DESTITUTION IN ETHIOPIA'S NORTHEASTERN HIGHLANDS (AMHARA NATIONAL REGIONAL STATE)

Kay Sharp
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April 2003

Institute of Development Studies
at the University of Sussex
Brighton BN1 9RE
UK

SC-UK Ethiopia
PO Box 7165
Addis Ababa
Ethiopia

A policy research project funded by the
UK Department for International Development (DFID)

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FINAL REPORT

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ABBREVIATIONS

AAU	Addis Ababa University
ACSI	Amhara Credit and Savings Institution
ADAW	Association of Development and Aid in Worehimeno Area, South Wollo
ADLI	Agricultural Development-Led Industrialisation
AEZ	Agro-Ecological Zone
AIDS	Acquired Immune Deficiency Syndrome
ANRS	Amhara National Regional State
BCG	anti-tuberculosis vaccine
CFW	cash-for-work
CMR	Child Mortality Rate
CPRC	Chronic Poverty Research Centre
CSA	Central Statistical Authority
CSAE	Centre for the Study of African Economies
CVI	Chronic Vulnerability Index
DFID	Department for International Development
DPPC	Disaster Prevention and Preparedness Commission
DPT	Diphtheria, Tetanus and Pertussis (vaccine)
DRC	Democratic Republic of Congo
EBSN	employment-based safety nets
EC	Ethiopian Calendar
EGS	Employment Generation Scheme
EPLF	Eritrean People's Liberation Front
EPRDF	Ethiopian People's Revolutionary Democratic Front
ERTTP	Ethiopian Rural Travel and Transport Sub-Program
EU	European Union
FDRE	Federal Democratic Republic of Ethiopia
FEWSNet	Famine Early Warning System Network
FEZ	Food Economy Zone
FFW	food-for-work
FSCO	Food Security Coordination Office
GC	Gregorian Calendar
GDP	Gross Domestic Product
GIS	Geographic Information System
GPS	Geographic Positioning System
GR	Gratuitous Relief
HDI	Human Development Index
HFE	Household Food Economy
HICE	Household Income, Consumption and Expenditure survey
HIV	Human Immunodeficiency Virus
HSDP	Health Sector Development Programme
IDR	Institute of Development Research (at Addis Ababa University)
IDS	Institute of Development Studies (at the University of Sussex)
IFPRI	International Food Policy Research Institute
ILRI	International Livestock Research Institute
IMR	Infant Mortality Rate
KDC	Kebele Development Committee
masl	metres above sea level
MEDAC	Ministry of Economic Development and Cooperation

MoFED	Ministry of Finance and Economic Development
MoLSA	Ministry of Labour and Social Affairs
NGO	Non-Governmental Organisation
NIC	National Intelligence Council
NSP	Nutrition Surveillance Programme
OED	Oxford English Dictionary
PCA	Principal Components Analysis
PLWA	People Living With AIDS
PPA	Participatory Poverty Assessment
PPP	Purchasing Power Parity
PRA	Participatory Rural Appraisal
PRSP	Poverty Reduction Strategy Paper
PWD	People With Disabilities
R2D	Relief to Development
RDSP	Road Sector Development Programme
REMSEDA	Regional Micro- and Small Enterprise Development Agency
SC	Service Cooperative
SC-UK	Save the Children (United Kingdom)
SDPRP	Sustainable Development and Poverty Reduction Programme
TAPS	Transitional Asset Protection System
TB	Tuberculosis
TLU	Tropical Livestock Unit
UFRD	urban functions in rural development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VAM	Vulnerability Assessment and Mapping
VRP	Voluntary Resettlement Programme
WFP	World Food Programme

SUMMARY

Background

This research project into the magnitude, causes and consequences of destitution in the former Wollo province of Ethiopia was motivated by a combination of empirical and policy concerns.[1] The empirical context is an apparent contradiction between 'official' evidence from household surveys, that poverty in rural Ethiopia has fallen significantly since the early 1990s; against qualitative evidence from NGOs and other 'unofficial' sources that millions of people in the historically famine-prone northeastern highlands are worse off and more vulnerable than ever. The policy context is Ethiopia's chronic dependence on food aid, and a growing concern that the diversion of increasing volumes of international assistance to meet *emergency* appeals and annual food deficits is displacing investment in efforts to address the *underlying* causes of chronic food insecurity. A related objective of the study was to refocus policy-makers' attention away from acute or transitory food insecurity towards the needs of a large (and possibly growing) group of people living permanently in extreme poverty, or 'destitution' – a highly vulnerable group which has been neglected in current policy discourses around poverty reduction and the Millennium Development Goals.

It was against this background that the Destitution Study was commissioned by Save the Children UK (Ethiopia), with funding from the UK Department for International Development (DFID). Local Government partners were the Amhara Regional Disaster Prevention and Preparedness Commission (DPPC) and the Amhara Regional Food Security Coordination Office (FSCO). The study was undertaken by a team of researchers from the Institute of Development Studies (IDS) at the University of Sussex, the Institute of Development Research (IDR) at Addis Ababa University, and locally recruited field staff. Logistical support for the fieldwork was provided by SC-UK.

The Destitution Study aimed to provide answers to the following specific set of conceptual, empirical and policy questions:

- *What is destitution?*
- *How do people become destitute?*
- *How many people in Wollo are destitute?*
- *Is destitution in Wollo increasing?*
- *What are the most appropriate policy measures to address destitution in Wollo?*

The study area

The study area for this project was defined as the three zones of Amhara National Regional State that cover the territory formerly known as Wollo province: South Wollo, North Wollo and Wag Hamra.[2] Though predominantly a high-altitude area, parts of all three zones are characterised by dramatic gorges and slopes leading down to lowland plains. This difficult topography, combined with limited road networks, creates problems of inaccessibility for many communities. It also means that the study area covers all three major agro-ecological zones in Ethiopia: *dega* or highlands (3,000-4,000 metres above sea level); *woina-dega* or mid-highlands (1,500-3,000 masl); and *kolla* or lowlands (below 1,500 masl).

The total population of the three zones is approximately 4.5 million, 90% of whom are rural and engaged in smallholder ('peasant') agriculture as their primary occupation. There is only one significant urban centre, the town of Dessie in South Wollo, which was excluded from the sampling frame as the research focused primarily on rural livelihoods.

[1] The full title of this study is as stated on the report cover, but for brevity we will often prefer the term 'Destitution Study'.

[2] In this report, 'Wollo' is sometimes used as a shorthand term for the entire study area.

Understanding destitution

The concept of destitution relates centrally to three topical debates in the poverty literature:

- the ***definition*** of poverty: narrow income- or consumption-based definitions, *versus* broader notions that incorporate non-material dimensions of deprivation, such as social exclusion;
- the ***temporal*** dimension of poverty: 'chronic poverty' *versus* 'transitory poverty'; and 'poverty dynamics' (the movement of people in and out of poverty from year to year or season to season);
- the ***measurement*** of poverty: the use of quantitative methods (such as household income and expenditure surveys) *versus* qualitative methods (such as participatory tools and anthropological techniques).

In terms of definitions, destitution is grounded in multi-dimensional notions of poverty – since destitution implies social and political as well as economic deprivation – rather than one-dimensional 'money-metric' measures – income poverty. Conceptually, destitution relates better to Amartya Sen's notion of 'capability deprivation' and recent emphases on 'sustainable livelihoods' than to the more established 'dollar-a-day' poverty line. The limited literature on destitution defines it in terms of 'extreme poverty', associated with 'commodity deprivation', 'assetlessness', and 'social marginalisation'. Some writers make a distinction between destitution as a *process* of impoverishment (which can follow a sequence of livelihood shocks, such as the recurrent droughts typical of the Ethiopian highlands) and destitution as an *outcome* or state of being.

The fact that destitution concentrates attention on the 'poorest of the poor' challenges the focus of many recent econometric studies on economic mobility or 'churning' around the poverty line, which risks neglecting or overlooking the plight of those who subsist far below the poverty line, in the most severe state of deprivation. Even the concept of 'chronic poverty' – defined in terms of lengthy *duration* – does not adequately focus on the *depth* or *severity* of poverty. Methodologically, this broader conceptualisation necessitates the use of a range of approaches, both qualitative and quantitative, to capture as wide a range of defining characteristics, outcome indicators, causal processes and livelihood impacts of destitution as possible.

These reflections on the literature resulted in the elaboration of the following definition by the Destitution Study team:

> *Destitution is a state of extreme poverty that results from the pursuit of 'unsustainable livelihoods', meaning that a series of livelihood shocks and/or negative trends or processes erodes the asset base of already poor and vulnerable households until they are no longer able to meet their* ***minimum subsistence needs****, they lack access to the* ***key productive assets*** *needed to escape from poverty, and they become* ***dependent*** *on public and/or private transfers.*

Local concepts of severe poverty in Wollo appear to resonate with the idea that destitution implies an inability to meet basic needs (especially food), "having nothing", and depending on others for their survival. Destitution constitutes a failure to achieve the cultural ideal of self-reliance. In wealth ranking exercises conducted during fieldwork, the poorest cohort in many communities were described, *inter alia,* as "those who have nothing" and people who "have nothing to boil except water". Participants in group discussions also emphasised destitution as a community-level phenomenon, pointing out that the plight of the poorest was most precarious in those communities that were resource-poor and "sliding down" over time. The destitute need the support of the non-poor to survive, but there are fewer better-off people in Wollo today than in the past.

The conceptual framework adopted for our analysis of destitution in Wollo was a modified 'sustainable livelihoods' approach, which was felt to be appropriate because it identifies:

- several categories of ***livelihood resources*** or productive assets (natural, social, human, physical and financial 'capital');
- the full range of ***institutions*** (including informal norms and social relations, as well as formal organisations such as Government and NGOs) that mediate access to livelihood resources;
- various ***livelihood strategies*** (agricultural intensification, livelihood diversification, migration) pursued by individuals and households.

Summing up, we understand destitution to be: primarily a failure of *livelihoods;* both a *state* and a *process;* a *chronic* problem rather than a short-term emergency; and a syndrome at the *community level* as well as at the level of households and individuals.

Survey methodology

The primary data presented in this report was collected in fieldwork carried out during the dry season months of November 2001 to March 2002, to allow access to sites that are unreachable during the rains. Since destitution was defined as a multi-dimensional concept, an integrated methodological approach was developed, drawing on both quantitative and qualitative research methods that were applied at household and community levels.

For the 'quantitative' survey, a household questionnaire was designed and administered to a stratified multi-stage random sample of over 2,000 households. The sampling frame was the three administrative zones of the study area, stratified by 'food economy zone' (FEZ); while the primary, secondary and tertiary sampling units were the *kebele* (sub-district), *gott* (village) and household respectively. The sampling rules were as follows: for each of the 9 FEZ in the study area, 3 *kebeles* were randomly selected; in each selected *kebele,* 4 *gotts* were randomly selected, and in each selected *gott*, 20 households were randomly selected (total sample = 2,160 households, 2,127 [98.5%] of whom were successfully interviewed). For the in-depth 'qualitative' fieldwork, 9 sites were purposively selected from the list of 108 *gotts* selected for the household survey, the sampling rule being 1 *gott* per FEZ, to reflect the agro-ecological, 'food economy' and cultural diversity of the study area.

The questionnaire included sections on household demographics, livelihood activities, ownership of and access to productive resources (land, labour, livestock, credit), migration, participation in social institutions, access to formal and informal transfers, achievement of basic needs (food consumption, clothing, housing), and a self-assessment of household well-being. In the community-level fieldwork, standard anthropological methods were used – focus group discussions, life histories, key informant interviews – as well as appropriate participatory tools, such as community time-lines, wealth ranking, matrix scoring, seasonal calendars and institutional mapping.

Each survey instrument included both qualitative and quantitative elements: the household questionnaire, for instance, incorporated a proportional piling exercise on income sources, while quantitative information on community resources was elicited in the community-level fieldwork. Data analysis used SPSS for the quantitative data and NVivo for qualitative data. Digitised maps of the study area were produced using GPS equipment and GIS software.

How many people in Wollo are destitute?

The complexity of the concept of destitution, and a lack of consensus on its definition and measurement in the literature, makes quantifying the number of 'destitute' people in the study area extremely problematic. A number of alternative approaches were used. One method was *self-assessment* by respondents to the questionnaire. The phrasing of this

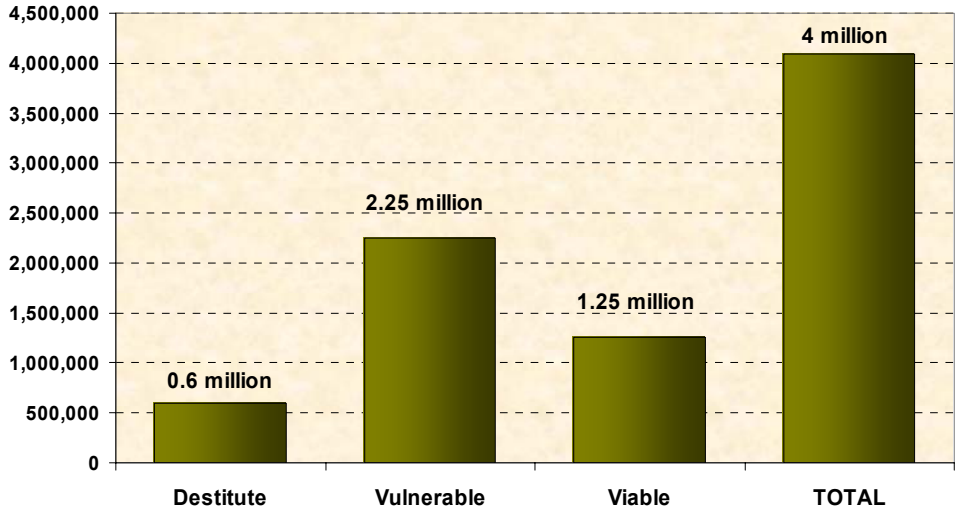
question described the poorest category as *"unable to meet the household's needs by your own efforts, and unable to survive without support from the community or government".*

Reassuringly, the range of responses to this subjective question suggests that interviewees resisted the temptation to grossly exaggerate their true state of relative deprivation:

- 14.6% of households surveyed [310 of 2,127] claimed to be "unable to meet the household's needs", and were classified as *destitute*;
- 54.9% of households [1,167 of 2,127] reported they were "struggling", and were classified as *vulnerable*;
- 30.6% of households [650 of 2,127] replied that they were "doing okay" [3.1%] or "doing well" [27.5%]; these households were considered to have *viable* livelihoods.

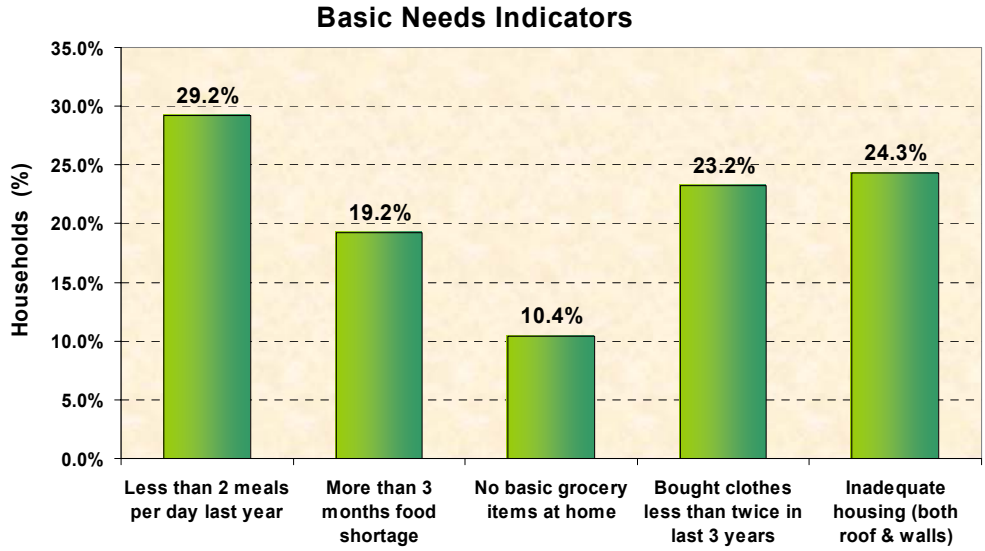
Extrapolating these self-assessment results to the study area as a whole produces a crude estimate of ±600,000 'destitute' people, 1¼ million 'viable' and 2¼ million 'vulnerable' people, in the total rural population of just over 4 million. Disaggregating these figures by zone, the prevalence of destitution appears to increase from south to north: 10.6% in South Wollo, 13.1% in North Wollo, and 20.2% in Wag Hamra. (On the other hand, there is some evidence that vulnerability has recently been rising faster in southern Wollo than in the poorer, more drought-prone north.)

Self-Assessed Destitution in the Study Area

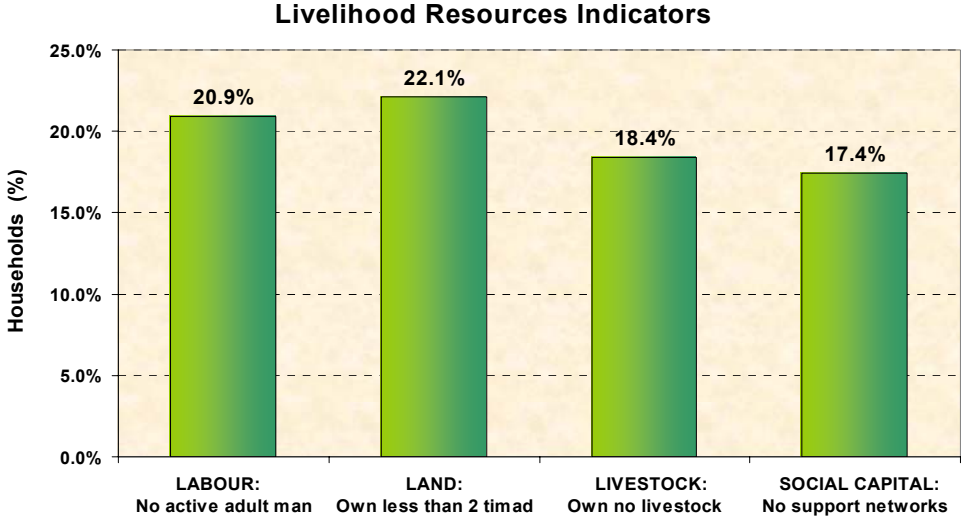


Secondly, 17 indicators of destitution were derived from the household questionnaire, following the three elements of our definition of destitution – inability to meet minimum subsistence needs, lacking key productive assets, and dependence on support from others. 'Basic needs' indicators included two for *food security* (meals per day during the hungry season; months of seasonal food shortage) and three for *other needs* (clothing purchases; housing quality; expenditure on basic grocery items). 'Productive assets' indicators were based on livelihoods categories: *human capital* (household labour capacity; male adult labour; access to non-household labour); *natural capital* (farmland owned; land cultivated); *physical capital* (oxen owned; total livestock ownership); *financial capital* (access to cash credit; access to cash gifts or remittances). This last indicator overlapped with two indicators of *social capital* that reflected 'access to transfers' or 'dependence on others' (access to social support networks; participation in social institutions).

Cut-off points for each indicator were applied, using local knowledge. For instance, for 'food security', households were classified as 'viable' if their adult members consumed 3 meals, 'vulnerable' if they consumed 2 meals, and 'destitute' if they consumed 1 meal or 0 meals, during the worst days of the previous hungry season.



For 'land cultivated', less than ½ a hectare (or 2 *timad)* of land has been labelled a "starvation plot" by Dessalegn Rahmato, so households farming less than 2 *timad* were considered destitute. An important finding in this respect is that half the sample were renting or sharecropping land in or out, resulting in a net transfer of land from poorer households – those who lack labour or draught power to farm – to better-off neighbours. The proportion of non-farming households rose from 7% (*de jure* landless) to 13% (*de facto* landless) through this active informal land rental market. For this reason, and since land distribution in Wollo is relatively egalitarian, 'land cultivated' proved to be a more robust proxy for destitution than 'land owned'.



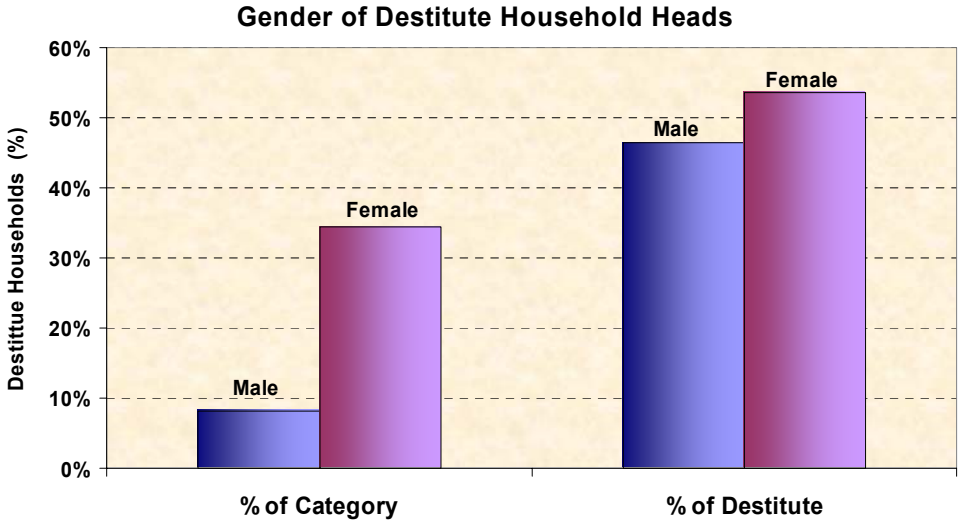
Discounting outliers such as financial capital (73% of households had no access to credit, which is too indiscriminate to identify the destitute), the proportion of households classified as 'destitute' in terms of the single indicators ranges from 4.2% to 41.1%, with an average of 19.4% – not much higher than the self-assessment result of 14.6%. Also, although our concepts of 'destitute' and 'vulnerable' are not equivalent to standard poverty measures, it is worth noting that the average of our destitute (19.4%) + vulnerable (42.1%) households, at 60.1%, is almost identical to the official poverty headcount for rural South Wollo, North Wollo and Wag Hamra, at 59.8%.

Thirdly, we constructed a composite 'destitution index' combining the 17 single indicators, which were scaled and weighted using principal components analysis (PCA). When the scores of the indicators on the first principal component were ranked, livelihood resources

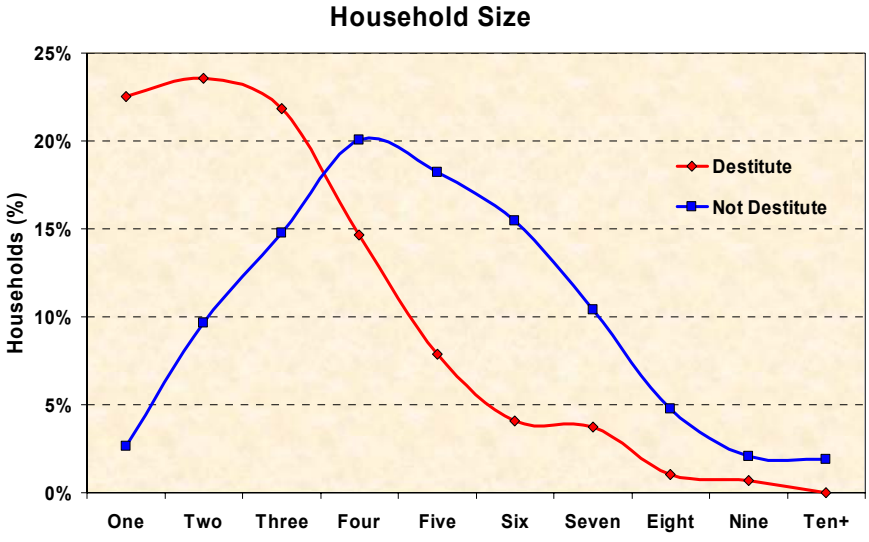
indicators – livestock ownership, access to land, labour availability – occupied 6 of the first 7 places, ahead of all basic needs indicators. Ranking all 2,127 households in the sample according to their score on the 'destitution index' proved to be robust against the 'self-assessment' indicator – fully 95% of the 310 self-assessed destitute fell in the bottom 40% of households ranked by the destitution index. Finally, the 293 households that satisfied both these criteria were defined as the 'destitute' (13.8% of the sample), and much of the subsequent analysis was based on comparing this distinct group against the larger sample.

Who are the destitute?

Destitution in Wollo is gendered. One in three female-headed households [35%], but only one in twelve male-headed households [8%] is destitute. So female-headed households are four times more likely to be destitute than male-headed households – but this does not provide a robust proxy for targeting resource transfers. Targeting female-headed households would result in high *inclusion errors* (since two-thirds [65%] are *not* destitute) and high *exclusion errors* (since there are four times as many male-headed as female-headed households, the actual number of destitute male-headed households is not much lower than the number of destitute female-headed households).

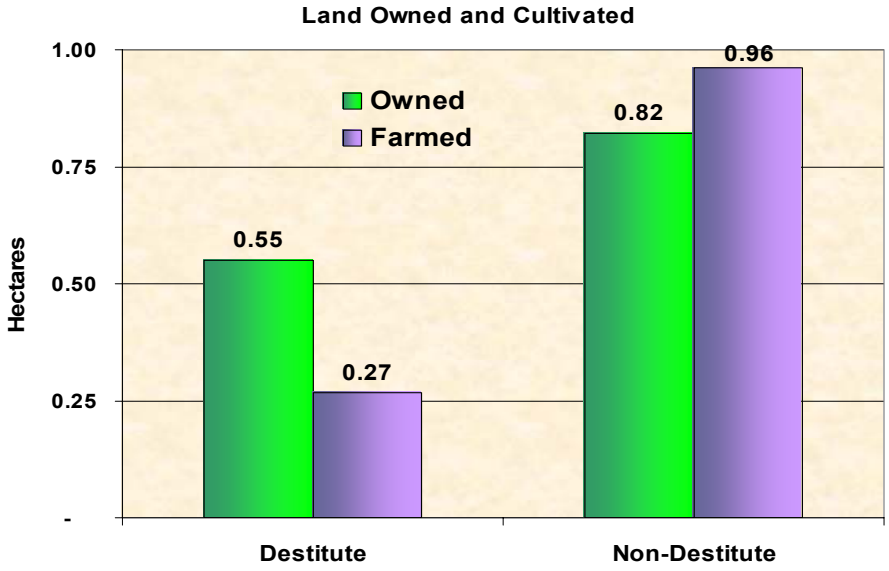


Destitute households are more likely to be smaller than average – more than half of all single-person households are destitute – contradicting the common assumption that the poorest households tend to be large, with high dependency ratios. Our finding supports a related finding, that labour constraints at the household level are a highly significant determinant of destitution. Two-thirds of destitute households have no able-bodied males.



The classification of households as 'destitute' or 'not destitute' is validated by supporting evidence that our destitute households are significantly more food insecure and less able to meet their basic needs than households classified as non-destitute. For example: three-quarters (76%) of destitute households, but less than half (43%) of the non-destitute, live in visibly inadequate housing.

Destitute households also own (or have access to) substantially fewer productive assets – being resource-constrained is, of course, a defining characteristic of destitution. Destitute households not only own less land than others, they also lose control of half their land through renting or sharecropping it out (their average *landholding* is 0.55 hectares, but their average land *farmed* is 0.27 hectares.

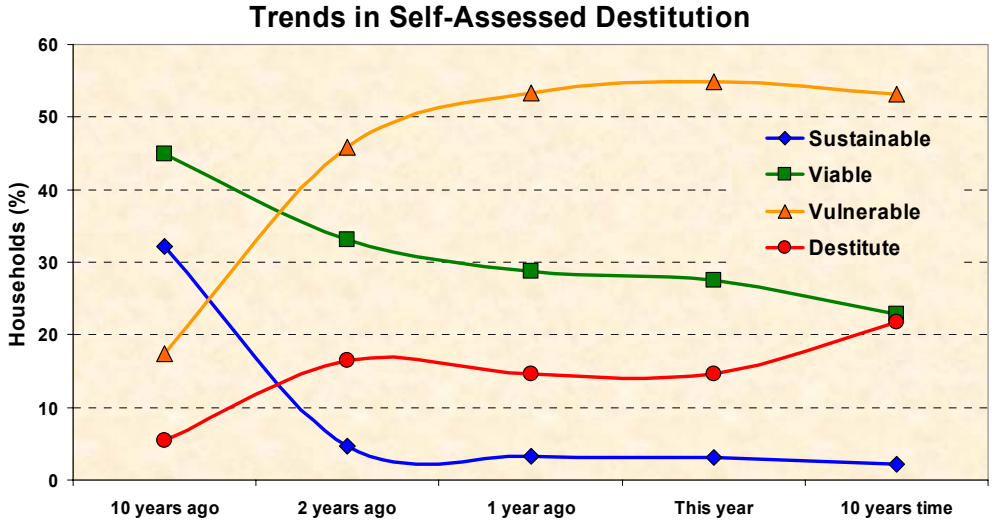


The average livestock ownership in the sample (at 1.64 tropical livestock units, or TLUs) is six times that of the destitute (at 0.28 TLUs). Finally, destitute households have weaker social networks and participate in fewer social institutions (such as funeral societies or reciprocal work groups), which is consistent with a definition of destitution that emphasises social exclusion as well as material deprivation.

Is destitution increasing in Wollo?

Although a rigorous analysis of trends in destitution and vulnerability was beyond the scope of this project, several pieces of evidence from the household survey and the community-level fieldwork provided complementary insights into recent changes in relative well-being of the Wollo population over time.

Firstly, the self-assessment question in the household survey asked respondents to categorise themselves at four points in time: ten years ago, two years ago, one year ago, and at the time of the interview. This method produces some extremely worrying trends. The proportion of destitute households has increased nearly threefold over the past 10 years [5.5% to 14.6%]. A technique adapted from medical epidemiology called 'survival functions' reveals a cumulative probability of ±20% that those households that were not destitute in the early 1990s would become destitute by 2001/02; this risk was double [40%] for female-headed households. Equally importantly for policy-makers, 'vulnerable' households have increased even more dramatically, from 17% a decade ago to 55% in 2001/02, implying that a majority of the study area population are at risk of falling into destitution in the future. Also significant is that the better-off ('viable' and 'sustainable') groups have collapsed from 77% to 31%, and will continue to decline.



Participatory techniques used in the 'qualitative' field sites results reinforced the findings from the household survey. Historical wealth ranking and community time-lines confirmed that the nature as well as the scale of extreme poverty is worsening: 6 out of 9 communities asserted that a new category of destitute households (*"wuha anfari"*) has emerged in the last 10 years. Equally alarming, but consistent with the household self-assessment, 7 of the 9 communities reported that the better-off groups who used to provide vital assistance and access to resources (such as draught oxen) to the poor are shrinking or even disappearing, contributing to household-level vulnerability and community-level destitution. (One positive lesson to draw is the fact that the only two exceptions to this general trend of deepening poverty are both located near to fast-growing towns.)

How do people in Wollo become destitute?

Understanding the trajectories that households follow from viability to destitution in Wollo requires understanding contextual or structural factors, as well as household-specific characteristics. One strand of thinking explains poverty and food insecurity in highland Ethiopia in 'carrying capacity' terms – too many people trying to make a living from too little land. Inadequate physical infrastructure, weak markets, constrained access to agricultural inputs, unreliable rains, few off-farm employment opportunities, and inappropriate policies (such as inflexible land tenure) contribute to maintaining the growing rural population in a 'Malthusian poverty trap', according to this view. Policies are crucial in this context. It is not so much the type of tenure system as much as tenure *security* that farmers need; but policy uncertainty and a history of radical and unpredictable change in the policy environment impose a significant deterrent on investing in land and agricultural technology.

More broadly, the poorest households in Wollo face resource constraints of all kinds – land, livestock, labour, inputs, credit – which inhibit their ability to construct viable livelihoods and leave them highly vulnerable to shocks that could push them over the edge at any time. In the exceptionally undifferentiated economy of the Ethiopian highlands, dependence on rain-fed agriculture exposes rural communities to recurrent livelihood shocks following rain failures. Many households in Wollo have never fully recovered from the 1984 famine, while the recent cycle of poor *belg* rains has forced households in the *belg*-dependent areas into distress sales of key productive assets to survive – another often irreversible 'poverty ratchet'. *("When the harvest's not good you have to sell things, and you become poor.")*

Idiosyncratic shocks are another source of destitution. Households that lose adult males – particularly female-headed households that are created by divorce or widowhood – are at serious risk of becoming destitute. Almost as serious is major health shocks that impose devastating costs of caring on the household and deprive them of scarce productive labour.

As HIV/AIDS spreads through rural Ethiopia, this trajectory into destitution is likely to become increasingly common.

What policy measures are needed to address destitution in Wollo?

Our analysis reveals that *access to key productive assets* is the binding constraint that undermines the efforts of most destitute households in Wollo to make a viable living. For the labour-constrained destitute, little can be advocated except more comprehensive and effective 'safety nets' or social protection transfers – although these are expensive and logistically complex to administer, especially in the difficult terrain of Wollo. For the 'working destitute', enhancing their access to productive resources is arguably the only feasible way of reversing processes of impoverishment, phasing out chronic dependence on food aid, and empowering poor households to achieve sustainable livelihoods. However, this need not imply direct asset transfers to destitute households: *access* can be improved not only through asset *ownership*, and asset-holdings are equally important at community as at household level. (It is not necessary to provide a pair of oxen to every household in order to ensure access to draught power for all families in a community.)

Policy-makers must also choose between continuing to support *agriculture-based livelihood strategies*, or investing more energy and resources in promoting *non-agricultural livelihood options*, if they judge that 'sub-subsistence' agriculture in the highlands is unviable in the long term for the steadily growing population. (Resettlement, as discussed below, relocates people in an attempt to alleviate environmental pressure in the highlands, but it does not transform their livelihoods.) Our view is that more support to both farming and the rural non-farm economy is essential, but that reducing poverty and vulnerability requires market integration, investment in infrastructure, and small town development. Our findings strongly suggest that proximity to (preferably growing) small towns provides a clear route out of destitution and vulnerability for rural households and communities in the catchment area.

Our recommendations therefore fall into two categories: those that promote enhanced access to *assets*, and those that promote more productive *livelihoods*. Detailed discussion of our policy recommendations can be found in the 'Implications for Policy' chapter. Below, the main recommendations are presented without further comment.

Land tenure

- We recommend experimenting with *land consolidation* as a way of maximising land utilisation and output in the north-eastern highlands, and we urge the authorities to clarify to farmers that this (like renting land) is not illegal, but is in fact encouraged as a community-level response to falling landholdings.
- Whatever land tenure system is in place, all farmers need *tenure security*, which means both (formally) some form of registration of their right to their land, and (informally) confidence that government policy with respect to land redistribution or changes to the tenure arrangements will not arbitrarily change in the future.
- We share the government's view that land titling would create more problems than it solves. However, given the current context of critical food insecurity and rising destitution in the Amhara highlands, more *flexibility* is needed, to encourage people to explore alternative livelihood options elsewhere. Specifically, *spontaneous resettlement* and *urbanisation* are strategies that should be strongly encouraged, whereas at present both are discouraged by the threat of losing one's land in one's home community, because of the requirement that land be continually farmed.

Resettlement

Given the well-documented problems faced by previous experiences with resettlement in Ethiopia, the following "10 principles" are suggested as preconditions for the Voluntary Resettlement Programme, if it is to enjoy any prospect of success.

1 Resettlement must be *entirely voluntary* – for example, it should not be 'induced' with selective offers of food aid to those who register for resettlement.

2. Those being resettled must be *fully informed* about conditions in the resettlement sites before signing up – preferably by community representatives visiting the site and reporting back.

3. Prospective resettlement areas should be subjected to a thorough *environmental assessment* prior to being selected as sites, including a projection of the area's current and future 'carrying capacity' for people plus livestock.

4. Essential *physical infrastructure and basic social services* must be in place before the settlers arrive – government should not ask people to move before these essentials are functioning in the host area, and volunteers should not accept promises that services and infrastructure will be installed after they move.

5. Clear *criteria for occupying land* must be established and made known to all parties, and procedures for settling land disputes and related conflicts must be in place.

6. Comprehensive *extension packages*, including training in relevant agricultural and non-agricultural livelihood activities, must be offered to settlers so as to facilitate their adjustment to their new (different) ecological and socio-economic environment.

7. The specific health risks facing highlanders who resettle to lowland areas should be recognised (e.g. malaria), and specific *health care provisioning* must be in place to deal with these risks (e.g. malaria prophylaxis).

8. People who do not adapt well to the resettlement site should have a *'right to return'* to their place of origin – their claim to land in their home community should remain open for a period of 1-3 years, and they should be given transport back to their original homes if they choose to take up this option.

9. Settlers who were *beneficiaries of food aid* or public works employment in their home communities should not be immediately excluded from the relief system as soon as they relocate, but must continue to receive this essential 'safety net' support until they achieve sustainable livelihoods.

10. Resettlement activities should be both *formalised*, by the immediate development of a 'Resettlement Policy', and *institutionalised*, by the establishment of a 'Department of Resettlement' at regional level (similar to China's 'Ministry of Resettlement') in Amhara National Regional State.

<u>*Livestock*</u>

- Enable households with the capacity to do so to raise their livestock levels, either directly through micro-credit for livestock purchase, or indirectly through generally raising and diversifying incomes.
- Continue to protect existing household livestock holdings, in order to halt or at least slow the process of asset erosion.
- At the community level, protect and intensify common property areas for grazing and fodder production.
- Promote and facilitate market development for livestock and livestock products.
- Raise livestock productivity, by (a) continued investment in improved veterinary services, and (b) dissemination of improved (locally adapted) breeds to raise yields of milk, wool and meat per animal, thus maximising the use of limited grazing land.

<u>*Roads*</u>

- Construction and maintenance of rural road networks throughout Amhara Region is a prerequisite for achieving almost all the other destitution-reducing measures proposed in this report.

HIV/AIDS

- Apart from its tragic human costs, HIV/AIDS has the potential to spread accelerated destitution throughout rural and urban Ethiopia. Intensive *public awareness* and *education campaigns* to limit transmission and control the spread of HIV are vital.
- But information campaigns are not enough. The government must prepare for the worst, and the Ministry of Health must have *contingency plans* in place.
- Health services must be geared up to care for rapidly rising numbers of patients with HIV/AIDS, and adequate *social protection* measures must be developed for affected families.

Health services

- Universal *access to health care* for all is a basic right, as well as a prerequisite for healthy and productive lives. For this reason, the Destitution Study endorses the target of the second Health Sector Development Programme – to increase health care coverage from 52% of Ethiopians in 2001/2 to 65% by 2004/5.
- *Immunisation* against major diseases is a critical determinant of a child's life expectancy as well as their future health and productivity. A specific issue that needs to be addressed is geographic variability in immunisation coverage – within the study area, immunisation rates are lower in Wag Hamra than in North or South Wollo, even though Wag Hamra is the poorest of these three zones.

Education

- *School feeding* schemes should be promoted and extended throughout rural Wollo, as a means of improving *access* to education, in response to the high levels of chronic and transitory food insecurity in the area, and as a means of building human capital for longer term livelihood diversification away from agriculture.
- To the extent that enrolment and attendance rates improve as a consequence of school feeding projects, investment must be made in educational facilities to ensure an adequate *quality* of educational services, especially in terms of trained teachers to maintain learner/teacher ratios at reasonable levels and to ensure that children are acquiring useful knowledge and real skills.
- School feeding can also fulfil *safety net* functions, by expanding during droughts and other livelihood crises to encourage children to remain in school and even to attract children whose parents recognise the value of school feeding in providing a meal to some household members when resources at home are scarce. Children can also be targeted for resource transfers to poor families, in either emergency or non-emergency contexts, through 'food-for-school'.
- For adults, functional literacy and numeracy can make an enormous contribution in terms of expanding the livelihood opportunities that they might access which are inconceivable at present because of their illiteracy. We strongly recommend an expansion of *adult literacy* programmes in rural areas to whatever extent possible.

Credit and capital

- We strongly recommend that the regional government lifts the prohibition on NGOs providing micro-credit for poor households who are not being reached by ACSI.
- Our other specific recommendation relating to financial capital is the development of networks to ensure safe transfer of money between migration destinations and home areas, given the security risks that migrants face when carrying cash home.

Agricultural diversification

- There is scope to improve or expand *small-scale irrigation* in some areas of Wollo: 'low-tech' water harvesting – if successfully introduced – could help to raise yields, reduce drought-induced crop losses, and improve grazing land.
- We recommend introducing a *wider variety of seeds*, chosen for drought resistance and to allow farmers to diversify their risks, given the increasingly erratic *belg* rains.
- Research and extension services for the drought-prone areas should work in consultation with farmers to provide a *variety of nutritious and marketable grain varieties* with different maturing periods and moisture requirements, to support their efforts to adapt cropping patterns to the changing seasons and recurrent droughts.
- *Non-grain food crops* (such as potato varieties) for the drought-prone highlands should also be researched and multiplied.
- Urgent priority should be given to providing an alternative crop to the high-yielding and drought-resistant grass pea (*lathyrus sativus*, locally known as *'guaya'*) which has caused an epidemic of paralysis, primarily among boys and young men. It is recommended that the government takes urgent action to eliminate this source of avoidable disability by immediately commissioning research on an appropriate replacement crop, and then disseminating the seed through all available channels, including the adapted agricultural extension packages for the drought-prone areas.

Rural non-farm diversification

- We recommend that the regional government request an interested donor to make an initial *technical feasibility study of the potential for development of selected small-town centres* in rural Wollo.
- *Urban land policy* for the small towns should be reviewed, and provision made for the commercial expansion of towns through transferring farming land to building use: financial compensation for such land may be the only option in areas where there is no available farmland to exchange.
- *Donors should support the regional government's efforts to promote off-farm income diversification* under the Food Security Strategy. If lack of donor support so far is due to reservations about the programme itself, renewed discussion should be opened about the design and possible alternative approaches.
- Any programmes to expand existing non-farm activities or to introduce new ones should be preceded by a careful *assessment of market viability*. Cooperative development could strengthen the position of small producers in this regard.
- *Private entrepreneurs* from outside the food insecure areas should be encouraged and supported to invest in small-scale industries, especially agro-processing and services, which will provide local employment.

Labour migration

- It is recommended that the regional government investigate the possibilities for institutional support to labour migration by *improving the flow of information* about current job opportunities, and potentially *facilitating seasonal transport* between major labour-sending and labour-receiving areas.
- *Road development* has a significant effect on migrants' costs, not only through reducing the direct cost of transport but also by reducing the number of days spent travelling and therefore the subsistence costs and risks of the journey itself.
- Expanded *primary education*, and the types of *training in craft-work and business skills* planned under the Regional Food Security Programme, will eventually contribute to people's ability to access more diverse and higher-return employment in migration areas, as well as at home.

- Renewed investment in *adult literacy* could also raise the human capital of migrants relatively quickly, making them less vulnerable to being cheated on contracts as well as enabling some to get better-paid jobs.
- *Targeted medical services* (including malaria prophylaxis and HIV prevention) for migrants in the major destination areas would reduce their health risks, as well as ensuring a stronger workforce for the achievement of ADLI.
- *Clarification of land tenure security* for farmers who are temporarily absent from the village, or who may be exploring the possibility of permanent resettlement, would facilitate both income diversification for people who will maintain their base in smallholder farming, and spontaneous resettlement for those who will eventually establish themselves elsewhere.
- *Regularisation and legal enforcement of sharecropping and rental contracts* would also make migrants and their dependents more secure and confident about moving.
- ACSI and similar institutions should be encouraged to *develop financial networks* for the safe transfer of earnings from destination to home areas.

In Conclusion

Destitution – like its close relations, poverty, vulnerability, food insecurity and famine – is an almost inevitable by-product of the extremely harsh conditions under which the people of Wollo struggle daily to make a living. In the long run, it is difficult to imagine any positive scenario that does not involve a structural transformation of the rural livelihood system; at present, the local economy seems incapable of guaranteeing an adequate and sustainable livelihood for the resident (and growing) population. The short- to medium-term urgency, however, comes from findings in this study – which confirms and quantifies perceptions and qualitative evidence from other sources – that rapidly increasing numbers of individuals, households and communities in Wollo are "sliding down" towards absolute deprivation, impoverishment and chronic dependence on external assistance.

A comprehensive assault on destitution (and vulnerability to destitution) in Wollo would be multi-pronged, expensive, and administratively complex to a degree that might appear unfeasible – except that 'feasibility' is invariably a political rather than technical decision. To reiterate just three of those prongs, each of which admittedly presents policy-makers with enormous fiscal and logistical challenges:

(1) ***Social protection*** is needed to provide urgent assistance to the 'labour-constrained destitute' – those who lack the capacity to generate independent incomes and who have inadequate support from their relatives and neighbours; people living with AIDS are likely to form a growing sub-category here.

(2) A genuine effort to identify and develop ***non-agricultural livelihood activities****,* either within rural areas or in ***small towns*** – which should also be encouraged as economic growth points throughout the region – is an essential component of the longer-term strategy.

(3) As an overarching observation, it is vital not to overlook the basics in the search for a new idea or 'innovative' interventions. Heavy and sustained ***investment in physical infrastructure and public services – roads, health and education facilities, water supplies*** – will in itself make an enormous contribution, both directly and indirectly, to building human capital and upgrading the environment within which destitution in Wollo is generated and reproduced.

CHAPTER 1. INTRODUCTION

1.1. Background to the Destitution Study

This final report presents the findings of the DFID-funded IDS / SC-UK policy research study on **Destitution in Ethiopia's Northeastern Highlands (Amhara Region)**, known as the 'Destitution Study' for short.

The impetus for the Destitution Study, which began with a short pilot phase in 2000 and then continued from August 2001, was a widespread concern among government, donor and NGO policy-makers that a growing number of rural households in the Northeastern Highlands appear to be unable to make ends meet, even in good rainfall years. This observation would seem to contradict household survey evidence suggesting that, at the national level, rural poverty in Ethiopia has been declining in recent years. For example, the World Bank (1999:24) concluded, on the basis of national accounts data, consumption surveys and food price trends, that: "The evidence is quite compelling that the poor in Ethiopia have improved their well-being over the course of the nineties, especially in rural areas". (This evidence is summarised and critically assessed in Chapter 3.) One purpose of the study was therefore to investigate whether it is true that poverty and food insecurity in this particularly vulnerable part of the country are worsening – or, at least, not improving – and if so, why. Most importantly, the remit of the study was to suggest appropriate policy responses to the problems identified.

The poor performance of the *belg* rains in 1999, 2000 and 2002 has heightened awareness of acute food insecurity in the Northeastern Highlands. However, there is a consensus that the resulting recurrent crises and food aid responses are not triggered by rain failure alone. Longer-term factors are clearly at work. By 2000, SC-UK found that mean weight-for-length in eastern parts of North Wollo and Wag Hamra was 'normally' under 90% of the reference value (the DPPC's rule-of-thumb malnutrition threshold for triggering a relief response).

In policy discourse, the imperative to move away from repeated 'emergency' food aid distributions and to find ways of tackling the longer-term causes of food insecurity in Ethiopia has been long and widely acknowledged. However, it is less obvious what exactly should be done and how. The Amhara Regional Government's Food Security Programme and the national Poverty Reduction Strategy Paper (PRSP), for example, aim to address the chronic causes of food insecurity and poverty: but investment in safety nets and non-agricultural development, which could provide some measure of insurance against drought and crop failure, remains scarce. When it comes to funding and implementation, the longer-term nature and causes of hardship in the Northeastern Highlands are repeatedly overshadowed by the short-term imperatives of relief responses to food crises.

Against this background, the Destitution Study aims to contribute to the formation and promotion of feasible policies to address chronic destitution and food insecurity in rural Wollo (and potentially in other regions if the approach is found useful), by improving policy-makers' understanding of the nature, causes and extent of destitution. It therefore sets out to answer the following questions, as posed by the Terms of Reference for the study:

- ***What is destitution?***
- ***How do people become destitute?***
- ***How many people in Wollo are destitute?***
- ***Is destitution in Wollo increasing?***
- ***What are the most appropriate policy measures to address destitution?***

Attempts to answer these questions are the basis of the substantive chapters of this report.

1.2. Overview of the Study Area

The 'Northeastern Highlands' – the term refers to the whole geographical area, not only the high-altitude *dega* zone – are generally understood to include virtually the whole of the old Wollo Province (roughly, the current Zones of North and South Wollo and Wag Hamra, in Amhara Region); adjoining areas of Gonder and North Shewa (also in Amhara Region); and much of central Tigray (see Holt and Lawrence 1993). This area forms a coherent, though varied, geographical unit in terms of farming systems, topography, broad climatic features, and chronic food insecurity. However, it does not fit neatly within administrative boundaries. For reasons of logistics, as well as the structures of policy-making and the feasibility of research approval and management, the project did not attempt to cover the entire Northeastern Highlands. Instead, the study area was defined as the rural areas of the three administrative Zones of Amhara Region which form the heart of this populous and historically famine-prone area: Wag Hamra, North Wollo, and South Wollo. For brevity, the term 'Wollo' will often be used in this report to signify these three Zones.

Conventional income poverty measures show that these Zones are among the poorest parts of Ethiopia, which is itself one of the poorest countries in the world. Perhaps the main reason for this is the dependence of the local population on undiversified livelihoods based on low-input, low-output rain-fed agriculture. Resource-constrained farmers in Wollo rarely produce enough food, even in good rainfall years, to meet their family's consumption needs. But 'physical ecology' – drought, population growth, declining soil fertility, shrinking landholdings – explains only part of the story. Equally important are 'political economy' factors – misguided government policies, weak markets, institutional failures, war. The people of Wollo face an extraordinary range of obstacles to making a living.

Analysis of household survey data by MEDAC (using World Bank methodology) put the poverty headcount or P_0 – the proportion of the population living below a poverty threshold based on consumption of 2,200 kcal per day plus essential non-food expenditure – at 47.5% for rural Ethiopia as a whole in 1995/96. In the three Zones of Wollo, the percentage of rural people falling below the national poverty line was substantially higher, at 59.8% [Table 1.1]: 61% for North and South Wollo, and 53% for Wag Hamra. Other indicators – discussed in Chapter 3 – also suggest that people living in Wollo suffer higher levels of deprivation than people living elsewhere in Ethiopia.

Table 1.1. ***Poverty headcount index (P_0) in the three Zones of Wollo (1995/96)***

Zone	Percentage of people below the poverty line	
	Rural	Total
North Wollo	61.0%	**57.9%**
South Wollo	61.2%	**53.3%**
Wag Hamra	53.3%	**58.7%**
Total (3 Zones)	**59.8%**	**57.6%**
Ethiopia	**47.5%**	**45.5%**

Source: National figures from MEDAC 1999; other data from Frehiwot & Ermias 2000

The combined population of these three Zones at the time of the last census in 1994 was approximately 3.7 million, of whom 91% were rural residents. As shown in Table 1.2, a flat-rate projection using the national annual growth-rate of 2.9% gives an estimated rural population of around 4 million at the beginning of the fieldwork in 2001. All of the 27 *weredas* (districts) in the three Zones are classified by the Amhara Regional Food Security Coordination Office (FSCO) as drought-prone, and are therefore included in the regional food security programme.

Table 1.2. ***Population of the study area***

Zone	**1994** *[Census results, CSA 1998:6]*				**2001** *[Projection at 2.9% p.a.]*			
	Rural	**Urban**	**(%)**	**Total**	**Rural**	**Urban**	**(%)**	**Total**
Wag Hamra	263,972	11,643	(4%)	***275,615***	322,452	14,222	(4%)	***336,675***
North Wollo	1,171,262	89,055	(7%)	***1,260,317***	1,430,743	108,784	(7%)	***1,539,527***
South Wollo	1,913,036	210,767	(10%)	***2,123,803***	2,336,850	257,460	(10%)	***2,594,310***
Total	**3,348,270**	**311,465**	**(9%)**	**3,659,735**	**4,090,045**	**380,467**	**(9%)**	**4,470,512**

1.3. Structure of the Report

The Interim Report of the Destitution Study was presented at policy consultation workshops held in Bahr Dar (7 November 2002) and Addis Ababa (12 November 2002), where it provided the basis of intensive stakeholder discussions. These workshops focused particularly on developing policy recommendations and strategies for taking them forward. The outputs of the workshops were incorporated in this final study report, specifically in Chapter 11 – 'Implications for Policy'.

