members were able to meet the requirements of contributions. For example, in Atkilt Tera, some 15 former vegetable trader weaker economic group tenants were reported to have sold their shares, at market prices, and exited the share companies because they could not pay contributions for land transfer payments and for starting construction. That means, although the community based redevelopment was successful in preventing direct state induced eviction, it was not in preventing the indirect one, that has resulted from requirements of paying very high land prices and investing in high investment building. The latter type of eviction was, nonetheless, relatively more preferred because its compensation, which is at market rates, was thought to be much higher than that of the former, if at all made.

Heritage Destruction

The marketplace was, in principle, a heritage in whole since it is traditional in land use, a colonial heritage in physical terms and has many good reputations. This was not acknowledged by the market's local development plan.

Fig.9 A residential building from the occupation period

Only the heritage value of some structures such as the Orthodox Church, the mosque, a post-colonial modern market hall building (Fig.9), and an occupation period large residential building later converted to a hotel (Fig 10) was acknowledged.

Fig.10 A post-occupation period market hall

The plan, however, was not implemented in full. For example, the latter heritage building was cleared with the rest of the market structures and its site was assembled with the adjoining portion of the block and transferred to the block's association.

According to Development Control and Land Lease Office officials the problem is attributed to conflict of interest on the part of the City Administration: conflict between its land seller interest and the public interest, which, in this case, was resolved by giving priority to the former.

According to the officials, although the 'religious buildings appear to be immune because they have their own strong armies' it is only a matter of time for the third heritage building to be exposed to the same practice. As long as the redevelopment is tenant based effective resistance to clearing any site, other than the religious ones, is unlikely. In fact, for most of the site's land transfer applications have been submitted by organized tenant groups and they are only awaiting decision.

Visual Monotony

The community had a centralized organization for the reaction, but once the reaction has succeeded, the design of buildings was decentralized to block level and each block was designed independently. Therefore, there was no design duplication problem. The problem, in this case, was rather lack of design coordination. There were no urban design guidelines or other instruments to coordinate the designs apart from the building height regulation. Thus, wide variation of roof design, façade design, material and color were observed. The building height regulation itself had ceased to be a regulating instrument when in reaction to rapidly increasing land value and willingness of banks to supply loans, share companies became willing to increase height as in the case of old Atkilt Tera (increased to five stories) or Mars Hotel block (increased to eight stories). However, total visual chaos was prevented by factors such as: block level centralization of design, similarity in design programs, in space organization, and in building line. The buildings, typically, consisted of one or two levels of underground car parking floors, ground and one or two upper floor commercial spaces, and cafes and restaurants on the top floors. They were, typically, organized around glass roof covered atriums provided for natural light and ventilation. Shops were organized in two rows, one facing the atrium and the other the street, and having shutters which can open them up to full public view during the day time just like the traditional stalls. Blocks were fully built-up in order to maximize number of shops and maintain their traditional close link with the street. In addition to these, block level design centralization has prevented plot level decentralization. Had the blocks been subdivided into plots and had buildings on each plot been designed independently, the effect of lack of coordination would have been increased considerably. (Fig. 11)

Figure 11 Variation of façade design among the different blocks of the market

Re-planning

Although the investment is known as redevelopment, according to Burn's definition it was more rebuilding or partial redevelopment. The investment did not involve re-planning apart from market area land assembly, widening of some roads, proposing to pedestrianize two roads, and increasing building height. Re-planning did not include change of layout, provision of infrastructure like sewerage, amenities like parks and green areas, and mixing of land use.

Increasing building height without layout and land use change has led to multiplying space supply without corresponding rate of increase in demand. This has begun to lead to decline of rent and growth of vacancy. For example Dubai Tera which is located at the heart of the market had to rent out shops at 50% of commonly expected rate. Even that had to be reduced more than two times within three years in response to threats of moving out. But still 30% of the building is vacant after three years of operation even after some floors were converted to offices. The situation is similar in many Teras.

Drainage sewer lines were not provided due to failure to re-plan the waste management system of the market area. As a result, streets are forced to accommodate storm water and market areas are forced to depend on cesspools for waste water management. It was observed that cesspools that are located under basement floors are exposed to filling during the rainy season when the ground water rises while those located at basement floors are causing air pollution.

Thus, the re-planning has two major constraints: increasing building intensity in all market areas and further investment through the redevelopment approach are likely to lead to further increase in rent decline and in vacancy rate leading to loss of capacity by the property owners to upkeep the properties. The absence of amenities and infrastructure can lead to gradual decline of demand and aggravation of this situation. When that happens, sooner or later, the market will have to deal with yet another type of blight: the demand and property value decline blight.

CONCLUSIONS

The conceptual study indicates that the main driving force for investment in old urban areas has been blight which was historically defined as an urban quality that creates concern for public health and safety, that investment in old areas were originally focused on the 'public interest' or fighting the concerns, that blight is driven mainly by disinvestment and weak investment in urban centers and areas, that these drivers are in turn driven mainly by macro-economic factors, demand or property value decline, and policy factors, and that the literature is focused on the second factor and the direct element of the third.

It also shows that, historically, the main investment approach in old urban areas has been redevelopment, that its main objective has been to return demand to the city core, that its major investors were the state and commercial developers, and that it was commonly associated with negative effects such as eviction, community reaction, heritage destruction and visual monotony, and that criticisms of these effects have gradually led to the emergence of the rehabilitation approach which attempts to solve the problems of old areas while maintaining most of the urban fabric.

On the other hand, the study generally suggests three major conclusions: much of the blight was driven by macro-economic and policy factors rather than property value decline; the goal of redevelopment has rarely been the classic public interests of health and safety: they were mainly the 'grafted' objectives of modernization, efficient use of land, and increasing tax revenue; and although the community investment approach was redevelopment it has, however, managed to prevent some of the negative effects of commercial redevelopment in addition to empowering the community.

The unique nature of the blight has led to a unique type of community reaction: a fight to invest and stay rather than flight to the periphery. It has also led to a unique type of investor. Had the blight been property value decline-driven, the investors would very likely have been the state and commercial developers. Of course, in addition to the type of blight, types of community and property ownership have played roles. Had the community been low-income-residential a fight to become investor would have been very unlikely. Similarly, had the property ownership been private, there may not have been serious blight in the first place given that there was no property value decline. The community led redevelopment has averted the common threats of commercial redevelopment: there was no direct state sponsored eviction, heritage market use and layout were protected, and visual monotony and over-coordination were prevented although they appear to be replaced by lack of coordination because of inadequate support from the state. In addition to failing to provide sufficient coordination the state has been driving oversupply of property which has been leading to indirect eviction of lower income groups by making financial contributions for the redevelopment projects unaffordable. There are also indications that this oversupply of property is leading to rent decline and placing the market place on the path of the property value decline strand of blight.

The study also suggests the following major actions in order to improve investment in old areas of Addis Ababa and similar urban centers:

- Selection of investment approach for old urban areas shall be based on adequate study of heritage and other values of the areas through participatory processes;
- Community investment approach shall be encouraged and adequately supported and coordinated because of its empowering, wealth redistributing, and negative redevelopment impact reducing potentials;
- Redevelopment of old areas shall include re-planning to deal with lack of infrastructure and amenities and shall also include proper demand study in order to prevent over-supply of property and the threat of replacing one form of blight by another;
- Public involvement in planning shall be a proactive component of the planning process rather than a retroactive one which must be sought by communities through protest; and
- Participation in planning shall be inclusive of all stakeholders and its processes shall be accountable to the stakeholders.

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