Following this introduction, Chapter 2 discusses the meaning of destitution. It first reviews the theoretical and international literature on destitution and its relationship to concepts of poverty. It then develops an operational definition of 'destitution' for purposes of this research; considers how well this definition fits with local people's understanding and experience of extreme poverty; and lays out the livelihoods-based conceptual framework that informed the methodology design, data collection and data analysis.

Chapter 3 reviews the existing secondary sources on historical and recent trends in poverty, both in Ethiopia generally and in Wollo specifically. It challenges the evidence and the standard income-poverty methodology from which the conclusion of falling rural poverty has been drawn, and presents a range of alternative data which indicate that poverty trends in Wollo are, on the contrary, negative.

Chapter 4 sets out the methodology of the study, first outlining the general rationale and strategies for combining qualitative and quantitative approaches. The sample structure and size for the household questionnaire survey and the qualitative community research are explained, together with the field procedures adopted to ensure unbiased random sampling. The chapter goes on to document the implementation of the fieldwork, and to describe the main data collection instruments (a household questionnaire, structured key informant interviews, and a 'toolbox' of qualitative methods). It concludes by explaining the methodological basis for constructing a composite index of destitution.

The details of the 'destitution index' and the analytical findings leading to and from it are discussed in Chapter 5, which addresses the central research question: *How many people in Wollo are destitute?* The chapter analyses householders' self-assessment of their dependence on transfers, and explores a range of objective indicators relating to the other key elements of our operational definition of destitution (ability to meet basic needs, and access to the five categories of livelihood resources), before explaining the construction of our composite index and combining the selected indicators to reach an estimated number of destitute households.

Chapter 6 then examines the evidence on trends in destitution, drawing both on the household questionnaire data and on community-level qualitative fieldwork: it finds alarming evidence that destitution and vulnerability are rising dramatically, while the better-

off groups, who in the past provided local social safety nets and economic support for their poorer neighbours, are declining in number and resources.

In Chapter 7, we examine the characteristics of households identified as destitute by our composite index, considering factors such as the age, gender and literacy of the household head; household size and dependency ratios; and geographic location. The situation of destitute households is further investigated in terms of their ability to meet basic food and non-food needs; their access to productive resources; and their dependence on transfers.

This is followed in Chapter 8 by a specific focus on the relationship between ill-health and destitution. Poor health emerges as both a cause and a consequence of impoverishment: not only are the 'poorest of the poor' least able to cope with health shocks or to access health care – they also tend to live in 'remote' places, inaccessible to the health system – they often became impoverished in the first place because a debilitating chronic illness forced the family to deplete its assets, or the loss of a productive adult to disability or death compromised their ability to make a viable livelihood.

Chapter 9 explores another specific theme that emerged prominently in the fieldwork: rural-urban linkages, including migration and the growth of small towns in the study. A significant finding from the fieldwork is that poverty and destitution outcomes are strongly influenced by proximity to urban centres – the only two communities of nine 'qualitative' sites that appeared to be doing better than the rest were both located near to rapidly growing urban centres, which generated a range of benefits for rural residents in their catchment area.

Chapter 10 discusses the causes of destitution, looking first at the broad meso-economy of Wollo as a whole, then at specific trajectories followed by households and communities. The dynamic processes by which households fall into, and occasionally escape from, destitution are illustrated by a series of individual case studies. A common trigger factor is an 'idiosyncratic' shock such as illness, or a 'generic' shock such as drought; but a common underlying factor is the heightened susceptibility of households and communities to these shocks – a product of their initial vulnerability and lack of fall-back options or strategies.

Finally, Chapter 11 extracts a number of implications for policy from these findings, drawing not only on survey data but also on current policy documents, the ideas of Destitution Study workshop participants, and villagers' own views of the policies needed to reverse the rising trends of destitution and vulnerability in Wollo.

A number of Annexes are attached to this report. Annex 1 is a review of relevant policies and policy processes in Ethiopia, written for the Destitution Study by Amdissa Teshome. This is followed by four annexes relating to data collection and data analysis: the household questionnaire and some participatory survey instruments are reproduced in Annexes 2-4, while Annex 5 is a technical note explaining how trends in destitution were extrapolated into the future using the Markov process.

CHAPTER 2. UNDERSTANDING DESTITUTION

2.1. Introduction

'Destitution' (unlike 'poverty' or 'food insecurity', for example) is a relatively undefined term in the literature of development and economics. Although the word is quite frequently used, with the general colloquial meaning of severe poverty and dependence on the goodwill of others, there is no accepted technical definition or standardised set of tools for measuring destitution. Hence our first research question: *"What is destitution?"*

This chapter addresses four conceptual and analytical issues:

- the ***concept of destitution*** in the poverty literature;
- the ***definition of destitution,*** both theoretically and in operational terms;
- ***local perceptions of destitution*** in Wollo, the study area for this research project;
- how to ***analyse destitution****:* introducing the conceptual framework – a modified 'sustainable livelihoods' approach – that underlies our methodology design.

These four aspects – the conceptualisation, definition, local perceptions, and analysis of destitution – are treated separately because one purpose of this project is to develop an analytical framework and a methodology that is generalisable to the study of destitution elsewhere in Amhara Region, in other regions of Ethiopia, and beyond. The main source of information for this chapter is theoretical and empirical literature, supplemented by data on local perceptions of poverty and destitution that were collected in fieldwork for this project.

2.2. Conceptualising Destitution

The recent academic literature on poverty has addressed three polarised issues that are relevant to this discussion about how to conceptualise destitution. The first is a definitional concern with narrow (income-based) *versus* broad (non-material) notions of what poverty actually is; the second is an empirical concern with 'chronic poverty' *versus* 'transitory poverty'; and the third is a technical concern with the measurement of poverty, specifically, the use of quantitative methods *versus* qualitative methods. These ongoing debates concern, respectively, the *definition* of poverty (a conceptual issue), the *temporal* dimension of poverty (an empirical issue), and the *analysis* of poverty (a methodological issue).

Since the late 1970s, economists have paid increasing attention to the reality that poverty is multi-dimensional. While GDP per capita remains the single most influential summary measure of national 'development', and the percentage of population living on less than 'a dollar a day' the most influential measure of national poverty levels, there have been a number of attempts to incorporate non-income determinants and characteristics of poverty. The 'Physical Quality of Life Index' (Morris 1979) and the UNDP's 'Human Development Index' [HDI] (Anand and Sen 1997; UNDP 2000) represent attempts to quantify poverty in terms of outcomes (e.g. life expectancy at birth), while the 'pyramid of poverty concepts' captures narrow *versus* broad conceptualisations of poverty graphically (Baulch 1996:2).[1]

Against this trend, some economists continue to argue that 'money-metric' measures of poverty adequately proxy for other dimensions of deprivation (Greeley 1994; Lipton 1997), sometimes supplemented by 'non-income indicators' (Ravallion 1996). There are of course significant overlaps between income and non-income poverty measures: one recent study

[1] In Baulch's poverty pyramid, 'private consumption' is the narrowest concept of poverty, while the broadest is 'private consumption + common property resources + state provided commodities + assets + dignity + autonomy'.

established a correlation coefficient between GDP per capita and the HDI of 0.69 (Kosack 2003:2). The extent to which the two proxies for poverty do not correlate perfectly is "due to the fact that other factors besides income affect welfare […] In particular, income per capita is an average figure, which does not take account of the distribution of income between individuals, groups and regions within a country, as well as the distribution between these of social provision" (Belshaw and Livingstone 2002:11).

Two conceptual outcomes of the multi-dimensional view of poverty are Sen's 'capabilities' approach (Sen 1985; 1993) and the 'sustainable livelihoods' approach (Carney 1998). Sen's 'capabilities' approach and his 'development as freedom' argument (Sen 1999) both embody Sen's insight that income and wealth have little intrinsic value, but should instead be analysed as means to an end: "The usefulness of wealth lies in the things that it allows us to do – the substantive freedoms it helps us to achieve" (Sen 1999:14). The 'livelihoods approach' locates income (or 'financial capital') as just one of five 'capitals' that constitute wealth or contribute to generating a livelihood – the others being physical, natural, human and social capital (Scoones 1998; Ellis 2000). All these alternative approaches underline the point that non-income components of wealth and well-being have been persistently undervalued by conventional poverty assessment methodologies.

A policy outcome of the multi-dimensional view of poverty is the emergence in development discourse since the mid-1990s of 'social exclusion' – a concept that emphasises the social deprivation that attaches to poverty in affluent societies (Bhalla and Lapeyre 1997; de Haan and Maxwell 1998; de Haan 1999). In 1997, the British government set up a Social Exclusion Unit, in recognition of the non-economic dimensions of poverty.[2] Social exclusion is closely associated in the West with destitution, which is often perceived as an individual problem, and as a social issue that goes beyond material deprivation: more often than not, destitute individuals are socially marginalised as well as poor. Common to this perception is the idea that the destitute have nothing – no home, no job, no savings, no assets, but also no home to go to, no family to turn to – i.e., no *material* assets, but no *social* assets either.

The methodological culmination of the multi-dimensional view of poverty is the rapid rise to prominence of 'participatory approaches' to poverty assessment – examples being Participatory Rural Appraisal [PRA] (Chambers 1997), Participatory Poverty Assessments [PPAs] (Robb 2000), and the Household Economy Approach (Seaman 2000). PPAs have served to focus attention on the importance of providing social goods (health services, education services, safety nets) to protect people against impoverishment and destitution.

> "PPAs established that while poverty manifests as material deprivation – hunger, the lack of food, shelter, clothing – the poor also highlight common psychological and political dimensions to poverty. […] whereas official accounts of poverty highlight the 'social gap', that is, the difference between rich and poor in indicators of educational, health or other standards of attainment, the poor rarely have such a static view of what is required in their lives. For instance, lack of access to affordable, effective health care is dreaded, not just as a source of 'ill health', important though that is, but as a source of vulnerability and, ultimately, destitution" (Craig and Porter 2003:59).

The reification of participatory approaches in current development research is evidenced from the World Bank's efforts in recent years to incorporate these methods in their poverty analysis – most controversially in the 'Voices of the Poor' (Narayan *et al.* 2000) exercise that fed into the 2000/2001 'World Development Report' on 'Poverty'. After a struggle throughout the 1990s for dominance between quantitative (questionnaire-based) and qualitative (participatory) approaches, a reconciliation has now been reached whereby

[2] The UK's Social Exclusion Unit describes social exclusion as "a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown" (http://www.socialexclusionunit.govuk/, accessed 11/2/2003).

econometricians are starting to recognise the value of qualitative methods (White 2002), and qualitative researchers in return are beginning to acknowledge the value of numbers and statistics.[3]

On the other hand, in the 1990s bilateral and multilateral doors turned their attention to poverty reduction as the ultimate and overarching goal of all development interventions, and the policy discourse settled on the Millenium Development Goals – headed by the target of halving global poverty by 2015 (United Nations 2000) – and on Poverty Reduction Strategy Papers (PRSPs) as the principal policy instrument for achieving these goals. This led researchers to become intensively preoccupied with quantitative methodologies for counting and tracking the poor (White 1999; Sahn and Stifel 2003), and a resurgence in technical debates about the definition and cross-country comparability of poverty lines (Pogge and Reddy 2002; Ravallion 2002).

The empirical issue of relevance is the analysis of chronic *versus* transitory poverty. One reason for the resurgence of academic and policy interest in the temporal dimension of poverty was a series of studies in the late 1990s on 'poverty dynamics', which concluded that economic mobility around the poverty line was much larger than previous notions of the poor as a static, permanent category had implied.[4] In 2001, the UK Department for International Development [DFID] funded a Chronic Poverty Research Centre [CPRC] at the University of Manchester, to investigate the specific characteristics, experiences and needs of people living in long-term poverty in developing countries. Interestingly, although the CPRC "hypothesised that chronic poverty will also often be multi-dimensional and *severe*" (emphasis added), the core research team identified "long duration […] as both necessary and sufficient for poverty to be considered chronic" (Hulme *et al.* 2001:2).

It is our view that this preoccupation with chronic *versus* transitory poverty risks deflecting attention away from the *severity or depth* of poverty onto the *length of time* that people live in poverty. This is a curious turn for poverty research to take. Although it has some policy relevance – not least for targeting[5] – we would argue that a focus on 'moderate' *versus* 'severe' poverty (or what Lipton (1983) once described as 'the poor' and 'the ultra-poor', and what this Destitution Study calls the 'vulnerable' and the 'destitute') should be a more pressing concern for policy-makers genuinely concerned about the plight of those living in abject poverty. In earlier development discourse, the distinction between levels or degrees of poverty was a central concern, one that has inexplicably receded into the background in recent years. In the 1980s, for instance, John Iliffe observed that:

> "two levels of want have existed in Africa for several centuries. On one level have been the very large numbers – perhaps most Africans at most times – obliged to struggle continuously to preserve themselves and their dependants from physical want. These will be called the poor. On another level have been smaller numbers who have permanently or temporarily failed in that struggle and have fallen into physical want. These will be called the very poor or destitute. Of course, there was no sharp dividing line between them. Yet the distinction has cross-cultural validity. It existed in ancient Greece. It was identified by Charles Booth's pioneer study of

[3] As an example of the ways in which 'quantitative' and 'qualitative' social scientists are attempting to work constructively towards devising integrated methodologies, the Participation Learning Group at IDS Sussex has established a network of southern and northern practitioners and academics, known colloquially as 'Parti-Numbers', to investigate the potential for generating credible, robust and generalisable statistics from qualitative approaches.

[4] See the special issue of the Journal of Development Studies, 36(6), edited by Bob Baulch and John Hoddinott, 2000; also Haddad and Ahmed 2003.

[5] If large numbers of people are constantly moving in and out of poverty – or 'churning' around the poverty line – how can policy-makers hit this moving target with their targeted transfers?

> London during the 1880s, which defined the poor as those 'living under a struggle to obtain the necessaries of life and make both ends meet' and the very poor as those who 'live in a state of chronic want'. The distinction between *pauvre* and *indigent* was drawn in early modern France, where 'both *pauvre* and *indigent* knew hunger, but the *indigent* were never free from it'. In Africa the distinction existed in some, but not all, pre-colonial languages and has appeared frequently since" (Iliffe 1987:2).

Reporting on a recent survey of destitution in five Indian States, Drèze (2002) describes destitution in ways that are familiar to those of us involved in the Ethiopia Destitution Study. Drèze points out that there are:

> "millions of households in rural India that might be described as 'destitute'. These households typically have no able-bodied adult member and no regular source of income. They survive by doing a variety of informal activities such as gathering food from the village commons, making baskets, selling minor forest produce and keeping the odd goat. […] We were shocked to find that even in prosperous villages some households lived in conditions of extreme poverty and hunger. A casual visitor is unlikely to notice them, as destitute households keep a low profile and are often socially invisible. But if you look for them, you will find them, quietly struggling to earn their next meal or patiently starving in a dark mud hut. From this, one point is clear: destitute households cannot rely on spontaneous community support. Social security arrangements are needed. As things stand, however, destitute households are beyond the pale of most development programmes and welfare schemes. They are unable to participate in rural employment programmes, if available. Getting a bank loan is for most of them beyond the realm of possibility. Even 'self-help groups' tend to shun them."

In the context of these academic debates concerning 'chronic *versus* transitory' poverty and 'quantitative *versus* qualitative' methodologies, the concept of 'destitution' brings some important insights to both issues. Firstly, because of its associations with social exclusion, as discussed above, destitution has broader connotations than income or consumption poverty. In the definition of destitution developed for this project (see section 2.3 below), one component is 'dependence on transfers', which implies a reliance on social capital, but some transfers (such as food aid) are delivered 'anonymously' – there is no relationship between donor and beneficiary – so they do not draw on social capital *per se.* The notion of social capital needs to be unpacked: *private* social capital is the personalised network of extended family and community; *public* social capital is the anonymous public transfers provided to the poor by institutional mechanisms of government, donors and NGOs. Also, social capital can go either way: people are destitute when they are forced to depend on the generosity of others for their survival, *or* people are destitute because their social networks fail to provide adequate protection against livelihood shocks, so the individual or household falls from poverty into destitution.

Secondly, there is a danger that the preoccupation of the international community with reducing headcount poverty focuses too much methodological attention on the definition and measurement of the poverty line – an intrinsically arbitrary construct – and too much policy attention on moving people who might be described as the 'richest of the poor' from just below to just above the 'dollar a day' poverty line, thereby deflecting attention from the 'poorest of the poor'. In technical terms, the consequence is too much policy attention on P_o (the poverty headcount) and not enough on P_1 (the poverty gap) and P_2 (poverty severity). A crude implication of this focus on the poverty line is that donor resources might gravitate towards large countries with large numbers of moderately poor people (China and India) and away from smaller countries with higher proportions of their poor living in severe poverty, or destitution (such as Ethiopia), where the unit cost of raising individuals above the poverty line is much higher.

2.3. Defining Destitution

"Destitution is defined as extreme poverty" (Williams 2000:1).[6]

Destitution is popularly understood as meaning a state of poverty so severe that affected individuals are dependent for their survival on the goodwill of others, including charity from the public or welfare support from the state or non-governmental agencies. Common categories of destitute people include beggars, people with disabilities who lack family support, and victims of natural disasters such as a drought-triggered famine.

The Oxford English Dictionary lists four definitions of 'destitution', including: "The condition of being destitute of resources; want of the necessaries of life". The American Heritage Dictionary of the English Language defines destitution as "complete poverty". Interestingly, another OED definition is "the action of deserting or forsaking", which suggests social marginalisation and the individualisation of destitution as an experience. This is echoed in the definition of 'destitute' as "Forsaken, left friendless or helpless, forlorn". Other OED definitions of 'destitute' include "One who is destitute, without friends, resources, or the means of subsistence", and "Bereft of power to do something", which together capture the sense of destitution as economic, social and political powerlessness.

In the poverty literature, a distinction is typically drawn between the working poor, who suffer from *low productivity* (=chronic poverty) or *vulnerability* (= transitory poverty), and the non-working poor (or destitute), who suffer from *dependency* on transfers. Although poverty is often seen as an economic problem to be solved through income generation and investment in employment creation, destitution is generally relegated to the social welfare domain. Welfarist definitions of destitution focus on citizens who are unable to work for a living (e.g. the elderly, people with disabilities, the chronically ill) and lack independent means of support (i.e. they are not located in households or cared for by relatives). A welfarist definition motivates public support mechanisms, or private charity.

An economist might measure destitution empirically as (say) the bottom 20% of the population. This is a 'marginalist' definition: the destitute are not qualitatively different from other poor people, just marginally more poor. A classic example of a marginalist definition is Michael Lipton's distinction between the 'poor' and the 'ultra-poor' (which is perhaps synonymous with 'destitute'). The poor are those households who are unable to meet their minimum subsistence needs despite spending 60% or more of their incomes on food, while the 'ultra-poor' or 'absolutely poor' cannot meet their minimum subsistence needs despite spending 80% or more of their incomes on food (Lipton 1983). The problem with this approach is that thresholds such as 60% or 80% are essentially arbitrary: there is no logical basis for classifying someone who spends 59% of their income on food as 'non-poor' and someone who spends 60% on food as 'poor'. Similar critiques apply to absolute rather than relative definitions, such as the World Bank's 'dollar a day' criterion or a kilocalorie consumption level. However, these internationally agreed norms do have the advantage of cross-country comparability. The absence of a similar consensus on the definition and measurement of destitution is problematic for this study.

Several food economy baselines and participatory poverty assessments conducted recently in rural Ethiopia suggest that the 'poorest of the poor' are those who face severe labour, land and/or livestock constraints that make their livelihoods more precarious than other poor households. Communities often identify 'thresholds' of asset ownership that differentiate wealthy, middle income, poor and very poor households, with the 'very poor' lacking almost entirely in productive assets - they have no livestock, they rent out their land, they have no more than two working members, they depend on relief in most years.

[6] Kyle Williams is an American from Tennessee who experienced destitution in the 1990s, which he claims to have overcome by "a positive attitude" and "help from others".

In contrast to marginalist approaches, a 'structuralist' definition would incorporate notions of qualitative distinctions (e.g. class-based) between destitution and 'normal' poverty: destitute people are somehow recognisably different. A sociological definition, for example, would extend beyond economistic proxies for ill-being to incorporate indicators of social status, social exclusion and marginalisation. An entitlements-based definition (Sen 1981) would suggest that a destitute person is one whose production- plus labour- plus trade-based entitlements are inadequate to generate subsistence, and who therefore derive a significant proportion of their livelihoods from 'transfer-based entitlements', either public or private.

In his book, An Inquiry into Well-being and Destitution, the Cambridge economist Partha Dasgupta defines destitution as "an extreme condition of ill-being" or "extreme commodity deprivation", which results in a failure to meet a "basic minimum living standard" or "basic physiological needs" (Dasgupta 1993: viii). This notion of destitution is closely related to the notion of 'basic needs'. Although individual requirements may vary, a common basket of "fundamental commodity needs" can be identified – including nutrition, shelter, potable water, sanitation, fuel, and health care – lack of access to which is the defining characteristic of being destitute. Importantly, Dasgupta (1993:14, 479) emphasises that destitution is persistent or chronic deprivation rather than transitory or acute deprivation: "chronic undernourishment, not starvation […] the landless do not starve when they fail to obtain jobs in agriculture. They are *destitute* and become undernourished". This shifts the focus of inquiry away from the preoccupation of economists with measuring current income or consumption levels. Dasgupta (1993: viii) also favours an individualised notion of destitution: "Destitution is first and foremost a personal calamity".

In the Indian literature, 'destitution' is contrasted with 'prosperity' and 'privilege', and is equated with 'marginalisation' and 'economic insecurity' (Mohanty 1996:81). The concept of marginalisation brings elements of social exclusion and political powerlessness into the analysis, which are conspicuously absent from standard poverty analyses. Harriss-White (2002:2) also analyses destitution as "an economic, social and political phenomenon", and argues that *economic* destitution – defined as "the absence of any control over assets and the loss of access to income from one's own labour" – is "a contradiction in terms because the complete absence of assets and income spells death".

The strength of Harriss-White's definition is in combining the notion of economic destitution ("having almost nothing") with the notion of social and political destitution ("being almost nothing") (Harriss-White 2002:7). The problem with this concept, which is defined as "an *individual* phenomenon", is that it is both too broad and too narrow. It appears to include dependent household members, for instance – those who lack assets, independent income and labour power – but to exclude those members of society popularly perceived as destitute – such as street beggars and the chronically ill – who depend on the benevolence of others (formal social insurance mechanisms, or informal charity) for their survival.

A similar confusion is found in the Ethiopian context, in a critique of the observation by the DPPC that "households in low productivity areas (Tigray, Amhara, eastern parts of Oromiya and SNNPR) were […] living on the edge of *destitution"* (DPPC, 1997:6). But, according to Stephen (2000:7), people should not be classified as destitute if they are dependent on social networks:

> "Destitute means 'to be extremely poor and lacking the means to provide for oneself' […] Some of the literature on vulnerability to food insecurity in Ethiopian agrarian systems indicates that an important element in rural survival is the *economy of affection,* a complex mix of production activities and social exchange. […] Therefore, whether rural people are truly on the edge of destitution as the Ethiopian government suggests, is questionable in the presence of social networks."

A key indicator of destitution in rural India is landlessness, with rising numbers of landless households over time signifying increasing destitution at the community level (Mohanty

1996:85). In Ethiopia, too, landlessness is associated with vulnerability to destitution. More broadly, this finding points to a conceptual overlap between destitution and lack of assets, as Bevan (2000:5) elaborates in her definition of destitution in Ethiopia: "Those with few assets (broadly defined to include social, cultural and political assets) are either currently income poor or vulnerable. Those with no assets may be described as *destitute."*

Destitution can be the result of either slow, long-term processes or short-term livelihood shocks. Writing on the 1980s famine in Wollo, Walker (1989:25) notes that: "When the drought of 1983-4 hit, hundreds of thousands of people were rendered destitute and had to rely on food aid for survival". Walker (1989:143) proposes a definition of famine that emphasises not starvation and mass mortality, but the process of destitution that threatens survival. "Famine is a socio-economic process which causes the accelerated destitution of the most vulnerable, marginal and least powerful groups in a community, to a point where they can no longer, as a group, maintain a sustainable livelihood".

Following from this discussion, our working definition of destitution is the following:

> Destitution is a state of extreme poverty that results from the pursuit of 'unsustainable livelihoods', meaning that a series of livelihood shocks and/or negative trends or processes erodes the asset base of already poor and vulnerable households until they are no longer able to meet their ***minimum subsistence needs***, they lack access to the ***key productive assets*** needed to escape from poverty, and they become ***dependent*** on public and/or private transfers.

Three important points emerge from this definition. First, while agreeing with Dasgupta's focus on inability to meet 'minimum subsistence needs' as a defining outcome indicator of destitution, our emphasis is on the resources needed to construct a viable livelihood. This focus on 'assetlessness' distinguishes our measurement of destitution from conventional measurements of poverty, which emphasise incomes (typically proxied by expenditure and/or consumption). Second, we emphasise 'access to', rather than 'ownership of', key productive assets such as land and livestock, since defining poverty or destitution in terms of levels of asset ownership may be misleading. For instance, especially where population pressure has made individualised ownership of livestock impractical, and sharing or loan arrangements dominate, access to draught power is a more critical determinant of farm output than ownership of a pair of draught animals. This focus on access to productive resources is in keeping with the sustainable livelihoods framework (discussed below), which assesses the capability of individuals or households to construct a viable livelihood, not on the outcomes in terms of actual food produced or income earned at a point in time.

Thirdly, our definition includes a notion of "lack of access to the key productive assets needed to escape from poverty", which introduces a distinction between actual and potential incomes that needs to be explained. Consider two poor households at the same level of income and asset ownership, except that one household has 'surplus labour' that it cannot sell for wage income due to lack of employment opportunities, while the other is labour-constrained. If a public works programme was introduced the first household could use its labour power to increase its income and consumption – it is therefore poor but not destitute – while the second household could not benefit from this opportunity and would remain poor because of its assetlessness – it is therefore destitute. At the community or regional level, farming households might increase their farm yields if they enjoyed land tenure security, but at present they are not maximising returns to their natural assets, because of an unfavourable policy environment. More broadly, the poor might benefit from positive policy changes – the lifting of institutional, legal or customary constraints on livelihoods) – while the destitute cannot and will require redistributive asset transfers (such as restocking of livestock herds) if they are to escape destitution. In the short term, as our definition suggests, the destitute are likely to remain dependent on gratuitous relief assistance to meet their immediate daily consumption needs.

Operationalising this definition raises a range of empirical difficulties and questions. Are 'destitutes' visibly and qualitatively different from other poor individuals and households? If so, then robust proxy indicators can be devised to identify and target the destitute – e.g. female-headed households, people with disabilities. If not, what are the *thresholds* or cut-off points (for asset-holdings or incomes) between 'destitutes' and 'non-destitutes'? Destitution is an absolute rather than relative concept, but the resources required to construct a viable livelihood obviously vary across livelihood systems (e.g. pastoralists need more livestock than crop farmers) and even across geographical space within the same livelihood system (the minimum land needed to produce a year's food supply for an Ethiopian family differs between highland and lowland areas). Livelihood diversification further complicates the analysis: a rural household may lack the minimum agricultural inputs (land, draught power, labour) and yet survive through combining farming with off-farm income earning activities in the dry season. To take a starker example, a widow may appear to lack any productive assets, yet she may enjoy a higher and more stable level of food consumption than her farming neighbours if she has a son or daughter who works in town and regularly remits food or income. Clearly, the identification of a minimum basket of productive assets (say, 2 *timad* or 0.5 hectares of land + access to a pair of draught oxen + 2 adult labour equivalents for a highland farming household) as a threshold for classifying households as destitute is unsatisfactory.

2.4. Local Concepts of Destitution in Wollo

How well do the ideas discussed in the previous sections fit the reality of extreme poverty in rural Wollo, as experienced and understood by its people? Translating the concept of 'destitution' into Amharic was an interesting and illuminating challenge. In English, the word 'destitution' has quite complex – even ambiguous – connotations and undertones. Among its dictionary definitions are: "extreme want of resources or the means of subsistence; complete poverty"; "not possessing the necessaries of life"; "a state without friends or money or prospects"; and "[being] poor enough to need help from others". The English word also has associations with "desperation" (being without hope) and "distress" (implying psychological and emotional suffering).

Not surprisingly, there is no single Amharic word which conveys all these shades (or ambiguities) of meaning, or which contains all three key elements of our working definition. However, the three elements (inability to meet basic needs, lack of assets and dependence on others) do recur frequently in the ways people characterise the situation of the poorest groups in their communities. Table 2.1 lists the various Amharic terms used during wealth ranking exercises and community discussions during fieldwork for the Destitution Study, to denote those households at the bottom of the socio-economic hierarchy.

Table 2.1. ***Local terms and phrases for the poorest group in the community***

Local (Amharic) term	Approximate translation
chegeregnoch, cheger tegna	those with problems
chigaregnoch	those who are starving
deha	poor
cherso deha	absolutely / completely poor
(ye) mecheresha deha	the completely poor
(ye) menate deha	extremely poor
minim yelalew	those who have nothing
Trit yale deha	the poor who've lost everything
mulich yale deha	the poor who have nothing
Tsom-adari	people who pass the night fasting / go to bed hungry
wuha anfari	those who "cook" water

The variety of terms reflects, in part, the variation in material conditions among the different parts of Wollo, as well as different linguistic habits and the chance turn of phrase of individuals who happened to participate in the group discussions. Despite these variations, the list does reveal the features of extreme poverty which were most often referred to across the study area: a complete lack of assets, being on the "last" or bottom level of society, reaching the end of one's resources ("the poor who've lost everything"), and habitual hunger ("those who are starving", who "go to bed hungry", who "have nothing to boil except water").

Several of the terms also suggest that the difference between "the poor who have nothing" and the poor who still have something, however little, is more a difference of degree than of kind. That is, the poorest or destitute in these communities are not seen as categorically different from their neighbours, but are at the bottom of a sliding scale of poverty into which anyone may fall at some time in his or her life. This interpretation was repeatedly confirmed by the discussions around the historical wealth ranking exercise carried out in each of the qualitative sites. According to participants in these discussions, some types of people are at higher risk than others of becoming destitute (the elderly if they do not have children who can support them; women who are divorced or widowed; young people with no land). But people in these groups are not necessarily destitute, and conversely the poorest stratum in all the communities contains people who do not fit these criteria, but who have fallen into destitution through various misfortunes – ill health, accidental loss of livestock, debt, and (most commonly) the cumulative impacts of repeated droughts and poor harvests, unmitigated by alternative income sources or adequate safety nets.[7] These observations are borne out by the quantitative analysis of the characteristics of destitute households in Chapter 7, and the detailed case studies in Chapter 10.

Depending on the goodwill of others – whether "begging" neighbours for various types of help or receiving food aid from government and other organisations – was also frequently raised in discussions and was widely recognised as a defining feature of extreme poverty. There was often a stigma of shame or defeat about such dependence for the people we talked to, who contrasted it with the respectable ideal of self-sufficiency and being able to support one's own household. Several informants mentioned the importance to them of being *"tiru deha"* ("good poor", or "proud poor"), meaning independent of other people's help, and not indebted. Thus the phrasing of the self-assessment question in the household survey, which described the poorest category as "unable to meet the household's needs by your own efforts, and unable to survive without support from the community or government", was found to match well with the informants' own understanding of degrees of poverty within their communities.[8]

Social capital and informal support networks also emerged from qualitative discussions as crucial determinants of a household's ability to avoid or escape destitution. However, systematic social exclusion – the segregation of the destitute from the activities and institutions of the community – appears to be rare in rural Wollo. Even the very poorest were generally not regarded as separate or different from the rest of the community, although their ability to contribute to or participate in village life may be very limited.[9]

The idea that extreme poverty is not a permanent condition, but a constantly shifting state which people move into and out of, was also reflected in the qualitative discussions. Some individual and household examples are discussed in Chapter 10. At the community level, too, people stressed sequences of events and processes that lead to impoverishment. For example, participants in a wealth ranking discussion at Enkoyber (Gosh Meda) talked of

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7 Compare Chambers' concept of "poverty and vulnerability ratchets": "the loss of assets or rights which it is difficult to reverse" (Chambers 1983:114-115).

8 Question 97, section H.1, in the household questionnaire [see Annex 2]. The questionnaire design was based on pilot fieldwork during Phase I of the study.

9 Dejene Negassa, focus group discussion notes on the nature and processes of destitution.

local conditions "sliding down" over time. Wealth ranking and time-line groups also frequently described the interconnections between the overall community level of assets and prosperity, and the resource access, opportunities and social support available to individual households.

2.5. Conceptual Framework

The conceptual framework developed for our analysis of destitution in North Wollo and Wag Hamra is a modified 'sustainable livelihoods' approach (Scoones 1998; Ellis 2000). Key features of a livelihoods approach include a focus on *resources* (or 'capitals'), and on factors mediating *access* (institutions, organisations and social relations) to the resources needed to construct viable *livelihood strategies*. The relative success of these strategies will also be influenced by *contextual* variables (trends, shocks, the broader economic and political context) over which the individual or household has very little control. The product of all these variables operating in combination will be a unique livelihood *outcome* that can be characterised as 'sustainable', 'vulnerable' or 'destitute' [see Figure 2.1 below].

Livelihood ***resources*** – or 'capitals' – refer to the stock of assets that the household owns or can access. They are usually categorised as natural, social, physical, human, and financial capital [see Box 2.1], though some variations of this framework also add political capital. Preliminary reflections on resource stocks in the study area suggest that all categories are low, and stocks of some are deteriorating over time.

Box 2.1. ***Types of capital in the DFID livelihoods framework***

Natural capital
The natural resource stocks from which resource flows useful for livelihoods are derived (e.g. land, water, wildlife, biodiversity, environmental resources).

Social capital
The social resources (networks, membership of groups, relationships of trust, access to wider institutions of society) upon which people draw in pursuit of livelihoods.

Human capital
The skills, knowledge, ability to labour and good health important to the ability to pursue different livelihood strategies.

Physical capital
The basic infrastructure (transport, shelter, water, energy and communications) and the production equipment and means which enable people to pursue their livelihoods.

Financial capital
The financial resources which are available to people (whether savings, supplies of credit or regular remittances or pensions) and which provide them with different livelihood options.

Source: Carney 1998:7

Pressures on ***natural capital*** - the physical environment - appear to be increasing in rural Wollo, with some observers arguing that a "Malthusian crisis" is developing as landholdings decline with population growth. The extent of landlessness or near landlessness as a process contributing to destitution also needs investigation.

Physical capital divides into household-level assets and community infrastructure. The evidence suggests that at the household level, holdings of livestock and other assets have been declining for some time, especially during recent droughts (Mathys 2000). On the other hand, there has been substantial investment recently in rural physical infrastructure, especially roads. Food-for-work activities have contributed to developing and maintaining feeder roads, which have great potential to improve opportunities for trade, market integration and drought resilience.

Human capital is low and possibly declining due to low education levels and adverse synergies between low nutrition status (because of chronic, seasonal and transitory food insecurity) and labour productivity. Low human capital is both a cause and a consequence of destitution, and it interacts with other categories – for instance, the poor often cannot afford to send their children to school or clinics, thereby reinforcing low productivity and perpetuating dependence on 'low input, low output' agriculture.

Investigating ***social capital*** requires an understanding of local social relations, sharing arrangements and other redistributive mechanisms. The impact of recurrent food aid distributions on social capital in rural Ethiopia has been little researched, but could be either strengthening or undermining 'traditional' mutual assistance systems. Destitution should be understood not only in terms of people's access to income and assets, but also incorporating social claims.

Financial capital includes informal as well as formal sources of credit. The study area is characterised by limited savings and restricted access for the majority of households to formal financial intermediation services – seasonal credit for agricultural inputs, consumption loans during the hungry season, savings facilities. Because of general poverty, informal credit is also limited.

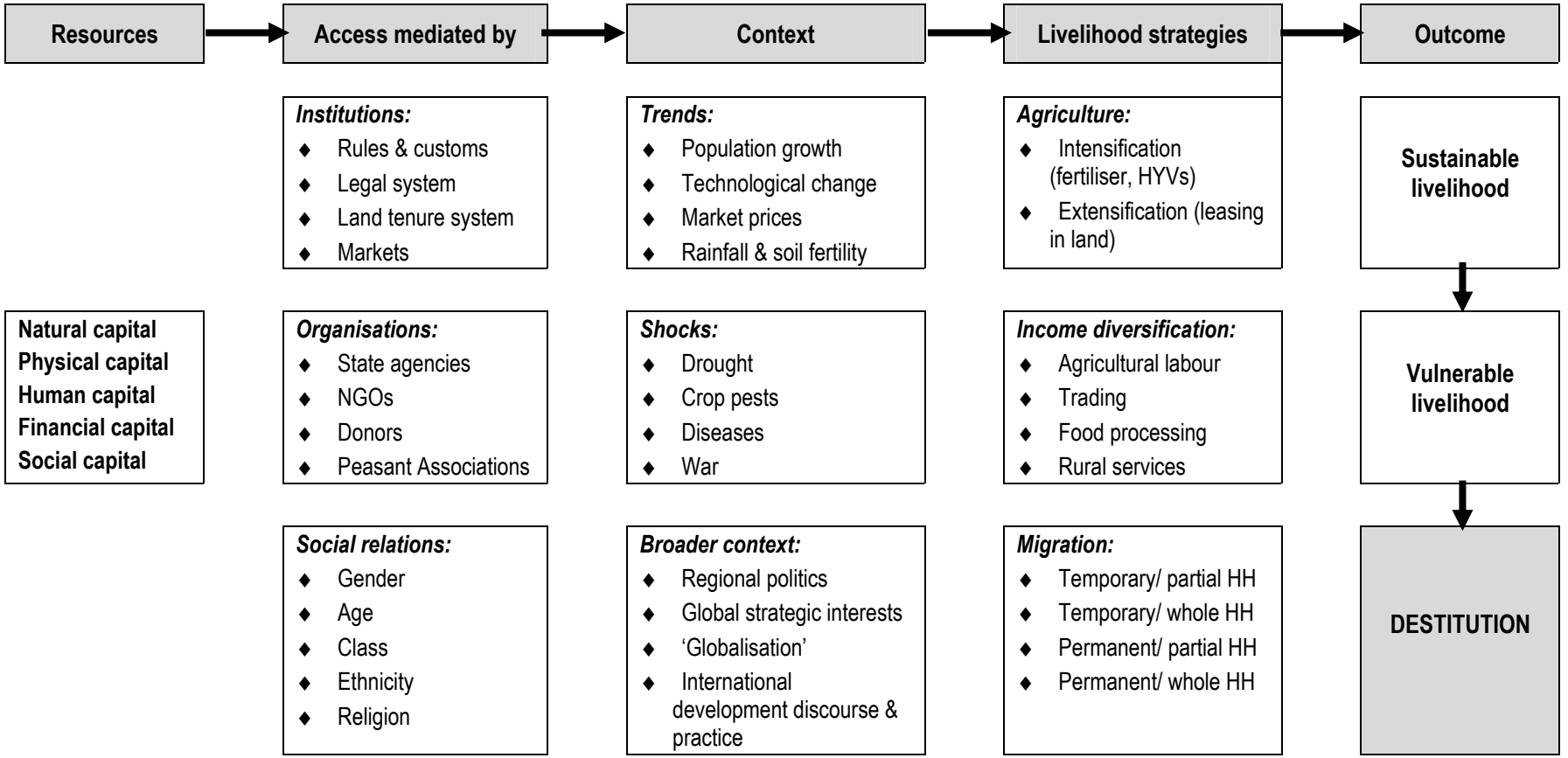
Finally, it is important to consider trends in the ***political capital*** of local communities – in other words, the extent to which they receive and support from central government and can exert influence over local political processes to access public resources.

Destitution is a multi-faceted process. In contrast to conventional analyses of poverty that enumerate incomes and attach market values to physical assets owned by households, we argue that destitution arises from low and deteriorating stocks of – and access to – all types of assets and resources, at the community as well as the household level.

The second column in Figure 2.1 identifies those ***institutions, organisations and social relations*** that mediate access to assets. Access to productive assets can derive from individualised ownership – the strongest form of access – but households that do not own key productive assets can also access them through informal local sharing arrangements (e.g. *yerbee* for livestock), and markets (e.g. land leasing, agricultural labour). Of course, institutions and social relations can also impose barriers to resource access: for instance, inflexible land tenure systems may prevent people from settling and farming where they choose, and patriarchal norms may exclude women from lucrative income-earning opportunities (gendered labour market segmentation). Formal organisations are also involved in facilitating access to resources in rural areas. In rural Amhara Region these include government Ministries (Agriculture, Health, Education, DPPC, ERA), donors and NGOs (WFP, SCF-UK, SOS Sahel and others) and local Peasant Associations.

The forces resulting in destitution operate at the micro (individual and household), meso (community and zonal) and macro (national and international) levels. At the individual and household levels, the main determinant of relative wealth or poverty is ownership of and access to productive assets. However, access to and utilisation of these resources are mediated by environmental conditions and institutional constraints and opportunities that impinge on individuals at higher – community, regional and national – levels. Relevant shocks and trends in North Wollo and Wag Hamra include recurrent droughts, population pressure and soil fertility decline. An analysis of destitution must take into account trends and processes over time, including the broader socio-economic and political ***contexts*** that impinge upon livelihood potentials and outcomes [column 3 of Figure 2.1]. As Dasgupta (1993:8) argues, "no account of destitution can get off the ground unless it includes an analysis of the forces that bring about states of affairs where a large proportion of people can be destitutes". Dasgupta (1993:139) recognises the interconnectedness of political and economic determinants of resource depletion and constrained access to resources in Africa. "Sub-Saharan destitution cannot be traced to any single source […] the extent of government accountability, the reach of civil liberties, and the functioning of market mechanisms are connected".

Figure 2.1. ***A livelihoods approach to conceptualising destitution***



Source: Adapted from Ellis 2000 and Scoones 1998

Within the context of resource availability and access, household livelihood ***strategies*** in rural areas include agricultural intensification (increasing farm yields) and 'extensification' (increasing farm size); income diversification (through engaging in a range of off-farm economic activities); and migration (temporary or permanent, partial or whole household). Typically, rural livelihood portfolios involve a combination of two or more sources of food and income – crop production supplemented by off-farm income-earning activities – because returns to each individual activity are too low and too unreliable.

Our conceptualisation of destitution is as a state or process resulting in 'unsustainable livelihoods'. This unfavourable ***outcome*** can occur because the productive resources available to households are inadequate to generate subsistence production or income, or because institutional barriers constrain access to resources, or because the livelihood strategy pursued is simply unviable. For instance, in Dessalegn Rahmato's phrase, tiny farm sizes mean that farmers in much of highland Ethiopia are cultivating "starvation plots" (<0.5ha) which can never guarantee even subsistence. An unsustainable livelihood is contrasted in Figure 2.1 with a 'sustainable livelihood' outcome – meaning that the livelihood strategy pursued generates adequate food and income and is resilient against shocks such as drought – and with a 'vulnerable livelihood', which is adequate in good times but not resilient against severe shocks and adverse trends. Households pursuing unsustainable livelihoods will be permanently dependent on external assistance, vulnerable households or individuals will need support only in bad times, while those households that enjoy sustainable livelihoods will never need assistance (except in extreme circumstances) and should not be targeted for relief.

2.6. Conclusion

The understanding of destitution which has emerged from our conceptual review and from the qualitative fieldwork has the following main features. Destitution is characterised as primarily a crisis of livelihoods, in which households and communities lack sufficient access to the resources and opportunities needed to construct viable livelihoods. As a result, they become dependent on assistance from their community or from outside organisations including government. Our framework for analysing destitution has a longer time-frame than conventional income-based concepts of poverty, since it encompasses both the causes and processes of destitution, and the potential for future livelihoods. Finally, we see destitution as both a state and a process, which needs to be analysed at both the household and the community level. All these characteristics were reflected in the group discussions and in individual interviews during the qualitative fieldwork, and our definition and conceptual framework appear to fit well with local perceptions.

CHAPTER 3. POVERTY IN ETHIOPIA AND WOLLO

3.1. Historical Poverty and Destitution in Ethiopia

Pre-twentieth century Ethiopia was a highly unequal society, with large numbers of chronically poor people. According to Iliffe (1987:9-10) "The Ethiopian poor were innumerable and ubiquitous. […] as in early medieval Europe, the very poor were chiefly the incapacitated". These included "cripples, blind men, and lepers",[10] as well as people afflicted with epilepsy, polio and other disabling diseases. Old age was not specifically associated with poverty, but being widowed was. "Widowhood, on the other hand, was a common consequence of insecurity and early marriage which led many women into poverty" (Iliffe 1987:11). Despite this proliferation of forms of poverty, few Amharic words were used to describe 'poverty' and 'destitution':

> "…by the seventeenth century, at least, Ethiopians used two words (apparently interchangeably) to mean poor, *meskin* and *deha*, in addition to a rich vocabulary describing various kinds of poor (orphans, blind, etc.). It is interesting that neither *meskin* nor *deha* specifically connoted lack of wealth, power, or kin, as was often the case with African terms for poverty. *Deha* could mean anyone who worked the land and did not possess a fief. *Meskin* seems to have had an implication of destitution, at least by the twentieth century, but there is no indication that a clear distinction was drawn between the two" (Iliffe 1987:27-28).

People practising crafts were socially stigmatised, "but were not necessarily poorer than their neighbours" (Iliffe 1987:11). This conclusion is confirmed by our study, which found socially stratified communities – blacksmiths, potters and leather-workers confined to one end of the village as 'outcasts' – but no discernible differences in material well-being between the groups. In 19th century Ethiopia, "the very poor were impoverished less by lack of access to land than by lack of access to labour: they were chiefly those incapacitated and bereft of care […] Only in times of disaster did Ethiopia see the destitute families which characterised the land-scarce poverty of early modern Europe" (Iliffe 1987:14).

The word 'destitute' also carries with it the notion of 'the deserving poor', and Ethiopia has a tradition – drawn from both Christian and Islamic influences – of charitable support to beggars who are perceived as 'deserving' the support of those more fortunate than themselves, especially those crippled by illnesses such as leprosy or polio. By contrast, Iliffe (1987) argues that Ethiopia has a weaker tradition of extended family support of the kind commonly found elsewhere in Africa, such as urbanised family members remitting income to their rural kin.[11] One explanation for this may be the nucleated structure of Ethiopian households. In contrast to, say, West Africa, where extended families often live in compounds of up to 50 individuals, the typical Ethiopian household is small and self-contained – comprising a married couple and their children. Iliffe (1987:15) attributes this to the fact that Amharic social structure is neither matrilineal nor patrilineal, but bilateral, so that individuals are not born into a "corporate descent group. […] Bilateral societies are characteristically individualistic and mobile, both socially and geographically. This was so among the Amhara." This proud individualism is exemplified by this scathingly critical comment by Emperor Haile Selassie. "Rich and poor have always existed and always will.

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[10] Prejudice against lepers has not disappeared from modern Ethiopia, as the Voices of the Poor study found, here quoting a young woman from a rural village: "My mother was a leper. So everyone knows that I am the daughter of a leper's family. Even though the community has not excluded me officially, there is no attempt to accept me as being part of this society. And I also feel so" (Narayan *et al.* 2000:247).

[11] A survey in Addis Ababa in 1960 found that only 20% [121/600] of household heads interviewed were providing support to family members living elsewhere, or rearing the children of relatives (Comhaire-Sylvain 1960, cited in Iliffe 1987:181).

Why? Because there are people who work and others who do not work. […] Every individual is responsible for his own misfortune" (quoted in Iliffe 1987:211).

Haile Selassie's remark segregates the (undeserving) 'working poor' from the (deserving) 'incapacitated poor', and feudal Ethiopia had more than its fair share of both. While the 'incapacitated poor' relied either on family and community support, or migrated to towns and became 'professional beggars', the 'working poor' struggled to survive by their own efforts. Iliffe captures these contrasting livelihood strategies succinctly.

> "Poor people have two strategies of survival. They can struggle for *independence*, scraping a living by any available means. Or they can struggle for *dependence*, seeking the favour of the fortunate. In practice, of course, many alternate between the two strategies, which are not entirely distinct" (Iliffe 1987:16; emphasis added).

The application of the concept of destitution to able-bodied Ethiopians – and not just to incapacitated 'professional' beggars – was first observed in the 1970s, when land pressures started to impose a binding constraint on the ability of smallholder families to meet their subsistence needs. One study in Sidamo, southern Ethiopia in 1980 found that half the households surveyed were farming less than 0.25 hectares, and concluded that: "The destitute peasant – and quite a good portion of the peasants in our study are in this position – often has a mini-plot and a small hand tool" (Dessalegn Rahmato 1985, quoted in Iliffe 1987:235). Dessalegn was later to describe farms of this size as "starvation plots".

In the early 1980s – when Eritrea was still part of Ethiopia – the EPLF divided poor rural Eritreans into three groups: "Those who lacked the equipment to cultivate independently; those who lacked land because they were young or recent immigrants; and 'those who own land but have no labour power', characteristically orphans, widowers, old men, and solitary women" (Iliffe 1987:238, citing Gebre-Medhin 1984).

If beggars, lepers and resource-constrained peasants constituted the bulk of Ethiopia's 'chronically destitute' population, then the 'transitorily destitute' were those households who were, in Sen's phrase "plunged into starvation" (Sen 1981:47) during the periodic droughts and crop failures that regularly produced famines in Ethiopia.[12] Sen vividly describes how destitutes were "created" by the droughts of the early 1970s. ("While the famine in Wollo and Tigrai had by then ebbed […] fresh destitutes were being created elsewhere in the country as the focus of drought moved south" (Sen 1981:88).) He constructs a 'relative destitution index', which identifies the worst affected sub-regions (*awrajas*) of Wollo as those having the highest proportions of their population in relief camps in 1974. 'Destitutes' comprised drought-affected farmers and pastoralists, evicted tenants, retrenched servants, craft-workers, and 'professional beggars' (Sen 1981:98). Sen outlines "the sequence of destitution" as including eviction of tenants, livestock sales by *rist* smallholders, large-scale migration to look for work, increased begging, and mass displacement to relief camps.

Apart from the 'direct destitution' experienced by crop farmers (caused by harvest failure) and pastoralists (caused by livestock deaths), Sen also describes processes of 'derived destitution', affecting those whose incomes depend on those of farmers, such that when their incomes fell: "Other occupational categories, e.g. weavers, craftsmen, service sellers, urban labourers, and beggars, suffered mostly from straightforward 'derived destitution'. The economic decline of a large section of the community leads to a shrinkage of demand for commodities sold by other groups, in this case clothing, craft products, services, and even general labour power" (Sen 1981:103). The potential for droughts and famines to impoverish rural Ethiopians remains a significant cause of destitution to this day.

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[12] 'Chronic poverty' and 'transitory poverty' are the currently fashionable terms for what earlier analysts categorised as 'structural poverty' and 'conjunctural poverty' respectively. Neither distinction captures the *depth* of poverty, as is conveyed by the term 'destitution'.

3.2. Recent Trends in Poverty in Ethiopia

3.2.1. The national context

It is useful to set any analysis of poverty in Ethiopia in its very particular geographic and demographic context. Ethiopia is home to almost 10% of all sub-Saharan Africans, at 61 million out of 628 million in 1998, rising to 66 million by 2002. This makes Ethiopia one of the largest of the 48 countries in sub-Saharan Africa (SSA), in terms of both population and area.[13] Despite its difficult topography, the arable areas of Ethiopia are relatively densely settled compared to other large African countries.[14]

The corollary of this fact is that Ethiopia remains overwhelmingly rural: urbanisation is proceeding more slowly than elsewhere in Africa. In 1975, 21% of sub-Saharan Africans lived in towns or cities. By 1997 this had risen to 32%, and is projected to rise to 43% in 2015. In Ethiopia, the urban population accounted for just 16% of the total in 2000. Low urbanisation also implies a small industrial sector. As a percentage of GDP, Ethiopia recorded the lowest level of industrialisation – just 7% in 1997, *down* from 12% in 1980 – among 37 countries in SSA for which data are available (Tribe 2002:264).

Ethiopia's per capita GDP stood at $110 in 1997, but this fell to just US$ 100 by 2001 (World Bank 2002b), the lowest in the poorest region of Africa, itself the poorest continent in the world.[15] One reason for this extremely low income is the high dependence of the population on low-input, low-output (and shock-prone) agriculture for their living. Over 80% of the total labour force is employed in agriculture, which contributed 52% of GDP in 1999. Per capita food production increased by +1.7% per annum on average between 1993 and 1999, but a clear indication of food production volatility is given by the figures for 1997 (-1.3%), 1998 (-10.1%) and 1999 (+3.7%) (United Nations 2002:249-250).

This variability in key economic outcomes is partly responsible for the confusion that exists in official statistics on poverty and economic growth in Ethiopia during the 1990s. For instance, Bevan (2000) notes that the World Bank's Africa Database lists four measures of GDP for Ethiopia. According to one data series, GDP per capita rose from $403 to $517 in PPP terms between 1990 and 1998, but it fell from $134 to $107 in current US$ over the same period. As Bevan (2000:2) concludes: "…if I wanted to argue that poverty was likely to be increasing in Ethiopia I would present changes in GDP per capita in current US$; if I wanted to claim some success for policies I had advocated I would go for GDP per capita based on PPP".

Another reason for the conflicting estimates of poverty incidence and trends in Ethiopia is that different reports and studies use different definitions, methodologies and cut-offs. For instance, the United Nations' Least Developed Countries Report compares "household survey-based" estimates of poverty in various countries with "national-accounts-consistent" estimates, which allows more robust inter-country comparisons to be drawn. The results for Ethiopia are particularly striking: according to household surveys, only 31.3% of Ethiopians lived below the 'dollar-a-day' absolute poverty line threshold in 1995, but according to

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[13] Unless otherwise indicated, figures cited in this section are compiled from Belshaw and Livingstone (2002), and from the World Bank's World Development Indicators database (http://devdata.worldbank.org).

[14] The DRC, for instance, is more than twice the size of Ethiopia, but is home to 47 million people compared to Ethiopia's 66 million. Angola and the Sahelian countries of Chad, Mali, Mauritania and Niger each cover a larger land area than Ethiopia's one million km^2, but have only a fraction of Ethiopia's population (2-11 million).

[15] Real GDP per capita amounted to US$ 514 in Southern Africa (excluding South Africa), US$ 332 in West Africa, and US$ 209 in East Africa, including Ethiopia (Belshaw and Livingstone (2002:4-5).

national accounts data this figure is considerably higher, at 89.9%.[16] Inconsistencies are also apparent in trends over time. "According to the household survey data, average private consumption per capita increased by over 17 per cent in Ethiopia between 1981 and 1995. But according to national accounts data, average private consumption per capita fell by over 13 per cent between these two years" (United Nations 2002:45).[17]

Even though the balance of empirical evidence suggests that poverty in Ethiopia has fallen during the 1990s (but see discussion below), projections indicate that the economy has to grow by 5.7% p.a. in real terms, if Ethiopia is to achieve the Millennium Development Goal of halving poverty by 2015, from its current level of 44.3% to 22.1% (FDRE 2002:ii). In fact, real GDP growth has averaged 5.8% p.a. since 1992/93, but this average conceals enormous year-to-year variability – mainly because of the economy's heavy dependence on volatile agriculture – with a peak of +10.6% growth in 1995/96 and a low point of –1.4% two years later, in 1997/98 (FDRE 2002:2-3). Also, following significant progress on poverty reduction in the early 1990s, "poverty has not changed significantly between 1995 and 2000" (World Bank 2002:1) – the gains from the 'peace dividend' appear to have levelled off. In an analysis of the sources of economic growth in Ethiopia in the 1990s, Easterly (2002) found that most of the growth came from non-agricultural sources, despite the government's emphasis on agriculture-led development (see the 'Agricultural Development Led Industrialisation' (ADLI) strategy), and on rural development (see the government's 'Rural Development Policies, Strategies and Instruments' (FDRE 2001)).

3.2.2. Findings from household surveys

For the past several years, the World Bank and IMF have been arguing that poverty has been falling dramatically in Ethiopia: "The evidence is quite compelling that the poor in Ethiopia have improved their well-being over the course of the nineties, especially in rural areas" (World Bank 1999:24). This success is attributed explicitly to the collapse of communism and the adoption of economic liberalisation policies by the Derg regime in the late 1980s and the post-Derg government in the early 1990s,[18] with World Bank and IMF support (IMF 1999; World Bank 1999).[19] This argument supports two convictions that are closely associated with 'Washington consensus' thinking on growth and poverty reduction in developing countries: namely, that economic liberalisation measures – specifically the

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16 If this seems intuitively too high, consider a comparison with other poor African countries. According to household survey-based data, headcount poverty in Ethiopia (at 31%) was much lower in the mid-1990s than in Gambia (54%), Madagascar (60%), Burkina Faso (61%) and Zambia (73%). However, taking national accounts as the basis for estimation, poverty in Ethiopia (at 90%) was much higher than in these countries (43% in Gambia, 49% in Madagascar, 69% in Burkina Faso, 81% in Zambia) (United Nations 2002:46). In relative terms at least, the latter figures seem intuitively more credible than the former.

17 The debate on whether household surveys or national accounts data provide more accurate estimates of poverty is beyond the scope of this report (see United Nations 2002:45-51 for a discussion), but a general conclusion emerging from this comparative work is that household surveys tend to underestimate average levels of consumption (in international purchasing power parity terms), especially in the poorest countries, and therefore systematically underestimate poverty levels, most notably in sub-Saharan Africa.

18 Consider the 'Abstract' of a recent World Bank paper on economic reform in Ethiopia: "In the late 1980s, the Ethiopian economy was very fragile […] the demise of the communist paymasters after the fall of the Berlin Wall meant that the situation was unsustainable. Food markets were liberalised from 1988. The civil war ended with the fall of the Communist government in 1991. Subsequently, further market liberalisation and a large currency devaluation took place" (Dercon 2002: ix).

19 Ethiopia's agricultural sector reforms are described in Jayne *et al.* 2002; Kherallah *et al.* 2002; and World Bank 2002b. Since 1992, the markets for foodgrains, fertiliser, coffee and other export crops have all been liberalised to varying degrees. Looking specifically at fertiliser marketing, Jayne *et al.* (2002:1976) characterises Ethiopia's reform process as *"de jure* reform, *de facto* control" by the government.

macroeconomic and sectoral policy reforms that were initiated by the structural adjustment programmes of the 1980s – are prerequisites to reverse economic stagnation in poor countries,[20] and that economic growth is unambiguously beneficial for poverty reduction (Ravallion and Chen 1997; Dollar and Kraay 2000). In summary: growth is good for the poor, liberalisation is good for growth, therefore liberalisation is good for the poor. But what is the empirical evidence for this argument in the context of rural Ethiopia?

In 1989, an IFPRI research team interviewed 445 households from 7 rural communities that were purposively selected because they had suffered during the 1984/85 famine (Webb and von Braun 1994). In 1994, a team from CSAE in Oxford and Addis Ababa University (AAU) re-interviewed 358 of these households, from 6 of the 7 communities.[21] Consumption was used as the basis for measuring living standards, and poverty measures were derived from a "cost of basic needs" poverty line. The key finding from this panel survey was a large fall in the poverty headcount – the proportion of households surveyed who were surviving below this poverty line – from 61% in 1989 to 51% in 1994 (Dercon 2002:33).

Table 3.1. ***Poverty in six Ethiopian villages, 1989-94***

Indicator	1989	1994	% change
Head count poverty (P_0)	61%	51%	-16%
Poverty gap (P_1)	29%	22%	-26%
Squared poverty gap (P_2)	17%	12%	-31%

Source: Dercon 2002:33 [n=358 households]

Despite the qualifications that Dercon himself attaches to his findings (Dercon 2002:2-3), larger generalisations have inevitably been drawn from this work. Firstly, the figures presented in Table 3.1 are routinely taken as representing significant poverty reduction across Ethiopia as a whole. Secondly, this evidence is interpreted as vindicating the rejection of state central planning and adoption of economic liberalisation policies by the government of Ethiopia in the early 1990s. However, we have a number of concerns about these findings, both methodological and interpretative.

Firstly, the CSAE/AAU panel survey was far from representative of rural Ethiopia as a whole. Limitations include the sample size (the survey covered a tiny fraction of Ethiopia's large and diverse population), the sampling frame (famine-affected communities were purposively selected, and all were located in government-controlled areas), and substantial sample attrition (one entire community was not re-surveyed, and many more households were not traced in 1994).

The panel survey comprised 361 households from six communities. As Dercon (2002:2) concedes: "This data set is small and is not a representative sample of rural Ethiopia"[22]. So the first set of questions or qualifications that need to be introduced to the interpretation of these findings is how generalisable they are, both within the sample itself and at the (rural)

[20] This argument was first elaborated in the 1981 'Berg report' (World Bank 1981). Despite many challenges and the emergence of a 'post-Washington consensus' in recent years, the basic tenets of Washington consensus thinking remain entrenched in international development discourse and policy (see Kydd and Dorward 2001), even in the 'nationally owned' PRSP process in which Ethiopia and many other countries are engaged.

[21] IFPRI is the International Food Policy Research Institute, in Washington DC. CSAE is the Centre for the Study of African Economies, at the University of Oxford. Hereafter this panel data set is referred to as the CSAE/AAU panel.

[22] Even for the 1994-1995 panel survey, which increased the sampling frame from six to 15 villages, Dercon and Krishnan (1998:34) admit that: "A sample of 15 villages remains too small to be representative for all villages".

national level. In this context, Bevan (2000:1) criticises "a tendency for 'over-generalisation' to 'Ethiopia' of conditions which applied in a particular place at a particular time". One specific source of bias is that the villages were purposively selected "because they had suffered in one way or another from the 1984-85 famine" (Dercon 2002:2) – the interviews in 1989 focused on households' recovery from this famine. Another bias is that these communities all fell within the area controlled by the Derg in 1989. Because of the civil war ongoing at that time, northern Ethiopia – where some of the severest poverty is found – was excluded.

There were significant changes in the sample between 1989 and 1994. Only six of the seven villages that were surveyed in 1989 were revisited in 1994 – one community was excluded "because of violent conflict in the area" (Dercon and Krishnan 1998:3). A further 6% of households interviewed in 1989 could not be traced in 1994, resulting in a total shrinkage of the sample from 445 to 361 households. The net result is that all the data on which sweeping generalisations about poverty reduction in Ethiopia in the early 1990s are based derive from a sample of 361 households in six purposively selected communities, representing an 81% re-survey from a post-famine study five years earlier.

Even within the six re-surveyed communities, poverty trajectories were mixed and far from conclusive. Substantial declines in poverty were recorded in four villages, but in the other two communities food poverty actually *increased*. As Dercon (2002: ix) concedes: "A significant number of households saw their welfare decrease in the period as well; some even experienced a move into poverty". These findings should lead to a degree of caution in interpreting trends in poverty from two observations in a small panel sample. The mixed picture presented across the six communities shows the sensitivity of this sample to the specific villages selected, and undermines the credibility of attempts to extrapolate from a handful of case study villages to rural Ethiopia as a whole.

Seasonality is pronounced in rural Ethiopia, which presents another obstacle to attempts to extract longer-term trends from a limited number of observations on selected households over time. In the 1994 re-survey, the sample frame was expanded to 15 communities, and 1,403 households from these 15 communities were interviewed three times in 1994/95, and again in 1997. The three rounds of panel data collection in 1994 and 1995 were conducted at different times of year, which produced large swings in the poverty headcount from season to season: poverty fell from 34% in the pre-harvest season to 27% around harvest time, then rose again to 35% in the post-harvest round. This sensitivity of the aggregate incidence of poverty to the time of year that the survey was conducted – let alone to harvest variability between years, another major determinant of consumption poverty in Ethiopia – throws further doubt on the interpretation of a fall in poverty headcounts in this panel survey as reflecting a significant and sustainable reduction in national-level poverty.

The basis of the calculation of poverty in this panel survey was the household's current consumption against a minimum basket of food and non-food items. As one of the world's most food aid-dependent countries, consumption in Ethiopia is substantially affected by food aid deliveries from year to year. Some communities in the panel survey were receiving food aid at the time of the 1994 survey, which elevated recorded food consumption levels, both in comparison with other sites not receiving free food, and against other months and years when no food aid was provided. Bevan and Joireman (1997:329) recalculated the poverty headcount for one such community in Amhara Region by removing food aid from household food consumption, and found that the poverty headcount in 1994 more than doubled over the official figure, from 15% to 36%.

As Bevan and Joireman (1997:328) point out, the consumption-based measures on which poverty estimates for Ethiopia are constructed embody "the value judgement that current consumption is the most important aspect of poverty". A sociological study of poverty, using different poverty assessment methods, was conducted alongside the household survey in 1994. One method used was 'personal wealth ranking': households were asked to assign

themselves to one of 7 wealth categories, from 'very poor' to 'very rich'. Across all 15 sites, 50% of households put themselves in one of the three 'poor' categories, and 50% put themselves in one of the four 'not poor' categories. In the one study site in Amhara Region (the community receiving food aid in 1994), however, 71% were poor and only 29% were not poor [Table 3.2].

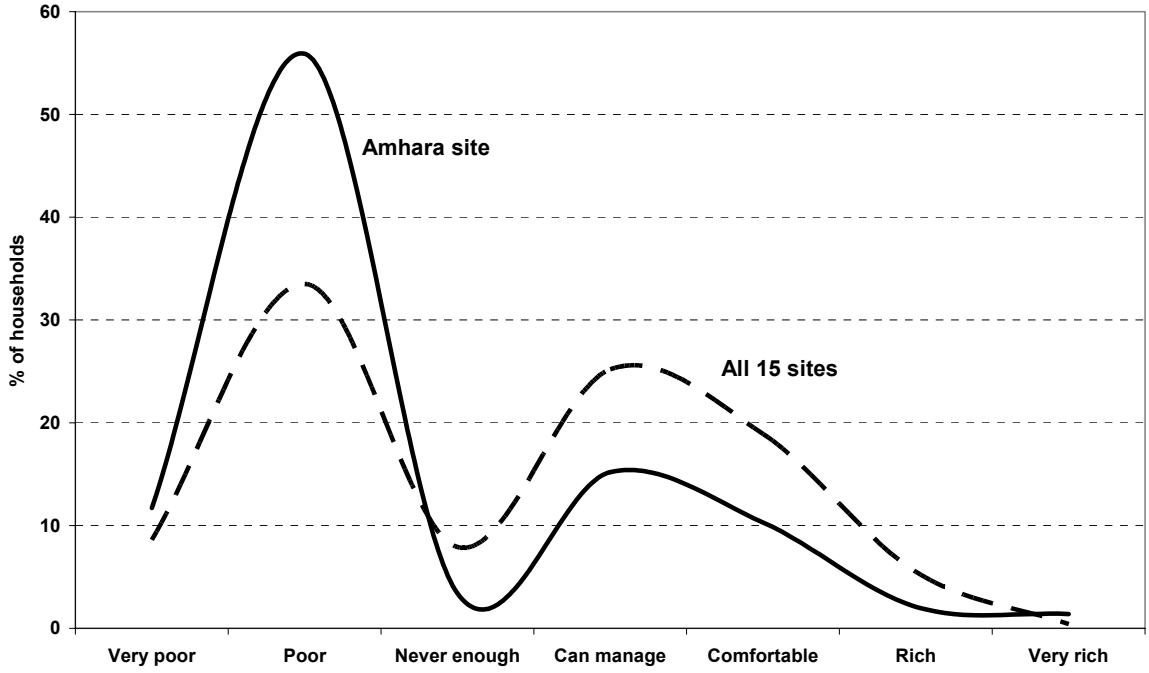
Table 3.2. ***Personal wealth ranking in Ethiopia, 1994***

Wealth category	Amhara	15 sites
Very poor	11.7%	8.6%
Poor	55.9%	33.5%
Never have quite enough	3.4%	7.9%
Can manage	15.2%	25.2%
Comfortable	10.3%	18.9%
Rich	2.1%	5.5%
Very rich	1.4%	0.4%

Source: Bevan and Joireman 1997:325

When these results are plotted graphically [Figure 3.1], the pattern resembles a familiar right-skewed income distribution.

Figure 3.1. ***Personal wealth ranking in Ethiopia, 1994***



When wealth ranking was conducted at the community level (groups from the community allocated local households to wealth categories), the proportion of households classified as poor in the Amhara survey site rose to 78%, with only 22% classified as 'not poor'. A third methodology used cluster analysis to group households according to variables identified by each community as important determinants of wealth in the local context. The results proved to be somewhat lower than the more subjective wealth ranking methods – 65% of the Amhara community households were classified as poor, and 35% as 'not poor' (Bevan and Joireman 1997:327) – but still higher than the official poverty estimate of 57% for

Amhara region around the same time (from the 1995/96 Household Income, Consumption and Expenditure (HICE) survey).

The poverty headcount estimated for this community by the concurrent household survey was just 15%, with 85% of households classified as 'not poor' – almost the reverse of the community wealth ranking proportions [Table 3.3]. One reason for this discrepancy is the 'food aid factor' previously discussed; another is that the variables identified by the community as constituting wealth or poverty were broader than the consumption poverty indicator, including major assets owned (land, livestock, labour), as well as personal characteristics (health status, lazy or hardworking), local water quality, and dependence on others. Bevan and Joireman (1997:332) conclude that: "The empirical findings […] suggest that local conceptions of poverty are based more on capital held than short-term income/ consumption".

Table 3.3. ***Alternative measures of poverty in one Amhara community, 1994***

Poverty measure	'Poor'	'Not Poor'
Poverty headcount	15%	85%
Poverty headcount excluding food aid	36%	64%
Cluster analysis	65%	35%
Personal wealth ranking	71%	29%
Community wealth ranking	78%	22%

Source: Bevan and Joireman 1997:331

Quantitative economists tend to be dismissive of 'subjective' methods such as wealth ranking, arguing that respondents have an incentive to exaggerate their true poverty and hardship to outsiders. Rarely are 'objective' survey methodologies subjected to the same critical scrutiny; yet there is evidence here of sampling and non-sampling errors that arguably underestimated true poverty in this particular survey site – and in the overall panel survey, since there is no reason to believe that similar (or different) biases did not pervade data collection in the other communities surveyed.

Based on analysis of data from the expanded panel survey between 1994 and 1997 (1,403 households from 15 communities) Bigsten *et al.* (2003) recorded a statistically significant fall in poverty in Ethiopia from 41% to 36% between 1994 and 1997, most of which was accounted for by a decline in rural poverty [Table 3.4].

Table 3.4. ***Poverty in Ethiopia, mid-1990s***

Indicator	1994	1995	1997
National poverty headcount	**41.2%**	**37.8%**	**35.5%**
Rural poverty	**41.9%**	**37.6%**	**35.5%**
Cereal growing areas	36.9%	28.7%	33.5%
Enset-growing areas	53.7%	58.4%	40.1%
Urban poverty	**37.5%**	**38.7%**	**35.5%**
Dessie town (Wollo)	36.9%	37.2%	37.8%

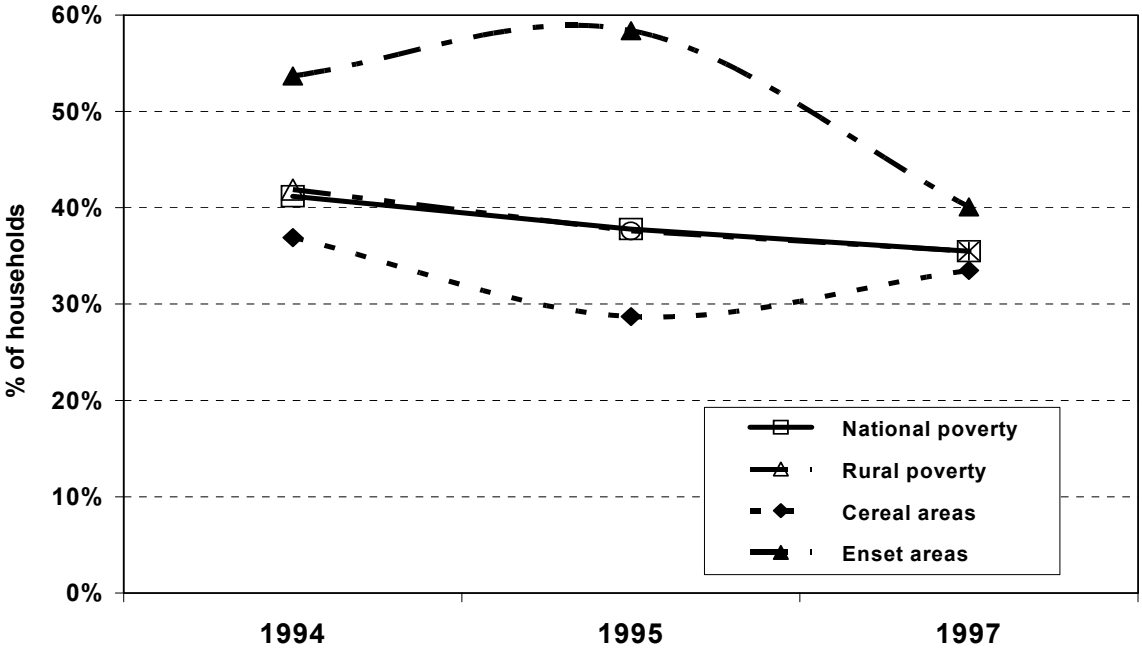
Source: Bigsten *et al.* 2003:89-92

The authors fail to comment on the fact that most of this apparent improvement in poverty levels occurred in a single year, from 1994 to 1995, when rural poverty fell from 41.9% to 37.6%. This fall of 4.3% implies that approximately 2 million rural Ethiopians living in

poverty in 1994 crossed the poverty line in the next year.[23] Bigsten *et al.* (2003) favour an explanation for this success based on expanded production of *chat,* a non-traditional export crop, by rural households. However, given that there is little evidence of technological change in agriculture or substantial investment in off-farm livelihoods in this specific year, it might seem more logical to attribute much of this dramatic improvement to fluctuations in the weather, and/or the effect of conducting the survey at different seasons from one round to the next.

This speculation appears to be confirmed by disaggregated data from the panel surveys. Within the rural sample, it is striking that headcount poverty in the cereal-growing areas first fell from 1994 to 1995, but then increased toward 1994 levels by 1997. Conversely, poverty in *enset* areas ('false banana', common in southern Ethiopia) first increased, then fell by 1/3 (from 58% to 40%) between 1995 and 1997 [Figure 3.2].

Figure 3.2. *Poverty in Ethiopia, 1994-1997*



To the extent that these data represent accurate summaries of regional realities, it would appear that the substantial reduction recorded in national poverty in Ethiopia in the mid-1990s was driven primarily by climatic variability of unpredictable and divergent magnitudes across years and between regions within the country.

Much larger surveys have been conducted in recent years, which produce less dramatic findings. The Household Income, Consumption and Expenditure (HICE) survey interviewed 12,000 households in 1995/96 and 17,000 in 1999/2000. The HICE registered a modest but *not* statistically significant fall in poverty over the four years, from 45.5% to 44.2% nationally and from 47.0% to 45.0% in rural areas (FDRE 2002:7).

Table 3.5 summarises the empirical evidence on poverty trends in Ethiopia since 1989, from the various sources discussed above. Interestingly, the large-scale surveys register national and rural poverty headcounts in the range 48% down to 36%, over the period 1994 to 1999. The range recorded by Dercon's smaller panel surveys is much wider, from 61% in 1989 down to 29% in 1997.

[23] Assuming a population of 60 million in 1994, growing by 2.2% *per annum*, there were 25 million poor rural Ethiopians in 1994 and 23 million in 1995.

Table 3.5. ***Headcount poverty in Ethiopia from household surveys, 1989-1999***

Source	Sample size	1989	1994	*1995/ 1996*	1997	*1999/ 2000*
National:						
(1) Bigsten 2003	2,733		41%	38%	36%	
(2) FDRE 2002	12,000 17,000			46%		44%
Rural Ethiopia:						
(3) Dercon & Krishnan 1998	351	61%	50% (a) 33% (b)	45%		
(4) Dercon 2000a	1,403		39%		29%	
(1) Bigsten 2003	1,403		42%	38%	36%	
(5) MEDAC 1999	7,010			48%		
(2) FDRE 2002	n/a			47%		45%
Rural Amhara Region:						
(2) FDRE 2002	n/a			57%		43%
Rural Wollo:						
(6) 'MEDAC'	922			60%		

Sources: (1) Bigsten *et al.* 2003: full sample size of 3,000 households nationally, 1,500 in rural areas.
(2) FDRE 2002: Household Income, Consumption and Expenditure (HICE) surveys; national sample size of 12,000 in 1995/96 and 17,000 in 1999/2000.
(3) Dercon & Krishnan 1998: panel survey of 351 households in 6 communities, 1989 and 1994.
(4) Dercon 2000a: sample size of 1,403 households.
(5) MEDAC 1999: Welfare Monitoring Survey data, sample size = 7,010 households.
Note: 1994(a) is for the panel households pre-harvest; 1994(b) is for the same sample at harvest time.

Finally, even if the findings are in some sense indicative of broader economic processes at work in rural Ethiopia in the early 1990s, how sustainable are these gains? Economic growth in Ethiopia is variable, erratic, and highly contingent. Five years before the 1994/95 panel survey, Ethiopia was at war; five years later it was at war again. Ethiopia's per capita GDP fell from US$ 110 in 1997 to US$ 100 in 2001 (World Bank 2002a). What trends and trajectories would have been observed if the panel survey had been conducted, not in 1989 and 1994, but in 1997 and 2001?

3.2.3. Trends in non-income well-being indicators

As with income-based measures of poverty and well-being in Ethiopia, non-income measures present a mixed picture of progress and regression during the 1990s. According to Bigsten *et al.* (2003:88): "Over the last 30 years, life expectancy has shown little improvement, food production per capita has declined, and school enrolment has changed little". Even where improvements are evident, absolute levels of deprivation remain higher in Ethiopia than almost anywhere else. For instance, Ethiopia is one of only five African countries where less than 25% of rural residents have access to improved (treated or protected) domestic water.

According to the World Development Indicators (World Bank 2002b), the life expectancy of Ethiopians at birth actually fell in the late 1990s, from 43 years in 1997 to 42 years by 2000. This is one of the lowest life expectancies in the world, and it has risen only marginally since the 1970s, when it stood at 41 years. Moreover, while HIV/AIDS infection rates have until recently been lower in Ethiopia (around 9% in 1997 for the 15-49 year-old age cohort)

than in southern and central Africa, there are alarming signs that the pandemic is about to 'take off'. A recent report by the U.S. National Intelligence Council projects that Ethiopia will have 7 to 10 million HIV/AIDS cases by 2010, an adult prevalence rate of 19-27%, up from the official total of 2.7 million cases in 2002 (NIC 2002:4). This threatens to further reverse the minimal gains in life expectancy that have been recorded since the 1970s. (In high HIV-prevalence countries like Botswana, Uganda and Zimbabwe, life expectancy at birth has fallen by around 7 years since the 1980s.)

Ethiopia remains in the dwindling group of countries with an infant mortality rate (IMR) of above 100 per 1,000 live births, although this indicator did fall between 1970 and 1998 from 159/1,000 to 110/1,000. In terms of child mortality rates (CMR), however: "Ethiopia is moving in the wrong direction: its under-fives mortality rate worsened from 166 per thousand in 1997 to 179 per thousand in 2000" (Robinson 2003:11). Child malnutrition rates remain extremely high. Anthropometric surveys undertaken in the late 1990s indicate that chronic malnutrition (as measured by stunted growth) is coming down. "Both stunting and severe stunting in 1999/2000 have witnessed tremendous declines (by 15-34 percent) from the levels observed in the 1995/96 survey, indicating an improvement in the long-run measure of malnutrition" (FDRE 2002:11). On the other hand, the figures for wasting (the anthropometric measure of short-term or acute undernutrition) deteriorated slightly over the same period [Table 3.6].

Table 3.6. ***Child malnutrition in rural Ethiopia, 1995-1999***

	Stunting		Wasting	
	1995/96	**1999/00**	**1995/96**	**1999/00**
Male	70.0%	59.4%	9.3%	10.5%
Female	66.7%	56.4%	9.8%	9.3%
Total	68.4%	57.9%	9.5%	9.9%
% change	-15.3%		+4.3%	

Source: FDRE 2002:11. Statistics are for children aged 6-59 months.

The national literacy rate in Ethiopia was only 29% in 1999/2000, up from 27% in 1995/96 [Table 3.7]. Illiteracy is considerably higher in rural areas (78%) than in urban areas (30%), and among women (80%) than among men (60%). The gains in literacy recorded during the late 1990s were disproportionately captured by males. An encouraging sign, though, is that both gross and net primary and secondary enrolment rates "witnessed dramatic improvement" (FDRE 2002:13) in the late 1990s, especially in rural areas, and for girls more than boys.

Table 3.7. ***Trends in literacy in Ethiopia, 1995-1999***

	1995/96			1999/00		
	Rural	**Urban**	**National**	**Rural**	**Urban**	**National**
Male	29.2%	82.3%	36.5%	33.0%	82.1%	40.0%
Female	9.2%	60.4%	18.1%	11.0%	61.2%	19.5%
Total	19.4%	70.0%	27.3%	21.8%	70.4%	29.4%

Source: FDRE 2002:13

Note: Literacy is defined as the percentage of Ethiopians aged 10 years and over who can read and write.

Apart from quantitative statistics on aspects of well-being and deprivation, there have been two qualitative 'consultations' with poor Ethiopians in recent years, designed to elicit their own perceptions and experiences of living in poverty. The first was the World Bank's Voices of the Poor study in 1999, and the second was a round of consultations by the government of Ethiopia, undertaken in 2001/02 as part of the PRSP process. Both these studies found an apparent contradiction between people's perceptions of poverty levels and trends, and the 'official' household survey statistics on poverty. Landless young men interviewed for Voices of the Poor are one 'vulnerable group' who clearly feel they are worse off than in the past:

> "Ten years ago, we didn't have employment because we never were given land. There were no schools that teach us skills, but there was a literacy program. Today, we still can't find work or land to plough. Even those of us who went to school can't find jobs. What is the use of going to school?" (Dessalegn and Aklilu 1999:75).

Box 3.1 lists a number of statements made by Ethiopians about their state of poverty during the Voices of the Poor fieldwork. Many of these comments suggest powerlessness and social exclusion, others a deterioration in well-being over time.

Box 3.1. *Self-reported 'ill-being' in Ethiopia*

"We are left tied like straw"	"My relatives despise me and I cannot find them"
"Living by scratching like a chicken"	"What is life when there is no friend or food?"
"We have become empty like a hive"	"We sold everything we have and have become shelter-seekers"
"If one is full, the other will not be full"	"We are above the dead and below the living"
"The poor is falling, the rich is growing"	"Our life is empty; we are empty-handed"
"We simply watch those who eat"	

Source: Narayan *et al.* 2000:33

The PRSP consultation process in 2001/02 found a widespread perception that poverty has worsened in recent years.

> "In the *Woreda* (district) consultations … many participants expressed the opinion that the level of poverty is increasing. On the surface, this seems inconsistent with the results of the quantitative analysis, which shows a level or declining trend in absolute poverty levels" (FDRE 2002:19).

The government explains this dissonance in terms of recent collapses in coffee and grain prices, which have undermined farmers' incomes and livelihoods. As will be seen below, our survey in Wollo also elicited strong and widely-held perceptions that the incidence and severity of poverty are steadily increasing over time, contradicting the official discourse of dramatic income and consumption gains in rural Ethiopia in the 1990s.

3.3. Recent Trends in Poverty in Wollo

Secondary historical information on assets and livelihoods in Wollo is limited, but what little there is tends to confirm the perception of our informants that there is a secular downward trend in the local economy. For example, the Chronic Vulnerability Index (CVI) was developed by the national Early Warning Working Group[24] to provide a rolling baseline for

[24] The Early Warning Working Group is a group of technical experts, led by the government's Early Warning Department and including the Ministries of Agriculture and Health, the UN (WFP/VAM), NGOs (SC-UK and CARE), and donor information systems (USAID's FEWSNet and the EU Local Food Security Unit).

food security monitoring at the *wereda* (district) level. It combines available secondary data on risk and coping indicators including livestock numbers, land availability, food and cash crop production, the percentage of population needing emergency relief, food price variability and the risk of shocks such as drought. The initial baseline used average values for 1994-98. An update is now in preparation, using 1999-2002 data including the new agricultural census.

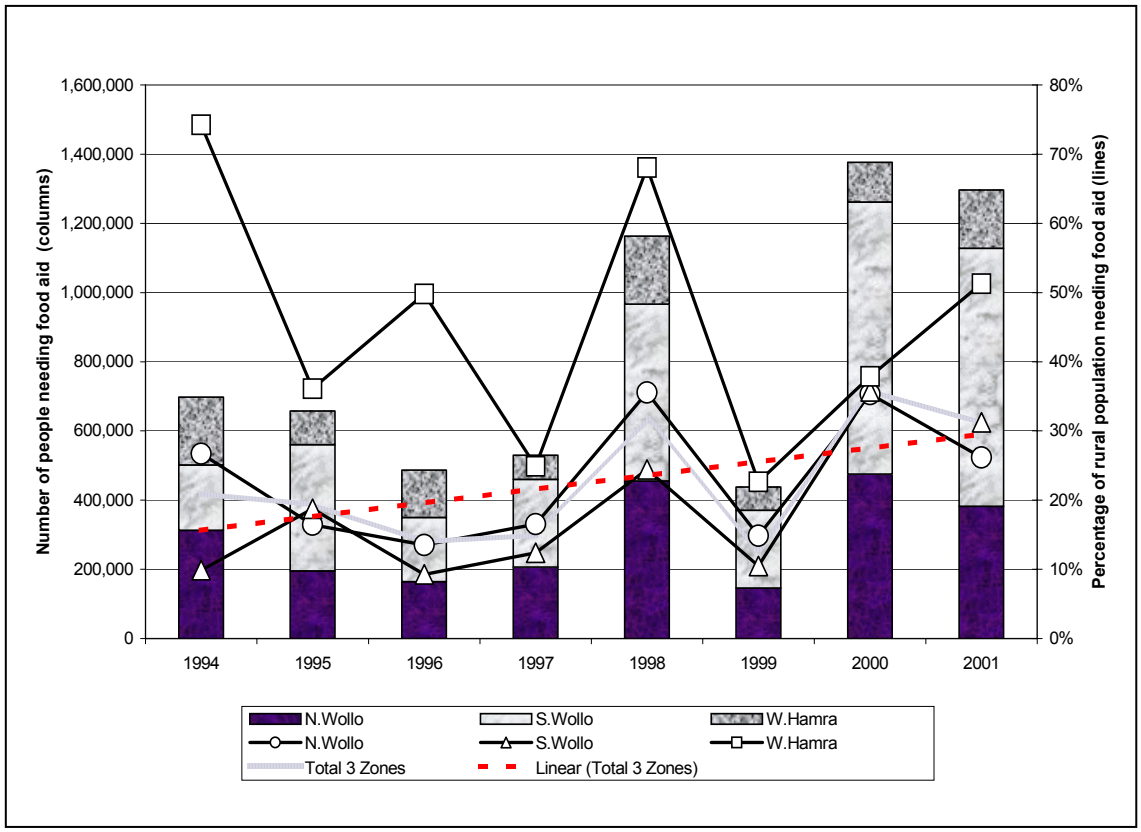
> "Preliminary results from the updated CVI exercise show an increase in the number of *woredas* scoring a 4 or 5 (most vulnerable) both nationwide and in the three zones studied. The 1994-1998 CVI indicated out of 27 *woredas* in the three zones, 18 scored a 5 (most vulnerable) while 2 *woredas* scored a 3 (moderately vulnerable). Using the data from 1999-2002, now 22 *woredas* score a 5 and there remain no 3's. Nationwide the trend is similar with the number of 5's increasing from approximately 80 to significantly more than 100" (Kerren Hedlund, WFP-VAM Addis Ababa, *pers. comm.*, March 2003).

The CVI indicators (and, indeed, most other economic data on Wollo) focus on crop and livestock farming, which is overwhelmingly the most important livelihood activity in the area. It may be argued that this neglects non-agricultural income sources; however, there is no evidence that such income sources have greatly expanded in recent years in response to shrinking land availability and declining productivity of agriculture. Household livelihoods are certainly diverse, but they mostly comprise very low return activities with limited, agriculture-linked markets. According to informants in our qualitative sites, some conditions for off-farm employment and enterprise have certainly improved in the past ten years (for example, greater freedom of trade and population movement; improved roads; and new construction work on government offices, schools and clinics). However, the number of people competing for such opportunities has also greatly expanded and always far outstrips the demand for labour. A similar conclusion about the very limited scope for sustainable livelihoods in Wag Hamra and North Wollo was reached by Holt and Dessalegn (1999:5): apart from some seasonal agricultural employment they find that:

> "off-farm cash-earning sources are meagre, with no large towns, let alone a city, and virtually no industry. For such opportunities people must travel far … Whatever local development initiatives may be undertaken, a sustained, general improvement in livelihoods is hardly conceivable alongside any increase in the number of people trying to make a living directly from the land."

Further evidence of a downward trend in welfare is provided by the annual food aid needs assessment figures charted in Figure 3.3. The columns show the absolute number of people in each of our three Zones who were officially considered in need of food aid each year from 1994 to 2001, while the lines express the same figures as percentages of the rising rural population. Consistent with our geographical disaggregation of destitution, the figure shows that Wag Hamra had the highest percentage in need (though the smallest absolute number of needy people) in each of these years. Three striking observations can be drawn from this graph. Firstly, it is a stark reminder that hundreds of thousands of people in Wollo are considered in need of relief food *every year*, regardless of the rains or the harvest. Repeated 'emergency' operations are in fact serving the function of a welfare or safety net programme in the face of chronic poverty, a fact frequently commented on by donors (though the solution is yet to be found). Secondly, the variability of needs from year to year indicates how vulnerable this populous area is, in terms both of risk (given the erratic rains which determine not only local food production, but also most other income sources) and of coping capacity (given the scarcity of fall-back options other than aid). Thirdly, the linear trend in the percentage of people needing food aid in all three Zones combined (the dotted line in the figure) shows an overall rise during this period. There is certainly no indication here of a dramatic fall in rural poverty.

Figure 3.2. ***Food aid requirements by Zone, 1994-2001***



Source: Calculated from DPPC / WFP Historical Requirements data by *Wereda*

The last piece of evidence on poverty trends in Wollo is drawn from SC-UK's Household Food Economy (HFE) monitoring. Table 3.8 summarises some selected parameters from HFE baseline assessments of seven Food Economy Zones within our study area. The methodology draws on carefully triangulated key informant work to build a picture of the household economy of an average or 'typical' household in each of the wealth categories identified by community representatives. These baselines refer to a 'normal' year (defined as the most frequently occurring conditions) in each area. As the table shows, the proportion of households considered 'poor' by these communities ranges from 30% to 60%: the variability between FEZs underlines how difficult it is to generalise even about Wollo, let alone the whole of rural Ethiopia, from a small number of sites. In three of the FEZs, key informants subdivided the poor into 'poor' and 'very poor' (with the very poor comprising between 10% and 25% of the population). It is this very poor category, with minimal productive assets and high dependence on relief aid, which is most closely analogous to our 'destitute' group. Overall, the HFE data confirms the extremely low level of assets and livelihood options available to very poor households, most of whom crucially lack access to land and/or labour.

Table 3.8. ***Household Food Economy baseline data for Wollo***

Food Economy Zone	Wealth groups		Livestock assets			Income	Food aid	
	Categories identified by key informants	% of households	Oxen	Cows	Sheep / goats	Household cash income (Birr / year)[1]	Relief as % of household food supply	% of population dependent on relief for ≥ 20% of food supply
South Wollo Woina-Dega Meher	**B**etter-off	20-25	2	1	10-15	1,550	0	47.5%
	Middle	30	1	1	5	1,175	5	
	Poor	**45-50**	**0**	**0**	**5 (y)** [2]	**850**	**20-25**	
South Wollo Highland Belg	**B**etter-off	20-30	2	2	6-10	1,500	0	40%
	Middle	30-40	1	1	5	950	0	
	Poor	**20-30**	**0**	**1**	**5**	**700**	**25**	
	Very Poor	**10-20**	**0**	**0**	**0**	**400**	**25**	
North Wollo Highland Belg	**B**etter-off	20-30	2	2	20-30	1,650	0	45%
	Middle	25-35	1	1	5-10	850	0	
	Poor	**20-30**	**0**	**1**	**5-10**	**800**	**20**	
	Very Poor	**15-25**	**0**	**0**	**0**	**650**	**25**	
Abay-Tekeze Watershed	**B**etter-off	15-20	2	2	10-20	1,725	0	47.5%
	Middle	30-40	1	1	5-10	1,020	0	
	Poor	**45-50**	**0**	**0**	**0**	**700**	**27.5**	
North Wollo East Plains (*woina-dega* / mid-highland)	**B**etter-off	15-20	2	2-3	4-6	1,780	0	47.5%
	Middle	30-40	1	1	2-3	1,430	0	
	Poor	**45-50**	**0**	**0**	**2-4 (y)**	**1,250**	**22.5**	
North Wollo East Plains (*kolla* / lowland)	**B**etter-off	15	4	4-6	5-7	2,370	0	25%
	Middle	25-35	2	2-3	2-3	1,705	0	
	Poor	**25-35**	**1**	**1**	**1-2**	**1,440**	**9**	
	Very Poor	**25**	**0**	**0**	**0**	**850**	**40**	
Wag Lasta Woina-Dega	**B**etter-off	15-25	2	2	15-20	1,700	0	50%
	Middle	25-35	1	1	5	1,125	0	
	Poor	**45-55**	**0**	**0**	**0**	**750**	**30**	

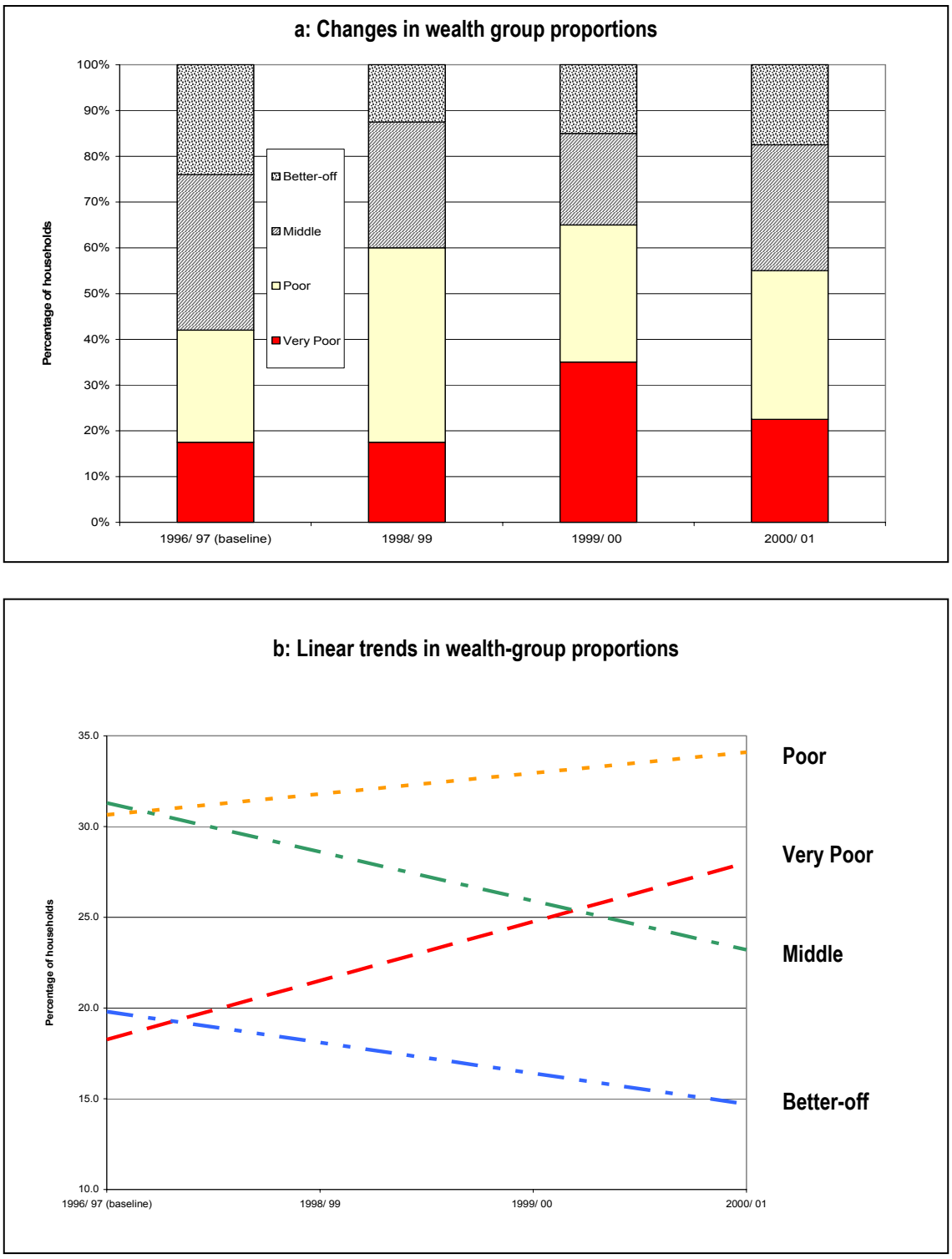
Notes: [1] Ethiopian Birr = approx. US$ 8. "Cash income" includes money from the sale of crops, livestock and other produce, but does not include the value of items produced and consumed by the household.

[2] (y) = *yerbee* ("for rearing"), a share-rearing contract in which a poorer household rears livestock for the owner in exchange for a share of the milk and /or offspring.

Source: HFE baseline data (with thanks to Heather Kindness of SC-UK Ethiopia)

In recent years, SC-UK has been using the HFE methodology to monitor changes in livelihoods against these baseline parameters. Figure 3.4 shows the changes in wealth-group proportions in one FEZ (the South Wollo Highland Belg), between the baseline year of 1996/97 and 2000/01. Although we cannot extrapolate from this information, it is striking that the linear trends (shown in the lower graph) match closely with the trends in our data. Again and again, through different methodologies and in different places, rural people in Wollo are telling us that the middle and better-off strata in their communities are declining, and that more and more households are falling into the 'poor' or 'very poor' category.

Figure 3.4. ***South Wollo Highland Belg FEZ 1996/97 to 2000/01***



Source: Compiled from SC-UK Food Aid Impact assessments (Mathys and Emebet 2000; Emebet 2002)

CHAPTER 4. METHODOLOGY

4.1. Introduction: Combining Qualitative and Quantitative Approaches

Qualitative and quantitative research methods have been integrated throughout the Destitution Study, during the design, data collection and analysis phases. There is both a general principle and a specific purpose behind this. As a general principle, we believe with White (2002a:513) that "there is a synergy between [quantitative and qualitative techniques] ... That is, using the approaches together yields more than the sum of the two approaches used independently." Secondly, to meet the specific aims of this study, it was clear from the very beginning that neither qualitative nor quantitative methods alone would be able to capture the complex and multi-dimensional nature of destitution in Wollo. For policy purposes, it was considered crucial to estimate the *scale* and *distribution* of destitution: this could not be done through qualitative enquiry or purposive sampling. At the same time, understanding the *causes* and *processes* of destitution at household and community level was equally important if recommendations were to be made for reversing those processes. Such understanding could not be achieved through a one-off questionnaire survey, especially given the thinness of secondary and historical data: it needed more open-ended research instruments, a greater involvement of the informants in interpreting and describing their past and present lives, and a more flexible level of enquiry (ranging from individual case studies to whole communities and economic areas). Therefore, the data collection instruments designed for the study incorporated linked elements of both quantitative methods (a household survey using probability sampling and a standardised questionnaire) and qualitative or contextual methods drawn from PRA and anthropological experience (these included time-lines, wealth ranking discussions, focus groups and oral histories). More details about these instruments are given in the following sections and in the Annexes.

However, integrating qualitative and quantitative research is a broader issue than the selection of fieldwork methods. A World Bank review of Poverty Assessments identifies three major ways of combining the approaches in practice:

> "*integrating* the quantitative and qualitative methodologies;
>
> *examining, explaining, confirming, refuting and/or enriching* information from one approach with that from the other; and
>
> *merging the findings* from the two approaches into one set of policy recommendations."

The authors continue, "the key is to tap the *breadth* of the quantitative approach and the *depth* of the qualitative approach. …. In general, integrating methodologies can result in *better measurement*; confirming, refuting, enriching and explaining can result in *better analysis*; and merging the … findings into one set of policy recommendations can lead to *better action*." (Carvalho and White 1997:16, emphases in original). All three of these strategies (integrating methodologies, cross-checking information, and merging findings) have been employed in the Destitution Study, to achieve a synergy of the qualitative and quantitative. It is also important to recognise that the 'quantitative / qualitative' distinction is rather artificial. Most household survey data are based on self-reporting by respondents, who may have incentives to systematically under- or over-report indicators that cannot be directly observed or measured. Asking households how many cattle they own, for instance, is no more 'objective' than asking them to assess their relative well-being. Recognition of the general tendency to under-report income, for example, has prompted economists to ask about consumption or expenditure instead, as a proxy for income.

This chapter outlines the methods adopted for sampling, data collection and analysis. The following sections first explain the sampling procedures and some practical aspects of the fieldwork implementation, before describing the data collection instruments and, finally, the analytical approaches used.

4.2. Sampling

4.2.1. Structure and size of the household sample

The size, heterogeneity and terrain of the study area made the design of a representative household sample a significant logistical challenge. In practice, sampling is always to some extent a compromise between the ideal and the affordable. However, the major determinants of the required sample size are not the size (nor a fixed percentage) of the population, but the heterogeneity of the target population and the frequency of the characteristic to be measured (in this case, the actual proportion of destitute households in Wollo).[25] After extensive consultation and expert advice, the following sampling strategy was designed.

For the *household questionnaire survey* a stratified multi-stage random sampling procedure was used. The sampling frame consisted of all *kebeles* in the study area, geographically stratified by the nine Food Economy Zones (FEZs)[26] defined by SC-UK's earlier baseline work. The computerised Geographic Information System (GIS) data-base for the *kebele* sampling frame was kindly supplied by WFP-VAM, and supplemented with paper maps from the Ethiopian CSA (Central Statistical Authority). The *kebele* boundaries are those used for the 1994 population census.[27] This sampling frame was chosen over existing lists of *kebeles* (such as those used for SC-UK's NSP sampling) for three reasons. Firstly, it ensured complete spatial coverage of the study area. Secondly, it made it possible to take a genuinely random sample before starting fieldwork, thus avoiding any potential bias towards easily accessible *kebeles*; and thirdly, the resulting maps were invaluable both as operational information for the field-teams and as a basis for geographical analysis of the study findings. Stratification by FEZ reduced the heterogeneity of the sample. Within each Food Economy Zone, a three-stage random sample was taken, as summarised in the following table.

Table 4.1. ***Structure and size of the 3-stage random sample***

Sampling unit	Procedure	Number per FEZ	Total number in sample	
			Planned	Actual
kebele (primary sampling unit)	Random sample (computerised) 3 per FEZ	3	27	27
gott (secondary sampling unit)	Random sample (lottery) 4 per *kebele*	12	108	107
household (tertiary / final sampling unit)	Random sample (lottery) 20 per *gott*	240	2,160	2,127

[25] The relevant equation is: *s.e.* (standard error) = $\sqrt{\ }$ *(p(1-p) / n),* where *n* is the sample size and *p* is the true proportion of destitute people in the population. Unfortunately this calculation can only be made *after* the fieldwork, to quantify the statistical confidence of the sample once the estimated proportion is known. In general, the larger the absolute size of the sample, the higher the statistical confidence will be.

[26] "A food economy zone is defined on the basis of common characteristics in agro-ecology, cropping patterns and production, trade interactions, population density, and market options. Thus, households residing within a FEZ share a common reliance upon food and income options" (Haile Kiros *et al.,* 2000:1).

[27] In cases where *kebele* boundaries have changed since 1994 – usually by merging with a neighbouring *kebele* - the survey team leaders (in consultation with *wereda* informants) selected the current *kebele* which contained the geographic area of the old *kebele* on their sample list. Therefore, some of the sampled *gotts* might appear to fall outside the area of the *kebeles* selected from the 1994 map. This does not significantly affect the validity of the sampling.

This sample size, as will be seen from the analysis in later chapters, enables us to quantify destitution and its characteristics with reasonable statistical confidence at the level of the whole study population. Disaggregation to the three Administrative Zones (Wag Hamra, North Wollo and South Wollo) is also valid, with slightly higher confidence intervals (i.e., margins of error). However, it should be noted that the sample is not designed to be representative at *wereda* level.

The first stage of sampling (random selection of 27 *kebeles,* three in each FEZ) was done by computer prior to the fieldwork. The second and third stages were implemented by the survey teams in the course of fieldwork, as described below.

4.2.2. Field procedures for random sampling

In each sampled *kebele*, the field team compiled a complete list of *gotts* (villages) in consultation with local officials and other key informants. From this list they took a random sample of four *gotts,* using a simple and transparent lottery system (drawing numbered slips of paper from a hat or basket) in which the key informants participated. The exact location of the sampled *gotts* was recorded by the survey team leaders using GPS (Global Positioning System) equipment.

Within each selected *gott*, a similar lottery method was used to randomly select twenty households. The sampling frame for the household selection was a community map drawn by a group of key informants: team leaders discussed and cross-checked the map with the informants, to ensure that it included all households resident within the boundaries of the *gott* (including non-tax-payers, single-person and female-headed households, and any socially marginalised groups). The rationale for using a map, rather than a household list, as the sampling frame is explained in the extract from the field team leaders' instructions, in Box 4.1. This method required careful training and supervision, but proved very successful.

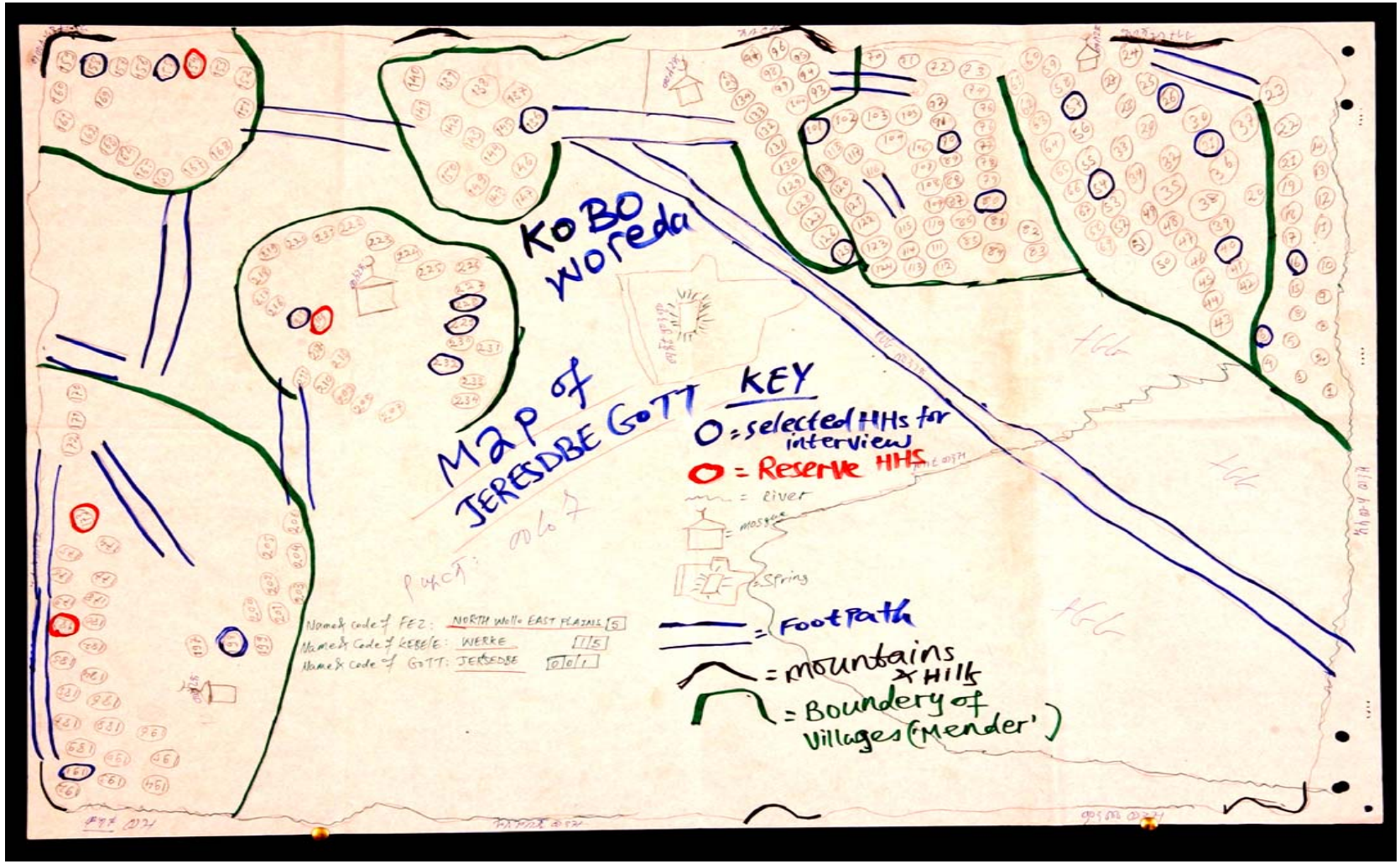
Box 4.1. *Why use a community map for random selection of households?*

Working with key informants to make a map showing the homes of all the households in the *gott* takes some time, but it has important advantages:

1. Experience in many places shows that a map produced in this way gives a **more complete** picture of the community than a list. Existing lists (e.g. official *kebele* lists or food aid distribution lists) have their own purposes, which are different from ours. For example, *kebele* lists usually include only tax-payers. For this survey, we need to include **all households** (including those who don't pay tax or don't own land). Food aid lists, on the other hand, may exaggerate the number of households, or in some cases they may include only selected households.
2. We need to include **socially marginalised** groups such as people living with disease or disability. Often, such people are *physically* marginalised as well, and live on the edge of the *gott*. Using a map, you can easily ask "does anyone live outside this area?", or "on the other side of this river", etc., to make sure that no-one is excluded.
3. Community members may have their own viewpoint on who "belongs" to the community. For our purpose, we need to include **everyone living in the *gott***, regardless of whether they are considered "community members", whether they migrated from somewhere else, whether they are farming, etc. A map is more effective than a list in getting this complete picture.
4. Once the random (lottery) selection of households has been made, the map will help you to **locate the selected households**, and to allocate households to team members more efficiently.
5. Finally, the map itself is **part of your report** on the *gott*. It gives us information about things like infrastructure (e.g. roads), services (e.g. schools and water sources), and about the size of the *gott*.

Source: Extract from Field Manual (Sharp and Mohammed 2001:7)

Figure 4.1. ***Example of gott map for random household sampling***



Finally, each household was assigned a number on the map, corresponding to a number on lottery tickets which were then drawn at random by the key informants. An additional four households were drawn at the same time, and kept in reserve by the team leader: in cases where it proved impossible (after reasonable efforts) to interview the selected households, one of these reserves was substituted at the team leader's discretion.

4.2.3. Purposive selection of qualitative sites

For the *qualitative fieldwork*, a purposive selection was made of one of the sampled *kebeles* in each Food Economy Zone, and then of one of the sampled *gotts* within it. This gave a total of nine village sites, distributed across the study area as shown in Table 4.2 and the Maps on the following four pages. This does not claim to be a representative sample in any statistical sense, and in any case great care must be taken in generalising from the kind of location-specific methods used (see below). However, selecting one site per FEZ gave a realistic purposive sample of the considerable variety of agro-ecology, food economy, culture, and remoteness that is found within rural Wollo. The deliberate overlap of the qualitative sites with the household survey also enabled us to continue the close interlinking of the qualitative and quantitative approaches, which has been a key feature of this study's methodology from the design stage.

Table 4.2. ***Location of qualitative research sites (North to South)***

***Gott* name**	***Kebele* name (sample number),** [a] **and *Wereda***	**Food Economy Zone**	**masl** [b]	**AEZ** [c]	**Hours walk to *Wereda***	**Hours walk to road** [d]
Woldib	Debre Tsehay (02) Ziquala	Tekeze Lowlands	1,463	*kolla*	3	3
Adi Maya	Addis Alem (06) Sekota	Wag Lasta Woina Dega	2,175	*woina dega*	1½	½
Enkoyber	Gosh Meda (09) Dawunt Delanta	Abay-Tekeze Watershed	2,415	*woina dega*	2	¼
Worke Wuha	Tardat Medhanialem (10) Dawunt Delanta	North Wollo Highland Belg	3,040	*dega*	1½	16 [e]
Ayetu	Werke (15) Kobo	North Wollo East Plains	1,522	*kolla*	5	½
Cherefe	Mosebit (16) Mekdela	South Wollo Meher / Belg	2,966	*woina dega*	5	¼
Ambo Ferede	Denbesho (19) Legambo	South Wollo Highland Belg	3,199	*dega*	4	3
Aya Ager	Kolegna (24) Kalu	South Wollo Lowland Meher	1,806	*woina dega* [f]	4	4
Geja	Dibi Chere (25) Debre Sina	South Wollo Woina-Dega Meher	2,471	*woina dega*	2	2

Notes

a. *Kebele* sample numbers: see Map 1: 'Administrative Zones, *Weredas,* and selected *Kebeles'.*

b. masl = metres above sea level

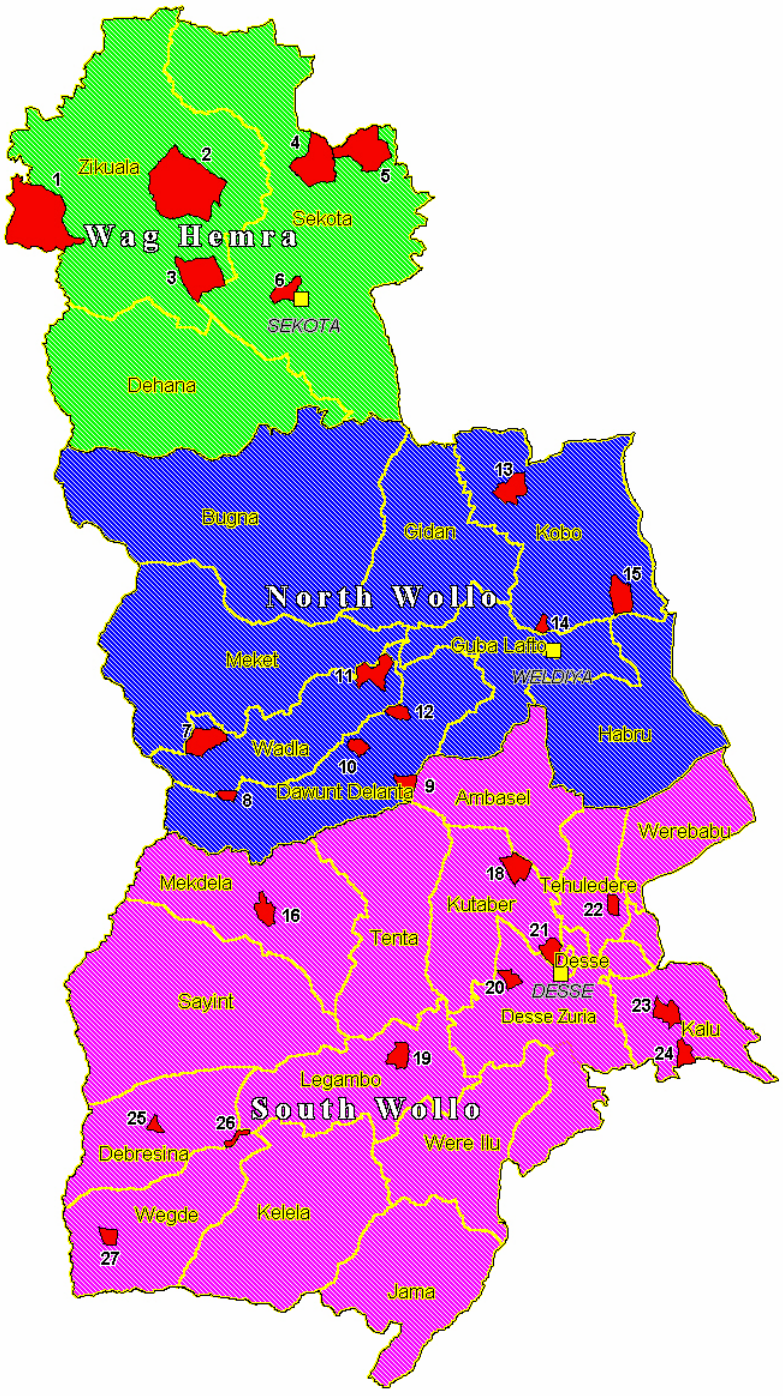
c. AEZ = Agro-Ecological Zone. Approximate altitude ranges are: *kolla* (lowland) = < 1500 m; *woina dega* (mid-highland) = 1500 to 3000 masl; *dega* (highland) = 3001 to 4500 masl.

d. 'Road' meaning nearest all-weather road passable by motor vehicles.

e. The road through Dawunt Delanta was partially closed for reconstruction during the fieldwork: the normal road access for this community is much better than this answer implies, and is about to be dramatically improved.

f. Although the FEZ is defined as lowland, this village was in the mid-highlands. This is one of several examples where random sampling produced a site which does not wholly fit the FEZ characteristics, emphasising the variability of the study area even within FEZs.

MAP 1
ADMINISTRATIVE ZONES, WEREDAS, AND SELECTED KEBELES



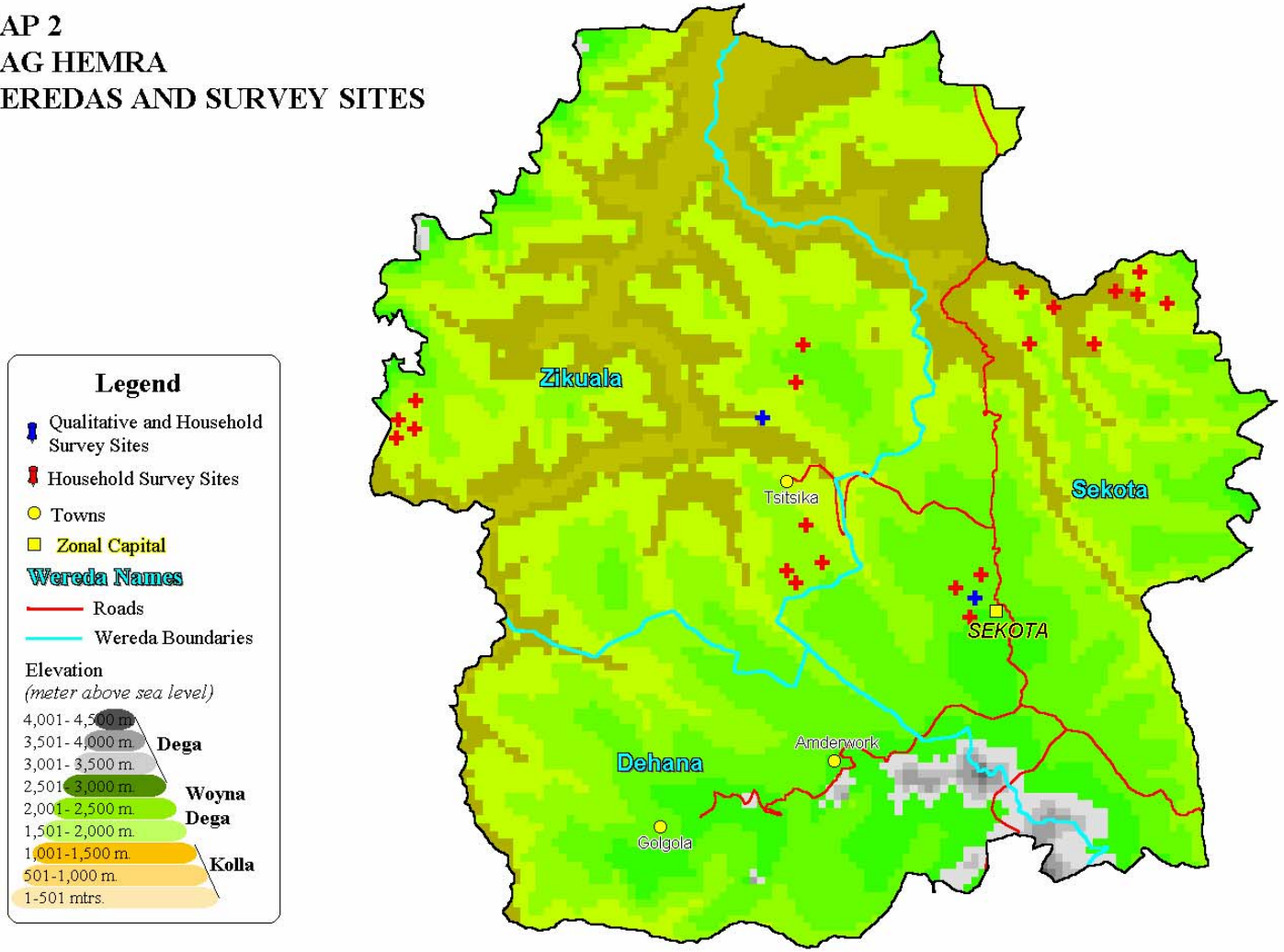
Kebele Names

1. Atsela
2. Debre Tsehay
3. Netsa Work
4. Werka Divenu
5. Tsana
6. Addis Alem
7. Quana
8. Agonata
9. Gosh Meda
10. Tardat Medhanialem
11. Nubet Alalach
12. Zelhon
13. Shewey Mariam
14. Mito
15. Werke
16. Mosebit
17. Aleku
18. Aba Selama
19. Denbesho
20. Ambuasa
21. Derae
22. Hardibo
23. Haroye Koreme
24. Kolegna
25. Dibi Chere
26. Kola Magole
27. Keraba Godana

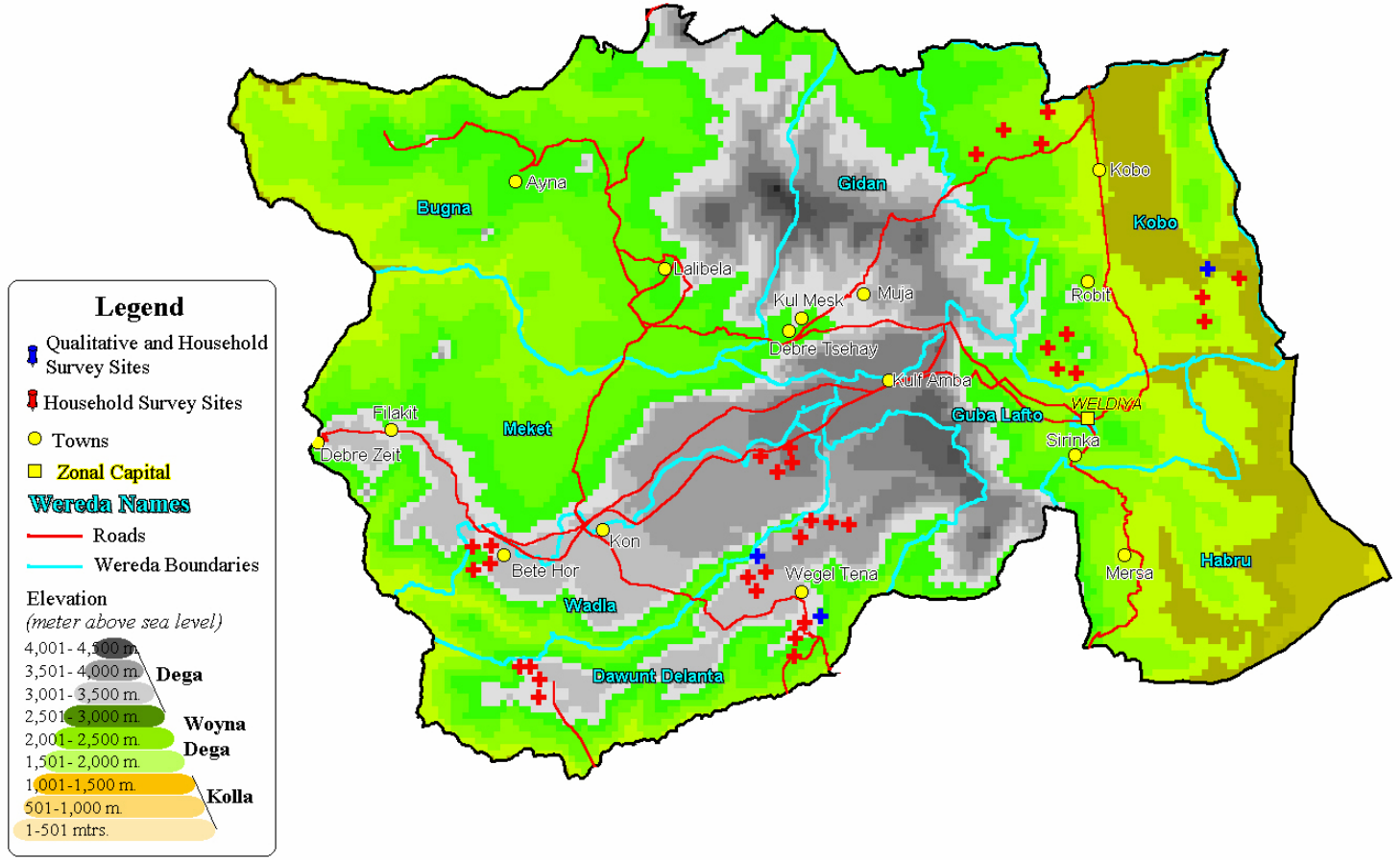
Legend

- Wereda Boundaries
- ZONAL CAPITALS
- Weredas Names
- Selected Kebeles

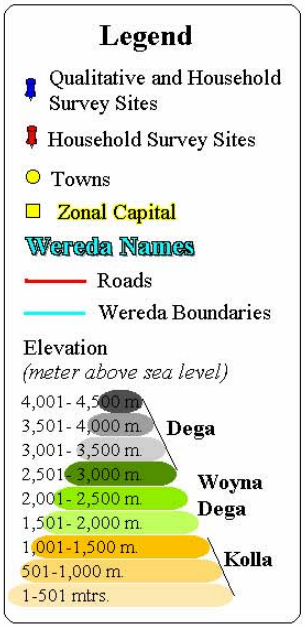
MAP 2
WAG HEMRA
WEREDAS AND SURVEY SITES

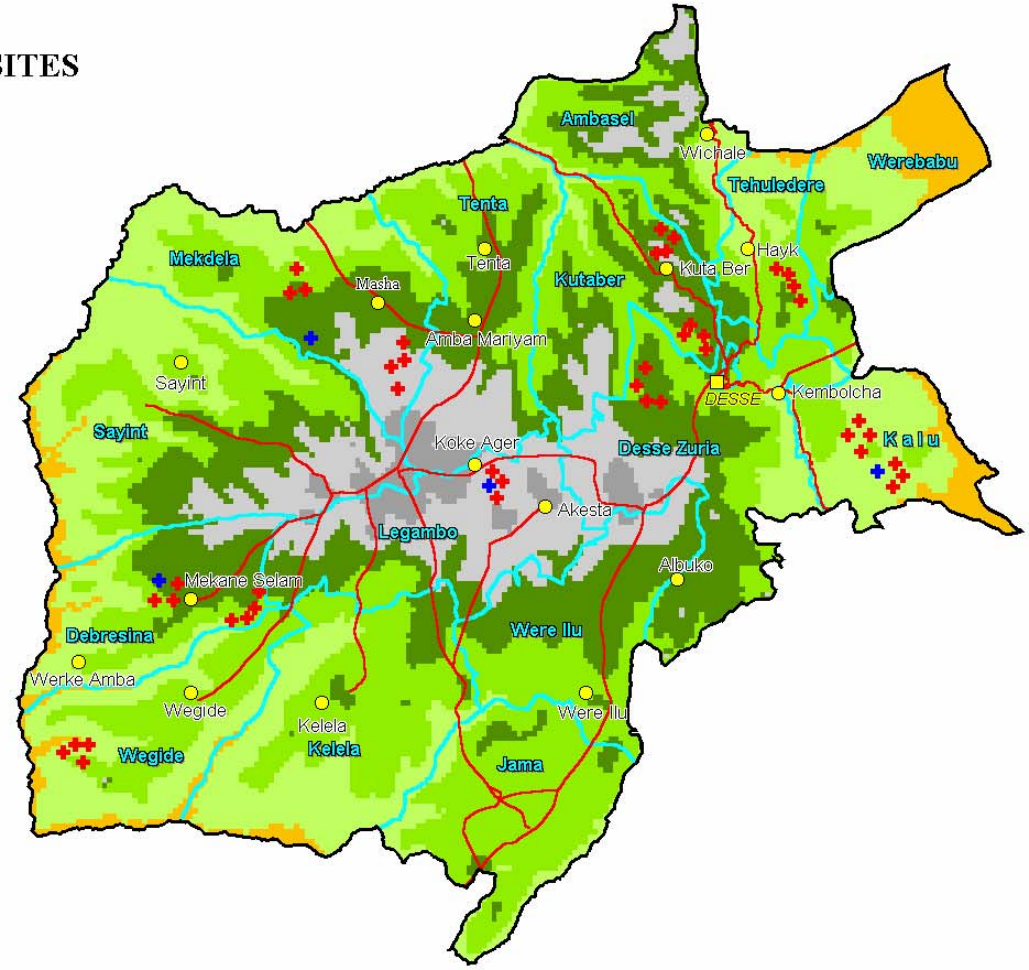


MAP 3
NORTH WOLLO
WEREDA AND SURVEY SITES



MAP 4
SOUTH WOLLO
WEREDAS AND SURVEY SITES





4.3. Data Collection

4.3.1. Implementation of the fieldwork

Data collection was carried out in an intensive period from November 2001 to April 2002, deploying six questionnaire survey teams of four members each, and one qualitative research team, which varied in size from three to five members. The fieldwork was timed to take place within the main dry *(bega)* season, in order to include remote areas which are inaccessible during and after the rains. Although the schedule slipped slightly during implementation, the data collection work was completed by the end of March,[28] when the *belg* rains were just starting. The field teams succeeded in reaching all of the randomly selected sites (by vehicle, foot or mule as necessary): nowhere was omitted due to difficulty of access. In only one *kebele* (Debre Tsehay in Ziquala *wereda*) did it prove impossible to complete the planned sample, due to local political difficulties and security concerns: hence the small discrepancy between the planned and actual sample size shown in Table 4.2 above.

The work was phased by Food Economy Zone. On advice from experienced SC-UK staff, the first phase of work (in November) covered the highland *belg*-dependent areas of North and South Wollo, because respondents there were likely to be relatively less busy with agricultural activities during that period. Work in the remaining areas was timed as far as possible to accommodate local agricultural and migration seasons: however, logistical considerations inevitably outweighed the ideal sequence of areas in some cases, given the distances and the difficult terrain involved. The actual dates of fieldwork in each area are shown in Table 4.3 below. Time was allowed between each phase of fieldwork for rest and provisioning; questionnaire checking and continuous training; writing up of qualitative field notes; medical leave; and major holidays.

Table 4.3. ***Fieldwork dates by Food Economy Zone***

	Fieldwork dates	Food Economy Zone	*Weredas*
2001	29 Nov – 8 Dec	South Wollo Highland Belg	Legambo / Dessie Zuria / Kutaber
	10-20 Dec	North Wollo Highland Belg	Dawunt Delanta / Wadla
	24-31 Dec	Wag Lasta Woina-Dega	Sekota
2002	18-30 Jan	Tekeze Lowlands	Ziquala
	1-9 Feb	Abay-Tekeze Watershed	Wadla / Dawunt Delanta
	10-20 Feb	North Wollo East Plains	Kobo
	21 - 27 Feb	South Wollo Meher/ Belg	Mekdela / Kutaber
	14 – 21 Mar	South Wollo Lowland Meher	Tehuledere / Kalu
	25 - 31 Mar	South Wollo Woina Dega Meher	Debre Sina / Wegde

[28] Some follow-up fieldwork to complete the GPS data collection was conducted by team leaders in April.

The potential seasonality effects of conducting fieldwork in different areas during different months were counteracted as far as possible by the design of the questionnaire: most questions referred either to the past 12 months (so that all seasons were included, for example in listing the household's livelihood activities), or to a specified reference point in the year (e.g. New Year for livestock holdings, or the most recent farming season for questions on access to land and draught power).

All the teams started each FEZ together, separating to go to their assigned survey sites and then meeting again when the work in that FEZ was finished. This mode of organizing the fieldwork had a number of advantages. Logistically, it facilitated planning and communications, and enabled the drivers of the seven vehicles to keep in contact and support each other when needed. Equally important, it facilitated a high level of quality control and continuous training of the survey staff. Two teams went together to each *kebele* before separating to cover two *gotts* each: this enabled the survey team leaders and interviewers regularly to compare and discuss their work with colleagues from other teams (the pairing of teams was decided by lottery for each FEZ). Team leader meetings with the IDS Research Officer between each FEZ ensured thorough discussion of issues arising in the course of fieldwork, and standardisation of the solutions. As far as possible, initial field editing of the questionnaires was done in the field (also at the end of each FEZ) so that any problems or ambiguities were picked up and corrected as early as possible. Lastly, since the qualitative work was conducted simultaneously and in a sub-set of the survey sites, it was possible to integrate the methods in the field and to cross-check information and interpretations. The qualitative team conducted a number of follow-up interviews with selected questionnaire respondents to verify the validity of the questionnaire and to investigate interesting issues and cases.

4.3.2. Household questionnaire

The household questionnaire, designed during pilot fieldwork in 2000 and finalised during the training of survey teams in October and November 2001, collected data on a range of potential indicators relating to the three key features of destitution in our operational definition (ability to meet basic needs, access to productive assets and dependence on transfers). This questionnaire was administered to the stratified random sample of 2,127 households, as explained above. The questionnaire contents are summarised by section heading in the table below, and the full questionnaire will be found in Annex 2.

Table 4.4. ***Summary of Household Questionnaire contents***

A.1 Household Profile A.2 Age of Household A.3 Adult Deaths	E.1 Cash Credit
B.1 Household Livelihood Activities B.2 Income Proportions B.3 Constraints to Livelihood Activities	F.1 Social Institutions F.2 Access to Support Networks F.3 Informal Transfers F.4 Formal Transfers
C.1 Labour Migration	G.1 Food Security / Access G.2 Current Diet G.3 Clothing G.4 Housing Quality G.5 Basic Household Items
D.1 Access to Labour D.2 Landholding / Landlessness D.3 Access to Farming Land D.4 Access to Draught Power for Ploughing D.5 Livestock Holdings and Access D.6 Agricultural Extension Package	H.1 Self-Assessment of Household Situation

Two particular features of the questionnaire are worth noting. Firstly, the questions refer to the *household* as a socio-economic unit, not only the household head. The questionnaire interviews were therefore conducted, wherever possible, as *group interviews* including as many members of the household as were available. The field teams were particularly instructed to include women and younger adults in the interviews. One reason for this approach is that household heads do not necessarily know, or may under-emphasise, the activities of other members of the household. In particular, male respondents may undervalue the livelihood activities followed by women, while women (in the particular farming culture of Wollo) may not know the details of land and oxen contracts unless they are household heads themselves. Thus the group interview approach ensures that women living within male-headed households, as well as female household heads, are consulted. Another reason for the group interview is that it generates discussion among household members of key questions such as the self-assessment of the household's situation now and in the past. Such discussion makes the response to these complex questions more considered, and more reliable.

Secondly, the questionnaire includes some methods which are usually regarded as 'qualitative', alongside the more conventional 'enumeration'-style questions. For example, section B.2 involved proportional piling of household income sources, and the self-assessment question in section H.1 required skilful discussion and probing. The complementarity between these 'subjective' data and the more 'objective' variables is reflected in the analysis in Chapters 5 to 7.

4.3.3. Gott profiles (key informant group interviews)

In each of the sampled *gotts*, the survey team leaders conducted a key informant group interview with village leaders and knowledgeable residents who had participated in the mapping of households. This was a structured interview (see reporting format in Annex 3) to collect information about the community's remoteness (hours walk to roads and to the *Wereda* town); access to markets and services; economy (diversity of crops and other livelihood activities); and major labour migration destinations. The team leaders also had scope to comment and report on any other information or observations they considered relevant to the survey.

4.3.4. Qualitative (contextual, open-ended) research methods

In the sub-sample of nine *gotts* selected for the 'qualitative' fieldwork, a combination of methods was used to elucidate the causes and processes of destitution, the longer view (past and present) of people's livelihoods, and their own opinions and priorities regarding possible policy responses from government, NGOs or others. These methods also enabled us to gain a deeper understanding of community-level aspects of destitution, and broader contextual factors affecting communities in different locations. The qualitative research team spent approximately one week in each of the nine sites.

In contrast to the questionnaire survey (a key principle of which is that exactly the same questions are asked in every interview), the qualitative methods are iterative and flexible by nature. That is, the methods themselves developed and changed in the course of the fieldwork, and different approaches were used in different sites in response to locally-specific conditions, or to new information and opportunities.

The whole range, or 'toolbox', of methods used is summarised in Table 4.5, though not all of these were used in all the sites. Four core methods – community time-line discussions, historical wealth ranking, key informant interviews, and some variation of the in-depth household case study or life history interview – were employed in all nine sites. Various other methods from the toolbox were adopted and adapted as appropriate in each place. A full description of the main qualitative methods is provided in Annex 4.

Table 4.5. ***'Toolbox' of qualitative methods***

	Method	Brief description
CORE METHODS (all sites)	Community time-line discussion	'PRA'-type group discussion, in which participants lay out a 'time-line' or visual history of the community, identifying key events, and scoring years from worst to best according to overall community well-being. Discussion focuses on comparison of different years, community-level trends and changes, and their causes.
	Historical wealth ranking	Wealth ranking of actual households within small communities (*gotts* or *menders*), both now and at a reference point in the past (about 10 years ago). Discussion focuses on characteristics of the poorest in comparison to others; resource access institutions; livelihoods; demographic and other features of the poorest; terms used to describe the poorest, now and in the past; changes in the size and characteristics of different wealth groups in the community.
	Key informant interviews	Extended interviews with knowledgeable local informants about a range of issues related to destitution in the community, using a semi-structured checklist.
	Household case studies and life histories	In-depth stories of individuals and households, selected to exemplify various types of experience and circumstances. Open-ended interview methods were derived from anthropological approaches, particularly 'oral history' work.
SUPPLEMENTARY NETHODS (adapted as needed)	Focus group discussions	Various types of focus group were used in different sites, to discuss issues including: ▪ The nature and processes of destitution ▪ Trends and changes in livelihoods (sometimes with separate groups for women and men, and for older and younger people) ▪ Labour migration ▪ Health and illness ▪ Education ▪ Changes in social and resource access institutions ▪ Policies for reversing destitution
	Matrix scoring and ranking	Matrix scoring of different livelihood activities, trading commodities, migration destinations, and so on, according to negative and positive criteria identified by the participants in focus groups.
	Mapping	Mapping and scoring of rural-urban linkages and trade routes; village resource maps.
	Livelihood strategy and questionnaire follow-up interviews	Short interviews with individuals or households about specific livelihood strategies or other interesting topics identified during questionnaire interviews or focus groups.

4.4. Analysis

The qualitative field data were analysed by a variety of techniques, including the use of NVivo software. The integration of qualitative with quantitative approaches was continued through the analysis phase, as will be seen in the discussion of the main analytical findings in the chapters which follow.

Analysis of the household questionnaire data was carried out in SPSS. The major challenge was to combine indicators from the questionnaire in order to construct an overall index which would enable us to estimate the number of destitute households in the study area. In order to do this it was necessary firstly to select indicators for each element of our definition [see Chapter 5]; secondly, to scale the indicators so that they could be combined; and thirdly, to decide how to weight and combine them. The second and third steps are discussed below.

4.4.1. Scaling of indicators

In order to compare, for example, levels of land-holding with levels of human capital, it is necessary to have some common scale of measurement. This is also essential if the indicators are to be added together in some way to construct composite indices, as discussed below: otherwise, the different measurement scales will introduce distortions by acting as unintentional and inappropriate weights. For some types of analysis of the individual indicators it will, of course, be appropriate to use the original data range in the indicator-specific unit of measurement (land in *timads* or hectares, labour capacity in adult equivalent units, seasonal food shortage in months, and so on). However, when the indicators are to be compared or combined, they will be scaled from 0 to 1, as explained in the following paragraphs.

The basic formula for scaling a variable from 0 to 1 is:

$$\frac{X_i - X_{min}}{X_{max} - X_{min}} \qquad \text{i.e.} \qquad \frac{\text{(actual value – minimum value)}}{\text{(maximum value – minimum value)}}$$

For indicators where a high value is 'bad' and a low value 'good' (for example, number of months of food shortage), the formula should be inverted:

$$\frac{X_{max} - X_i}{X_{max} - X_{min}}$$

The maximum and minimum values used in these formulae can either be taken from the actual data ranges, or they can be threshold values chosen according to the context and purpose of the index. Probably the best-known example of the latter approach is the UNDP's 'Human Development Index', or 'HDI'. The components of the HDI are scaled according to 'goalpost' values which set both a framework for international comparability and a target against which countries' progress can be measured year on year. For example, the life expectancy index is calculated with a minimum value of 25 years and a maximum of 85, while the goalpost for per capita GDP is set at PPP US$ 40,000[29] (and adjusted by logarithm) on the grounds that "achieving a respectable level of human development does not require unlimited income" (UNDP 2001:240).

Comparability across time and space (for example, between years and between regions) will be an advantage for the destitution study indices if the methodology is replicated in future. However, for the immediate purpose of estimating the current scale of destitution in rural Wollo, there is a more important advantage of setting 'goalpost' maxima and minima. It has the effect of focusing the calibration of the scale on the data range between the selected thresholds, so that a more detailed breakdown is given of the differences among households within that range. For scaling of the indicators in this paper, the data ranges have been truncated to focus on the poorer end of the socio-economic distribution. In general, 'goalpost' maxima have been set at levels which represent a relatively well-off or clearly non-destitute point on each particular indicator. For example, the actual maximum livestock holding reported in the questionnaire survey was 25 'Tropical Livestock Units' (TLUs), but the maximum value for the scaling formula was set at 6 TLUs because households with this quantity of livestock or more were considered relatively well-off and were therefore excluded from the range of potentially destitute households. On the other hand, the minimum value for scaling the number of meals per day (indicator 1) was set at 0.5 rather than 0, in order to give appropriate emphasis to responses at the lower end of the range. Details of the threshold values set for each indicator are given in Chapter 5. Like

[29] PPP = 'Purchasing power parity', a rate of exchange that accounts for price differences across countries, allowing international comparisons of real output and incomes. This means that PPP US$ 1 has the same purchasing power in the domestic economy as US$ 1 has in the United States (UNDP 2001:254-5).

all the suggested cut-offs and weights in this paper, these maxima and minima can be adjusted in the light of later discussions and improvements.

A general effect of using scaled indices is to convert the indicators to relative, rather than absolute, values. This aids comparability, but it must be remembered that the indices should be interpreted within the socio-economic context of rural Wollo, where even the relatively well-off are poor by international standards.

4.4.2. Alternative methods of weighting for composite indices

Each of the indicators discussed in this paper represents one piece in the complex mosaic of poor people's livelihoods in Wollo. Each indicator was explored separately at the beginning of the quantitative analysis: but it was anticipated from the beginning of the project that no single indicator would in fact capture the varied and multi-dimensional phenomenon of destitution, and that it would be necessary to combine the indicators into more complex indices in order to estimate how many people are destitute. This section outlines the various methodological options for constructing such composite indices.

Once the indicators are scaled (or normalised) as discussed above, it is possible to add them together without the element of distortion which would be introduced by widely differing value ranges. However, the challenge is in identifying the relevant weights to give to each indicator. There are four possible approaches to this problem (Filmer and Pritchett 1998; White 2002b):

1) Assigning weights based on qualitative or subjective judgement. The option of summing or averaging 'unweighted' indicators is included under this approach, since it is in effect a decision to give all the indicators equal weight.

2) Constructing a set of weights based on a common factor which can be applied to all the indicators (for example, market or shadow prices).

3) Allowing the weights to be determined mathematically, using principal components analysis (a computerised statistical procedure discussed below); or

4) Avoiding the need for weights by running a multivariate regression analysis with all the indicators as unconstrained variables.

The second approach was rejected because no common factor was found which could meaningfully be applied to all the indicators we wished to use: shadow pricing was not considered appropriate, given the highly imperfect markets for most commodities and services in Wollo and the intrinsically non-monetary value of important factors such as social capital.

The fourth approach, multivariate regression, is statistically unsatisfactory for this purpose because the variables to be included are not independent of each other: they are expected to be highly correlated, and to have indirect effects on each other. The resulting multicollinearity would produce misleading regression coefficients. Using regression would also restrict the types of analysis that could be done with the results (for example, cross-tabulations would not be possible) (White 2002b:15).

The main technique adopted, therefore, was principal components analysis. PCA was used to construct an overall index of destitution which combined all the indicators selected after the initial round of analysis [see Chapter 5]. PCA determines the weights for a composite index by extracting from the given set of variables those linear combinations which best capture the common information (Filmer and Pritchett 1998:6). The crucial assumption, as Filmer and Pritchett point out, is that this undefined 'common information' is in fact determined by the underlying phenomenon that the index is trying to measure ('household long-run wealth' in Filmer and Pritchett's case, 'destitution' in ours). The validity of this assumption cannot be statistically verified: it depends on the correct identification of the

relevant variables or indicators, and is therefore largely a matter of judgement. One of the advantages of PCA (apart from the objectivity of the weights) is that it estimates the contribution of each variable to the underlying common phenomenon, and thus enables us to rank the indicators according to their importance in determining a household's level of destitution (defined as their score on this overall index). More details of how the PCA analysis was applied to constructing a 'destitution index' will be found in Chapter 5.

CHAPTER 5. HOW MANY PEOPLE IN THE STUDY AREA ARE DESTITUTE?

5.1. Introduction

Quantifying 'destitution' is fraught with conceptual, methodological, and analytical difficulties. Ultimately, since destitution is a normative rather than positive concept,[30] the figures presented in this chapter represent a combination of computed statistics and the judgement of the research team. Destitution is multi-dimensional, reflecting both a *process* of increasing impoverishment and an *outcome* of that process: *being* destitute and *becoming* destitute. The definition of destitution that was developed for this research project [see Chapter 2] incorporates both aspects – 'lack of key productive assets', for instance, contributes to the process of destitution, while 'dependence on transfers' and 'inability to meet basic needs' are outcomes that follow from a lack of productive assets. Some of these dimensions are directly measurable (e.g. asset ownership), while others must be estimated through proxies (e.g. 'number of meals per day' as an indicator of 'ability to meet basic needs'), and others are subjectively reported (e.g. self-assessment of how the household is faring now compared to ten years ago).

Even those aspects of the definition that are amenable to direct quantification – e.g. landholdings or livestock ownership – must be subjected to normatively defined cut-offs when differentiating 'destitute' from 'non-destitute' households or individuals. Are *all* households that are landless 'destitute' – and *only* the landless – or are all households below a specified landholding – say, less than 2 *timad* (½ a hectare) – destitute? How to reconcile divergences across indicators: what if a household owns no livestock but has 4 *timad* of land which it rents out for a share of the harvest?

Our survey questionnaire collected information on several aspects of destitution, including asset holdings and access, proxies for the ability to meet basic needs, and self-reporting on ability to meet basic needs, both now and in the past. Drawing on this household-level information, a number of methods were used to derive estimates of the proportion of destitute people in the sample, and hence in the study area. These include:

1. self-assessment of destitution by respondents themselves;
2. single indicators of basic needs and livelihood resources;
3. combined indicators of basic needs and livelihood resources;
4. a composite 'destitution index' derived using Principal Components Analysis;
5. a combination of self-assessment and Principal Components Analysis.

These various methods and estimates of the scale of destitution are presented and discussed below. The following chapter will examine trends in destitution over time, while subsequent chapters will explore the characteristics of households identified as destitute, the causes of destitution, and policy measures to address destitution.

5.2. Self-assessment

Respondents were asked to place their household in one of four categories of relative well-being, both at the time of the survey and in the past. At the time of the survey, 310 of 2,127 households reported that they were 'unable to meet basic household needs', 1,167 reported that they were 'struggling', and 650 replied that they were 'doing okay' or 'doing

[30] A 'positive' concept is empirically verifiable, while a 'normative' concept is based on subjective assessment. In this context, defining indicators and cut-offs for destitution is just as normative as it is for standard definitions of poverty – such as people living on less than a 'dollar a day'.

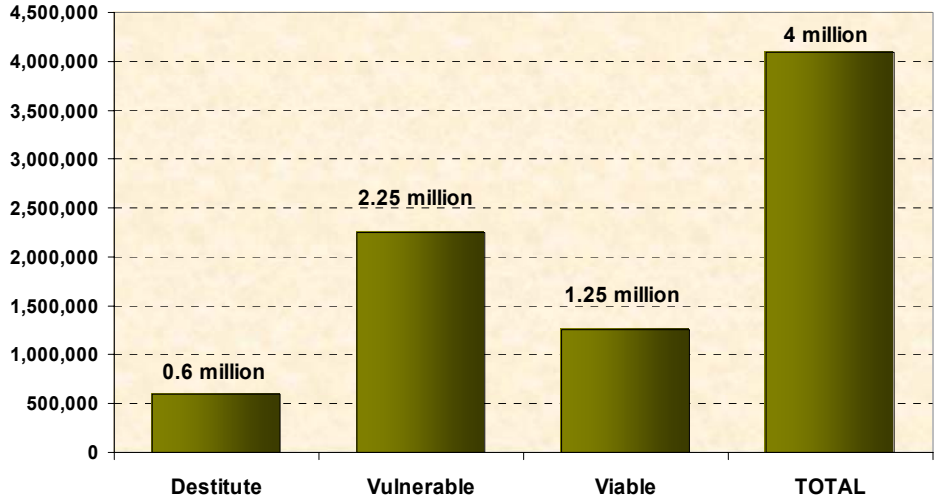
well'.[31] Taking these as proxies for 'destitute', 'vulnerable', and 'viable' or 'sustainable' livelihoods respectively, 14.6% of households can be considered *destitute*, 54.9% as *vulnerable* and 30.6% as *viable* [Table 5.1]. Extrapolating to the study area as a whole produces a crude estimate of approximately 600,000 destitute and 2¼ million vulnerable people, out of a total rural population of around 4 million [Figure 5.1].

Table 5.1. ***Self-assessed levels of destitution and vulnerability***

Classification	Indicator	Households	%	Population*
'Destitute'	'Unable to meet household needs'	310	14.6%	597,147
'Vulnerable'	'Struggling'	1,167	54.9%	2,245,435
'Viable'	'Doing well' or 'doing just okay'	650	30.6%	1,251,554

* Note: Population figures in this chapter are based on our estimated total of 4,090,045 rural residents in South Wollo, North Wollo and Wag Hamra at the time of the survey in 2001 [see Table 1.2 above].

Figure 5.1. ***Self-assessed destitution in the study area***



The justification for using these terms – rather than more familiar terms from the empirical poverty literature, such as 'chronically poor', 'moderately poor' and 'non-poor' – is threefold. First, our terminology draws from the conceptual framework – derived from the 'sustainable livelihoods' literature – that underpins our definition and analysis of destitution. Second, in the chronically poor and food insecure context of the study area, almost everyone is poor to a greater or lesser extent – even those households that are considered to be 'doing well' by local standards would fall within the lowest income and wealth deciles in most parts of the world. Third, the poverty terminology is static and does not adequately capture trends and dynamic processes. As will be seen below, many households in the study area that are currently classified as destitute were not destitute just a few years ago; conversely, many households that are not currently destitute almost certainly will be in a few years time.[32]

One apparent limitation – although some would say strength – of this indicator is its subjectivity. There are obvious incentives to misreport – specifically, respondents might have exaggerated their hardship if they assumed that the research was linked to providers

[31] Throughout this report, the total sample size is 2,127 households. In the tables presented in this chapter, 'destitute' plus 'vulnerable' plus 'viable' households sum to 2,127, and the three categories add up to 100%.

[32] For instance, Chapter 6 will show that the proportion of 'destitute' households in the study area was 5% ten years ago and will rise from 15% now to around 22% in ten years time, while the proportion of 'sustainable' households was 32% ten years ago but is likely to fall to as low as 2% ten years from now. The notion of 'sustainability' is a relative one in a livelihood context as fragile as highland Ethiopia.

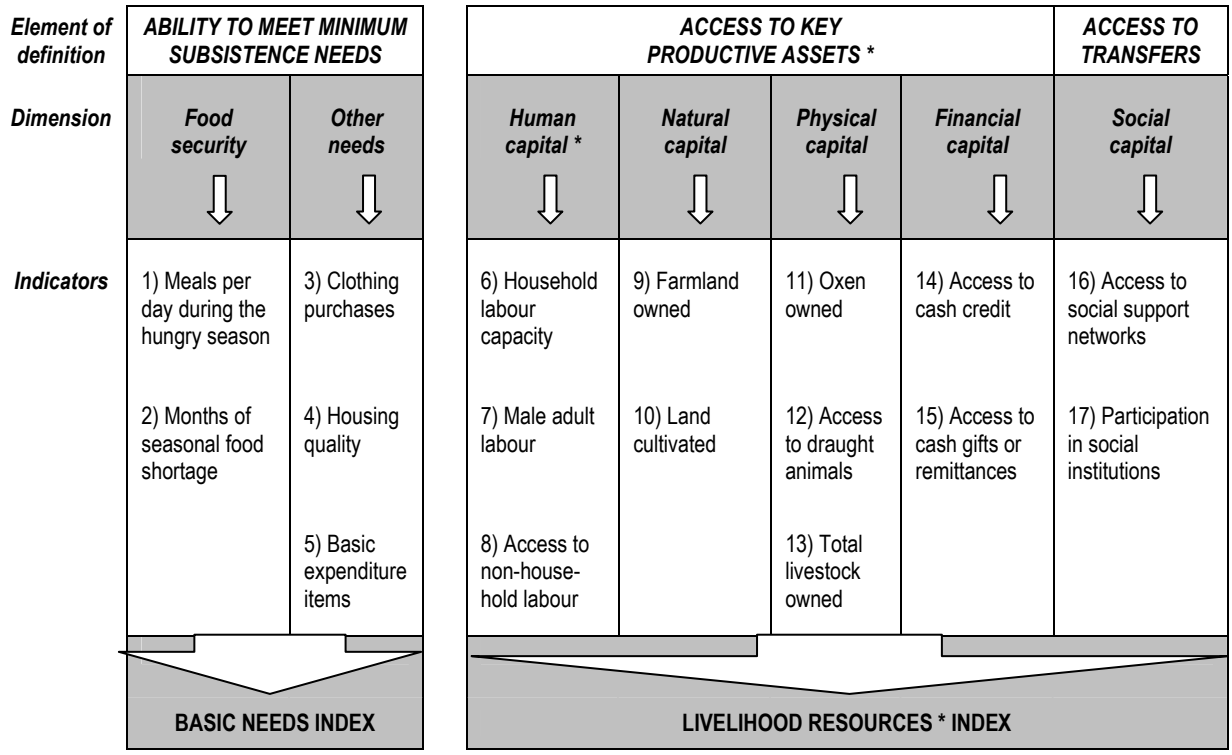
of assistance – and for this reason it is encouraging (from a methodological point of view) that three in ten households admitted to 'doing well' [n=65, or 3.1%] or 'doing just okay' [n=585, or 27.5%] at the time of the survey. Nonetheless, it is useful to cross-check this qualitative indicator against more 'objective' quantitative indicators derived from the survey questionnaire. When this is done, it is striking how closely the figures generated by this self-assessment match the numbers generated by the other single indicators [see Table 5.9 below]. The next question is whether those households who *subjectively self-report* as 'destitute' are the same households as those who are *objectively assessed* as destitute in terms of other indicators. Again, it will be demonstrated later in this chapter that the degree of overlap between subjective and objective measures of destitution is high, suggesting that these methods are consistent and robust, both internally and with respect to each other.

5.3. Single Indicators

The use of characteristic indicators as a way of distinguishing the poor from the non-poor has a long history in poverty analysis, either to complement or to substitute for income and expenditure data from household budget surveys (Chambers 1983). Commonly used indicators in rural contexts include the household's location relative to urban centres, housing conditions, asset ownership (including landholding), sex and education of the household head, and dependency ratio (Teklu and Asefa 1999; Zaman 2001). Information on all of these variables was collected in our study, and is presented in this report.

The fieldwork for this study was designed to collect data on the various elements of our definition of destitution – namely, inability to meet basic needs, lacking key productive assets to maintain a viable livelihood, and dependence on transfers from others. Figure 5.2 illustrates 17 indicators of destitution that were derived from the household questionnaire, which element and dimension of destitution each illuminates, and how they are combined into a 'basic needs index' and a 'livelihood resources index' (these indices are presented and analysed later in this chapter).

Figure 5.2. ***Indicators of destitution from the household survey***



*** Note:** In this context, the terms "assets", "capital" and "resources" are used interchangeably

Five of the 17 indicators reflect the extent to which the household is able to meet its basic subsistence needs (food, clothing, shelter, consumption items). The next ten indicators derive from the 'sustainable livelihoods' approach, and measure the household's access to four categories of productive assets: human, natural, physical and financial capital. Two final indicators relate to the household's access to transfers; or 'social capital' in the jargon of livelihoods approaches. The remainder of this section explains how each indicator was calculated, and presents findings.

5.3.1. Food security indicators

Two indicators relating to household food security were derived from the household survey: (1) number of meals per day eaten by adult household members during the worst period of the previous year's hungry season;[33] (2) number of months of food shortage experienced by the household during the previous hungry season. Since the agricultural year preceding the survey (2000/01) was relatively good throughout the study area – not a major drought or food crisis year – the severity of that year's seasonal food insecurity is expected to reflect households' underlying poverty, rather than a short-term harvest failure.

In our sample of 2,127 households, 41 [1.9%] reported that their adult members consumed no meals at all on some days during the worst month last year, 580 [27.3%] ate one meal per day, 697 [32.8%] ate two meals and 809 [38%] consumed three or more meals per day. These data offer an immediate and intuitively credible indicator of destitution: namely, households that consumed less than two meals per day. This indicator also divides the sample neatly into three groups: if the 'vulnerable' are defined as those who consumed two meals per day, then 29.2% of the sample are 'destitute' and 62% are destitute or vulnerable [Table 5.2], which is not far off the official estimate of poverty (currently at 60%) for rural North and South Wollo plus Wag Hamra. Only 38% of households managed to maintain a 'normal' consumption of three meals per day throughout the previous year. Given the uncertain future facing the entire population of the study area, these households are described as 'viable' – rather than 'sustainable' – in the tables below.

Table 5.2. ***Meals per day as an indicator of destitution***

Classification	Indicator	Households	%
Destitute	< 2 meals/day	621	29.2%
Vulnerable	2 meals/day	697	32.8%
Viable	3+ meals/day	809	38.0%

The second food security indicator also records a shortage of food, this time at household level and in terms of number of months rather than meals per day. In rural self-provisioning communities this indicator is widely accepted as a proxy for poverty and food insecurity. If we take *any* food shortage during the year preceding the survey as an indicator, then 63.6% of our sample would be classified as 'poor' or 'food insecure', while 36.4% were 'food secure'. The duration of food shortage reported covered the full range of possibilities, from 1 to 12 months, though there were few households at the upper end of the distribution. Only 2.3% [n=49] of households suffered more than 6 months of food shortage, reflecting the fact that 2001 was a relatively good year in food security terms. Applying a cut-off of more than three months of food shortage as an indicator of destitution – 3 months being the 'normal' hungry season in much of rural Africa – produces a figure of 19.2% 'destitute' households [Table 5.3]. The proportion of 'vulnerable' households – those that experienced one to three months of shortage – is much higher, at 44%.

[33] Although the question was asked separately for adults and children, the indicator is defined in terms of *adult* meals per day, because prior knowledge of the study population as well as comparative international research on 'coping strategies' has found that adults typically cut their consumption of food first and more severely in response to food stress, in order to protect the consumption of children.

Table 5.3. ***Months of food shortage as an indicator of destitution***

Classification	Indicator	Households	%
Destitute	4+ months food shortage	408	19.2%
Vulnerable	1-3 months food shortage	944	44.4%
Viable	0 months of food shortage	775	36.4%

As with the 'meals per day' indicator, 'months of food shortage' appears to generate intuitively credible numbers of poor and destitute households in the sample. Both indicators have the virtue of being *outcomes* of poverty, but they share a limitation in that both describe household food security status rather than the multi-dimensional notion of poverty and destitution that this study is concerned with characterising. They also describe the situation at a *point in time* rather than *over time* – these are indicators of transitory food insecurity, not chronic destitution. Another concern is that the two indicators are not perfectly correlated, meaning that those households identified as destitute by one criterion are not necessarily identified as destitute by the other criterion. For instance, as will be seen later in this chapter, the estimate of 29.2% (from 'meals per day') is higher than the average estimate of destitution (at 19.4%) from other indicators in this survey, whereas 19.2% (from 'months of food shortage') happens to be very close to this average. Because of these limitations, these food security indicators cannot be used as simple proxies for destitution in the study area.

5.3.2. Non-food basic needs

The ability of households to satisfy their non-food basic needs provides additional insights into their relative and absolute levels of well-being. Three 'basic needs' are considered here: (1) clothing; (2) housing; and (3) essential groceries (kerosene, salt and coffee). Cutbacks in spending on these non-food consumption items offer another robust indicator of economic stress. Although these indicators are less finely tuned than food consumption indicators and are likely to yield cruder estimates of poverty, they are worth considering, both individually and for the construction of composite indices of destitution.

The question: *"How many times has your household bought clothes during the past three years?"* was included because of the fact that a minimum level of socio-economic respectability in rural Amhara is represented by buying clothes, at least for the children, at least once each year (at New Year). Conversely, inability to buy clothes even once a year indicates poverty or deprivation. In our sample, 46% of households purchased some clothing at least once a year for the previous three years, while 23% purchased clothes either once or not at all in this period [Table 5.4].

Table 5.4. ***Frequency of clothing purchases as an indicator of destitution***

Classification	Indicator	Households	%
Destitute	None or only once in last 3 years	494	23.2%
Vulnerable	Twice only in last 3 years	655	30.8%
Viable	At least once a year in last 3 years	978	46.0%

Information was also collected in the household survey on the quality of respondents' housing. (This indicator was preferred to the type of materials used in house construction, which is often elicited in other household surveys to differentiate wealth, but was discarded here because of observed diversity in construction styles across the study area.[34]) An

[34] For example, a metal roof may be a sign of relative prosperity in South Wollo, but in Wag Hamra, thatch is considered superior. In Delanta, the increasing preference for metal roofs was attributed by local informants not to rising wealth but to the high rate of theft and fire-setting – traditional thatch being highly vulnerable to both.

advantage of this indicator is that it was directly observed by the interviewer, rather than elicited from the respondent. If the roof and walls of the respondent's home were all in good condition, this is taken as an indication that the household is not poor; if either the roof or walls was in poor condition at the time of the interview, the household is considered poor or vulnerable, while if both the roof and walls were in poor condition (draughty walls, leaking roof) the household is considered destitute, being unable to maintain their house even to provide adequate protection against the weather. Table 5.5 summarises the proportion of surveyed households falling into each wealth category by this criterion.

Table 5.5. ***Housing quality as an indicator of destitution***

Classification	Indicator	Households	%
Destitute	Roof and walls both in poor condition	516	24.3%
Vulnerable	Either roof or walls in poor condition	497	23.4%
Viable	Roof and walls both in good condition	1,114	52.4%

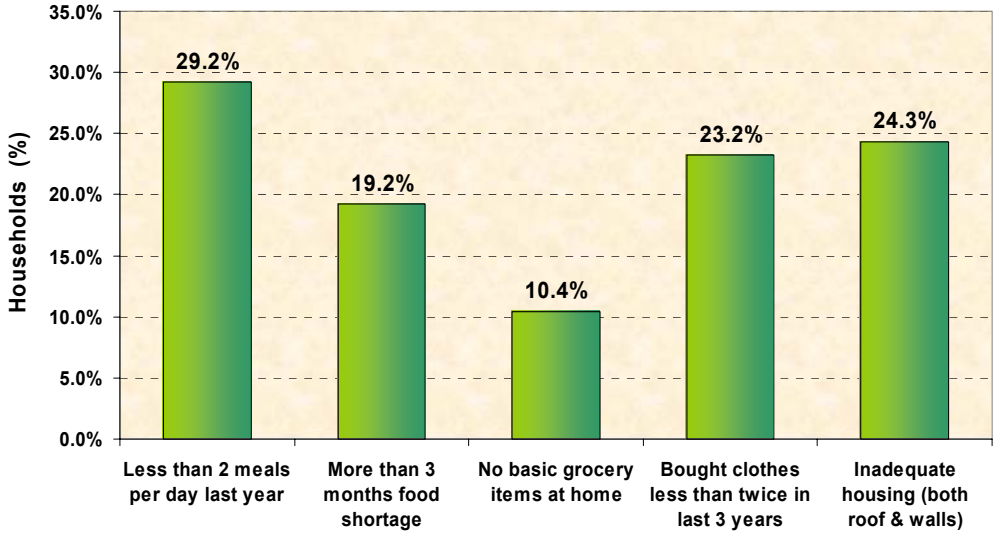
The survey asked about some basic commodities that are consumed by households throughout the study area, but are absent from households too poor to afford them. The three items selected for this indicator are salt (an essential cooking ingredient), kerosene (used for lighting), and coffee beans *(buna)* or husks *(jemfel)*. If all three items were found in the respondent's home at the time of the survey, this is a crude proxy for being relatively well-off [41%]; if not, this is an indicator of vulnerability [49%], while households with none of these items are considered as destitute [10%] [see Table 5.6]. The small number of households (one in ten) having none of these commodities in their home indicates the significance of these consumer items in highland Ethiopia.

Table 5.6. ***Expenditure on basic items as an indicator of destitution***

Classification	Indicator	Households	%
Destitute	No basic items present in the home	225	10.4%
Vulnerable	Some basic items not present in the home	1,058	48.8%
Viable	All basic items present in the home	884	40.8%

Figure 5.3 summarises the proportion of households categorised as 'destitute' in terms of the five 'basic needs' indicators presented above, before we move on to consider indicators of household access to productive resources.

Figure 5.3. ***Basic needs indicators***



5.3.3. Labour

Three indicators were derived that relate to household access to labour. The first summarises the household composition into a single figure for the number of adult labour equivalents in the household, the second is the number of adult able-bodied males in the household, and the third reflects access to labour from outside the household.

Firstly, the 'household labour capacity index' is an innovative concept that estimates the total labour available to the household, by weighting individual household members according to their ability to work (rather than simply by age, as in conventional adult equivalence scales), based on respondents' own assessment of the labour contribution that each individual is able to make. Advantages of this approach include: it takes account of health status; it recognises the reality that young children and the elderly in rural Wollo are usually working; and it allows for variation among individuals – all of which age-based or nutrition-based equivalence scales ignore. The possible categories, and their weights in constructing the labour capacity index, are as follows:

- Child (too young to work) [=0];
- Working child (doing domestic chores; herding; may be hired or fostered out) [=0.3];
- 'Adult assistant' (boys helping in fields, girls making *wot*) [=0.6];
- Adult (able to do full adult workload) [=1];
- Elderly (not able to do full adult workload) [=0.5];
- Permanently disabled (unable to work) [=0];
- Chronically ill (unable to work for past 3 months or more) [=0].

In terms of this indicator, households comprising less than two adult equivalents are classified as 'destitute' while those comprising between two and three adult equivalents are classified as 'vulnerable' [Table 5.7]. The fact that around one in five households in our sample have less than two working adult equivalents [n=405, or 19%] is striking. Elsewhere in rural sub-Saharan Africa, large families are often seen as a means of accumulating labour power and generating income; over the course of the household's life-cycle, the benefits of extra workers are seen as outweighing the costs and risks of a high dependency ratio when the children are very young. In rural Wollo, however, the average household size is just 4.5, which is small by African standards.

Table 5.7. *Household labour capacity as an indicator of destitution*

Classification	Indicator	Households	%
Destitute	Less than 2 adult equivalents in the household	405	19.0%
Vulnerable	2 < 3 adult equivalents in the household	919	43.2%
Viable	3 or more adult equivalents in the household	803	37.8%

Secondly, given the dominance of men in many key agricultural and non-agricultural livelihood activities, whether or not a household has adult males can in itself be an indicator of its economic status. Put another way, a household without men will be extremely vulnerable. The absence or loss of male adult labour was frequently cited during our qualitative fieldwork as a cause of impoverishment for female-headed, disabled, and elderly households. Without at least one able-bodied man, a household cannot plough its own land and must either sharecrop it out or rely on non-household labour (free assistance from friends and relatives, hired labour, or various kinds of exchange). Its access to other livelihood strategies (such as local urban labour, trading, and seasonal migration[35]) is also

[35] From our qualitative fieldwork, it is clear that men in the study area are more likely to go on seasonal or circular labour migration and return regularly to support their households, whereas women who migrate tend to leave their home village permanently to form new households elsewhere.

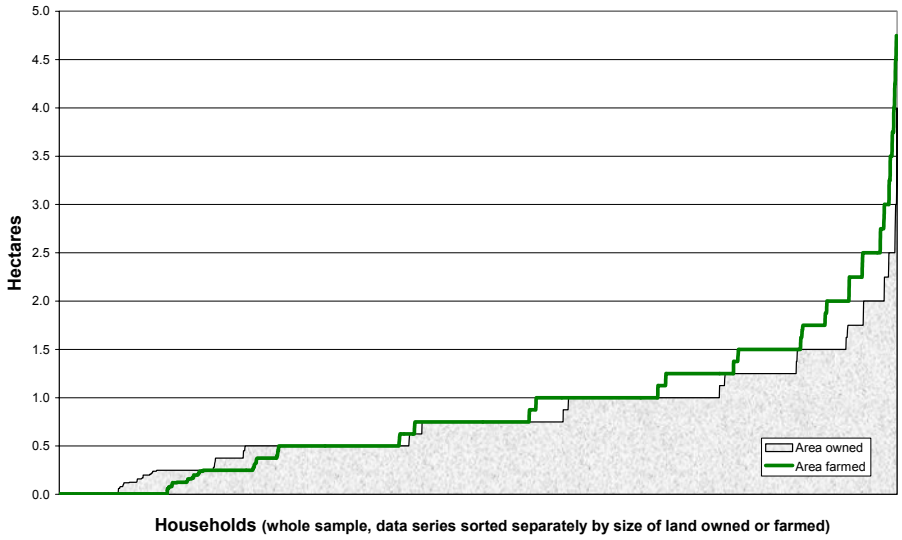
severely constrained, as is its ability to participate in reciprocal working parties, which are an important non-monetary means of accessing additional labour. In our sample, 445 households [21%] had no adult males; this serves as another labour-related indicator – albeit a very crude one – of destitution.

Thirdly, labour-constrained households such as those lacking able-bodied men can enhance their access to labour by hiring local or migrant workers, or by participating in 'festive work parties', many forms of which still exist in highland Ethiopia (such as *jigi, debo,* and *wobera*). Since these arrangements require some monetary or in-kind outlay, the poor are unlikely to be able to afford these sources of additional labour. In our sample, 1,284 households [60.4%] had no access to non-household labour in the previous 12 months and are classified as 'vulnerable' in terms of this indicator; while the remaining 843 households [39.6%] accessed non-household labour of one kind or another.

5.3.4. Land

The second productive resource considered in this assessment of household wealth is farmland, both 'owned' and cultivated.[36] Figure 5.4 shows that many households farmed more land than they own, acquiring additional land by sharecropping plots on a seasonal basis from other households.

Figure 5.4. ***Distribution of farmland owned and cultivated***



The local unit of measure for farming land is the *timad,* which describes the area that can be ploughed by one pair of oxen in one day, and corresponds roughly to 0.25 hectares.[37] In our sample, 7% of households were landless, and 22% owned less than 2 *timad,* or half a hectare (Dessalegn Rahmato describes these as "starvation plots"). These households cannot possibly feed themselves from their own production, and are classified as 'destitute' [see Table 5.8].

Importantly, when land owned and farmland cultivated are compared, using the same cut-off values, the proportion of households classified as 'destitute' actually *rises*, from 22% to 26%, because some households that own small plots are forced to sharecrop them out if

[36] Strictly speaking, the Ethiopian Constitution allows no private ownership of land. Instead, usufruct rights are allocated to households who are recognised as *de facto* owners by their communities. Land ownership is defined here as land to which respondents have legal title recognised by their *kebele*, and on which they pay tax.

[37] Ministry of Agriculture staff use "4 *timad* = 1 hectare" as a conversion factor throughout the study area.

they lack the labour, draught power or inputs to farm. The proportion of non-farming households rises from 7% (*de jure* landless – those who *owned* no land) to 12.8% (*de facto* landless – those who *farmed* no land). Conversely, the number of 'vulnerable' households (defined as those owning or farming between 0.5 and 1 hectare) *falls* from 39% to 31%, and 'viable' households *increase* from 39% to 43%, implying that some households in these categories increased their access to land by hiring or sharecropping in more land than they own.

Figure 5.5 and Figure 5.6 present this data on the relationship between land owned and land farmed by households in the sample in two alternative formats: Figure 5.5 as a scatter diagram, and Figure 5.6 as a frequency chart.

Figure 5.5. ***Scatter diagram of farmland owned and cultivated***

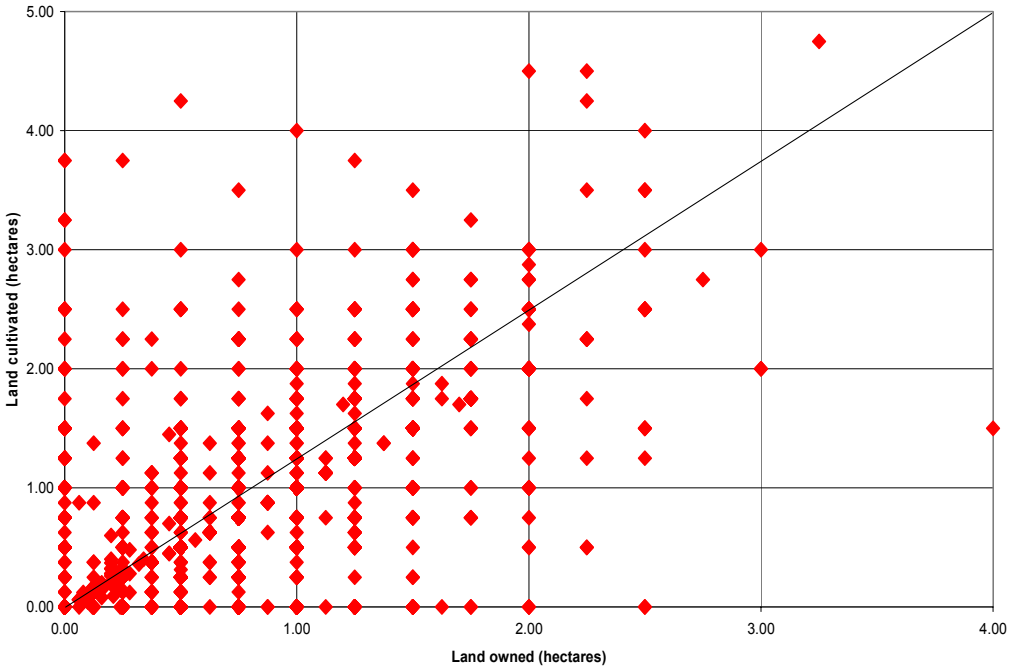
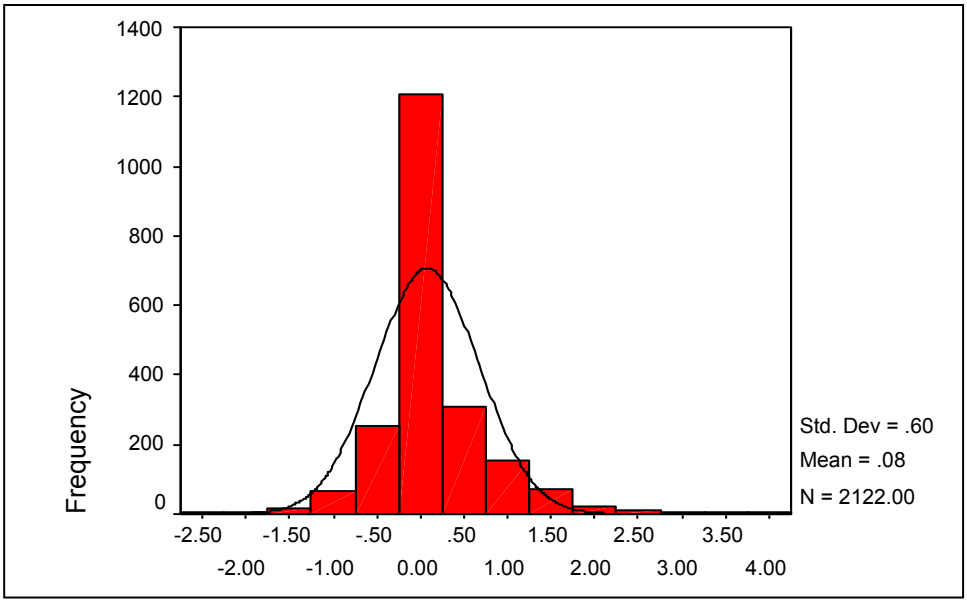


Figure 5.6. ***Net land (hectares cultivated minus hectares owned)***



Sharecropping or renting in land is a common strategy, not only for better-off households to accumulate additional farming land, but also for landless young couples or migrants who either married or arrived in the community since the last land redistribution. Conversely, sharecropping or renting out land is common among elderly- and female-headed households (e.g. widows) who lack labour power. In this sense, the land tenure system in the study area – remembering that land cannot actually be sold in Wollo – serves as a mechanism for reallocating land and labour between households who have one of these inputs but are constrained in the other.[38] Less than half the households in our sample farmed the same amount of land that they owned [n=1,036, or 48.8%], whereas 22.5% cultivated less than they owned (i.e. they are net out-renters) and 28.7% cultivated more land than they owned (they are net in-renters).

Table 5.8. ***Farmland ownership and land cultivated as indicators of destitution***

Classification	Indicator	Households	%
Farmland owned:			
Destitute	Households owning < 0.5 hectares (2 *timad*) of land	471	22.1%
Vulnerable	Households owning 0.5 < 1 hectare (4 *timad*) of land	820	38.6%
Viable	Households owning at least 1 hectare of land	836	39.3%
Land cultivated:			
Destitute	Households farming < 0.5 hectares (2 *timad*) of land	557	26.2%
Vulnerable	Households farming 0.5 < 1 hectare (4 *timad*) of land	652	30.7%
Viable	Households farming at least 1 hectare of land	918	43.1%

5.3.5. Livestock

Three indicators relating to livestock were derived from the survey questionnaire: (1) oxen owned; (2) access to draught power; and (3) total livestock owned. While there are obvious overlaps between all three indicators, the importance of draught animals in the agricultural production system justifies a separate focus on these livestock categories. In conventional poverty analyses, livestock ownership is interpreted primarily as an indicator of wealth – savings in physical rather than financial assets – and *access* to livestock that are not owned by the household is rarely considered.

The most important productive animal in highland Ethiopia is oxen, which are used for ploughing. Households that lack oxen typically face problems in farming their land, being dependent on less suitable animals or borrowing or hiring oxen from others. In our sample, 874 households [41.1%] owned no oxen at all, while 679 [31.9%] owned a single ox and 574 [27%] owned a pair or more. A crude conclusion that might be drawn is that the 73% of households who cannot afford to maintain a pair of oxen are either destitute [41%] or vulnerable [32%].

It is too simplistic to equate non-ownership of oxen with poverty or destitution, however, for two reasons. Firstly, the critical factor is not *ownership of oxen* but *access to draught power*. While most households that do not own a pair of oxen are likely to be poorer than those who do, many non-owners borrow or hire oxen from their relatives, friends or neighbours, and some use other animals for ploughing, such as cows or donkeys, even camels. Where grazing is constrained, pairing one's ox with a friend's is a strategy designed to minimise fodder costs that is adopted even by relatively wealthy households. In fact, 99.1% [1,838/1,854] of households who farmed in the year of our survey did have access to draught power, implying that almost all households who lacked a pair of oxen

[38] An analysis of how this feature of the land tenure system works as an effective 'social safety net' for the rural poor in neighbouring Tigray is provided by Chiari (2002).

nonetheless managed to secure access to draught power, so neither of these two indicators is sufficiently discriminating to tell us much about destitution.

Secondly, access to draught animals is important only for farmers; it is not an indicator that has any resonance for non-agricultural livelihood activities – or even for people whose livelihoods are derived from sharecropping or agricultural labouring on other farms. In our sample, 12.8% of households did not farm in the year of the survey. Some of these are among the poorest in the sample – such as those who were forced to sharecrop out their land – but others are among the richest, having access to more lucrative and secure sources of income than crop farming.

A more comprehensive indicator of 'physical capital' is provided by the total livestock owned by the household, which is calculated by weighting animals in terms of Tropical Livestock Units (TLUs).[39] In our sample, 392 households [18.4%] owned no livestock at all, and are classified as 'destitute' by this criterion. Since this is a continuous variable with no obvious cut-off points, we choose 2.2 TLUs – equivalent to a pair of oxen, as defining vulnerability. 32.8% of households own <2.2 TLUs and are classified as vulnerable households in terms of livestock ownership.

5.3.6. Financial capital

Formal financial intermediation services – savings, credit, insurance – are virtually non-existent in rural Wollo, and no *equb* or savings clubs were found in any of our survey sites. Also, credit is a double-edged sword that has the potential not only to enhance incomes but also to impoverish debtors who cannot repay. For these reasons, access to credit provides limited and ambiguous information about relative well-being. A second indicator of access to financial capital is whether the household had received any cash gifts or remittances in the past year.[40] Once again, this source of finance appears to be available to comparatively few households in the study area. Because of the low number of positive responses to these questions, the two indicators were combined into a single indicator.

In our sample, 73.3% of households [n=1,559] had no access to cash credit, either from formal sources (such as the Amhara Credit and Savings Institution [ACSI], government and NGOs) or from informal sources (friends, relatives, religious organisations), in the year preceding the survey; nor did they receive any cash gifts or remittances from relatives living and working elsewhere. This figure is too undiscriminating to serve as an indicator of destitution – it makes no sense to conclude that 73% of households are destitute or vulnerable because they took no loans and received no remittances in the past year – but the 'financial capital index' will be included in the overall 'Destitution Index', as described later in this chapter.

5.3.7. Social capital

Two indicators were used to proxy social capital: access to social support networks (based on questions asked about how many people the respondent could go to for assistance with food, cash or work); and participation in social institutions (the number of different types of institution – including funeral societies, church groups (*mahaber* or *senbete*) in Christian communities, coffee drinking groups (*zawiya*) in Muslim communities, reciprocal or festive work groups – that the respondent participated in during the past year).

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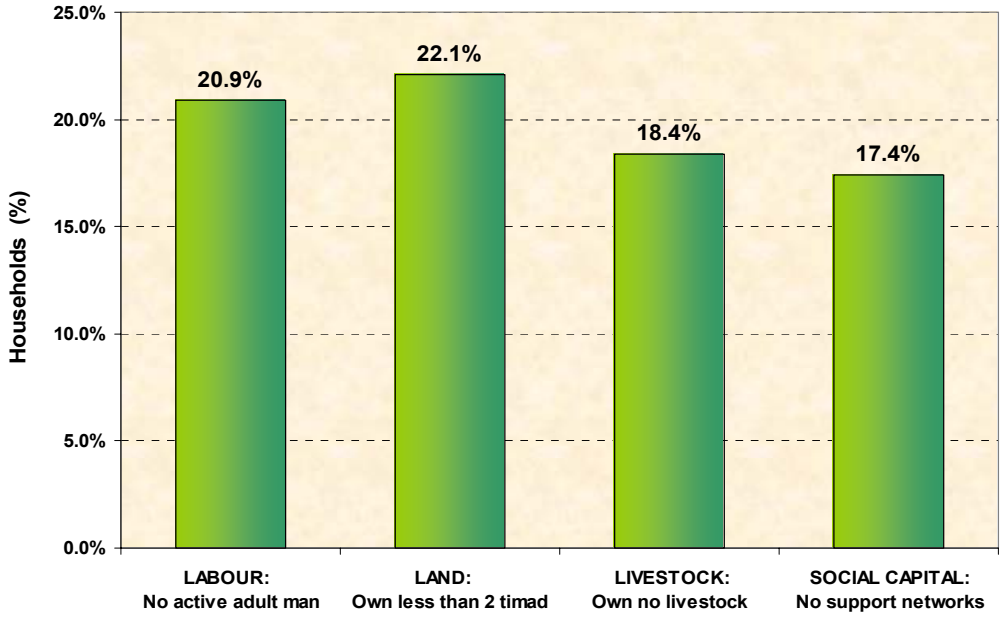
[39] This is an equivalence scale based on the average biomass consumption of each animal species. TLUs for Ethiopia have been calculated by the International Livestock Research Institute (ILRI) and were used in our analysis; they range from 0.09 for a sheep or goat to 1.10 for a bull or ox.

[40] Note that these questions simply elicited whether the household accessed each source of finance [Yes/No] rather than the monetary value of the loans, gifts or remittances.

In our sample, 17.4% of households [n=370] reported that they have no social networks to call on for help in times of crisis. A further 46.4% [n=986] could get help with money, food or labour, while the remaining 36.2% [n=771] could get assistance of some kind if needed. Participation in social institutions is generally high in the study area. However, destitute households tend to participate in fewer social institutions than other households, which increases their vulnerability since they are unable to call on fellow members of those institutions for support. In our sample, 4.2% of households belonged to no social institutions at all. A further 39% of households belonged to one or two institutions, and the remaining 56% of households belong to three institutions or more.

Figure 5.7 summarises the information presented above, on the proportion of households in the sample survey that might be classified as destitute in terms of their limited ownership of, or restricted access to, four categories of key productive resources.

Figure 5.7. ***Livelihood resources indicators***



5.4. Comparing the Indicators

As has already been stated, the complexity of destitution can not be adequately captured by any single indicator. However, the indicators discussed above do each convey an aspect of poverty in the study area, and the cut-offs used for 'destitution', 'vulnerability' and 'viability' are derived from the knowledge and experience of the study team, in particular the Ethiopian researchers on the team. It is striking to compare the numbers of households classified as 'destitute' and 'vulnerable' by each indicator [see Table 5.9]. Adding together the proportions of destitute and vulnerable households, the indicators generate proxy figures for 'poverty' that fall within an intuitive range.

Table 5.9. ***Comparison of alternative single indicators of destitution***

Indicator	Cut-off Point for Destitution	Destitute	Vulnerable	'Poor'
Self-assessment	'Unable to meet household needs'	14.6%	54.9%	69.5%
Basic needs				
Food security	< 2 meals/day in worst month last year	29.2%	32.8%	62.0%
	> 3 months food shortage last year	19.2%	44.4%	63.6%
Clothing purchases	< 2 times in last three years	23.2%	30.8%	54.0%
Housing quality	Poor quality of both roof and walls	24.3%	23.4%	47.7%
Basic expenditure items	No basic items present in the home	10.4%	48.8%	60.2%
Livelihood resources				
Labour capacity	< 2 adult equivalents in the household	19.0%	43.2%	62.2%
	No adult male labour in the household	20.9%	–	–
	No access to non-household labour	–	60.4%	60.4%
Land owned	< 2 *timad* of land owned	22.1%	38.6%	60.7%
	or: landless	7.0%	–	–
Land cultivated	< 2 *timad* of farmland cultivated	26.2%	30.7%	56.9%
	or: no land cultivated	12.8%	–	–
Livestock ownership	No oxen owned	41.1%	31.9%	73.0%
	No livestock owned	18.4%	32.8%	51.2%
Financial capital	No formal or informal cash credit or: no cash gifts or remittances	–	73.3%	73.3%
Social capital	No social support networks to offer help	17.4%	46.4%	63.8%
	Participation in no social institutions	4.2%	39.3%	43.6%

The proportion of households classified as 'destitute' in terms of the single indicators ranges from 4.2% to 41.1%, with an average of 19.4% [Table 5.10]. The proportion of households classified as 'vulnerable' ranges from 23.4% to 73.3%, with an average of 42.1%. The aggregate poverty headcount derived from Central Statistical Authority (CSA) data for the three zones of the study area – North Wollo, South Wollo and Wag Hamra – is 57.6%, but slightly higher for rural areas, at 59.8% (Frehiwot and Ermias 2002:6). This is very close to the average of 'destitute' plus 'vulnerable' households in our sample, at 60.1%. It must be reiterated, however, that these classifications do not necessarily identify the *same* households as 'destitute' or 'vulnerable', so that it would be a mistake to take, say, the 19.2% of households who experienced more than 3 months of food shortage last year as the 'destitute' population, even though this figure is close to the 19.4% average across all indicators. As will be seen below, the degree of overlap across alternative indicators is far from 100%.

Table 5.10. ***Households classified as 'destitute', 'vulnerable', and 'viable'***

Classification	Minimum	Maximum	Mean
Destitute	4.2%	41.1%	19.4%
Vulnerable	23.4%	73.3%	42.1%
Viable	26.7%	56.4%	39.9%

Table 5.11 shows the percentage of destitute households 'correctly' identified by each basic needs indicator: that is, the overlap of destitution by one indicator against other indicators. The degree of overlap ranges from 33% (between housing quality and months of food shortage) and 61% (between clothing purchases and meals per day). Some of the higher levels of overlap are predictable – for example, 59% of households that ate less than 2 meals on some days during the previous hungry season also suffered a food shortage for

more than 3 months – but not as high as might be expected. Similar analyses could be undertaken for the 'livelihood resources' indicators, but the conclusion reached would be the same: single indicators provide interesting descriptive information about the living conditions of the rural poor in Wollo, but they are inadequate predictors of destitution. For this purpose, composite indices need to be constructed.

Table 5.11. ***Comparison of alternative 'basic needs' indicators of destitution***

Indicator	Number of meals	Months of shortage	Clothing purchases	Housing quality	Basic items spending
Number of meals	100%	38.4%	37.5%	32.9%	46.4%
Months of shortage	58.8%	100%	35.8%	33.3%	36.5%
Clothing purchases	60.9%	38.1%	100%	37.0%	44.1%
Housing quality	48.7%	32.5%	35.5%	100%	44.6%
Basic items spending	57.6%	29.6%	35.9%	37.8%	100%

5.5. Combining the Indicators

Combining several indicators produces an estimate of destitution that reflects its multi-dimensional nature. However, when the single indicators are combined, the number of households satisfying these more stringent criteria for destitution obviously falls.[41] Even combining the two food security indicators (households eating <2 meals/day [n=621] AND households experiencing >3 months food shortage [n=408] brings the percentage of destitute households down, from 29.2% and 19.2% respectively, to 11.2% [n=238]. The more indicators are added to the composite indicator, the smaller the percentage of destitute households, since the numbers of households meeting several criteria simultaneously (under the 'AND' rule) are very few.

Table 5.12 presents Pearson correlation coefficients for basic needs indices of destitution, that were constructed from the indicators derived from the survey questionnaire. Pearson correlation coefficients measure the degree to which two variables tend to change together, or 'co-vary'. The values of the coefficient lie between –1 and +1. The closer the coefficient is to 1 (in absolute terms), the higher the degree of linear relationship between the two variables. The positive and negative signs indicate the direction of linear relationship. If the coefficient is positive it means the pairs of values for the two variables either decrease or increase together. On the other hand, if the pairs of values tend to move in opposite directions (as one increases the other decreases) the Pearson coefficient will be negative. A significant correlation (indicated by $p<0.01$ or 1% significance level) among the variables included in the destitution analysis is an indication of internal consistency or reliability of the survey instrument. Put differently, a relatively 'wealthy' household will score high on all the variables included in the analysis, while a relatively 'poor' household will score low on all the variables. In this case, correlation analysis is one way of testing how consistent or reliable our variables are in measuring destitution, vulnerability or viability of households in Wollo.[42]

41 There are two ways of constructing a composite indicator: the 'OR' rule and the 'AND' rule. If the 'OR' statement is applied (e.g. "A household is classified as destitute if it consumed less than 2 meals per day last year OR it cultivated less than 2 *timad* of land"), the smaller number gives the number of destitute households. If the 'AND' rule is applied instead ("A household is classified as destitute if it consumed less than 2 meals per day last year AND it cultivated less than 2 *timad* of land") then the number of destitute households is even smaller, being the overlap between households meeting each criterion.

42 Technical notes were provided by our data analyst, Anthony Baah. For more technical information on the Pearson correlation coefficient, see Coolican (1999).

Table 5.12. ***Pearson correlation coefficients for basic needs indices of destitution***

Indicator	Clothing index	Housing quality index	Basic expenditure index	Months of food shortage index	Meals per day index
Clothing index	1	0.187**	0.231**	0.268**	0.272**
Housing quality index		1	0.263**	0.234**	0.235**
Basic expenditure index			1	0.267**	0.362**
Months of food shortage index				1	0.729**
Meals per day index					1

** Correlation is significant at the 0.01 level (2-tailed test)

As might be expected, the two food security indicators are again most closely correlated [Pearson = 0.729, significant at 0.01 (two-tailed)].[43] Correlations between other pairs of basic needs indicators are smaller [<0.5],[44] but all are positive and significant at1%.

5.6. Overall 'Destitution Index' Using Principal Components Analysis

5.6.1. Constructing the index[45]

Principal Components Analysis is a type of factor analysis. As noted above, it is a purely statistical procedure: it does not specify or test any econometric model of the relationship between the given variables, but simply mathematically quantifies the impact of each variable on the total variation in the data. Without going into the computational details, PCA can be described as "a *variance-maximizing (varimax) rotation* of the original variable space" (StatSoft 2002, emphasis in original): it uses matrix algebra iteratively to enable us, in effect, to 'see' graphs of the linear relationship between each pair of variables in multiple dimensions simultaneously.

The most common use of PCA is for data reduction: that is, to reduce the number of variables in a computation by detecting those that do not contribute significantly to the total variation. A second use, and the one adopted here, is to detect a structure in the relationships between variables. We use PCA to determine the weights or scores assigned to a set of variables selected, as discussed above, to represent the various aspects of destitution (and its converse, viable livelihoods). To do this, we follow the method used by Filmer and Pritchett (1998) in constructing a PCA-weighted asset index as a proxy for household wealth in India.

After exploratory analysis (as explained above), 15 indicators were selected from the original 17: access to draught power was dropped, and access to gifts and remittances was combined with access to credit to give a single index of financial capital. A Principal Components Analysis was then run on these 15 indicators, using SPSS.

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[43] Pearson correlations are used for this analysis because the indexed data are continuous. (For ranked data, Spearman rank correlations would have been calculated instead, but in fact the two techniques yield very similar statistics on this data set.) In small samples, a Pearson correlation of >0.5 is considered significant, but in a large sample such as this, even the smaller numbers in the Table are significant, which is an endorsement of the internal reliability of the survey instrument.

[44] In a large sample like this one – over 2,100 households – even a correlation coefficient of 0.1 may be significant.

[45] The description of statistical procedures in this section draws on notes provided by our data analyst, Anthony Baah.

The first stage of PCA extracts the 'principal components' which could potentially explain the total variance. Fifteen components were extracted (equal to the number of variables), but only the first four are significant (based on the Kaiser criterion of an Eigenvalue greater than 1).[46]

Table 5.13. ***Total variance explained by PCA (first 4 principal components)***

Component	Initial Eigenvalues		
	Total (Eigenvalue)	% of variance explained	Cumulative %
1	4.598	30.651	30.651
2	1.872	12.478	43.129
3	1.241	8.273	51.402
4	1.034	6.896	58.298

Source: SPSS output table

From these, the first component was chosen for use in constructing the index, because it explains 30.6% of the total variance in the 15 indicators,[47] and gives a positive weight for all of them. This was not the case with the three other significant components, which produced negative weights for some of the variables (contrary to our understanding of the meaning of these indicators, which had been scaled in such a way that we would expect them all to have a positive weight on the overall combined index).

The weights (or scores) assigned to the indicators on component 1 are shown in Table 5.14 below.

The impact of each variable on the overall index (column 6, on the right of the table) is calculated as the score divided by the standard deviation, and can be interpreted as follows. Remembering that all the variables are scaled from 0 to 1, as previously explained: when a household moves from 0 to 1 on a particular indicator, its score on the overall index is increased by the amount of the 'impact' ratio for that indicator.

Proceeding to the next step of PCA, we then used these assigned weights to construct the overall 'destitution index', applying the following formula (after Filmer and Pritchett 1998:6):

$$D_j = \sum_{i=1}^{k} [w_i (a_{ji} - m_i)]/s_i$$

where: D_j is a standardised index (which we will call the 'destitution index') for each household;

w_i represents the weights (scores) assigned to the (k=15) variables on the first principal component;

a_{ji} is the value of each household on each of the fifteen variables;

m_i is the mean of each of the 15 variables; and

s_i represents the standard deviation of each of the 15 variables.

[46] The Eigenvalue is a measure of standardised variance, with a mean of 0 and standard deviation of 1. Each standardised variable (i.e. each of the 15 indicators in our case) contributes at least the variance of 1 to the principal components extraction. The Kaiser criterion states that unless a principal component extracts at least as much as one of the original variables (i.e. has a standardised variance equal to or greater than 1), it should be dropped from further analysis.

[47] In Filmer and Pritchett (1998:11), the first principal component explains 25.6% of the variation in the 21 asset variables used.

Table 5.14. ***Weights and impact of variables under PCA***

Rank by score	Variable	Mean	Standard Deviation	Score (weight)	Impact (Score / standard deviation)
1	**Total livestock ownership**	0.4001	0.32479	**0.170**	0.523
2	**Oxen ownership**	0.4295	0.40657	**0.161**	0.396
3	**Cultivated land**	0.5166	0.33732	**0.157**	0.465
4	**Household labour capacity**	0.5154	0.21931	**0.144**	0.657
5	**Participation in social institutions**	0.6611	0.27696	**0.144**	0.520
6	**Male labour**	0.7908	0.40684	**0.133**	0.327
7	**Access to non-household labour**	0.3963	0.48925	**0.122**	0.249
8	**Basic expenditure**	0.6688	0.33401	**0.112**	0.335
9	**Meals per day**	0.6315	0.33239	**0.106**	0.319
10	**Months of food shortage**	0.6654	0.30090	**0.100**	0.332
11	**Clothing purchases**	0.6863	0.32868	**0.100**	0.304
12	**Farmland owned**	0.5016	0.29231	**0.096**	0.328
13	**Housing quality**	0.6406	0.41461	**0.091**	0.219
14	**Access to social support networks**	0.5941	0.35393	**0.050**	0.141
15	**Financial capital (credit +/or gifts)**	0.1559	0.26333	**0.026**	0.099

Source: SPSS output table (ranked by score)

All households in the sample were then ranked according to their score on this combined standardised index ($\mathbf{D}_j$). The minimum possible index value is 0, and the highest is 1. Households ranking lowest on the index (nearest to zero) are the most destitute according to this combination of indicators.

The problem with a continuous indicator such as this derived Destitution Index is that it does not contain within it any principle or rule for isolating destitute households from the rest. A household's score on the index has no easily explained meaning in itself, since it is a mathematical composite of 15 different factors. In order to estimate the number of destitute households, therefore, it is necessary to determine a cut-off point between 'destitute' and 'non-destitute' households. Possible methods for doing this are discussed in the following section.

5.6.2. Setting a cut-off (identifying the destitute)

Three approaches to setting a cut-off point were considered:

- Arbitrarily designating a percentile cut-off, based on common practice in poverty analysis, secondary information, or the judgement of the researchers.
- Selecting one (or more) of the indicators already included in the index as the key characteristic of destitution, then examining its overlap with the index to determine the proportion of households classed as 'destitute'. Intuitively, the strongest candidate for such a touchstone in the case of Wollo would be one or more indicators of food insecurity.
- Triangulating the overall Destitution Index, which is composed of quantifiable indicators of household resources and welfare, with a more subjective and holistic assessment of each household's livelihood situation.

The first option, commonly used in poverty analysis, is simply to designate an arbitrary percentage of the distribution (for example, the lowest 40%, or 20%) as the poorest (or in this case, the 'destitute'). Filmer and Pritchett, for example, categorise the bottom 40% (or four deciles) of the population on their asset index as 'poor'. For their purpose, this is convenient and appropriate (and they are careful to point out that this arbitrary percentage does not equate to an income-based poverty line). For the Destitution Study, however, such an arbitrary division was not considered satisfactory, since the key research questions included *defining* destitution and estimating its scale. (It would therefore be circular reasoning to define destitution as, say, households falling in the bottom quintile of the Destitution Index, and then to conclude that 20% of the population of the study area are destitute!) There are no readily available and widely-accepted measures of destitution, as there are of income poverty, against which such a cut-off could be justified.

A modification of the approach just described would be to determine a cut-off percentage based on prior or secondary information (such as Save the Children's 'Household Food Economy' assessments), or on qualitative results from the Destitution Study fieldwork (such as the proportion of households placed in the poorest category during wealth ranking discussions). However, these estimates were considered too relative and too locality-specific across the study area to be valid for this purpose.

The second approach, identifying a 'touchstone' or defining indicator among those included in the Destitution Index, was explored through an analysis of each indicator's distribution, and overlaps among them. For this analysis, threshold values were identified which could potentially identify the poorest or 'destitute' households in terms of each individual indicator. These cut-offs were determined by a combination of information from the qualitative fieldwork (especially descriptions by wealth ranking and focus group discussants of the resources and characteristics of the destitute), and the distribution curve of the quantitative variable in the household data. In most cases, there was a discontinuity in the distribution which matched well with the qualitatively judged threshold. Table 5.15 presents the thresholds, and the percentage of households which fell below them, for those indicators which showed potential for discriminating between the poorest and other households.

Table 5.15. ***Possible thresholds for destitution in individual indicators***

Category	Indicator	Cut-off point for 'destitution'	'Destitute' by this indicator
Basic needs	Meals per day	1 or 0 meals/day in worst month last year	29.2%
	Months of food shortage	> 3 months food shortage last year	19.2%
	Clothing purchases	1 or 0 times in last three years	23.2%
	Housing quality	Poor quality of both roof and walls	24.3%
	Basic expenditure items	No basic items present in the home	10.6%
Livelihood resources	Household labour capacity	< 2 adult equivalents in the household	19.0%
	Male adult labour	No adult male labour in the household	20.9%
	Land owned	< 2 *timad* (0.5 ha) of farmland owned	22.0%
		or landless	7.0%
	Land cultivated	< 2 *timad* (0.5 ha) of land cultivated	26.2%
		or no land cultivated	12.8%
	Livestock ownership	No livestock owned	18.4%
	Social capital	No social support networks to offer help	17.4%
		Participation in 0 or 1 social institution	14.6%
		Mean of percentages	*18.9 %*

These thresholds and percentages were not, in the end, used to identify a cut-off value for destitution on the overall index. Exploratory analysis showed that, while the percentages of poorest households on different indicators were close in some cases, it was not necessarily the same households that fell below the different thresholds: as seen above, the overlaps were far from 100%. This analysis was useful, however, as it reinforced the view that destitution is too complex, various, and multi-dimensional to be identified by a single proxy indicator. At the same time, the high percentages and very low thresholds of basic needs and resources shown in the table above are a salutary reminder of the depth of poverty among the study population as a whole.

The third approach – triangulating the Destitution Index with an independent indicator – was the one finally adopted. The indicator used was the household's overall assessment of their current (2001/02) situation on a given scale of livelihood viability (see part H of the questionnaire, in Annex 2). The bottom category on this scale, which we have taken as equivalent to 'destitute', was described as: "unable to meet household needs by your own efforts; dependent on support from the community or government[48] (could not survive without it)". The emphasis in this description on the household's reliance on others matched well with local perceptions of the social and psychological dimensions of destitution (loss of pride and independence), as well as with the third element of our working definition (dependence on transfers). As reported in Table 5.1 above, 14.6% of the 2,127 sampled households placed themselves in this category.

Comparing the overall Destitution Index with this self-assessment indicator, Table 5.16 shows a very strong correlation between the two measures. If the match were perfect, the 310 households that reported they were 'unable to meet basic needs' would also score lowest on the composite index and be ranked as the bottom 310 households in the sample, in terms of the Destitution Index: however, this is statistically so unlikely that it would call into question the reliability of the data. In fact, the degree of overlap between these two indicators is just under two-thirds: 201 of the 310 households (64.8%) fell in the bottom 14.6% of the full sample, in terms of the composite index.

Table 5.16. ***Self-assessed destitute compared to objective destitution index***

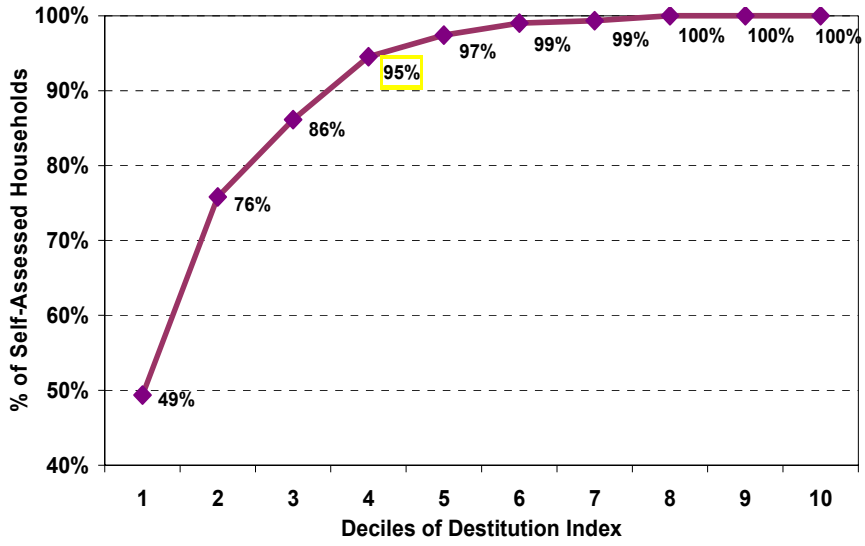
Composite Index / Self-assessed	In bottom 14.6%	In bottom 20%	In bottom 30%	In bottom 40%	In bottom 50%	In bottom 60%	In total population
Unable to meet basic needs	201 (9.5%)	235 (11.0%)	267 (12.6%)	293 (13.8%)	302 (14.2%)	307 (14.4%)	310 (14.6%)
Able to meet basic needs	1,926 (90.5)	1,892 (89.0%)	1,860 (87.4%)	1,834 (86.2%)	1,825 (85.8%)	1,820 (85.6%)	1,817 (85.4%)
Coverage of self-assessed destitute	64.8%	75.8%	86.1%	94.5%	97.4%	99.0%	100%
P-value	*p<0.01*	*p<0.01*	*p<0.01*	*p<0.01*	*p<0.01*	*p<0.01*	*p<0.01*

The robustness of the two indicators in relation to each other can be seen in the proportion of self-assessed destitute captured as the percentile threshold on the Destitution Index is raised [Figure 5.8]. Fully 76% of the self-assessed destitute fall in the bottom 20% of the destitution index, and 95% fall in the bottom 40%. This suggests that there is a strong correlation between the two indicators. A chi-square test (χ^2) of association between the two groups – households in the bottom 14.6%, 20%, 30%, 40% and 50% of the overall index, and the 310 (14.6%) self-assessed destitute households – confirms this hypothesis. The chi-square test shows a significant association between the two groups at the 1% level (p-value <0.01 in all the cases from 14.6% to 50%).[49]

[48] The term 'government' in local usage includes NGOs, UN and donor organisations.

[49] If the *p-value* (exact significance) of the chi-square test was > 0.05, the hypothesis of a significant association between the groups would be rejected.

Figure 5.8. ***Self-Assessment versus Destitution Index***



We therefore conclude that the two approaches – self-assessment by respondents of their current livelihood status, and the composite Destitution Index derived from 15 objective indicators of resources and welfare using Principal Components Analysis – are internally robust and consistent with each other. In order to combine them, one option would be to apply the rule that only those households unable to meet their basic needs without transfers *and* ranked in the lowest 14.6% on the Destitution Index will be counted as actually destitute. This rule gives an estimate of the destitute as 9.5% of the population: however, this would be an extremely strict criterion. In the end, the following slightly more flexible definition of the overlap was adopted for the final classification of destitute households:

> *Destitute households are those that self-reported they were dependent on transfers to meet basic household needs and are ranked in the lowest 40% in terms of the Destitution Index.*

This is in keeping with standard practice in economics of taking the bottom 40% of households in an income distribution as the 'poorest', and at the same time helps to eliminate potential errors or misreporting by wealthier households of their true livelihood status. In fact, only 17 of the 310 self-assessed destitute households are eliminated by applying this rule, reducing the percentage of 'destitute' households from 14.6% (measured by self-assessment only) to 13.8% (measured by a combination of self-assessment and the composite index).

5.7. Conclusion

This chapter has presented quantitative data, derived from our survey questionnaire administered to 2,127 households in the study area, in an attempt to quantify the scale of destitution in the rural highlands of Amhara Region. Several significant findings emerged from consideration of single indicators, which illuminated a high degree of variation between households within and across communities. In terms of food security indicators, this survey found that the poorest households routinely face hunger – facing several months of food shortages and reducing their meals even in relatively good agricultural production years. Other 'basic needs' indicators point to extremely high levels of deprivation, with many people living in inadequate housing, unable to clothe themselves adequately, and unable to afford even basic grocery items like salt and kerosene.

In terms of livelihood resources, the poorest households in the study area conform to popular perceptions of 'destitution': they lack livestock, many are landless, their households face severe labour constraints (due to adverse demographic composition, or chronic illness of key household members), they cannot borrow, and they are socially marginalised, having no social support networks to call on in times of crisis.

When asked to sum up their livelihood situation, 14.6% of respondents reported that they are "unable to meet basic household needs". There is a high degree of agreement between this self-assessment and other indicators and indices derived statistically from the questionnaire data. Using Principal Components Analysis to construct a weighted index, drawing on 15 individual indicators, 95% of self-assessed 'destitute' households were found to fall in the bottom 40% of scores on the 'destitution index'. This produces a figure of 13.8% for destitution in the study area, or approximately 560,000 people in the Amhara highlands.

CHAPTER 6. TRENDS IN DESTITUTION OVER TIME

6.1. Introduction

Having attempted in the previous chapter to quantify the incidence of destitution in rural Wollo, this chapter investigates the question of whether the prevalence of destitution is constant, falling or increasing over time. Although a rigorous trend analysis was beyond the scope of this research study, a number of questionnaire-based and participatory methods were used to derive complementary estimates of changes in destitution, at both the household and community levels.

6.2. Self-assessed Trends in Destitution

The household survey asked respondents to assess their relative well-being not only at the time of the interview, but also one year ago, two years ago, and ten years ago. While recognising that this is a crude and subjective way of quantifying dynamic processes over time (though the self-assessment methodology was verified against the Destitution Index), some interesting trends can be observed from responses to this question. The first stylised fact that emerges is that the incidence of destitution in the study area has risen dramatically during the 1990s alone, from a low of 5.5% ten years before the survey to a peak of 16.4% two years ago, dropping back a little (following two good rainfall years in most communities) to 14.6% today [Table 6.1]. At the same time, the proportion of households who saw themselves as 'doing well' has collapsed in this period, from 32% in the early 1990s to just 3% in the early 2000s.

A most important point for policy-makers to note is the rapid rise and high proportion of households classified here as 'vulnerable' (self-assessed as 'struggling'), from 17% ten years ago to over half the population – 55% – today. In absolute numbers, this implies that 2¼ million of the study area's 4 million people are at serious risk now of becoming destitute some time in the future, unless preventive, remedial actions are taken either by themselves or by outside agencies such as the government or donors.

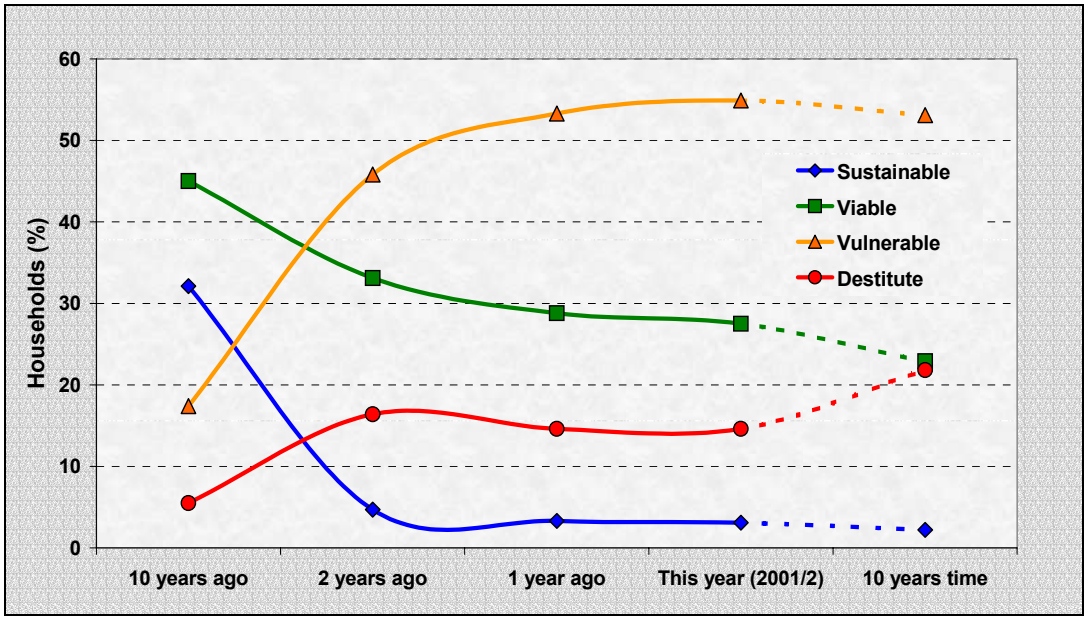
Table 6.1. ***Self-assessed levels of destitution and vulnerability over time***

Classification	10 years ago	2 years ago	1 year ago	Today	10 years time [*projected*]
'Destitute'	85 [5.5%]	333 [16.4%]	307 [14.6%]	310 [14.6%]	617 [21.8%]
'Vulnerable'	267 [17.4%]	932 [45.8%]	1,119 [53.3%]	1,167 [54.9%]	1,504 [53.1%]
'Viable'	691 [45.0%]	672 [33.1%]	605 [28.8%]	585 [27.5%]	647 [22.9%]
'Sustainable'	494 [32.1%]	96 [4.7%]	70 [3.3%]	65 [3.1%]	63 [2.2%]
Total households	**1,537 [100%]**	**2,023 [100%]**	**2,101 [100%]**	**2,127 [100%]**	**2,831 [100%]**

Note: The total of 1,537 households [72.3% of the sample] ten years ago comprises those households that were formed before the start of the recall period. The remaining 27.7% were formed within the last ten years.

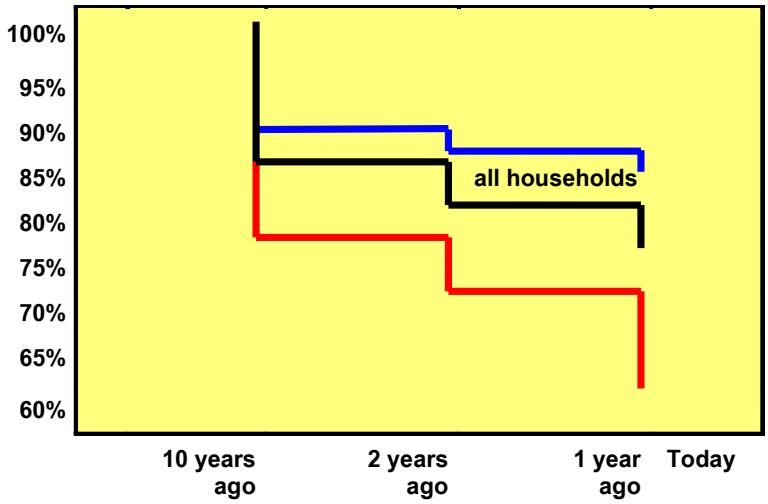
Figure 6.1 shows the percentage of households in each category of the self-assessment over time. The projections for 10 years in the future are obtained through a Markov chain process, i.e. by multiplying the vector of categories today by the 'state transition probability matrix' – the probability of each household 'switching' from one state (or category) to another, given its past and present states (see Annex 5 for a more detailed technical explanation).

Figure 6.1. ***Trends in self-assessed destitution and vulnerability in the study area***



Another way of looking at trends in destitution is to plot 'survival functions' – a technique adapted from medical epidemiology – for the risk of households *becoming destitute* over time. Figure 6.2 plots the cumulative probability for the sample of households that were not destitute ten years ago of becoming destitute over the decade up to the present, again based on the self-assessment data for four points in time. (Male-headed households are above, and female-headed households fall below, the central trend line – this gendered differential is discussed later, in Chapter 10.) The vertical axis in the Figure represents the probability of 'survival', in other words, the probability of *not* becoming destitute. It illustrates a cumulative probability of around 20% that those households that were not destitute in 1992/93 would become destitute by 2001/02.

Figure 6.2. ***'Survival function' for households in Wollo avoiding destitution***

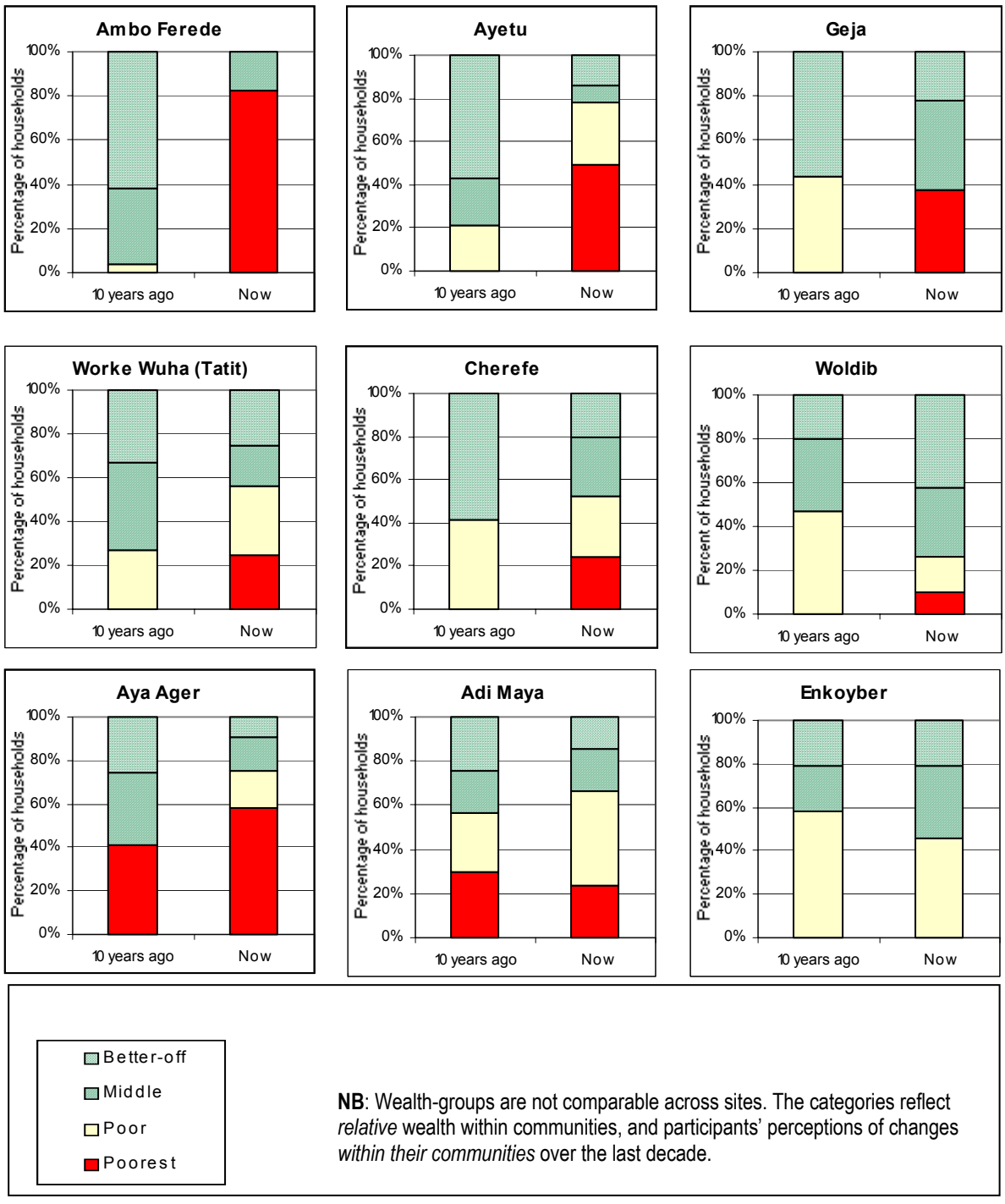


6.3. Community-level Perceptions of Trends in Destitution

This section briefly summarises some of the most striking issues and common features emerging from the analysis of community-level perceptions of trends and changes, as expressed in the first two core methods of the qualitative fieldwork: time-line discussions and historical wealth-ranking [see Chapter 4]. As with all qualitative research methods, caution must be exercised in generalising from site-specific and even informant-specific

information. For this reason, data are presented here for individual communities, rather than aggregated, though some common patterns do emerge across study sites. Figure 6.3 summarises what participants in historical wealth-ranking groups at each of the nine qualitative sites said about relative poverty and wealth within their communities, 'now' (i.e. at the time of the fieldwork in 2001/02) and approximately ten years earlier.[50]

Figure 6.3. ***Community perceptions of changes in wealth groups over the last 10 years***



[50] Reference point events for "about ten years ago" were identified for each community from the time-line discussion, which was conducted before the wealth ranking. In some places this reference point was the local takeover by EPRDF, in others the most recent land redistribution. All the reference points were between 1983 and 1984 EC (i.e. between 1990 and 1992 GC).

Firstly, in six of the nine discussion groups (shown in the top two lines of the figure), a *new category* of the poorest has emerged in the past ten years. The characteristics of this category and the terms used to describe them vary from place to place, but there was a widespread feeling among the participants that the nature and depth of poverty has changed, and that in most cases the poorest people now are in a more severe situation than the poorest people a decade ago. The most extreme example is Ambo Ferede, in the South Wollo Highland Belg FEZ (Legambo *wereda*), where people reported that the repeated *belg* failures since 1990 EC (1997/98 GC) had completely impoverished the community through loss of livestock, debt, ill-health and distress labour migration, so that the new category of *'wuha anfari'* (those who 'cook' water – see Chapter 2) now constitute 83% of the village. Even allowing for exaggeration or bias, due to informants' associating such discussions with food aid assessments, this is extremely worrying.

Secondly, the *proportion* of poor households (the two categories described as 'poor' and 'poorest' in the summary graphs) was believed to have increased in six of the nine sites (the exceptions being Geja, Woldib and Enkoyber).

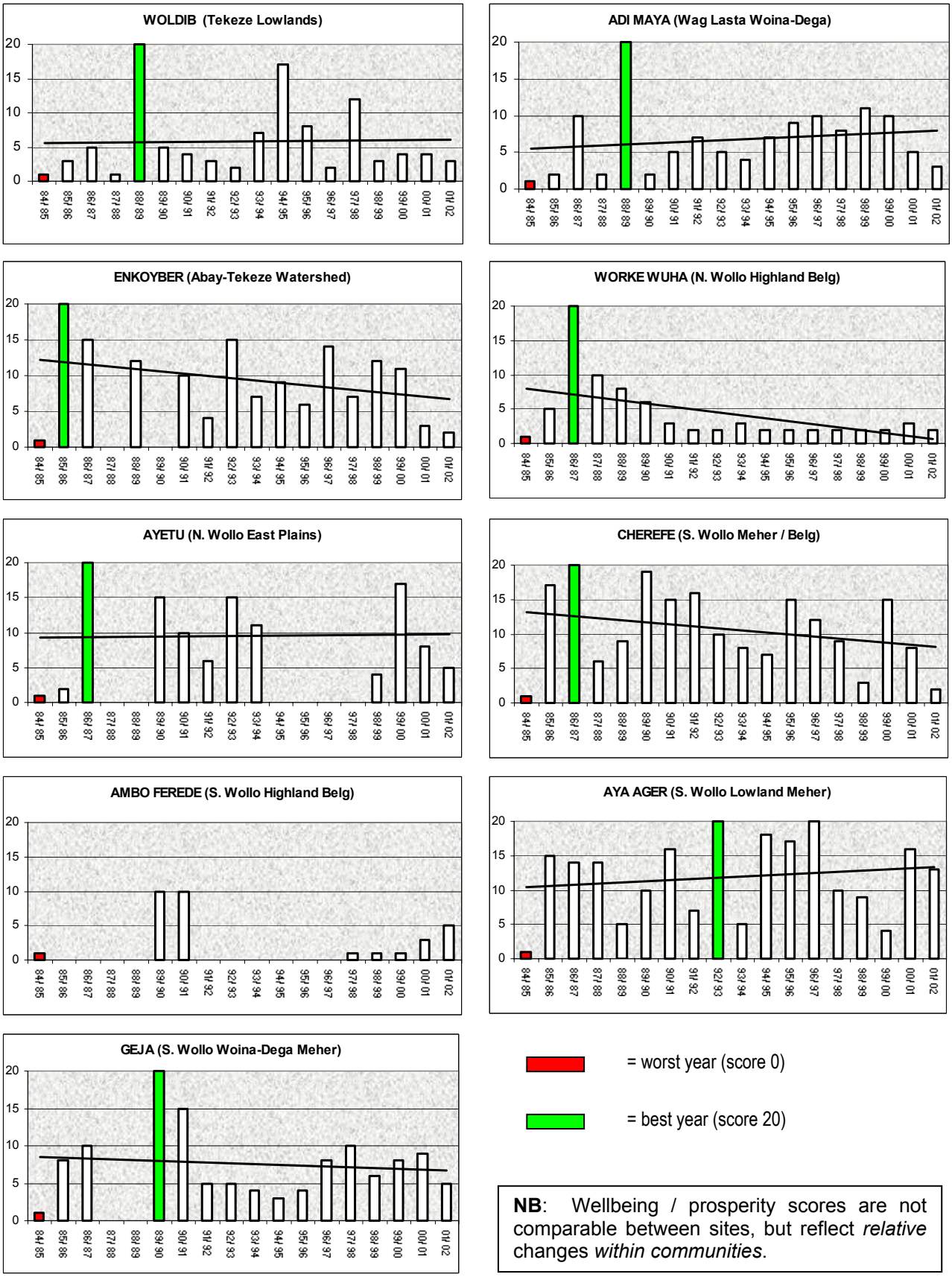
Perhaps equally important, the proportion of households in the 'better-off' group was reported to have fallen in seven out of the nine places. The exceptions in this case are Woldib, where the better-off group appears to have grown, and Enkoyber where the proportion was said to be fairly stable (but the better-off were said to have fewer resources than in the past and to be less able to support the poor). In Ambo Ferede, the better-off were said to have completely disappeared: even the 'wealthiest' people in the village (former landlords who had sizeable numbers of sheep, horses and other livestock in the past) could now only be considered *'mekakelegna'* (middle or medium). This erosion of resources among the relatively better-off stratum in the villages was frequently raised in discussions as a sign that whole communities are "sliding down". People also stressed that the decline of the better-off has a significant impact on resource access and social support networks for the poor, as fewer and fewer people are able to provide oxen loans, informal credit, local employment, livestock for *yerbee*[51] and other share-rearing arrangements, and grain loans or gifts.

In Adi Maya and Enkoyber, where poverty does not seem to have deepened or significantly increased, one explanatory factor is the proximity of improved roads and growing towns (Sekota and Gosh Meda respectively). The impact of towns and roads on access to employment, resources, key services (such as education and health), and markets both for purchase and sales, is discussed further in Chapter 9.

In the time-line discussions, after visually laying out a local history and identifying key events (both positive and negative) affecting the well-being of the community, participants were asked to agree on which was the worst year and which was the best year in their memory. The best year was given a score of 20, and the worst a score of one. The group was then asked to score other years in relation to these reference scores and the key events already identified on the time-line. PRA methods (such as pair-wise comparison, and 'interviewing the time-line') were used to generate discussion and consensus about the relative scoring of different years. The results are summarised in the trend-line graphs in Figure 6.4. As with the wealth-ranking, the 'well-being' score represents perceptions of *relative* prosperity from year to year within the community concerned: the scale is not comparable between sites. That said, some general observations can be made about the overall trends and the key events and processes identified across the study area.

[51] In a *yerbee* (='for rearing') arrangement, a poorer household will feed and care for animals such as a cow or sheep, in exchange for an agreed share of the animal's offspring and/or by-products such as milk. In the past, this was one of the main ways for the poor to get onto the bottom rung of the livestock ladder, by starting or re-building their animal holdings.

Figure 6.4. ***Perceived trends in community wellbeing since 1984/85***



NB: Wellbeing / prosperity scores are not comparable between sites, but reflect *relative* changes *within communities*.

Firstly, every single group which was asked this question identified the famine year of 1977 EC (1984/ 85 GC) as the worst year in living memory, and as a catastrophe which continues to have repercussions on individual households and on whole communities. The best year was much more variable. In several places (Enkoyber, Worke Wuha, Ayetu and Cherefe), people identified their best year as the post-famine recovery period of 1985/86 or 1986/87. In these places, the recovery (particularly in terms of agricultural production) was described as surprisingly rapid, though the impacts on asset levels have been longer-lived. For other groups, the best year was more recent; but no-one thought that their community had had its best year within the last ten years. In Ambo Ferede, the participants said that their best year had been in the 1930s (off the historical scale of these graphs), and that they had not had a really good year since then. They described the recent series of *belg* failures (from 1997 to 2000 GC) as "the brother of '77".

Another striking feature of these time-line scores is the erratic variation in prosperity from year to year. Although many different key events were identified in different places (such as the building of roads or clinics, epidemics, conflict, resettlement, opening of markets, and various aid programmes), the overwhelming determinants of good or bad years were natural factors affecting crop production: rainfall, pests, and crop diseases. Major changes in land tenure (from the Derg land reform to the most recent EPRDF redistributions) were also regarded as major events affecting livelihoods in all these communities.

Overall trends are more difficult to identify or interpret. The solid lines on the graphs are mathematically-generated trend-lines, which give the best fit to the year-by-year scores. In some places (Enkoyber, Worke Wuha, Cherefe and Geja) this shows an overall downward trend since 1984/ 85 GC. In others, the overall trend appears fairly level or slightly upward (though the year-on-year variation shows few clear patterns in either direction). In Ambo Ferede, insufficient information was obtained on recent years to fit a credible trend-line to the scores, but it was very clear from the discussions around this and other qualitative methods that well-being in this particular community had declined significantly over the last 10-20 years. Interpreting these charts in the context of the discussions and other contextual information from the fieldwork, the clearest and steepest downward trends appear to be in the *belg*-dependent FEZs: Ambo Ferede in the South Wollo Highlands (Legambo), and Worke Wuha in North Wollo (Dawunt Delanta).

6.4. Conclusion

Trend analysis of our household survey data highlighted the fact that the proportion of destitute households has increased dramatically in recent years, and will inevitably continue to rise in coming years. Qualitative work at the community level confirmed that these processes of destitution are affecting entire communities. New categories of extremely poor households have emerged in six out of nine qualitative research sites, and this has been accompanied by a simultaneous shrinking or disappearance of those better-off households who previously provided access to productive resources to the poor, as well as assistance in times of need. This community-wide 'slide' towards destitution greatly exacerbates the vulnerability of those already at the bottom end of the scale.

CHAPTER 7. CHARACTERISTICS OF DESTITUTION IN THE STUDY AREA

7.1. Introduction

Having defined the destitute in our sample as those households that are both: (1) unable to meet their basic needs, and (2) ranked in the bottom 40% in the composite Destitution Index, this chapter examines selected characteristics of the 293 destitute households in our sample of 2,127 households that meet both criteria, to establish in which ways they differ systematically from households that are (relatively) better off. Thereafter, the chapter will compare destitute and other households in terms of our three defining criteria of destitution: inability to meet basic subsistence needs; inadequate access to key productive resources; and dependence on transfers. This chapter therefore asks the question: who are the destitute in the Amhara northeastern highlands?

7.2. Who are the Destitute?

Table 7.1 summarises data from our survey on three characteristics of the sample households – sex, age and literacy of the household head – disaggregated into two sub-samples, namely destitute and other ('non-destitute') households.

Table 7.1. ***Characteristics of destitute households in the study area***

Characteristics	Destitute *[n=293]*	Not Destitute *[n=1,834]*	Total Sample *[N=2,127]*
Sex of household head:			
Male-headed	136 [8.1%]	1,536 [91.9%]	1,672 [78.6%]
Female-headed	157 [34.5%]	298 [65.5%]	455 [21.4%]
Age of household head:			
Average age of household head	50.2 years	45.7 years	46.3 years
Household heads aged 60+	114 [38.9%]	394 [21.4%]	508 [23.9%]
Education of household head:			
Literate	23 [7.8%]	513 [28.0%]	536 [25.2%]
Illiterate	270 [92.2%]	1,321 [72.0%]	1,591 [74.8%]

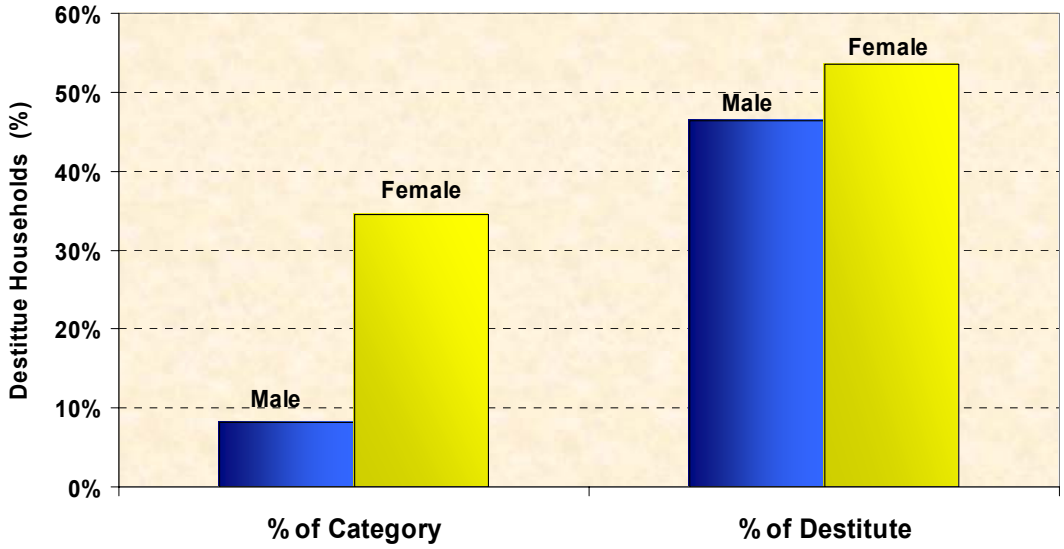
According to our survey, every fifth household in the northeastern highlands is headed by a woman [n=455, or 21.4%], and destitute households are more likely to be female-headed than male-headed. One in three female-headed households in our sample is destitute [n=157, or 35%]; but for male-headed households the proportion is less than one in twelve [n=136, or 8%]. This gender differential is statistically significant at 1%. This finding is interesting, not only because it suggests that the category of female-headed households might be a relatively robust indicator of destitution, but also because it contradicts an influential study on targeting of food aid in rural Ethiopia, which concluded that female-headed households were no more likely, on average, to be food insecure than male-headed households (Clay, Molla and Habtewold 1998). Our survey suggests that in highland Wollo and Wag Hamra, female-headed households are poorer and more food insecure, for reasons that will be examined below.

For example, female-headed households were more likely to be forced into rationing their family's food consumption (71% consumed less than 3 meals per day in the hungry season, compared to 59% of male-headed households) and they suffered longer periods of food shortage (only 26% had no food shortage, against 39% of male-headed households). Comparing male- and female-headed households by non-food basic needs indicators produces similar disparities. Female-headed households are twice as likely as male-

headed households to live in poor quality housing (40% *versus* 20%). Two-thirds of female-headed, but half of male-headed households, purchased clothes less frequently than once annually in the preceding three years. The reasons for these gendered differences in poverty outcomes are also examined later, but relate primarily to differences in control (ownership and access) over key productive assets, notably draught oxen and male labour.

So does the higher likelihood of female-headed households being destitute make this a good proxy for identifying and targeting support to destitute households? Unfortunately not. Because two in three female-headed households are *not* destitute [n=298, or 66%], targeting households simply because they are headed by a woman would imply a tremendous waste of scarce public resources – clearly, two-thirds of all female-headed households should not qualify for assistance in terms of our definition of 'destitution'.[52] Also, since households headed by a man outnumber those headed by a woman by four to one, ignoring the 8% of destitute male-headed households overlooks almost as many needy households, in absolute numbers, as the 35% of destitute female-headed households. Male-headed households constitute 46% [n=136], and female-headed households 54% [n=157], of all destitute households in our sample. So targeting female-headed households as a proxy would incur very high 'inclusion' and 'exclusion' errors – large numbers of people in female-headed households would benefit who should not benefit, and large numbers of destitute individuals (including women) in male-headed households would be excluded from benefits.

Figure 7.1. ***Gender of destitute household heads***



The age range of household heads in the sample is 16 to 95 years old. Destitute households tend to have slightly older heads, at 50 years on average, than non-destitute heads, whose average age is 45. (This difference is statistically significant at 1%.) Among the 24% of households headed by a person aged 60 years or older [n=508], almost twice as many are likely to be destitute [n=114/293, or 39%] as not destitute [n=394/1,834, or 21%]. However, in terms of absolute numbers, non-destitute elderly heads outnumber the destitute by well over three to one, so having an elderly household head may be *associated*

[52] It might be argued that our definition of 'destitution' is rather rigorous, and if we assume that the gendered pattern of inequality reproduces itself across the entire population as it does among the poorest subgroup, then the majority of female-headed households are certainly worse off by most indicators than the majority of male-headed households. But our purpose here is not to establish whether female-headed households are *relatively poorer* than male-headed households, but to identify specifically which households in the study area can be described as *absolutely destitute*.

with destitution but it is not a good *predictor*, and it is a meaningless proxy for targeting purposes. Another concern often raised is whether elderly women living alone are an especially vulnerable group. Among the elderly household heads, female-headed households (which invariably implies a woman living without a partner – widow, spinster, divorced or abandoned) are over-represented [n=154/455, or 34%], while male-headed households (which more often means a couple rather than a man living alone) are relatively under-represented [n=354/1,672, or 21%].

Similarly, at first glance, illiteracy is highly correlated with destitution, so might appear to be a good proxy: 92% of households classified as destitute have a head who is illiterate [n=270/293], and 96% of household heads who are literate are not destitute [n=513/536]. However, while this tells us that literacy of household head is a robust indicator for screening out non-destitute households – exclusion errors would amount to (a relatively low) 8% of destitute households – targeting illiterate household heads on the assumption that they are destitute is highly inefficient and would result in unacceptably high inclusion errors. This is because illiteracy is very high in the general population (75% in our sample), much higher than the level of destitution (14% in our sample), so that the 270 household heads who are both illiterate and destitute represent 92% of the 293 destitute households but only 17% of all 1,591 illiterate household heads [Table 7.1].

7.3. Household Size and Dependency Ratios

The table and graph below show that there is a strong *inverse* relationship in our survey population between destitution and household size. Destitute households are more likely to be smaller [μ=3.0], and non-destitute households are likely to be larger [μ=4.8], than the average [μ=4.6 members].[53] While no destitute household has more than 9 members, the largest (non-destitute) household has 14 members. Looking specifically at single-person households, more than half [n=66/115, or 57%] are destitute. The modal (most common) destitute household comprises only two people [24% of destitute households], closely followed by one person living alone [23%]; but the modal household in the sample as a whole has four members [19%], followed by five [17%]. More than two-thirds of destitute households [69%] have only 1 to 3 members; while just one in six destitute households [17%] have more than four members, compared to over half [53%] of the non-destitute.

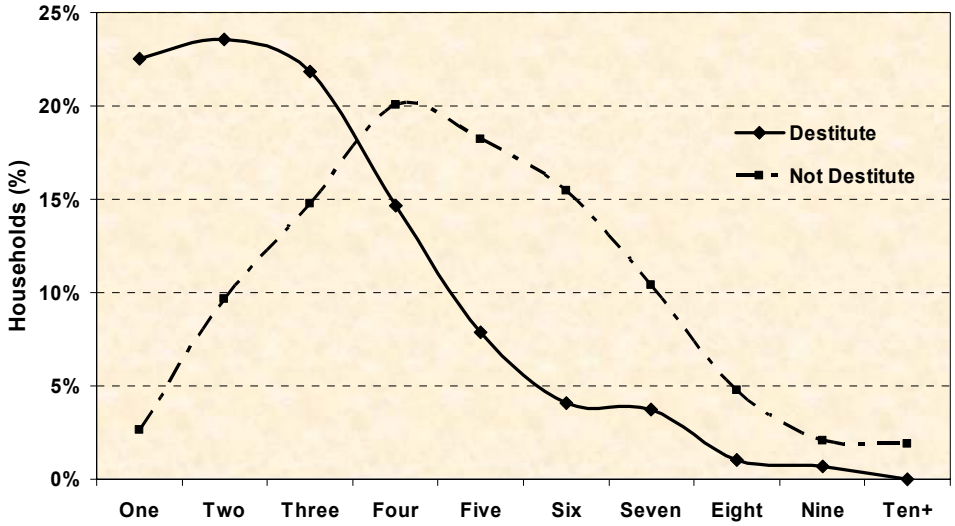
Table 7.2. ***Size of destitute and non-destitute households***

Household Size	Destitute *[n=293]*	Not Destitute *[n=1,834]*	Total Sample *[N=2,127]*
One person	66 [22.5%]	49 [2.7%]	115 [5.4%]
Two	69 [23.5%]	177 [9.7%]	246 [11.6%]
Three	64 [21.8%]	271 [14.8%]	335 [15.7%]
Four	43 [14.7%]	368 [20.1%]	411 [19.3%]
Five	23 [7.8%]	334 [18.2%]	357 [16.8%]
Six	12 [4.1%]	284 [15.5%]	296 [13.9%]
Seven	11 [3.8%]	191 [10.4%]	202 [9.5%]
Eight	3 [1.0%]	87 [4.7%]	90 [4.2%]
Nine	2 [0.7%]	38 [2.1%]	40 [1.9%]
Ten or more	0 [0.0%]	35 [2.0%]	35 [1.5%]

[53] According to the 1994 Census, the average rural household size for Amhara Region is 4.5. This close match corroborates the accuracy of our survey data and the representativeness of the household sampling.

These findings appear to contradict the common assumption that larger households are generally poorer,[54] mainly due to higher dependency ratios (particularly youth dependency, i.e., the number of children below working age in relation to productive adults).[55]

Figure 7.2. ***Household size and destitution***



For example, the national Household Income, Consumption and Expenditure (HICE) Survey shows that, by income quintile, poorer rural households in our three Zones tend to be *larger* [see Table 7.3 below]. According to these data, the 20% of households at the bottom of the income distribution have an average size of 4.9 people, compared to only 2.7 in the richest 20%. This apparent contradiction raises a number of pertinent issues, which are discussed below.

Table 7.3. ***Size and dependency ratio of rural households by income quintile***

	Income quintile					
	1 *(poorest)*	**2**	**3**	**4**	**5 *(richest)***	**All**
Household size	4.92	4.49	4.34	3.66	2.72	4.20
Dependency ratio	0.95	1.02	0.99	0.83	0.45	0.83

Source: Frehiwot & Ermias 2002, analysing 1995/96 HICE data for Wag Hamra, North Wollo and South Wollo

[54] A recent article by White and Masset (2003:124-5) raises some interesting questions about the methodology underlying this received wisdom. "Empirical studies based on household surveys in developing countries have virtually always found a strong negative correlation between family size and per capita expenditure. As a consequence, according to these studies, poverty tends to increase with household size. But the finding that large households are poorer is in fact implicit to the methodology used to assess poverty. It is based on the rather implausible assumptions that all individuals consume the same amount of goods and that two or more persons living together consume the same as if they were living separately." Taking Vietnam as an illustration, the authors adjust the Living Standards Survey data to take realistic account of household composition (sex and age of household members) and economies of scale in consumption. "After these corrections … the positive correlation between poverty and household size becomes much weaker. Large families are not necessarily poorer, and a larger number of poor are found among single-person households." This conclusion resonates with our findings for Wollo.

[55] Youth dependency (usually calculated as the ratio of children aged 15 or below, to working-age adults between 16 to 59) is generally the main dependency burden in poor developing countries. Age dependency (the ratio of people aged 60 or over to the working-age population) is the major burden in industrialised countries.

Firstly, as with all the comparisons between our findings and conventional income poverty estimates, it must be emphasised that they are measuring different things and are therefore not directly comparable (for an interesting discussion of "complementary" but "not directly comparable" measures of poverty, see McGee 2000). Standard poverty measurements are based on income, inferred from current expenditure (taken as a proxy for consumption); whereas our measure of destitution is based primarily on combined livelihood assets (which constitute a household's capacity to generate income over the relatively longer term, given a favourable economic context). Both approaches have their uses and weaknesses. Current consumption, as Bevan and Joireman (1997) have noted in an Ethiopian example, can be significantly influenced by short-term factors such as food aid distributions. In the asset-based approach, on the other hand, human capital is a key component of livelihood resources. It may therefore seem unsurprising (and even somewhat circular) that smaller households score lower on a resource-based index, since they may logically be expected to have proportionately less labour.

In the Destitution Study, physical labour capacity has been included *a priori* as a key livelihood asset and therefore as an indicator of viability or destitution (based on the conceptual framework, qualitative fieldwork, and secondary sources). It ranks fifth out of fifteen indicators in the composite destitution index (weighted by principal components analysis, as explained earlier). Is it valid, therefore, to identify small household size as a *characteristic* of destitute households, when labour capacity has been used as a defining indicator? We believe it is. Firstly, labour capacity is only one of fifteen indicators in the destitution index: a small household size in itself will not classify a household as destitute, unless it also scores sufficiently low on the combination of the other fourteen indicators. As Table 7.2 shows, not all small households are classed as destitute. Also, while labour capacity is obviously connected with household size, they are not the same thing. Our index of labour capacity, as explained above, assesses the actual working ability of household members, whereas household size is a simple count of the number of individuals (regardless of whether they are able-bodied, infant, chronically ill, elderly, etc.).

Table 7.4 below compares the average value of these two indicators for the destitute and non-destitute groups in our sample. It also shows the calculation of an adjusted dependency ratio, using the labour capacity index in place of the usual (but less appropriate) 'working' and 'non-working' age groups. According to these data the destitute households in our sample, despite being smaller in size than the non-destitute, have a *higher* dependency ratio when actual labour capacity is taken into account. This finding underlines the fact that it is not simply the number of people in the household that counts, but the balance between their labour capacity and consumption needs.

Table 7.4. *Household size, labour capacity and dependency ratios*

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Household size	Number of individuals [mean] *(a)*	3.00	4.80	4.60
Household labour capacity	Adult equivalents [mean] *(b)*	1.56	2.74	2.58
Standard age-based dependency ratio ('working age' = 15-65)		1.03	1.10	1.09
Adjusted dependency ratio based on actual labour capacity *[(a-b)/b]*		***1.39***	***1.31***	***1.32***

Empirically, SC-UK's Household Food Economy work strongly supports our observation that the poorest households – defined in terms of assets and livelihoods, as the informants in our fieldwork invariably did define wealth and poverty – tend to be smaller. All the baseline assessments of Food Economy Zones in Wollo have found that labour poverty is a characteristic of the poorest households. As shown in Table 7.5, informants universally say that poor households are smaller than better-off ones, and the 'very poor' (wherever such a category is identified) are significantly smaller again. Labour poverty is frequently cited

alongside land poverty as the two most fundamental determinants of a household's (in)ability to make a living, which also prevent them from accumulating other key assets such as livestock. For example, the baseline report on the North Wollo East Plains FEZ notes that the 'very poor' category, "due to smaller household sizes (3-4), […] are labour poor in comparison to other groups and are unable to engage in 'watching' animals for the rich" (Chapman and Haile Kiros 1999:13).

Table 7.5. ***Average household size, by wealth groups***

Food Economy Zone	Rich	Middle	Poor	Very Poor
North Wollo East Plain(Woina Dega)	6	6	4	-
North Wollo East Plain (Kolla)	7	5-6	5-6	3-4
North Wollo Highland Belg	7	5	5	4
South Wollo Highland Belg	6	5	4-5	3-4
South Wollo Woina-Dega Meher	7	6	5	-
Wag Lasta Woina-Dega	7	5	5	-
Abay-Tekeze Watershed	7	5-6	4-5	-

Source: SC-UK Household Food Economy baseline reports

Drawing on the qualitative and contextual data, it seems significant that most of the destitute households in our sample are *extremely* small: 46% contain only one or two people, while a further 21.8% have only three members. Without substantial compensating assets (such as livestock, special skills, or trading capital) or transfer income (such as remittances), which would tend to shift people out of the destitute category on our index, it is difficult to imagine how such small households could make a viable living within the smallholder farming economy of rural Wollo, where there are currently very few alternative livelihood opportunities at which very small households can succeed. At the *household* level, labour shortage is a critical constraint on family-based smallholder farming.

We have not analysed the whole distribution of household size by asset or wealth category, as our data collection and analysis focused on the situation of the poorest households. It is possible that, among the much larger group who are poor or vulnerable, the expected positive correlation between household size and poverty might hold true, while at the same time the sub-set of the very poorest or destitute households are significantly smaller, falling below a viable threshold of labour capacity: these two phenomena are not incompatible.

One final element in understanding the apparent paradox is that, as found in many cases encountered anecdotally and during the qualitative fieldwork, household size may shrink as an *effect* of destitution or as part of the process of becoming destitute. Divorce and separation are common consequences (as well as causes) of a household's economic collapse. Young adults and children are also likely to leave failing households, for example to join relatives' households, or to live as long-term employees (e.g. live-in shepherds or domestic help), or as migrants to towns and potential resettlement areas. Conversely, better-off households are likely to grow through adopting children, absorbing adult relatives, and hiring resident workers.

Having many children, like so many things in Wollo people's lives, is a gamble. As a wealth ranking participant in Enkoyber commented:

> "a large family can be either an advantage or a disadvantage. Someone with a small household may have no-one to support him if he's sick, and no-one to keep animals or pests away from more distant fields. On the other hand, if you have a large family you may have trouble feeding them all, so you may be forced to sell animals to feed them."

7.4. Where are the Destitute?

7.4.1. Geographical distribution

Table 7.6 shows the geographical dispersion of the 293 destitute households across the 27 *kebeles* where the survey was conducted. Though these are relatively small samples [n=80, except for one *kebele* – Debre Tsehay – where n=47], the range in proportions of households classified as destitute across the study area is interesting: from just 1 household in Aba Selama and 2 in Hardibo, to 24 households [30%] in both Werka Divenu and Tardat Medhanialem.

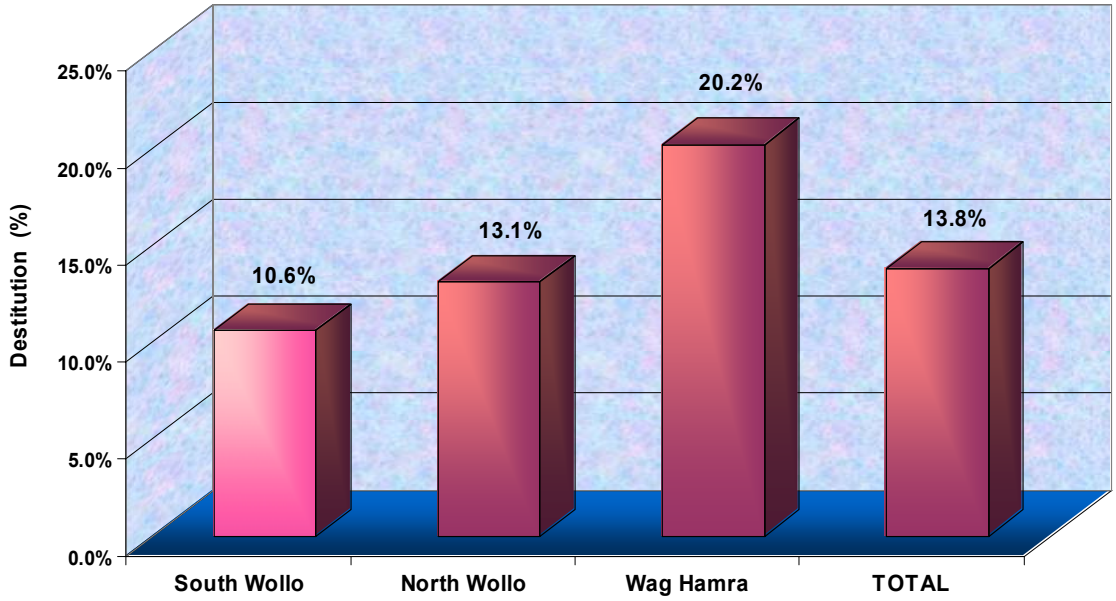
Without making exaggerated claims for the statistical representativeness of the findings at very small levels of analysis such as the *kebele*, this variability does confirm that destitution is not evenly distributed across the rural northeastern highlands. On the other hand, the variability is not sufficient to suggest that geographic targeting would be appropriate or feasible. In no community that we visited does the proportion of non-destitute households fall below 70%, and in all but four of 27 *kebeles* over 80% of households are not destitute, so simple geographic targeting – providing blanket assistance to all households living in communities identified as 'destitute' because they contain more than a threshold number of destitute households – would squander resources on far too many households that are not categorised as destitute.

Table 7.6. ***Location of destitute households in the study area, by kebele***

Zone – Kebele	Destitute	Zone – Kebele	Destitute
South Wollo – Aba Selama	1 [1.3%]	South Wollo – Haroye Koreme	12 [15.0%]
South Wollo – Hardibo	2 [2.5%]	South Wollo – Kolegna	12 [15.0%]
North Wollo – Agonata	3 [3.8%]	North Wollo – Quana	12 [15.0%]
North Wollo – Gosh Meda	3 [3.8%]	North Wollo – Nubet Alalach	13 [16.3%]
North Wollo – Shewey Mariam	4 [5.0%]	North Wollo – Mito	14 [17.5%]
Wag Hamra – Debre Tsehay	5 [10.6%]	Wag Hamra – Addis Alem	15 [18.8%]
South Wollo – Derae	6 [7.5%]	South Wollo – Aleku	15 [18.8%]
South Wollo – Dibi Chere	6 [7.5%]	Wag Hamra – Atsela	15 [18.8%]
North Wollo – Zelhon	6 [7.5%]	North Wollo – Werke	15 [18.8%]
South Wollo – Keraba Godana	8 [10.0%]	Wag Hamra – Netsa Work	18 [22.5%]
South Wollo – Ambuasa	9 [11.3%]	Wag Hamra – Tsana	20 [25.0%]
South Wollo – Denbesho	10 [12.5%]	North Wollo – Tardat Medhanialem	24 [30.0%]
South Wollo – Kola Magole	10 [12.5%]	Wag Hamra – Werka Divenu	24 [30.0%]
South Wollo – Mosebit	11 [13.8%]	**TOTAL**	**293 [13.8%]**

Table 7.7 clusters the 27 *kebeles* into the nine food economy zones that provided the basis for stratifying the sample. Again, no claims of representativeness can be made for entire food economy zones from surveys conducted in a few communities within each zone (Interested readers are referred to the baseline and monitoring reports produced for most of the nine food economy zones by Save the Children UK), but some indicative patterns can be discerned. Firstly, there appear to be clear differences in levels of destitution across the three administrative zones, being lowest in South Wollo [n=102/960, or 10.6%], close to the sample average of 13.8% in North Wollo [n=94/720, or 13.1%], and highest in Wag Hamra [n=97/447, or 21.7%] [Figure 7.3]. Confidence intervals (at 95% confidence) are as follows: South Wollo = 8.7% - 12.6%; North Wollo = 10.6% - 15.5%; Wag Hamra = 17.9% - 25.5%.

Figure 7.3. ***Destitution by Zone***



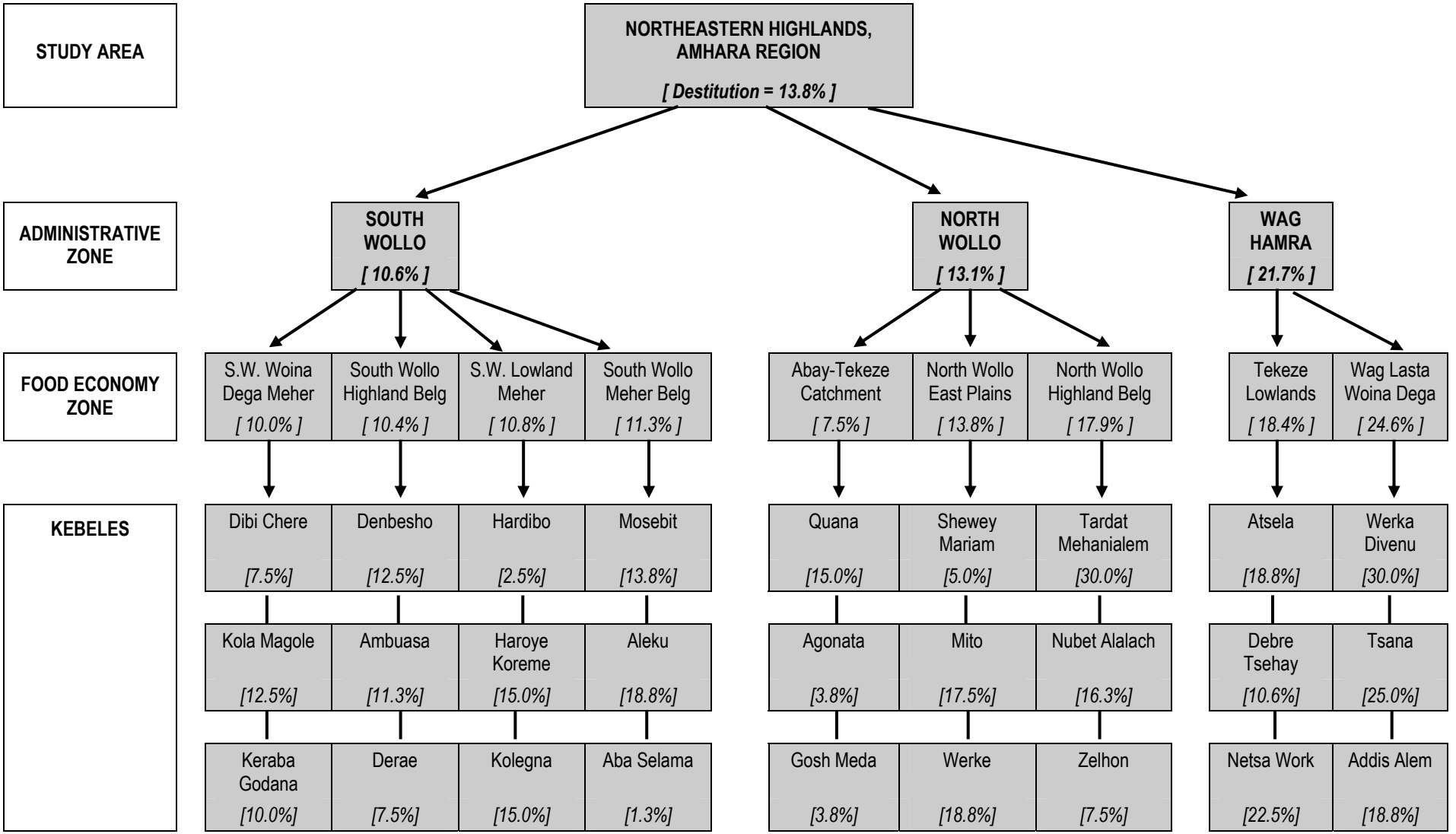
Secondly, these differences are systematic across both administrative and boundaries and food economy zones. With the sole exception of the Abay-Tekeze Catchment in North Wollo (which contains the lowest proportion of destitute households of any food economy zone), the four food economy zones that fall mainly in South Wollo all have lower destitution levels [ranging from 10.0%–11.3%] than the two other food economy zones in North Wollo [13.8%–17.9%], which in turn have lower destitution levels than either of the two food economy zones in Wag Hamra [18.4%–24.6%]. Thirdly, the 'altitude effect' is seemingly less important than the 'location effect'. Compare, for instance, the *woina dega* food economy zone in South Wollo with that in Wag Hamra: the former has one of the lowest incidences of destitution in the study area (one in ten households), while the latter has the highest of all nine food economy zones (one in four households).

Table 7.7. ***Location of destitute households by food economy zone***

Zone	Food Economy Zone	Destitute	Not Destitute	Total Sample
South Wollo	South Wollo Woina Dega Meher	24 [10.0%]	216 [90.0%]	240 [11.3%]
	South Wollo Highland Belg	25 [10.4%]	215 [89.6%]	240 [11.3%]
	South Wollo Lowland Meher	26 [10.8%]	214 [89.2%]	240 [11.3%]
	South Wollo Meher Belg	27 [11.3%]	213 [88.8%]	240 [11.3%]
North Wollo	Abay-Tekeze Catchment Area	18 [7.5%]	222 [92.5%]	240 [11.3%]
	North Wollo East Plains	33 [13.8%]	207 [86.3%]	240 [11.3%]
	North Wollo Highland Belg	43 [17.9%]	197 [82.1%]	240 [11.3%]
Wag Hamra	Tekeze Lowlands	38 [18.4%]	169 [81.6%]	207 [9.7%]
	Wag Lasta Woina Dega	59 [24.6%]	181 [75.4%]	240 [11.3%]
TOTAL		**293 [13.8%]**	**1,834 [86.2%]**	**2,127 [100%]**

Figure 7.4 illustrates how destitution is distributed across the study area, from the zonal level to food economy zones down to the *kebele* level.

Figure 7.4. ***Destitution in the study area disaggregated***



7.4.2. Remoteness from roads and towns

Cutting across the north-south distribution described above is another geographical determinant of destitution: remoteness from roads and towns. By international standards, most parts of Wollo would be considered remote: the majority of people live far from main roads, and even further from major towns, markets and centres of employment or economic growth. They are poorly served by social and productive services. Their physical remoteness is compounded by poor communications: and even if the transmission of information were improved, very few people have radios or can read. The study area as a whole shows all the characteristics of a "spatial poverty trap", as described by a recent international review of chronic poverty in remote rural areas:

> "Spatial poverty traps result from low endowments of 'geographic capital' (the physical, social and human capital of an area), with one household's poverty reinforcing another's. Out-migration leaves behind insecure asset-depleted 'residual' populations with the cards stacked against them: high dependency ratios, stigma, and low reserves of social capital. High levels of risk characterise many RRAs [remote rural areas], and contribute to the difficulties of emerging from poverty as well as the likelihood of destitution. This is true for ill-health and injury, natural disaster, harvest failure, terms-of-trade deterioration and reduced access to work. ….. Risk degrades assets, impoverishes the most vulnerable, and, where the density of poor and risk-prone households is high, prevents neighbouring households climbing out of poverty" (Bird *et al.* 2002:2).

However, in this as in many things Wollo is far from homogeneous: there is great variation in communities' access to transport, services and markets. Our field research confirmed that even within Wollo, proximity to towns and roads made a significant difference to people's livelihood options and their probability of being destitute. Of our 107 randomly selected village sites, 34 (one in three) were more than than 4 hours' (half a day's) walk from an all-weather road,[56] a threshold which is used in Ethiopian Government statistics as a basic indicator of remoteness.[57] Applying this threshold to our survey data shows that the correlation between household destitution and living more than 4 hours walk from a primary road is statistically highly significant [at the 1% level: *F=11.7, p=0.001*]. Travelling time from the *wereda* town was also found to be significantly correlated with destitution, though less so than distance from a road [at the 5% level: *F=4.5, p=0.034*]. Examples from the qualitative fieldwork of the advantages of living near a town, and the impact of new roads, are discussed in Chapter 9.

In the next three sections we examine the characteristics of destitute households in terms of the three elements of our definition: inability to meet basic needs; lack of productive assets; and dependence on transfers. The objective is both to test the robustness of the destitution index that was constructed in Chapter 5 to extract the 293 destitute households from the sample population, and to quantify the nature of destitution in the study area, in terms of basic needs deficits and constrained access to livelihood resources.

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[56] This information was collected at the *gott* level, through the key informant group interview. Informants were asked how long it took an 'average' person (i.e. not old or infirm, and not carrying an exceptionally heavy load) to reach the road.

[57] At the 'Rural Development Workshop', held at the Prime Minister's Office in Addis Ababa in November 2002, it was reported that 75% of Ethiopians lived more than half a day's walk from a road in the early 1990s, but that this had now been reduced to about 65% due to significant investment in road-building.

7.5. Can the Destitute Meet their Basic Needs?

Inability to meet minimum consumption needs is a signifier of destitution as an adverse outcome of unviable and unsustainable livelihoods. This section explores several aspects of this outcome.

Table 7.8 compares the extent to which destitute and non-destitute households in the sample met their subsistence food needs in the year preceding the survey, in terms of our two food security indicators. The physical hardship suffered by the destitute even in a 'normal' year is clearly revealed in this table, which shows that over half of the destitute [52%] cut their consumption to one meal or none at all during the worst days of the previous year, while only one destitute household in nine [11%] managed to maintain a full diet of three meals per day.[58] Conversely, hardly any non-destitute households [1%] went an entire day without a meal in the previous year, and three-quarters [74%] of this large group [n=1,834] consumed two or three meals every day throughout the year.

Whereas four in ten non-destitute households [41%] reported no months of food shortage in the year before the survey, only one in ten destitute households [11%] enjoyed the same degree of food security. Since the bulk of unrationed food consumption derives from own production,[59] this implies that non-destitute households produced greater proportions of their food needs than the destitute, who were forced onto the market and other sources of food earlier and for longer.

Table 7.8. ***Food security status of destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Meals per day	No meals/day in worst month	6%	1%	2%
	1 meal/day in worst month	46%	24%	27%
	2 meals/day in worst month	38%	32%	33%
	3 meals/day in worst month	11%	42%	38%
Months of food shortage	More than six months	6%	2%	3%
	Three months	10%	5%	6%
	Two months	56%	33%	36%
	One month	17%	19%	19%
	No shortage last year	11%	41%	36%

Table 7.9 compares destitute and non-destitute households in terms of their spending on some non-food basic needs – clothing, housing, and basic consumption commodities. These items were selected for analysis not only because they reflect absolute levels of deprivation but also because they give an indication of how much disposable income the poorest and other households have to allocate to essential items other than food.

[58] It is likely, though this question was not asked in the survey, that many poor households who consumed three meals per day nonetheless rationed their consumption, either by eating smaller portions or by reducing the quality of their diet. So this indicator almost certainly understates the true extent of nutritional deprivation in the study area.

[59] Evidence from studies of 'coping strategies' across rural Africa shows that smallholder farming households tend to cut back on their food consumption as soon as their primary source of food switches from the granary to the market, since purchasing food involves difficult trade-offs between competing needs and uses of cash and assets. Selling a goat for grain, for instance, satisfies immediate hunger but deprives the household of the goat and its offspring permanently.

Three-quarters [76%] of all destitute households are living in houses that provide inadequate protection against the weather, having either leaking roofs, draughty walls or both. Less than half [43%] of non-destitute households – still a significant number – are in this position. Clearly, the poor in rural Wollo are unable to invest even in minimally adequate housing.

Very few families purchased no clothing in the past three years, but half of the destitute [50%] bought clothes only once or not at all in this period, compared to one in five [19%] non-destitute households. Given the local norm that parents should buy clothes for their children at Christmas, this provides another indication of how destitution undermines the ability of those affected to maintain minimum standards of material and social subsistence.

Table 7.9. ***Basic needs satisfaction in destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Housing quality	Poor quality roof and walls	50%	20%	24%
	Poor quality roof or walls	26%	23%	23%
	Good quality roof and walls	24%	57%	52%
Clothing purchases	Not once in last 3 years	4%	2%	2%
	Once in last 3 years	46%	17%	21%
	Twice in last 3 years	32%	31%	31%
	Thrice or more in last 3 years	17%	51%	46%
Basic expenditure items	No basic items present	38%	6%	11%
	One basic item present	27%	17%	18%
	Two basic items present	27%	32%	32%
	All basic items present	9%	45%	40%

Less than one in ten destitute households [9%] had all three basic consumption items selected for this analysis – kerosene, salt and coffee – in their home at the time of the interview, compared to almost half [45%] of the non-destitute households. This is a further example of the sacrifices that the poorest have to make in order to survive: 38% of the destitute (but only 6% of other households) had none of these items in their homes when they were interviewed for this study.

7.6. What Livelihood Resources Do the Destitute Possess?

A central hypothesis of this research study is that the main reason why certain households are unable to achieve food security and meet their housing, clothing and non-food consumption needs is that they lack the key productive resources needed to generate a viable and sustainable livelihood. This section compares the resources – labour, land, livestock, and credit – owned or accessed by destitute and non-destitute households respectively.

It is often argued that labour is the most abundant resource available to poor households, who are poor because they lack physical, financial and other non-labour assets. Our survey challenges this assumption – significantly, destitute households in our sample lack even labour power. Table 7.4 revealed that destitute households are much smaller than average, and Table 7.10 confirms that destitution is associated with labour constraints. Non-destitute households have 75% more adult equivalents than destitutes (2.74 *versus* 1.56), either because destitute households are smaller than average or because they have higher than average dependency ratios. In fact, defining the dependency ratio as the number of 'dependants' (children under 16 and elderly over 60 years old) divided by the number of 'producers' (adults aged 16-60 years), it emerges that dependency ratios in the study area

are high, averaging 1.3, meaning that dependants outnumber producers in the majority (69%) of households.

Equally significant is the fact that around two-thirds [64%] of destitute households have no able-bodied adult males, whereas over 80% of non-destitute households do have one or more working men. Not surprisingly, this feature of destitution is highly gendered: 71% of female-headed households [325/455] lack any able-bodied men, while only 7% of male-headed households [120/1,672] are in this position – the head himself in these 120 households being too old, ill or disabled to work.

Despite facing these shortages of male labour – which imposes severe constraints on both agricultural and non-agricultural livelihood activities – very few destitute households (just 8%) have access to any non-family labour, whereas almost half (46%) of non-destitute households do hire workers or exchange labour in festive work parties.

Table 7.10. ***Labour resources in destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Household labour capacity	Adult equivalents [mean]	1.56	2.74	2.58
Male adult labour	No adult males in household	64%	14%	21%
	One or more adult males	36%	86%	79%
Non-household labour	No non-household labour	92%	54%	60%
	Access to non-household labour	8%	46%	40%

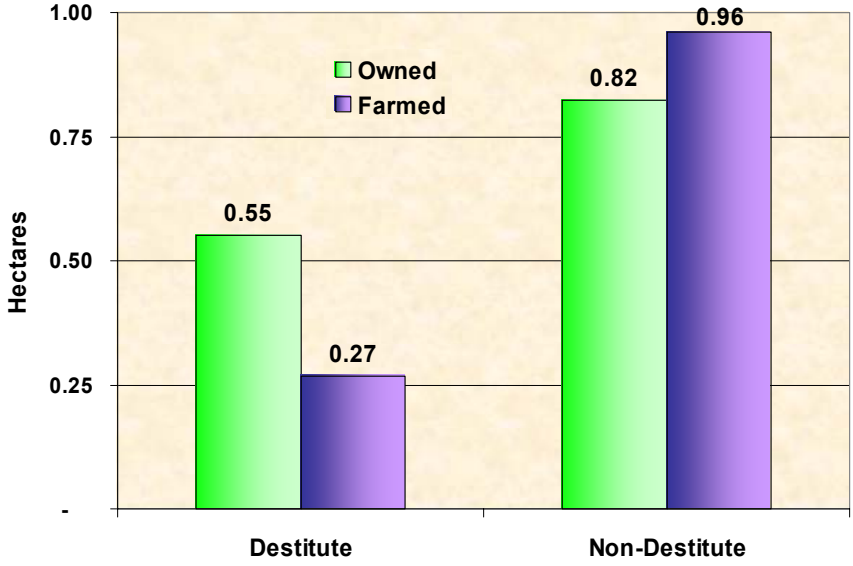
As the key resource required for farming, access to land is another factor that might be expected to be closely associated with relative wealth, and Table 7.11 confirms this prediction. Destitute households own 50% less farmland than other households [0.82/0.55 hectares]. More important than how much land farmers legally *own*, however, is how much land they actually *cultivate*. Here the discrepancy between destitute households and others is much greater, because the typical destitute household gives up control of half their farmland. Their effective control over farmland falls from 0.55 to 0.27 hectares, because they rent or sharecrop out 0.28 hectares. Most of these land rights are transferred from the poorest to wealthier households, whose control over farmland increases by 17%, from 0.82 to 0.96 hectares [see Figure 7.5].

The direct relationship between access to land and relative wealth status is confirmed by regression analysis. The correlation between farmland owned and household scores on the destitution index is significant [*adj.* R^2*=.183; sig.=.000*]. However, the relationship between farmland *cultivated* and household scores on the destitution index is even stronger [*adj.* R^2*=.432, sig.=.000*].

Table 7.11. ***Land resources available to destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Land owned	Average landholding	0.55 ha	0.82 ha	0.78 ha
Land cultivated	Average land cultivated	0.27 ha	0.96 ha	0.87 ha
'Net land'	Land cultivated / Land owned	49%	117%	110%

Figure 7.5. ***Land owned and land cultivated***



There are 272 households in the sample [12.8%] that are not farming because they are landless or have lost access to their land. Most of these non-farming households are female-headed [n=195/272, or 72%], which means that a significant proportion of female-headed households [n=195/455, or 43%] are not farming. Of the 272 non-farmers, 151 [55.5%] are destitute and 121 [44.5%] are not. This means that over half of all destitute households [n=151/293, or 51.5%], but only 6.6% of non-destitute households [n=121/1,834], are not farming. So *de jure* or *de facto* landlessness is clearly a strong correlate of destitution.

Livestock have intrinsic value as a form of physical savings, but some animals, notably oxen, also have productive utility in farming. Most destitute households (92% in our sample) do not own oxen, almost by definition [Table 7.12]. Conversely, two-thirds (67%) of non-destitute households own one or more oxen, though less than one-third (31%) have a pair. Since oxen are perceived as the property of men, it is not surprising that oxen ownership is concentrated in households dominated by men: two-thirds of male-headed households [1,136/1,672=68%] own one or more oxen, but three-quarters of female-headed households [338/455=74%] own no oxen at all.

The total number of livestock – in Tropical Livestock Units – owned by the sample is 3,482 TLUs, or 1.6 TLUs per household (recalling that an ox counts as 1.1 TLUs, and 1 TLU is equivalent to 11 sheep or goats). Only 2.3% of all TLUs in the study area are owned by destitute households, whose average livestock holding is equivalent to just three sheep or goats, while the average household owns 6 times as many TLUs as the average destitute [1.64/0.28=5.9]. Again, this variable is highly gendered. Male-headed households own 91% of all livestock in the sample, and the average male-headed household owns almost three times as many TLUs as the average female-headed household [1.90/0.68=2.8].

Table 7.12. ***Livestock owned by destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Oxen ownership	No oxen	92%	33%	41%
	One ox	7%	36%	32%
	Two or more oxen	1%	31%	27%
Livestock ownership	Tropical Livestock Units [TLUs]	0.28	1.85	1.64

As seen in Chapter 5, credit is not easily accessible to the majority of households in rural Wollo, with three-quarters of households surveyed (77%) taking no loans at all in the past year. Most credit that was available was taken up by non-destitute households [Table 7.13], presumably because they are perceived as more creditworthy by formal and informal lenders. Only 10 households in the entire sample belong to a savings group; and none of these savings group members is destitute.

Table 7.13. ***Credit availability to destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Sources of Credit	None	86%	76%	77%
	One	11%	17%	16%
	Two or more	3%	8%	7%

7.7. Do the Destitute have Different Livelihood Strategies?

7.7.1. Off-farm diversification

Table 7.14 lists the range of livelihood activities that households in our sample reported engaging in during the year preceding the survey.[60] A simple count shows that a total of 51 different activities were recorded during the survey: only 36 of these were recorded among destitute households, and 39 among female-headed households. This is unsurprising, since we know from the qualitative fieldwork and analysis of household productive assets that these groups are likely to be more constrained in their choice of work and income source. Perhaps more striking is the fact that there are so few activities that non-destitute and male-headed households do not sometimes engage in. In fact, of all the activities listed, only one (water-carrying for payment) was not practised by any of the non-destitute households interviewed. Other activities which were frequently described as low-status or 'poor people's work' (such as selling firewood or grass, and local agricultural employment), although they are more often done by the destitute, are also sometimes pursued by non-destitute households. It is therefore difficult in practice to distinguish between destitute and non-destitute households purely on the basis of the livelihood activities they engage in.

[60] A twelve-month recall period was used for this question, with a checklist of known livelihood activities in rural Wollo, in order to ensure that seasonal activities were not overlooked.

Table 7.14. ***Livelihood activities by household category***

Activities (in order of frequency for whole sample)	Percentage of households engaging in these activities for income (cash or kind) in the last 12 months				
	All HHs	Destitute	Non-destitute	Male-headed	Female-headed
	[N= 2,127]	[n=293]	[n=1,834]	[n=1,672]	[n=455]
Crop production	87.40	49.15	93.51	95.63	57.14
Livestock rearing breeding	83.64	40.61	90.51	90.91	56.92
Public works (EGS/ FFW/ CFW)	62.53	45.73	65.21	66.63	47.47
Poultry rearing	41.14	22.87	44.06	44.38	29.23
Egg sales	20.55	6.14	22.85	21.29	17.80
Sharecropping out land	18.90	49.15	14.07	10.41	50.11
Bee-keeping/ honey sales	5.59	1.37	6.27	6.70	1.54
Charcoal or firewood sales	5.36	7.51	5.02	4.43	8.79
Trading in other commodities	5.36	1.71	5.94	6.40	1.54
Migration for agricultural labour	4.47	3.75	4.58	5.08	2.20
Local agricultural labour	4.42	10.58	3.44	3.41	8.13
Grass or fodder sales	4.00	6.83	3.54	3.11	7.25
Trading in livestock	3.86	2.05	4.14	4.78	0.44
Spinning or weaving cloth	3.29	4.10	3.16	3.29	3.30
Migration for non-agricultural labour	3.10	2.05	3.27	3.29	2.42
Trading in grains & pulses	2.73	0.34	3.11	3.23	0.88
Hairdressing	2.26	3.41	2.07	1.56	4.84
Eucalyptus sales (poles for building etc.)	2.16	1.71	2.24	2.39	1.32
Formal (salaried) employment [(a)]	1.93	1.37	2.02	2.27	0.66
Local non-agricultural labour	1.93	2.05	1.91	2.27	0.66
Religious service	1.74	1.37	1.80	1.97	0.88
Embroidery or making clothes	0.94	1.02	0.93	0.78	1.54
Begging	0.85	4.44	0.27	0.36	2.64
Livestock fattening	0.75	0.00	0.87	0.96	0.00
Renting out land	0.75	1.37	0.65	0.54	1.54
Renting out pack animals	0.75	0.00	0.87	0.90	0.22
Araki preparation and sales	0.71	1.37	0.60	0.24	2.42
Army service	0.66	0.00	0.76	0.78	0.22
Vegetable production	0.66	1.02	0.60	0.78	0.22
Carpentry/ house-building	0.61	0.00	0.71	0.78	0.00
Basket-making	0.56	1.71	0.38	0.42	1.10
Collecting and/or selling wild fruit	0.47	1.71	0.27	0.36	0.88
Other drinks (e.g. tella/ shameta/ borde)	0.42	1.37	0.27	0.24	1.10
Renting out oxen	0.42	1.02	0.33	0.06	1.76
Dung sale	0.38	0.34	0.38	0.30	0.66
Pottery	0.33	0.34	0.33	0.36	0.22
Water-carrying	0.28	2.05	0.00	0.06	1.10
Domestic service	0.19	0.34	0.16	0.06	0.66
Leather processing	0.19	0.00	0.22	0.24	0.00
Food or tea preparation and sales	0.14	0.68	0.05	0.06	0.44
Blacksmithing or metal work	0.09	0.00	0.11	0.12	0.00
Others (miscellaneous)	1.1	0.7	1.2	1.2	0.9
Total number of activities reported	***51***	***36***	***50***	***49***	***39***

(a) This category was interpreted to include any work with a regular periodic payment, including (for example) guard positions at NGO nurseries, which are targeted to the poor.

Among agricultural activities, 94% of non-destitute households reported gaining income from work in crop production, compared to only 49% of destitute households: 49% of the destitute households also report sharecropping out land (though here again, they are in competition with the 14% of non-destitute households who also sharecrop out). Forty percent of destitute households gain some income from livestock work, through herding or tending other people's animals and through share-rearing arrangements such as *yerbee*. However, as Table 7.15 illustrates, those destitute households who are able to farm and to work with livestock gain a smaller proportion of their (smaller) income from these mainstay activities than do their better-off neighbours.

Table 7.15. ***Typical proportions of income from most prevalent livelihood activities***

Most frequent activities	Median percentage of annual income [(a)] for households engaging in these activities				
	All Households [N= 2,127]	Destitute [n=293]	Non-destitute [n=1,834]	Male-headed [n=1,672]	Female-headed [n=455]
Crop production	44%	33%	44%	44%	43%
Livestock rearing / breeding [(b)]	20%	7%	20%	20%	19%
Public works (EGS / FFW / CFW)	18%	28%	17%	18%	21%
Poultry rearing	8%	9%	8%	8%	8%
Egg sales	8%	(c)	(c)	(c)	(c)
Sharecropping out land	30%	(c)	(c)	(c)	(c)
Free food aid	18%	35%	15%	16%	28%

(a) Respondents were asked to estimate the contribution of each of their livelihood activities and income sources to the total household income, whether in cash or kind (including home consumption of their own produce).
(b) Includes income from herding or rearing livestock for others (does not necessarily imply ownership).
(c) Analysis not yet available.

7.7.2. Labour migration

Table 7.16 shows the number of sampled households with one or more member who migrated for employment[61] during the twelve months preceding the survey. Of the total sample, only 7% of households answered "yes" to this question. This seems surprisingly low, but could be partly attributed to the high levels of food aid distribution in 2001. Destitute and female-headed households are less likely to have a recent labour migrant.

Table 7.16. ***Households with member(s) migrating for employment in last year***

	Total sample [N=2,127]	Destitute [n=293]	Non-destitute [n=1,834]	Male-headed [n=1,672]	Female-headed [n=455]
Households	158	18	140	137	21
%	7%	6%	8%	8%	5%

When labour migration is broken down by rural and urban destination and by broad distance categories [Table 7.17], it can be seen that there is a higher volume of rural-rural migration for work than rural-urban (4.4% and 3.1% of all households, respectively). Labour migrants from destitute households are much more likely to go to rural than urban destinations (4.8% migrating to rural areas, compared to 1.7% to urban areas). They are also much less likely than workers from non-destitute households to travel to more distant areas, with a higher proportion staying within their Administrative Zone: this can be attributed to their inability to afford the costs and risks of long-distance migration.

[61] Defined as travelling outside the *wereda* and temporarily living elsewhere, for the purpose of finding work. This includes seasonal and longer-term (circular) migration.

Table 7.17. ***Labour migration destinations (percent of households by category)***

	n	RURAL				URBAN				OUT OF ETHIOPIA
		within Zone	out of Zone	out of Region	*Total rural*	within Zone	within Region	out of Region	*Total urban*	
Non-destitute	1834	1.3%	0.9%	2.1%	**4.3%**	0.7%	0.3%	2.3%	**3.3%**	0.2%
Destitute	293	2.4%	1.0%	1.4%	**4.8%**	0.7%	0.0%	1.0%	**1.7%**	0.0%
Male-headed	1672	1.7%	1.0%	2.3%	**5.0%**	0.8%	0.2%	2.2%	**3.2%**	0.2%
Female-headed	455	0.4%	0.9%	0.9%	**2.2%**	0.0%	0.2%	2.2%	**2.4%**	0.0%
All households	2127	1.5%	0.9%	2.0%	**4.4%**	0.7%	0.2%	2.2%	**3.1%**	0.1%

Overall, however, about half of the households who engaged in rural labour migration, and 70% of those who went to urban destinations, travelled out of Amhara Region. In spite of the common anecdotal assumption that the ethnic federalisation of Ethiopia has raised barriers to labour migrants travelling between regions, no evidence of this was found during our research. None of the participants in focus groups and case studies about labour migration considered crossing regional boundaries to be a problem, and many experienced migrants commented that one of the changes they have seen in the past decade is an increase in freedom to travel, along with increased numbers of people looking for migrant employment. Yared et al (2000:50), working in South Wollo and the neighbouring Oromiya Zone, also found that a "decline in opportunities for migrant labor" was the least frequently raised problem in obtaining off-farm income. The idea that labour migration has been curtailed by political and economic changes during the 1990s thus appears to be something of a myth.

According to our qualitative informants, however, the supply of migrant labour often outstrips the demand, and returns can be extremely low, as the experience of a young male migrant from Legambo illustrates:

> *I've been everywhere it's possible to get work: Assaita, Dubti, Nazret, Addis Ababa, Shewa Robit, Afar Dimba, Desse, Kombolcha, Rasa & Let Bahr. I've worked in both rural and urban areas. The type of work depends on the area and the season. We travel and work on the way. In Addis Ababa you can do unskilled construction work (digging and carrying stones) on big building projects. If you get employment in Addis it's good - you can earn 3 times what you earn in other towns for a day's work. In the Nazret area there's harvesting & threshing. The main risk is malaria. In Shewa Robit too there's harvesting and threshing, but you have to travel deep into the rural areas where urban people don't compete for the work.*
>
> *In Rasa when I was guarding crops, wild animals ate everything. I couldn't stop them. I worked for a year and 2 months, and all my earnings went to pay for the lost crop. After that I went to Kemissie and worked on haricot beans: I got 10 Birr. ….. I was ill with malaria. …. I wanted to come home, but I heard things were bad here and everyone was out looking for work, so I went to Dubti, where I worked for a woman looking after cattle. She paid me in food only, no money or clothes. I stayed there 3 months. Finally I asked her for money but she didn't give me any, she just gave me some clothes. Then I went to Assaita and looked after cattle. I worked for 3 months and got 20 Birr. I spent 10 Birr on shoes, and 10 birr on transport to Desse. I walked home from Desse so the shoes were worn out before I got home, and I threw them away. I came back with nothing, just these clothes I'm wearing.*

7.8. Are the Destitute Dependent on Transfers?

7.8.1. Informal transfers

The third element of our definition of destitution is dependence on transfers. Table 7.18 shows several indicators relating to private transfers, or social capital.[62] Somewhat against expectations, no clear pattern emerges in terms of access to social capital by household wealth. Very few households surveyed received any remittances or cash gifts in the previous year, and more non-destitute households than destitute reported that they could ask relatives or neighbours for help in times of need. These findings are important because they suggest that the destitute in rural Wollo are so poor and marginalised that they are excluded even from social support networks, which conventionally provide informal safety nets to the poor elsewhere in Africa. Lacking income and assets, the poor often turn to their better off relatives and neighbours for help during crises. Most of the destitute households of Wollo cannot do this. Their vulnerability is especially acute, for this reason.

The destitute are also less likely to be active participants in social institutions than others, partly because the cannot afford the costs and social expectations that come with participation, and partly out of embarrassment at being so much poorer than other members of these institutions. One in five destitute households [20%], but only one in fifty non-destitute households [2%], belong to no social institutions at all. On the other hand, belonging to a funeral society is common throughout the study area and across all wealth groups. Even among the destitute, two-thirds of households [194/293 = 66%] are members of a funeral society: however, this figure is well below the sample average of 84%. Similarly, only 53% of destitute households reported participation in local religious societies (either Christian *mahaber* or *senbete,* or Moslem *zawiya*), compared to 85% of the non-destitute.

Table 7.18. ***Access to social capital by destitute households***

Indicator	Category	Destitute *[n=293]*	Non-destitute *[n=1,834]*	Total Sample *[N=2,127]*
Social support	Access to social support	31%	40%	39%
	Received remittances last year	2%	3%	3%
	Received cash gift last year	5%	3%	4%
Social institutions [*membership*]	Funeral society	66%	87%	84%
	Church societies *(mahaber/ senbete)*	29%	45%	43%
	Zawiya (Moslem coffee & prayer circle)	24%	40%	38%
	Reciprocal work group	23%	65%	59%
	Festive work group	11%	45%	40%
Social institutions [*number*]	None	20%	2%	4%
	One	24%	8%	10%
	Two	42%	27%	29%
	Three	10%	33%	30%
	Four or more	4%	30%	27%

[62] In theory, 'dependence on transfers' should include public transfers, such as free food aid or food-for-work, as well as private transfers such as remittances from relatives. However, since food aid in Ethiopia is not well targeted by wealth, no indicators based on public transfers were included.

7.8.2. Food aid and other formal transfers

Table 7.19 shows the percentage of sampled households who received formal transfers (i.e. assistance from government or other agencies) in the twelve months before the survey. Over 60% of households across the study area had received some food-for-work payment, and nearly 37% had received free food aid. As expected, other types of transfer (such as agricultural input distributions) were much less common.

Table 7.19. ***Households receiving food aid and other formal transfers***

Type of Transfer	Number and % of households receiving these types of transfer in the past 12 months [N=2,127]
Food for work (FFW) payment	1,301 (61.2%)
Cash for work (CFW) payment	114 (5.4%)
Supplementary food	268 (12.6%)
Other free food aid	782 (36.8%)
Cash for relief	6 (0.3%)
Seed distribution	64 (3.0%)
Tools	48 (2.3%)
Livestock (restocking)	5 (0.2%)

In Table 7.20, the same data are disaggregated by category of household for FFW/CFW and free food aid. This table shows that 45% of destitute households received food-for-work payment, and 62% received free food aid. Conversely, 64% of non-destitute households received food-for-work payment and 33% received free food aid. The lower FFW participation by the destitute is expected, as so many of the poorest households are labour-poor. Labour shortage is also a common problem of female-headed households, 47% of whom received FFW payment (compared to 62% of male-headed households) and 53% received free food aid (compared to 31% of male-headed households). Comparing remote and non-remote households, it is striking that the percentage of households benefiting from FFW is identical: from these data, at least, there appears to be no road bias under the current EGS/FFW system of community-based public works.[63] Remote households do, however, seem slightly less likely to receive free general rations and supplementary food.

Table 7.20. ***Food aid and FFW/CFW beneficiaries, by destitution, gender and remoteness***

Type of Transfer	Destitute [n=293]		Non-destitute [n=1,834]		Male-headed [n=1,762]		Female-headed [n=455]		Remote (a) [n=680]		Non-remote [n=1,447]	
Food for work payment	131	*44.7%*	1170	*63.8%*	1088	*61.7%*	213	*46.8%*	416	*61.2%*	885	*61.2%*
Cash for work payment	17	*5.8%*	97	*5.3%*	98	*5.6%*	16	*3.5%*	32	*4.7%*	82	*5.7%*
Supplementary food	36	*12.3%*	232	*12.6%*	220	*12.5%*	48	*10.5%*	58	*8.5%*	210	*14.5%*
Other free food aid	182	*62.1%*	600	*32.7%*	541	*30.7%*	241	*53.0%*	220	*32.4%*	562	*38.8%*

(a) 'Remote' is defined as more than 4 hours' walk from a road (see above)

[63] This contrasts with a finding of Holt and Lawrence's survey of the Northeastern Highlands a decade ago, when "FFW activities … show[ed] a significant road-bias which persists after the effects of region and altitude are taken into account" (Holt and Lawrence 1993:95).

Lastly, Table 7.21 shows the mean percentage contributed by food aid and public works to total household income in the year before the survey, by destitute/ non-destitute categories and by gender of household head. By the respondents' own estimates, households across the survey area relied on free food aid, on average, for 23% of their income. This rises to nearly 40% for the destitute group, and 32% for the average female-headed household. Of course, these differences do not necessarily mean that the destitute and female-headed households received greater quantities of aid than others: it is possible that they received the same amount, which represents a higher percentage of their smaller incomes.

Table 7.21. ***Contribution of food aid and public works to household income***

Type of Transfer	Mean percentage of annual income [(a)] for households receiving free food aid and public works income				
	All households [N= 2,127]	Destitute [n=293]	Non-destitute [n=1,834]	Male-headed [n=1,672]	Female-headed [n=455]
Free food aid	23.3%	39.7%	18.9%	19.9%	31.6%
Public works	20.9%	32.6%	19.6%	20.1%	24.7%

(a) Respondents were asked to estimate the contribution of each of their livelihood activities and income sources to the total household income, whether in cash or kind (including home consumption of their own produce).

All of these income proportions seem alarmingly high, but they are not inconsistent with the range of estimates for food-aid dependency produced by SC-UK's Household Food Economy work (see Table 3.8 in Chapter 3). On the one hand, the data presented here suggest that the relief distribution system is doing an impressive job in reaching remote communities, and in ensuring that destitute households are almost twice as likely to receive free food aid as the non-destitute. At the same time, it must be a grave concern to policy-makers that so many people in rural Wollo are depending so heavily on food aid, whether distributed free or in exchange for labour on public works. There is little doubt that the relief system will remain a vital safety net for the foreseeable future: but it is not development, and it is not indefinitely sustainable.

7.9. Conclusion

Analysis of the characteristics of those households identified as 'destitute' in our survey confirms that they are worse off in almost all dimensions than average or better-off households: destitution in rural Wollo is truly multi-dimensional. In terms of household demographics, there is a strong gender dimension to destitution – female-headed households are much more susceptible to being or becoming destitute than male-headed households, and they suffer greater degrees of deprivation. Destitute households are also generally smaller in size and have older heads than other households. In terms of location, there appears to be a 'south-to-north' effect, with the incidence of destitution gradually rising from South Wollo to North Wollo to Wag Hamra – although in almost all communities destitution is increasing, and may indeed be rising fastest in the *belg*-dependent areas of South Wollo.

On the other hand, most characteristics associated with destitution are shared by large numbers of non-destitute households as well, which makes these characteristics unhelpful or even inappropriate for targeting purposes. For example, 92% of destitute household heads are illiterate, but illiteracy in the sample of household heads as a whole stands at 75%. Better (though still imperfect) correlates of destitution include household size – households with less than three members are highly likely to be destitute – living in inadequate quality housing (which has the advantage of being verifiable by observation), and households with no able-bodied men. Caution and locally specific judgement must be exercised, however, before these (or any other) *characteristics* and correlates of destitution are translated into proxy *indicators* for purposes of targeting assistance.

CHAPTER 8. ILL-HEALTH AND DESTITUTION

8.1. Introduction

Ill-health has been identified as a major source of 'ill-being' among the poor in developing countries (see Chambers 1983; Dasgupta 1993; Narayan *et al.* 2000, Chapter 5). Ill-health typically affects the poor disproportionately because they live in unhealthy environments, they have restricted access to effective and affordable health services, and they depend more than the non-poor on their physical strength for their food and income. As was noted in Chapter 3 above, the link between destitution and physical disability was historically very direct in Ethiopia, where: "the very poor were chiefly the incapacitated" (Iliffe 1987:10).

In the household questionnaire survey for the Destitution Study, we asked about each household member's 'labour capacity', including whether they were able to do a full adult workload, whether they were permanently disabled and unable to work, or whether they were chronically ill (defined as inability to work for the past three months or more). There was also a section in the questionnaire about adult deaths in the household during the past decade. Detailed discussions of specific illnesses and diseases were held with community focus groups, and a number of case studies illuminating the relationship between ill-health and destitution were found in life history interviews. In addition, we commissioned MEDAC to reanalyse data from the 1996, 1997 and 1998 Welfare Monitoring Surveys, specifically for the three study area zones of South Wollo, North Wollo and Wag Hamra. This chapter draws on all these sources, as well as other recently published studies on health-related issues in Wollo.

8.2. Health Status and Health Services in Wollo

8.2.1. Malnutrition

Child malnutrition is universally recognised as a robust indicator not only of health status but also of poverty and general deprivation. Child undernutrition can be chronic (measured by stunting), acute (measured by wasting) or both (measured by underweight children). According to a recent study: "For the nation as a whole no major progress has been made in reducing the prevalence of child malnutrition over the last 17 years" (Zewditu *et al.* 2001:55). The national prevalence of stunting (low weight-for-age) among children under five years old increased from 60% to 64% between 1983 and 1992, before falling to 52% in 1998 – still the highest rate in sub-Saharan Africa.[64] Amhara Region had the highest level of any region in 1998, at 60%. Stunting (impaired physical growth) is an indicator of long-term or chronic nutrition deficits. It impacts negatively on livelihoods and economic development in a number of ways. "Stunting is associated with impaired mental development and poor school performance. Stunting in childhood also leads to reduce adult size and reduced work capacity. This in turn has an implication on economic productivity at national level" (Zewditu *et al.* 2001). In terms of our conceptual framework, these consequences of stunting impair *human capital* – physical labour power, cognitive development and skills acquisition.

The proportion of underweight children (low weight-for-age) in Ethiopia rose from 37% in 1983 to 47% in 1992 and fell back only partly by 1998, to 42%, rising again to 47% in 2000. According to Zewditu *et al.* (2001), several regions of Ethiopia have an underweight

[64] The 1998 figure is not directly comparable with the previous figures, since the 1998 nutrition survey included urban children, while the previous surveys measured only rural children. Since poverty and nutrition indicators are generally better in towns than in villages, the 1998 figure may overstate the apparent success in reducing stunting in Ethiopia during the period 1992-1998.

prevalence between 50% and 60% – with Amhara Region registering 52.4% – which are among the highest levels reported in Africa outside of refugee camp populations.

Disaggregated data confirm that Wollo has malnutrition rates that are significantly worse than national averages. A baseline survey on childhood nutrition conducted in three *woredas* of South Wollo in mid-2001 found high levels of malnutrition among children under five (stunting = 60%; underweight = 46%; wasting = 11.8%), and very high incidence of childhood diseases (diarrhoea = 60%; intestinal infections = 59%; respiratory tract infection = 24%) (ADAW 2002:2-3). Zonal disaggregation of the 1998 Welfare Monitoring Survey data, commissioned for the Destitution Study, finds aggregate prevalence of stunting at 65% for the three zones of Wollo, peaking at 72% in North Wollo. Underweight children were at 56% in the three zones, but as high as 71% in Wag Hamra, where wasting was also at a dangerously high 20% of children, double the rate of the other two zones [Table 8.1]. There is no evidence of any gender bias against girls in this data; if anything, boys appear more likely to be more malnourished than girls.

Table 8.1. ***Nutrition status in rural Wollo, 1998 (% of children under five)***

Anthropometric Indicator	South Wollo			North Wollo			Wag Hamra			Three Zones		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Wasting	12.4	7.7	9.9	10.9	7.4	9.3	23.4	16.9	20.2	12.9	8.4	10.6
Severe wasting	0.9	0.4	0.6	1.6	3.4	2.5	5.7	5.1	5.4	1.6	1.7	1.7
Stunting	66.7	56.6	61.2	69.4	74.4	71.7	66.0	63.1	64.6	67.6	62.6	65.1
Severe stunting	39.2	30.9	34.7	42.4	34.3	38.7	39.8	35.2	37.6	40.4	32.3	36.3
Underweight	58.5	48.2	53.0	61.3	55.4	58.6	73.0	68.8	71.0	60.9	52.2	56.5
Severe underweight	21.6	13.6	17.3	22.8	21.4	22.2	29.7	28.8	29.3	22.8	17.3	20.0

Source: Frehiwot and Ermias 2002; Table 4.1

Anthropometric indicators measure 'macronutrient' intake – calories and protein. Other forms of malnutrition include micronutrient deficiencies – iron deficiency anaemia, iodine deficiency disorders and Vitamin A deficiency – which have also been identified as major health concerns in Ethiopia. Before 1996, virtually no children in Wollo had received Vitamin A supplements. In 1997, this figure stood at only 16%, and by 1998 it had risen to 59% (Frehiwot and Ermias 2002; Table 4.1). In Wag Hamra, however, Vitamin A was administered to just 5% of children in 1997 and 18% in 1998.

One plausible explanation for the exceptionally poor nutritional outcomes recorded in Wag Hamra, even by comparison with North and South Wollo, may be the physical remoteness of these communities and their limited access to health clinics and other basic services. Evidence for this hypothesis comes from a study of the determinants of child mortality in Ethiopia, which found a strong correlation between the risk of child death and indicators of geographical remoteness:

> "A statistically significant negative association was observed (p=.00) between population density and childhood mortality. … children born to women who were residing in drought prone and remote areas had a lower chance of survival, that may arise due to lower socio-economic conditions" (Girma Kassie 2001).

8.2.2. Immunisation

Another reason for poor nutrition status of children in Wollo, apart from inadequate food consumption, is their exposure to various debilitating and often fatal diseases. Children can and should be immunised against many of these diseases, but immunisation rates in rural Wollo are extremely low, though they do seem to be improving. In 1996, less than one in

five children in rural Wollo were immunised against measles, BCG, DPT and polio (rates ranged between 14% and 17%). By 1997 this had risen to around one in four children (25% to 27%). In 1998, the Welfare Monitoring Survey found that just under half the children in rural Wollo were vaccinated for measles, BCG and DPT (43% to 46%), but thanks to a polio eradication campaign this figure had leapt from 0% in 1996 to 76% in 1998 [Table 8.2]. As with many other indicators of well-being, the benefits of immunisation have been derived more by children in South Wollo than in North Wollo, and least of all by children in Wag Hamra. In 1998, when measles, BCG and DPT immunisation rates had reached 53-55% in South Wollo, the rates in North Wollo stood at 33-41%, but in Wag Hamra these rates stood at just 9-11%. Even the polio eradication campaign, though highly effective overall *("Our children are now vaccinated against polio; it is no longer a problem",* according to one community we visited*),* had achieved much less success by 1998 in Wag Hamra (31% coverage) than North Wollo (72% coverage) and, especially, South Wollo (85% coverage).

Table 8.2. ***Immunisation rates in rural Wollo, 1996-1998 (% of children under five)***

Vaccination	South Wollo			North Wollo			Wag Hamra			Three Zones		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Measles 1996	26.9	24.7	26.0	12.8	6.6	9.6	5.4	9.3	7.4	18.4	14.4	16.5
1997	36.2	38.7	37.5	30.1	14.2	22.9	10.7	2.4	6.8	29.3	24.7	27.0
1998	53.8	56.3	55.1	30.3	36.6	33.2	10.0	11.6	10.8	41.0	46.5	43.8
BCG 1996	22.0	24.6	23.1	10.5	4.6	7.5	7.6	9.3	8.5	15.6	13.6	14.6
1997	40.8	37.7	39.2	21.2	8.8	15.5	10.7	0.0	5.7	28.0	22.0	25.1
1998	52.1	53.3	52.7	35.5	36.9	36.2	9.1	9.7	9.4	42.0	44.5	43.3
DPT 1996	17.3	24.6	20.5	14.1	5.9	9.9	7.6	7.3	7.5	14.6	13.7	14.2
1997	40.7	39.6	40.1	27.4	12.5	20.6	8.6	0.0	4.6	29.9	24.2	27.1
1998	56.4	54.1	55.1	40.0	42.3	41.0	10.0	11.0	10.5	46.0	46.8	46.4
Polio 1997	38.6	39.7	39.2	27.3	12.7	20.7	6.5	0.0	3.5	28.6	24.3	26.5
1998	85.7	84.1	84.8	70.5	74.7	72.4	30.1	30.8	30.5	74.9	76.6	75.8

Source: Compiled from Frehiwot and Ermias 2002; Table 4.2.1-3

8.2.3. Water and sanitation

A further reason for the poor health and nutrition status of people living in Wollo is their dependence on unsafe sources of water and their almost total lack of access to hygienic sanitation facilities. According to data collected by the 1998 Welfare Monitoring Survey,[65] the majority of people in Wag Hamra depend on rivers and lakes for their drinking water (59%), followed by unprotected wells (39%). This is reversed in South and North Wollo, where unprotected wells are more common (used by 55-57% of households) and one household in four depends on rivers or lakes (26-28%). A few households have access to safer drinking water from protected wells (9% in South Wollo, 17% in North Wollo, only 1% in Wag Hamra), while a tiny minority of households has access to piped water from public taps (1%) [Table 8.3].

[65] Similar results were found in both the 1996 and 1997 Welfare Monitoring Surveys (Frehiwot and Ermias 2002).

Table 8.3. ***Sources of drinking water in rural Wollo, 1998***

Water source	South Wollo	North Wollo	Wag Hamra	Total
River or lake	28.2%	25.6%	59.2%	37.7%
Unprotected well	57.3%	55.0%	39.0%	50.4%
Protected well	8.7%	17.2%	0.9%	8.9%
Public tap	0.8%	2.1%	0.2%	1.0%
Other	5.0%	0.2%	0.7%	1.9%

Source: Frehiwot and Ermias 2002; Table 6.3

In 1999/2000, "Amhara region had the smallest proportion of its population accessing relatively safe drinking water (19 percent)" (FDRE 2002:15). Despite the risks associated with drinking untreated water from unprotected sources such as rivers, lakes and open wells, almost no residents of rural Wollo boil their water before drinking it (only 2.2% claimed to be following this practice in 1998), largely no doubt because of lack of fuel. Finally, almost everyone in rural Wollo uses fields and forests for sanitation purposes, with a fortunate few having the use of a pit latrine (1.1%) and almost no-one using a container (0.3%) or a flush toilet (0.3%).

The Government's Food Security Strategy of 2002 argues that improving food security also requires an improved public health environment, which can be partly achieved through public works projects. Specifically, the strategy includes: "Increase[d] investments in environmental sanitation, sewerage and water supply through labour-based public work programs" (FDRE 2002, paragraph 81).

8.2.4. Access to health services

Re-analysis of Welfare Monitoring Survey data finds that physical access to Health Centres is severely constrained for residents of rural Wollo, and that this affects the uptake of public health services adversely. The contrast between the three administrative zones of former Wollo is striking. In South Wollo, 62.2% of households live within 10km of a health centre, and 81% of household have used this facility. In Wag Hamra, where 49.7% of households are located within 10km of a health centre, only 53% use their local health facility [Table 8.4 below]. Distance *("too far")* is the commonest reason given for not using the health centre when a household member is ill and needs treatment. This is exacerbated by lack of transport to get to clinics: over 90% of people walk, while a small minority use carts. Public transport is almost non-existent. There is some evidence of gender bias in access to public health services, especially in Wag Hamra, where men and boys are three times as likely to receive treatment from a health centre than women and girls, despite the fact that there are no gender differentials in the incidence of illness.

The clear policy implication from these findings is that the health status of the people of Wollo would be positively enhanced by making more health facilities available and accessible, either by building more Health Centres or by improving accessibility of health services, for instance by providing transport or setting up mobile clinics that take health services closer to where people live. Given the strong association between poverty and ill-health, investments in health services could have a direct beneficial impact in terms of reducing poverty and protecting the poor against health shocks that trigger a downward spiral into destitution.

Table 8.4. ***Health Centre access and usage in rural Wollo, 1997***

	South Wollo	North Wollo	Wag Hamra	Total
Distance to nearest Health Centre				
0 - 5 km	36.2%	37.8%	14.1%	33.0%
5 – 10 km	26.0%	23.9%	35.6%	26.9%
10 – 15 km	19.3%	14.4%	25.4%	18.7%
15 – 20 km	18.5%	12.3%	23.2%	17.3%
20 – 25 km	0.0%	11.6%	1.7%	4.1%
Do household members ever use the Health Centre?				
Yes	81.2%	62.9%	52.5%	69.8%
No	18.8%	37.1%	47.5%	30.2%
Any health problem during the last 12 months?				
Yes	26.3%	26.4%	25.8%	26.3%
Consulted anyone?				
Yes	15.5%	25.3%	18.4%	19.5%
[Male:]	17.1%	31.8%	26.3%	24.1%
[Female:]	13.9%	18.6%	8.6%	14.9%
Reason for not using the Health Centre				
Too far	40.5%	48.1%	44.3%	44.8%
Expensive	12.6%	19.6%	0.0%	12.1%
Incomplete service	0.0%	3.8%	7.0%	3.5%
Poor quality service	0.0%	0.0%	1.4%	0.4%
Other reasons	46.9%	28.6%	47.2%	39.2%
Mode of transport to reach the Health Centre				
Foot	86.5%	97.0%	98.8%	91.4%
Cart or animal transport	12.1%	0.6%	0.0%	6.9%
Public transport	1.4%	0.5%	0.0%	0.9%
Other	0.0%	1.8%	1.2%	0.7%

Source: Frehiwot and Ermias 2002; Table 4.3 & Table 7.2

The Government's Rural Development Strategy of 2001 recognises that "insufficient number of health stations is one of the problems" that needs urgently to be addressed, through rapidly extending the coverage of rural health facilities:

> "According to our policy, there should be a health station in every area with about 5000 people. Since almost all *kebeles* are at this stage, we have to establish a health station in each *kebele*. So far, due to lack of finance and appropriate attitude, priority was given to the construction of few expensive hospitals rather than to the construction of many smaller and cheaper health stations in each *kebele*. That is why many *kebeles* do not have any health station. By correcting the budget allocation and attitude, we can initiate the people to participate in construction of health stations and we can and should make a health station available in each *kebele* within a short period. … In parallel, we have to establish a system of vaccination service down to the *kebele* level and seek ways to strengthen it"
> (FDRE 2001:20).

These are important objectives, given the poor health status of the population of rural Wollo and the impact of poor health on livelihoods, as discussed in the following section. It is especially important to redress the geographic inequities in health care provision. It is no coincidence that Wag Hamra - the poorest zone in the study area – has some of the worst health outcomes as well as the lowest outreach of health services such as immunisation.

8.3. Poor Health and Poor Livelihoods

8.3.1. Local perceptions of illness

Many people we interviewed insisted that the local prevalence of illness and disease has increased dramatically over the past few years, that this is related to economic hardship, and that it takes the form of both physical debilitation and psychological stress. *("Wolgeram [poverty] has made everyone sick – we started getting weak five years ago, because of drought and not enough to eat.")* In one community, discussion group members spoke about *ye-qum himam* (literally, sickness without taking to bed), a type of illness in which people suffer from the pain while continuing to walk and work. *("These people are 'dukuman' – they are weak and sick because of poverty.")* However, they are unable to accomplish their daily routine effectively and efficiently due to this sickness, and as a result they require 3-4 days to finish tasks that they used to complete within 1-2 days. This constitutes a kind of vicious circle in which poverty causes debilitating illness which in turn undermines their ability to work, trapping them in chronic poverty.

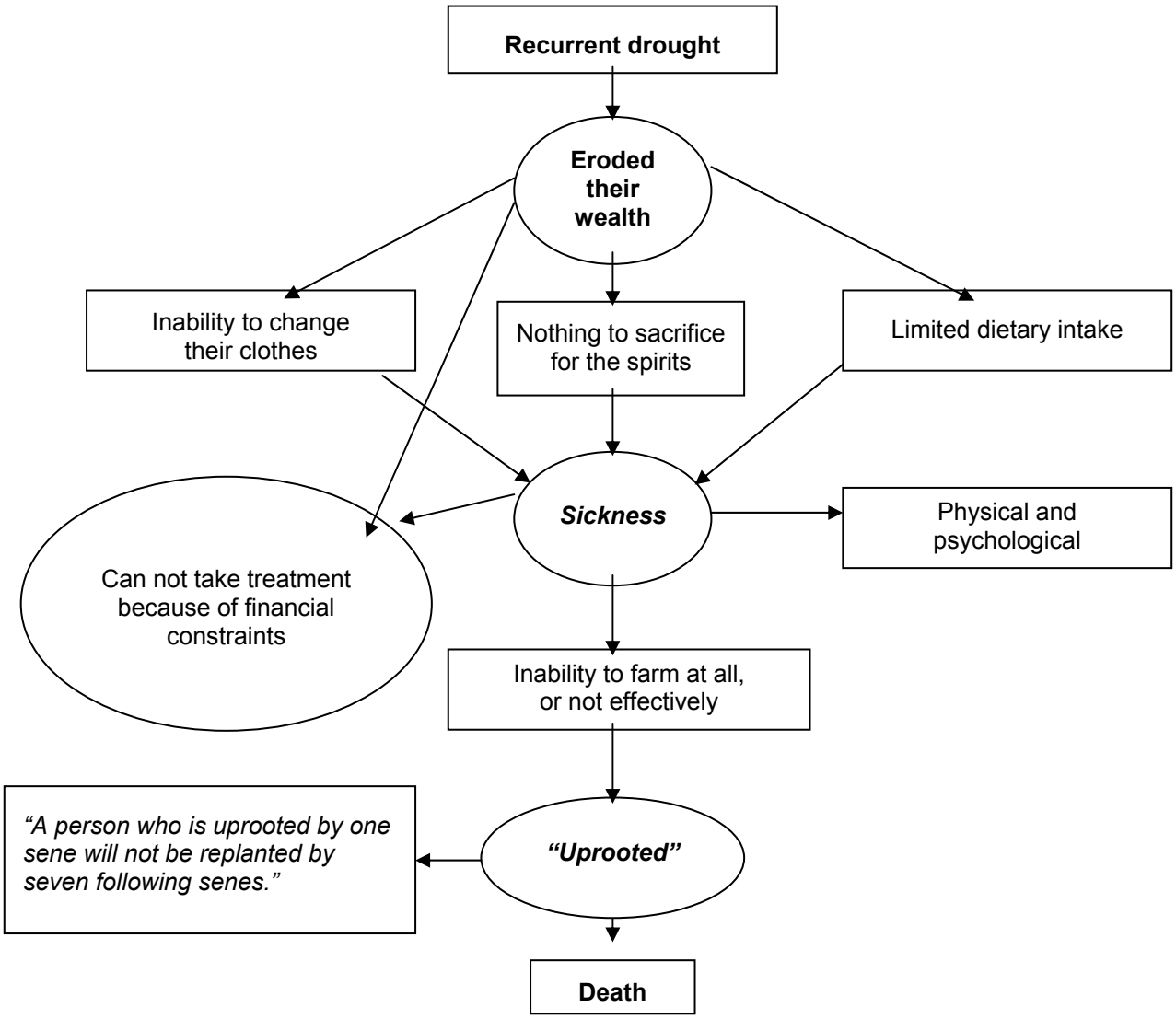
Other illnesses are also associated with poverty, according to local perceptions. Migration, for instance, is strongly associated in the minds of highlanders with exposure to tropical diseases such as malaria (*'nidad'*), that are not prevalent in the cold temperatures of high altitude communities. For this reason, labour migration was described as a less preferred livelihood strategy by participants in a discussion with young men, mainly because of the health hazards associated with hotter climates. *"Poor people go to other places like Humera to improve their lives, but most of them get sick and just come back to die."* Traders are also said to be at greater risk of contracting malaria, as well as AIDS, because of their regular travelling to Dessie town and other urban centres.

Some illnesses are attributed to spiritual causes, with poverty as an exacerbating factor. For instance, people suffering from *alamachi* (a sickness which has the symptoms of epilepsy) are believed to be possessed by spirits. It is argued that before the 1984/85 famine, community members would slaughter a sheep to pacify the village spirit, and that this would protect local people and their livestock against disease. In another community, it was said that the recent series of droughts – successive failures of the *belg* harvest – has impoverished people and eroded their assets to the point that they are unable to sacrifice for the spirits. As a result of this failure to make sacrifices, the spirits are angry and strike people down with *alamachi*, which is rampant now compared to the past. These perceived connections between drought and sickness are illustrated in Figure 8.1 below.

More generally, most of our informants argued that more people are sick today than before the 1984 famine. There is a general perception that *"there is almost no healthy person"* these days – everyone is suffering, at least from coughs and common colds, most of the time. Even people who look healthy often have bodily pains, get easily tired when walking or working, don't eat enough and have problems digesting their food. These debilitating illnesses are attributed to poverty and food insecurity – *"due to economic problems we have to limit the number of meals we take and prioritise our children"* – and lack of adequate treatment at the clinic. Also, recurrent drought is eroding people's resistance and creating stress and depression, as parents worry continually about how to feed their children if the rain fails. In the past, harvests were usually good and the population was limited, so most families could feed their children adequately and even sell surplus grain.

People claim they have been impoverished by the droughts that preceded the 1984 famine, and by recurrent droughts since 1984. Moreover, the growth of population has increased the number of sick people, especially children. However, they also believe that the service they get is not equivalent to that of the Derg period, as there is never enough medicine at the clinics, the number of patients has increased and the health workers do not provide appropriate treatment. They even complain that government health workers sell medicines meant for patients to informal health vendors working in nearby towns without a license.

Figure 8.1. ***Local perceptions of the relationship between drought and sickness***



Source: Fieldnotes by Kassahun Kebede

8.3.2. Disability

Our survey reveals that disability in rural Wollo is correlated with destitution outcomes. Overall, about 1 in 20 households surveyed [n=96/2,127, or 4.5%] has any members with permanent disabilities, but the incidence of disability more than doubles in our 293 destitute households, to 1 in 10 [n=28/293, or 9.6%] [Table 8.5]. By contrast, only 1 non-destitute household in 27 has one or more disabled members [n=68/1,834, or 3.7%]. Clearly, disability is a risk factor associated with destitution. Similarly, female-headed households are more than twice as likely to include people with disabilities. This could suggest that women with disabilities are less likely to get married, and therefore face a lifelong struggle to make a viable living, since they lack access to male labour and vital male-controlled productive resources such as livestock.

Table 8.5. ***People with disabilities in the sample households***

PWD	Destitute *[n=293]*	Non-Destitute *[n=1,834]*	Male head *[n=1,672]*	Female head *[n=455]*	Total *[N=2,127]*
None	265 (90.4%)	1,766 (96.3%)	1,615 (96.6%)	416 (91.4%)	2,031 (95.5%)
1 PWD	26 (8.9%)	63 (3.4%)	52 (3.1%)	37 (8.1%)	89 (4.2%)
2 PWD	2 (0.7%)	4 (0.2%)	4 (0.2%)	2 (0.4%)	6 (0.3%)
3 PWD	0 (0.0%)	1 (0.1%)	1 (0.1%)	0 (0.0%)	1 (0.0%)
1+ PWD	28 (9.6%)	68 (3.7%)	57 (3.4%)	39 (8.5%)	96 (4.5%)

Note: 'PWD' = People With Disabilities

Alternatively, it could suggest that married women who become disabled often face being divorced or abandoned by their husbands, which sets them on a downward trajectory towards destitution. This was confirmed in a wealth ranking exercise in Delanta, North Wollo, during which the question arose: "*Why are so many female-headed households poor?"* The respondents replied: *"Because they have no-one to work in the fields, and dependent children. A woman can get weak and be thrown away by her husband, and then she becomes poor. Also they have no oxen."*

In fact, we found examples of both scenarios in our case studies of female-headed households. In Mekdela, we were told that women who have disabilities find it difficult to marry well, and are at high risk of falling into destitution. Widows and divorced women are especially vulnerable, because they lack access to male labour and the key productive resources that men control. *("Women become poor when they don't have men to plough for them.")* This appears to have been true in the case of Beyu, 70, who due to the tragic deaths of her four children and a severe physical disability, has not been able to sustain a viable marriage and therefore has been relegated to a prolonged state of destitution and dependency on her sister.

> *"I was born and got married here in this kebele. For six years, we were living well with my husband who came here from another locality. We had a pair of oxen but he used to have his land ploughed for him in his natal kebele. I had four children who all died, so he left me without leaving me anything. I then began to live with my sister. I have had a bad leg since I was a child so I was not able to remarry for another 5 years. I then married an elderly man who had only 3 timad of land which we sharecropped out. We remained in poverty so we got divorced. I therefore started to live with my sister again."*

Another case of a woman becoming *"weak"* and being *"thrown away by her husband"* in consequence is the story of Ergo Marye [Box 8.1].

Box 8.1. ***Case study – Health problems causing marital breakdown***

Ergo Marye is a 50-year old divorcée with two sons, who are living with their father and do not visit her, and two daughters, both of whom have left home. One daughter has married and lives nearby, but Ergo gets no help from her son-in-law. Because she has no access to male labour and cannot farm on her own, Ergo has been forced to sharecrop out all her land, for one-third of the crop.

Ergo has had eye problems for several years, and her failing sight was the main reason for her divorce. When she could no longer perform the household duties expected of her, her husband divorced her. At the divorce, she received half of that year's crop, and she kept 2 *timad* of land (half of the married household's landholding) which was allocated to her in the land redistribution. But she received no livestock, because all the household's animals had been sold by then to pay for her medical treatment.

She started going for treatment eight years ago. She doesn't remember all the treatments and costs in that time, but she went twice to see doctors in Woldiya, and two years ago she had an operation at Alamata which was not successful. In the last two years alone she says they spent more than 800 Birr on treatment (this in itself may have been a contributory factor to the divorce). Now her sight is not good, especially in her right eye – and the left is getting worse. She plans to go to Mekelle for further treatment.

Before she developed her eye problems, her marital household had a pair of oxen and were able to plough their own land. They also had 5-6 cows, which are all gone now (either sold, or died). In some years they were self-sufficient, in poor years they could get grain loans. Things were good. They had no other income sources, just crop farming and livestock. She used to do some embroidery, but she has stopped now because of her failing eyesight. For the same reason, she cannot engage in any other livelihood activities. Because of her eye problems, she has lost everything.

8.3.3. Chronic illness

The same gendered outcome is not necessarily true of chronic illness. The fact that fewer chronically ill individuals were recorded in our survey [n=63/2,127, or 3%] [Table 8.6] than people with disabilities might simply mean that the very poor cannot afford to remain ill for long – the severely ill are more likely to die or to 'recover' than remain confined indoors for month after month. Unlike disability, chronic illness is not strongly associated with either male- or female-headed households. It is true, however, that most chronically ill people are living in male-headed households [n=51/63, or 81%], presumably being cared for by female household members.

Table 8.6. ***Sample households with chronically ill members***

Chronically Ill Members	Destitute *[n=293]*	Non-Destitute *[n=1,834]*	Male head *[n=1,672]*	Female head *[n=455]*	Total *[N=2,127]*
None	276 (94.2%)	1,788 (97.5%)	1,621 (96.9%)	443 (97.4%)	2,064 (97.0%)
One	16 (5.5%)	45 (2.5%)	49 (2.9%)	12 (2.6%)	61 (2.9%)
Two	1 (0.3%)	1 (0.1%)	2 (0.1%)	0 (0.0%)	2 (0.1%)
One or more	17 (5.8%)	46 (2.6%)	51 (3.0%)	12 (2.6%)	63 (3.0%)

Idiosyncratic health shocks such as chronic illness, disabling accidents or deaths in the family can all force individuals and households to fall into destitution. Chronic illnesses are especially damaging to livelihoods, as they impose a double cost: depleting household resources (the costs of health care) and depriving the family of productive labour. This happened to Mekonnen, who has suffered from TB (tuberculosis) for many years [Box 8.2]. This family's experience is far from unusual; and as the incidence of HIV/AIDS continues to spread throughout rural Ethiopia, stories like Mekonnen's will become ever more familiar.

Box 8.2. ***Case study – Debilitating consequences of chronic illness***

"In 1977 EC my brother and I didn't go to resettlement – we stayed here and ate bark. In 1978 EC I went to Harbu to get teff seed from the government, and I got sick there. I came back with the teff seed but I couldn't work. My brothers and others sowed for me in June, but the kremt rain was intermittent and the harvest wasn't good. I went to Addis for treatment. I sold what assets I had to go there, and my brothers gave me some money for transport. I got a letter from the PA to get free treatment. From then on, everything declined dramatically. In Addis I was in hospital for two months and five days, then they told me to leave the bed so I came home. They gave me tablets to take for three months, and a letter to Dessie to get more medicine. After that I was all right, I started working well again and the household started reviving. But two years later I got sick again with the same problem. I went to Dessie for two months for treatment, and the family livelihood declined again. They gave me

injections for two months, then tablets for a year, then I went back for a check-up in 1982 EC. I did everything according to their prescription and they told me I was well and should go home and farm. But I wasn't well, I insisted I still felt ill but the doctor didn't believe me. I was angry with them. I asked for an X-ray but they refused. I came home desperate. Since then I regularly get ill – for example this year I've been in bed for two months.

"When you met me today I was on my way to the traditional healer – I don't have money to go to the clinic again. I've been going to the healer from the beginning, but it's the medical treatment that kept me alive, not this. At the Weride clinic they don't charge for an examination but then they may prescribe something, there may be something to pay and it's too embarrassing to go there with nothing in my pocket. I haven't been back to Dessie since 1982 – I was angry with them, and I can't afford the transport. I also went to Boro Meda twice. The treatment there was good, but when I start work I get sick again. I asked the doctor why they don't give me the right medicine, but he took it as a joke and told me to just come back when I get sick again. I can't afford to keep going there.

"The main impact of my illness on the household is the loss of my labour – this is more significant than the treatment costs. In 1978 EC people were running here and there recovering from '77, but I couldn't. Later I got some livestock, but then I had to sell an ox to pay for treatment in Dessie. Last year I also sold an ox to buy grain, because the harvest was generally poor round here. We're surviving on a small harvest – the land is stony and not productive, and because I'm ill I can't plough it all. Now I have a son who can plough, but no ox or money."

8.3.4. Lathyrism

Lathyrism is a degenerative disease endemic to Ethiopia and Eritrea. It is caused by eating *guaya* (grass pea or vetch), which causes paralysis that can be permanently disabling, though it is not fatal. A recent survey found that *guaya* is "the major cause of physical disability in South Wollo" (SC-UK 2002:2b), ahead of tuberculosis (TB), polio, Vitamin A deficiency, chickenpox and leprosy. Three epidemics of lathyrrism have been recorded in northern Ethiopia in the past 50 years, most recently in 1997.

> "The drought of 1995/96 wiped out most of the food crops except grasspea, *Lathyrus sativus,* in the northern Wello area. This was the prelude to a new epidemic that started in February, 1997. By January, 1998, 2,000 patients had developed the disease. … The disease is never lethal, but affects mainly the most productive section of the rural communities during times of food shortages. … Grasspea was consumed in the forms of roasted or boiled seed, bread, pancake ('injera'), and raw unripe seeds. … As in other epidemics of lathyrism, the over-consumption of drought-tolerant *L sativus* is the primary causal factor" (Haileyesus Getahun *et al.* 1999:306).

In 2001 Save the Children (UK) conducted a survey of 37 *guaya*-affected persons in South Wollo. Most were male [n=27/37, or 73%], and more than half were children under 18 years old [n=21/37, or 57%]. Common symptoms are pain in lower back [73%] and leg-joints (knees, hips, feet and ankles) [68%]. About half this group were walking with sticks [48.6%], and almost as many had relatives who were also affected [46%] (SC-UK 2001).

People in the study area displayed limited awareness about the causes of lathyrism. Most realised that it was associated with *guaya,* but some believe that it can be caused by sitting or playing on *guaya* straw [see Box 8.3], by breathing fumes from cooking *guaya*, or by eating it before it gets cold. Many people argued (incorrectly) that it is the preparation of *guaya* that causes paralysis, not eating it. It is widely believed that *guaya* should be eaten while hot, and that the water with which it is prepared has to be disposed of carefully and not re-used.

Box 8.3. *Case study – Lathyrism*

Fekada Mezgabu is 11 years old, and is crippled by lathyrism. Two years ago he was playing with his younger cousin on a pile of *guaya* straw at his uncle's house.

"The vetch straw was in a stack at the back of my uncle's house – my uncle and my father had harvested it a day before. I told my cousin I'd heard from my family that it was dangerous to play with, but he insisted on playing there. After we finished playing I tried to stand but couldn't. My cousin was okay, he managed to stand, but I stayed there. My uncle was passing and saw me there crying, so he came and helped me. He carried me home. My mother and father were very sad. First my parents took me to a 'witch' woman living in the *mender*. She told them to buy and kill a black chicken for me. They did this but it didn't help me. Then last year they sent me to drink and bathe in holy water at Tana Giorgis [a church in another *kebele*], but I didn't see any change. I didn't go to a clinic or health post, because my family believe that even if they take me to a hospital there's no cure.

"I'm not trying any treatment now. I feel pain around my ankles and knees all the time, even when I sleep. When I play with my friends, I fall all the time. [He has difficulty standing or walking.] My friends help me. I like school, I play with my friends and learn from the blackboard. I like 'abc' and '123'. When I grow up I want to go to Addis Ababa to be a trader in clothes. I saw people selling clothes in Wogel Tena and I want to have clothes and shoes for myself. The paralysis won't stop me being a trader because I'll travel by car.

"My family used to eat *guaya* in *shiro* and *injera*, but since they saw my problem they don't even plant it – they grow barley, wheat, beans and peas instead."

Source: Field notes, Worke Wuha

Medical opinion is that paralysis due to lathyrism is caused only by prolonged consumption of *guaya.* Despite this recognition of the dangers of eating *guaya,* it continues to be cultivated as a drought crop by the poor, who grow it because it is drought- and frost-tolerant, and eat it mainly when they have no alternative source of food. A recent study of vulnerability and food insecurity in Delanta, North Wollo, found that "there has been a notable increase in the quantities of vetch grown since the famine in Ethiopia during 1982-1984" (Stephen 2000:35). Discussants in one of our focus groups pointed out that the number of *guaya* victims increases in drought years, when people with no grain consume more *guaya*. During the 1984 famine, they said, people preferred eating *guaya* to dying from starvation. In this sense, lathyrism in Wollo is truly a disease of poverty, and can best be 'cured' not by information campaigns but by raising incomes and improving household food security until people are not forced to resort to *guaya* any more.

8.3.5. Adult deaths

The questionnaire survey asked the following question: *"In the last 10 years (since the change of government from Derg to EPRDF), has your household suffered any adult deaths?"* In fact, one in four households [n=545/2,127, or 25.6%] had suffered one or more deaths of adult members in the past decade. The total number of adult deaths was 623 (some households had two or three deaths), of whom 295 (47%) were male and 328 (53%) were female.

The overwhelming cause of these adult deaths was illness, either a short illness (41.2%) or a long illness (38.5%), which is more debilitating on household resources. A significant proportion of deaths were due to old age (9.6%), but almost as many were caused by fatal accidents (9.1%). Finally, a small number of deaths were attributed to war or fighting (1.1%), and three were blamed on famine (0.5%). It is significant that over half the adults who died [n=337/623, or 54%] were working at full capacity before a fatal illness or accident or struck them down [Table 8.7]. From the household demographic data, we know that the total number of adults aged 16 to 60 years old in the sample was 4,342. This implies a death rate of 78/1,000 adults [n=337/4,342, or 7.8%] over 10 years.

Table 8.7. ***Sample households with adult deaths in last ten years***

Adult deaths	Destitute *[n=293]*	Non-Destitute *[n=1,834]*	Male head *[n=1,672]*	Female head *[n=455]*	Total *[N=2,127]*
Any adult	78 (26.6%)	467 (25.5%)	362 (21.7%)	183 (40.2%)	545 (25.6%)
Adults with full labour capacity	51 (15.1%)	286 (84.9%)	201 (59.6%)	136 (40.4%)	337 (54.1%)

Adult deaths occurred disproportionately in destitute households and in female-headed households, strongly suggesting that the loss of active adults is a direct cause of household impoverishment. Of the 545 households who had lost an adult member in the past ten years, 362 were male-headed and 183 were female-headed, representing 21.7% of all male-headed households but 40.2% of all female-headed households. In other words, two in five female-headed households had lost an adult member, double the incidence in male-headed households. Of the 337 deaths of adults with full labour capacity, 201 (60%) occurred in male-headed households and 136 (40%) in female headed households. However, we know that the total number of adults aged 16 to 60 years in male-headed households is 3,724. This means that the mortality rate of economically active adults in male-headed households is 54/1,000 [n=201/3,724, or 5.4%] over 10 years. By contrast, the total number of adults aged 16 to 60 in female-headed households is only 618, which produces a death rate of 220/1,000 [n=136/618, or 22%] – fully four times higher.

Between destitute and non-destitute households, the contrast is less striking than between male- and female-headed households. There is no statistically significant difference in the proportion of destitute households (26.6%) and non-destitute households (25.5%) suffering the loss of any adult member. Similarly, looking only at the 337 deaths of adults with full labour capacity, 286 (85%) occurred in non-destitute households and only 51(15%) occurred in destitute households. However, the death rate for active adults in destitute households, at 136/1,000 [n=51/374, or 13.6%] was almost double that in non-destitute households, at 72/1,000 [n=286/3,968, or 7.2%]. Once again, this provides strong circumstantial evidence for the loss of adult labour power – and the costs of caring for chronically ill, injured or disabled adults – as a precipitating factor in processes of impoverishment and destitution.

A case in point is one female-headed household interviewed during the fieldwork, comprising a widow aged about 60, her divorced stepdaughter aged 25, and the stepdaughter's three young children. The widow was married until five years ago, when her husband died from a stomach illness. Since then she has sharecropped out all her land, since she cannot farm without male labour. Because she does no labour on the land, she gets only 1/3 of the harvest; the sharecropper takes 2/3 because he provides labour, oxen, everything except the land itself. When they ploughed their 5 *timad* they used to harvest 2½ quintals, but now they get only 1 quintal from sharecropping. Because she no longer farms, she started selling firewood and dung in Sekota market after her husband's death. Collecting firewood and dung is hard work and unprofitable, since "everyone is doing it … some days you can't sell anything because there are too many sellers and not enough buyers, so you return home with nothing."

8.3.6. HIV/AIDS

A recent report by the U.S. National Intelligence Council projects that Ethiopia will have 7 to 10 million HIV/AIDS cases by 2010, an adult prevalence rate of 19-27%, up from the official total of 2.7 million cases in 2002 (NIC 2002:4). Although the projected prevalence for 2010 is lower than the current rates in several southern African countries, the NIC report predicts that Ethiopia will be especially hard hit, because of its very limited public resources and the potentially decimating impact on the government. Transmission factors in Ethiopia include demobilisation of soldiers following the war with Eritrea, high levels of poverty and malnutrition which lowers resistance to HIV, and limited government capacity to respond

either in terms of disseminating health messages or providing treatment to people living with AIDS (PLWA).

In many communities visited during the Destitution Study fieldwork, AIDS was named by local people as a new and terrible disease in their locality. In Ayetu, a village of approximately 140 households, an alarmingly high 26 adult deaths were reported for the previous year. Of these deaths, 3 were attributed to AIDS and 12 to tuberculosis, with HIV/AIDS contributing to several of these cases. Assuming these reports are credible, it implies that up to 15 out of 26 adult deaths [56%] in this community may have been due to AIDS. In another community, HIV/AIDS was mentioned as a serious and growing health problem, which was believed to be responsible for 4 adult deaths in the past year. Awareness about the disease was fairly high in this community. The disease was believed to have been brought to the village by traders and labour migrants who had had unsafe sex, and these people had in turn spread it through the village. All focus group discussion members agreed that the final outcome of the disease is death.

The government's Rural Development Policy argues that prevention or containment of HIV/AIDS in rural areas is a "struggle" that requires "changing lifestyle through change of attitude and culture. Unless this struggle is conducted properly and implemented successfully, disease prevention, including prevention of HIV/ AIDS in rural areas, cannot be successful (FDRE 2001:21). The impact of HIV/AIDS on poverty and food security is also recognised in the federal government's recently updated Food Security Strategy:

> "HIV/AIDS is a formidable challenge to the pursuit of food security in Ethiopia as it reduces and debilitates the productive population. In turn, this places a further burden on society as a whole. Therefore, the Government has put in place a national policy and countrywide program down to grass roots level to control and reduce the spread of the disease" (FDRE 2002, paragraph 7).

8.4. Conclusion

Ill-health is both a cause and a consequence of destitution in rural Wollo. The poorest families tend to have the most malnourished children and the weakest adults; they are more susceptible to diseases and least able to invest in health-seeking behaviour. For farming people whose work depends on their physical strength, low productivity is self-reinforcing, and sets up 'poverty ratchets' which are often intractable. The life histories presented in this chapter have demonstrated how chronically ill individuals or people with disabilities can drain a household of its human and physical assets, or can be abandoned by the household (especially women) to face destitution alone.

Poverty and poor health go together with poor health services. Within our study area, immunisation rates are lowest in Wag Hamra, where the prevalence of destitution is highest. Lathyrism, a classic 'disease of poverty', is endemic to this region, but could be relatively easily eradicated. For people who have so little apart from their physical strength, good health is a prerequisite for viable livelihoods. Investing heavily in health services, clean water supplies and basic sanitation facilities for the residents of Wollo would not just be addressing a fundamental human right; it would be a vital investment in the future economic development of the region.

CHAPTER 9. RURAL-URBAN LINKAGES AND SMALL TOWN GROWTH

9.1. Introduction

The target population for the Destitution Study has been defined as the *rural* communities of Wag Hamra, North Wollo and South Wollo. This is scarcely a limitation, since (as we have seen in Chapter 1) more than 90% of the total population of these Zones are rural residents. Nevertheless, interactions with the towns are extremely important for an understanding of both the current livelihoods and the possible future trajectories of our study population. This Chapter therefore focuses on various aspects of rural-urban linkages, primarily from the perspective of the villagers. Section 9.2. first gives a selective overview of international theory and experience regarding the role of urban linkages in rural development. This is followed by a discussion of fieldwork findings from the Destitution Study, in section 9.3. Finally, section 9.4 summarises some key points from the chapter and highlights the policy issues raised.

9.2. Perspectives from Theoretical and International Literature

9.2.1. Conceptual frameworks: the role of towns in rural development

Rural-urban linkages are central to the major issues of development theory and policy, including the relationship between industrial and agricultural growth; the nature of poverty and prescriptions for its reduction; and the allocation of scarce development resources among sectors and population groups. Given the magnitude of these issues, it is not surprising that theoretical debates and empirical arguments about the role of urban centres in development, and particularly whether towns have a negative or positive impact on *rural* development, have gone through several major swings and controversies in recent decades.

In the 1950s, when Lewis' 'dual economy' model dominated development theory, there was a general assumption that modernisation was virtually synonymous with urbanisation, and would require the transfer of 'surplus' resources (raw materials, capital and especially labour) from the agricultural sector to the industrialising cities. It was debated whether the net effect of towns on their rural hinterland was what Singer (1964) termed "parasitic or generative": but the consensus was that the positive effects would outweigh the negative, and that in any case the appropriation of rural resources by the towns was essential to national economic development.

Reacting against this consensus, a number of writers in the late 1950s and 1960s argued that, on the contrary, cities actively exploited rural areas: far from receiving any beneficial effects of development spreading out from the towns, rural economies were organised to serve urban interests, extracting rural resources (including the most educated and skilled individuals) and effectively keeping the rural population in poverty. Douglass (1998:2) notes that this line of thinking was closely connected with international dependency theory, "which argued that the metropolitan nations of the North actively underdeveloped the agrarian economies of the South. Rural-urban linkages were thus part of global chains of power and control that perpetuated conditions of rural poverty and underdevelopment".

Later work which proposed alternative, but still negative, interpretations of the nature and developmental impacts of rural-urban interactions included Lipton's (1977) 'urban bias' thesis of systematic and self-perpetuating political, social and economic forces favouring urban over rural areas. Chambers (1983), on the other hand, suggested that development planners and professionals bore much of the blame for the neglect of rural compared to urban development needs, due to their own city-based career paths and limited understanding of rural lives.

From the late 1960s onwards, theorists and planners responded to these perceived problems of urban bias or centre-periphery exploitation mainly by advocating induced urbanisation in the periphery (i.e. direct investment to stimulate the growth of towns in rural or outlying areas), in order to counterbalance the centralisation of wealth, services, economic growth and power in a few very large urban centres. This 'growth pole' or 'growth centre' approach has shaped investment plans in many developing countries, and remains very influential in policy and programming. However, international experience suggests that, although this approach is sometimes successful, it is by no means automatic that the benefits of improved services, infrastructure and so on in regional towns are transmitted to the surrounding rural areas: in some cases, this kind of urban growth has merely facilitated the extraction of resources from rural hinterlands by more efficiently linking agricultural production areas to national and international markets, without generating any development or income-enhancing effects for the producers themselves. Douglass (1998:3) suggests that the roots of such implementation problems lie in the central conceptual weakness of the 'growth pole' approach: that is, its exclusive focus on the *urban* side of rural-urban interactions.

Even the strand of development planning literature which applies the 'growth pole' concept specifically to rural development, known as the 'urban functions in rural development' (UFRD) approach (Rondinelli 1979),[66] suffers, in Douglass' view, from the limitations of a "one-sided view" (1998:5): that is, it fails to take adequate account of the rural roles in rural-urban dynamics. The seven major "urban functions" identified by this approach are as centres of *consumption* (purchasing of goods); *services* (both private and public); *marketing* (linking producers to national and international markets); *production support* (e.g. agricultural inputs and technology); *agro-processing*; non-agricultural *employment*; and *information*. This apparently pragmatic and straight-forward framework has in fact proved difficult to translate into practical programming. Douglass (1998:5-6) identifies three reasons for this difficulty, all connected to the absence of a rural dimension to the analysis. Firstly, the framework is too abstract and generalised, leaving little room for investigating the actual and varied roles of towns in different rural contexts. Secondly, it generates no clear criteria for selecting key towns for investment: selecting growth points based only on urban characteristics (such as size or existing market linkages) again neglects the rural context and potential for change. Thirdly, the approach wrongly assumes that "all urban functions are developmental and none has negative impacts on rural areas that outweigh positive ones".

As an alternative to these generalised and town-centred approaches, Douglass (1998:3) draws on extensive empirical work in Asia to suggest a more holistic and at the same time more locally-specific approach to understanding rural-urban linkages in order to promote their more beneficial effects. He argues that a successful policy approach must bridge the deep divide between urban and rural analysts, planners, and institutions (such as ministries and donor programmes), and must take account of the fact that rural and urban development are, in reality, interdependent. "For a rural household … the landscape for daily life includes both rural and urban elements. Rural-urban linkages are part of the local reality for household members carrying out the diverse tasks of producing income on and off the farm, maintaining a living space in the village, and going to local and even distant towns for shopping, marketing, work and specialised services".

Empirical analyses of rural-urban interactions from the viewpoint of the village, in Thailand, Indonesia and elsewhere in Asia, have found that rural residents generally interact not with one main urban centre (as urban planners often assume), but with numerous different

[66] Rondinelli (1985) suggested that decentralised or "diffused" urban development would bring modernisation and innovation to the rural areas, and that a hierarchical network of small, medium-sized and larger towns would allow "clusters of services, facilities and infrastructure that cannot be economically located in small villages and hamlets to serve a widely dispersed population".

towns (large and small, near and distant) for different purposes. Furthermore, a town's size appears to be a very poor predictor of its functions or importance for surrounding rural residents. Short-term interactions with the towns (such as commuting for employment and marketing, and seasonal or circular migration) are much more significant, in terms of volume and the number of people involved, than permanent rural-urban migration. Equally important, it has been found that the poorest members of rural communities are typically excluded from interactions with more distant towns by the costs of travel, and that rural-urban migrants tend to be younger, fitter and better educated than their counterparts who stay in the villages. Thus, there are important socially selective dimensions to rural-urban linkages which policy-makers need to take into account if rural development and poverty reduction are among their goals.

Table 9.1. ***'Growth pole' versus 'regional network' models of rural-urban linkages***

Component	Growth pole / centre model	Regional clustering / network model
1. Basic sector	**Urban-based manufacturing**; usually focuses on large-scale 'propulsive' industries and 'footloose' production units headquartered outside the region.	**All sectors**, depending on local regional endowments and conditions; emphasis on **local small to medium-sized regionally-based enterprises**.
2. Urban system	**Hierarchical**, centred on a single dominant centre, usually identified by population size and associated with the assumptions of central place theory.	**Horizontal**, composed of a number of centres and their hinterlands, each with own specialisations and comparative advantages.
3. Rural-urban relations	Image of **diffusion** processes moving down the urban hierarchy and outward from the city/ town to its rural periphery. **Rural areas as passive beneficiaries of 'trickle-down' from urban growth**.	Image of a **complex rural-urban field of activities**, with **growth stimuli emanating from both rural and urban areas** and with the intensity increasing along regional inter-settlement transportation corridors.
4. Planning style	Usually **top-down** via sectoral planning agencies and their field offices. Regions have 'misty' boundaries determined by economic interaction.	Implies the need for **decentralised** planning systems, with integration and coordination of multi-sectoral and rural and urban activities at the local level.
5. Major policy areas	**Industrial decentralisation incentives**: ▪ tax holidays, ▪ industrial estates, ▪ national transportation trunk roads.	▪ **Agricultural diversification,** ▪ **agro-industry,** ▪ **resource-based manufacturing,** ▪ **urban services,** ▪ **manpower training,** ▪ **local transportation networks.**

Source: Douglass 1998:13, Table 2, emphases added

Drawing on these observations, Douglass (1998:10) conceptualises rural-urban linkages as a complex multi-dimensional web of activities: "when seen from the household perspective, the view of the urban world is not that of a single urban centre, but is instead one of a *network* of rural-urban linkages and employment possibilities, including destinations abroad. Rather than the specific destinations themselves, it is this network that provides the spatial framework for the formulation and acting out of household economic strategies" [emphasis added]. This view-from-the-village starting point leads to significantly different

policy and planning emphases, as shown in Table 9.1. This table summarises the key points of contrast between Douglass' 'network' or 'clustering' model of rural-urban interactions and the older 'growth pole' approach (which, as we have seen above, focuses on a few major urban centres and pays little attention to the needs and activities of the rural population).

As the table shows, the network approach implies a multi-sectoral strategy of rural development combining small-scale enterprise, local resource-based processing and manufacturing, agricultural improvements, provision of services and training (human capital development), and a focus on local as well as national transportation networks. Since this approach envisages the urban system as a horizontal and reciprocal network connecting numerous towns and villages within a predominantly rural area, it is conducive to decentralised local planning, based on existing district and regional boundaries and on local realities and needs (as opposed to the hierarchical image of large central towns diffusing development effects outwards to smaller towns and eventually to villages, which logically lends itself to centralised top-down planning). Douglass (1998:30-31) further suggests that such decentralised planning should be grounded in locally-specific research into existing and potential rural-urban linkages. Such research should study flows (of people, production, commodities, capital and information) both from individual villages to towns, and among urban centres in an identified regional cluster. It should not be assumed that the impacts of enhancing physical connections between rural and urban areas will automatically be either positive or negative: such effects depend on local circumstances.

Douglass' network approach has been cited at some length here because it fits well with the reality of existing rural-urban linkages in Wollo as described by villagers during the Destitution Study fieldwork [see section 9.3. below], and leads directly to relevant and useful policy directions. We return to these issues at the conclusion of the chapter.

9.2.2. Rural-urban linkages and livelihoods

The major debates summarised above concerning the positive versus negative effects of urban growth on rural and national development continue to influence and resonate with thinking on rural-urban interactions. However, most work in this field since the late 1980s adopts what Baker and Claeson (1990) call a more "intermediate" position between the extreme "optimistic" and "pessimistic" views. Writers in this vein tend to be wary of broad generalisations and universal prescriptions, arguing that increased rural-urban interaction and urban growth are not automatically either good or bad. Instead they stress the need for analysis of the specific circumstances of each place, and for decentralisation of decision-making and investment (see, for example, Hardoy and Satterthwaite 1986).

One result of this strand of more empirical research has been a body of international evidence about the nature and importance of rural-urban linkages in relation to household livelihoods. Among the cross-country findings of this work are the following points:

- Non-market resource flows between rural and urban areas (e.g. remittances to the villages, gifts of food and produce to the towns) are often crucially important to the livelihoods of households in both spatial sectors.
- 'Split' or 'multi-spatial' households, in which some household members reside in the rural areas and others in the towns, while maintaining close social and economic ties, are very common. This calls into question the validity of dividing population groups, as well as economic activities, into distinct 'rural' and 'urban' categories.[67]

[67] "[W]hen one or some of their members migrate but … retain strong links with their relatives in rural home areas, households can be defined as multi-spatial, combining farm and non-farm activities and rural and urban residence. Even where activities can be described as either rural or urban and are spatially separated, there is a continued and varied exchange of resources" (Tacoli 1998b:149).

- In most parts of Africa it is crucial to the livelihoods of urban residents to maintain ownership of land in their village of origin. This not only acts as an insurance policy and source of income throughout an urban migrant's lifecycle, but also as a retirement and investment strategy. It is common for people who have spent most of their working lives in town to return to farming in their later years, and (if they have prospered) to invest significant resources in their own farm and their village environment generally (see, for example, Andreasen 1990; Tacoli 2002).
- The availability of urban or industrial incomes for investment in agricultural intensification or diversification is often a key element in the successful development of smallholder farming. For example, in Swaziland in the 1970s migrant wages from the South African mining areas were used to buy second-hand tractors: women then began to use remittances from absent husbands to hire the tractors, thus compensating for their shortage of male labour, increasing production and expanding the area cultivated (Tacoli 1998b:12). Another (more famous) example is that of Machakos in Kenya, where the investment of urban wages has been identified as a major factor in local agricultural prosperity.
- The opportunities for livelihood diversification (both in terms of risk and income) tend to be greater for rural households with access to towns: in other words, closer rural-urban linkages foster diversification (see, for example, Evans and Ngau 1991; Sørensen and Kiros 2002).

9.2.3. Policy approaches to rural-urban linkages

Drawing on the above discussion of theoretical and empirical perspectives on rural-urban interactions, three broad alternative policy approaches can be identified. The first is the promotion of large industrialising urban centres, which are assumed to generate eventual "trickle-down" benefits for the rural population through the modernisation of the national economy. This approach is internationally somewhat outdated and has been largely discredited as a means of achieving *rural* development: experience has shown that the concentration of investment and services in a few large cities does not benefit the rural areas (and may even lead to their active exploitation and under-development).

The second major policy strand, which has been applied to varying degrees by governments in all regions of the world, is the control or regulation of urban growth and particularly of rural-urban migration. The purpose is generally to limit the influx of poor rural people to towns with inadequate utilities and employment for them, thus avoiding mass urban poverty and the uncontrolled growth of slums. Policy instruments for this purpose can be divided into (a) direct controls on people's movement or urban residence, and (b) (more constructively) improvement of economic conditions and safety net provision in rural areas.

The third policy approach, and the most relevant one for this study, is the development of small or intermediate towns in rural areas. As we have seen above, the promotion of regional towns as a counter-balance to over-centralisation in the cities and as an integrated part of rural development strategies has been advocated by development planners since the 1960s. In the intervening decades, the focus has moved increasingly towards locally-specific small-town development plans, grounded in an understanding of the socio-economy, needs and potential of the surrounding rural area. The unidirectional concept of urban 'growth poles' spreading development outwards has been superseded by a view of more reciprocal and interdependent rural-urban interactions in which the rural population are active participants; and by a more holistic 'network' or 'cluster' image of the spatial relationships between town and country. During the 1990s, the priority given to decentralisation and market-oriented rural development renewed the interest of donors and development planners in the active promotion of small towns in rural areas. For example, Kenya's Rural Trade and Production Centre Programme was supported by USAID, with the following rationale:

> "Small town development is *not* the goal of a small towns programme. The goals *are* the strengthening of rural-urban linkages, the promotion of agricultural development in small towns' hinterlands, and the stimulation of non-farm employment opportunities in small towns. A small towns programme could be effective in any developing country where these policy goals are desirable" (Gaile 1992:131).

A review of international experience with such small-towns programmes suggests that the conditions for success in achieving beneficial growth for small towns and their surrounding rural population may include the following:

- ***Locally-specific*** investment plans based in a detailed analysis of the local rural socio-economy and existing rural-urban interactions.
- ***Decentralised*** decision-making.
- Urban development plans must be geared to the ***needs of local rural people*** (in terms of services, marketing links, income diversification opportunities, etc.), not only to national market networks or the needs of the metropolitan centre for rural produce.[68]
- Development must be ***multi-sectoral***: for example, agricultural production programmes should be linked to agro-processing and marketing development, and human resource investments (such as schools, skills training and health) should be accompanied by employment promotion.
- Policies must recognise that the separation of people and activities into 'rural' and 'urban' is less clear in practice than in theory: in reality, "***straddling the rural-urban divide***" (Tacoli 1998b:149) is an essential part of livelihood and survival strategies for many households.
- The broader ***national and macro-economic policy*** environment must be taken into account. For example, national policies which affect the prices of agricultural inputs and outputs, or conditions of international trade, or labour mobility may have stronger impacts on rural-urban linkages than programmes designed directly to influence them.
- Interestingly, a relatively ***equal wealth distribution*** among the rural population makes it more likely that the benefits of decentralised urban growth will stay in the local area and generate multiplier effects, rather than being extracted by absentee landlords or wealthier urban residents.[69]

Improved roads and communications have been found to be necessary but not sufficient conditions for developmentally effective rural-urban interactions. As Tacoli (1998b:14) notes, "a low intensity of rural-urban linkages can be the result of specific socio-economic conditions in a given rural area, which may also affect different groups in different ways, as well as the result of poor transportation systems". This, again, reinforces the need for an understanding of the local rural context and existing rural-urban networks. Jerve (2001:118) further comments that "[t]he example of South Africa … demonstrates the potential of promoting secondary trade and industrial centres to create employment for the rural poor.

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[68] "[W]here the stimulus to urban growth results in activity primarily by the people and for themselves … small-scale urbanization may be beneficial locally", assuming a "relatively egalitarian class structure" (Southall 1988:5. Compare Hardoy and Satterthwaite's point in footnote 4).

[69] "Just as small towns and their services may have a positive influence on rural development and agricultural productivity, the development of the small towns depends on the growth of rural incomes. However, recent research indicates that it is also a prerequisite that the incomes generated are spread fairly evenly. Where land ownership is very concentrated, incomes tend to leak out of the local area to non-local landowners. Thus, the small towns seem to grow especially where agricultural reforms have taken place, because only here will growing incomes lead to growing local demand" (Hardoy and Satterthwaite 1986, summarised by Pedersen 1990:90).

Yet, this case also demonstrates that small town development requires more than investments in transport infrastructure. Equally important is to ensure active state intervention in directing and stimulating private investment".

Social services (e.g. health and education) are also necessary but not sufficient for promoting rural development through rural town growth. For example, Gaile (1992:133) argues that "infrastructure directly related to productive activity" such as "power, water and transport access", along with initiatives to fill the gaps in credit and information markets, should have a more central emphasis in a market-based small towns development programme than "[s]ocial infrastructure such as schools and health clinics".

This rapid survey of international literature on rural-urban linkages and small town development raises a number of possible directions for research and policy in Ethiopia, and Wollo in particular. This is not to suggest that successful policies can be easily transplanted from one country to another, nor that programmes such as small town promotion are without problems and pitfalls. Clearly, any policy on integrating urban growth with rural development, or promoting beneficial aspects of rural-urban interactions, must be carefully tailored to local needs and potentials. The following section considers some relevant issues and evidence arising from the Destitution Study fieldwork.

9.3. Rural-Urban Linkages in Wollo

9.3.1. Background

Wollo is one of the least urbanised parts of Ethiopia, which itself has one of the lowest urbanisation rates in the world. At the national level, 17.2% of Ethiopia's population were estimated to be living in urban areas in 2001, compared to the African average of 38% (UN Population Division, quoted in Falge *et al.* 2001:12), while in the three Zones of our study area, the 1994 population census found that only 9% of people lived in towns.[70] Of course, migration and other forms of rural-urban interactions (flows of people, capital, information, goods and produce) are not limited to towns within the same Zonal or Regional boundaries. Some of the participants in the Destitution Study have links of various kinds with towns as distant as Addis Ababa, and even Jeddah and Djibouti: yet, while such links are extremely important to households engaged in them, the fieldwork findings discussed in this section support the observation that rural Ethiopians tend to have fewer and weaker urban connections than their counterparts in many other African countries.

This relative weakness of rural-urban ties has been attributed by many international observers (for example, Iliffe 1987) to the socio-cultural organisation of the highland Ethiopian nations, who tend to live in small households based on a nuclear model of parents-plus-children, rather than the large extended families common in other countries (which lend themselves more easily to spatial diversification and networking). It also seems highly plausible that the Derg land reforms contributed to the weakening of rural-urban ties, by making it illegal for people to maintain land rights in their home village while living in town.[71] Thus the types of rural-urban livelihood interactions and interchanges of social support outlined in section 9.2. above (e.g. multi-spatial households, remittances, and investment of urban incomes in agriculture) are less developed in rural Ethiopia than elsewhere.

Holt and Dessalegn (1999:5-6) make the following comment regarding the lack of urban opportunities in the northern part of our study area:

[70] This proportion has probably increased since the census, due to the migration-fuelled higher population growth rate in towns like Desse, but Wollo remains overwhelmingly rural.

[71] Wondwessen Delelegn, *pers. comm*.

> "[O]ff-farm cash-earning sources are meagre, with no large towns, let alone a city, and virtually no industry [in North Wollo and Wag Hamra Zones] … [Yet] urban growth, and an associated growth in the non-agricultural economic sectors, is needed … to add value to the work of the resident farmers. For it is chiefly urban demand on which increased income from agriculture depends, making possible a cycle of investment and re-investment in new inputs and efficiency."

These observations are true but, we would argue, incomplete in two ways. Firstly, this viewpoint assumes a clear separation between rural and urban economies and populations; whereas in fact international evidence suggests a blurring of these boundaries. Secondly, it seems to assume that 'urban' development can only happen in large towns or cities, outside rural areas like our study zones; whereas in fact small town development within rural areas may offer an alternative urbanisation route, providing some of the economic and social advantages of town life without mass displacement of the rural population to city slums.

The following sections present evidence from the Destitution Study fieldwork about current rural-urban interactions in Wollo and the potential for the growth of dispersed small towns. These findings are drawn both from the quantitative analysis of the household survey, and from qualitative methods including focus groups, unstructured interviews, and PRA-based mapping of rural-urban interactions. Section 9.3.2 first gives an overview of rural-urban interactions as described by villagers in four of the qualitative sites. This is followed by discussions of household survey data on rural-urban social capital and transfers (9.3.3); temporary and permanent migration from rural to urban areas (9.3.4); and, finally (9.3.5), the current and potential growth of small towns in rural Wollo.

9.3.2. Villagers' views of rural-urban interactions

In a PRA-based exercise involving mapping and scoring of rural-urban interactions (see Annex 4 for a description of the methodology), people invariably scored their nearest town as the most important one for their lives and livelihoods, regardless of its size or its status in the administrative hierarchy. Villagers' schematic maps of urban centres with which they regularly interacted included a considerable number of towns (ranging from 9 to 17), each of which fulfilled a different purpose or combination of purposes. Generally, women and older people interacted with fewer and nearer towns. Yet, despite the wider geographical range of the younger men's urban linkages, men's and women's groups agreed in giving the highest importance to the nearest town in three out of the four communities where these issues were discussed in detail [see Table 9.2]. In the fourth case (Aya Ager), there was a slight difference between the genders: women gave the highest score to the nearest town, while men considered the slightly more distant *Wereda* centre of Harbu, on the arterial north-south road, as more important. Even in this case, however, the difference in scores was marginal. All the discussants agreed that the small nearby town of Adami was very important to the village.[72]

[72] One of the reasons given was that "everyone" goes to Adami, while very few people ever go, for example, to Addis Ababa: *"We only know the name, we have no money to go there."*

Table 9.2. ***Some features of rural-urban networks for four villages in Wollo***

Name of *gott*	Location* *(Wereda)*	Number of towns mapped	Most important town (highest group score)	Most distant town (by travelling time)
ADI MAYA	Sekota	15	**Sekota** (2 hours' walk), Zonal Capital	**Tewabe** (Sudan), 15 days' travel
ENKOYBER	Dawunt Delanta	17	**Gosh Meda** (30-40 minutes' walk), *Kebele* centre	**Bahr Dar** (Regional Capital), 2 ½ days' travel
CHEREFE	Mekdela	12	**Debre Zeit** (1 ½ hours' walk), *Kebele* centre	**Shambu** (Wellega), 4 days' travel
AYA AGER	Kalu	9	*Men*: **Harbu** (3 hours' walk), *Wereda* centre *Women*: **Adami** (1 ½ hours' walk), no administrative status.	**Djibouti** 4 to 5 days' travel

** See Chapter 4, Map 1 for the exact location of these communities*

In the village of Enkoyber in Delanta Dawunt (an area with a strong tradition of migration), the linkages mapped by the discussion group included the two Zonal capitals of Woldiya (North Wollo) and Desse (South Wollo); the regional capital of Bahr Dar; and the national capital of Addis Ababa. Even so, the group members agreed unanimously that the small local town of Gosh Meda was their most important urban centre.[73]

Similarly in Cherefe, Mekdela *wereda*, although people had regular links with large urban centres including Desse and Addis Ababa, the *kebele* centre of Debre Zeit was considered the most important town, because:

> *"It's the source of everything – we go there mainly to buy and sell grain, but also to sell sheep, and for small administrative purposes. Even the weak, who can't walk long distances, can go there. There's a clinic and grain mills. Everyone goes there (poor and rich, weak and strong, men and women). There's a veterinary clinic … You can do small trade in soap, batteries, cloth, etc. (buying and selling during the same market day)."*

These findings illustrate, firstly, that rural-urban linkages in Wollo (as elsewhere) do take the form of complex networks linking each village with numerous towns for different purposes, rather than bilateral or single-centre interactions. This pattern matches closely with the 'clustering' or 'regional network' model suggested by Douglass [see section 9.2.1 above]. Secondly, they show that small, local towns play an important role in the daily and weekly lives of rural residents. The development of services, infrastructure, markets and employment in these small towns could have a more significant impact on the livelihoods of the surrounding rural population than any amount of 'traditional' urban development in large, distant cities. Thirdly, they corroborate Tacoli's point [see above] that rural-urban linkages are socially selective: gender and age, as well as wealth, play a role in determining the form of rural people's interactions with the towns.

Alongside these generalisations, it should be noted that there is considerable variety among the communities studied. Urban linkages (including social networks facilitating trading and migration) are stronger in some places than others, due to a combination of luck, location and history. Also, such linkages are not static: among the fieldwork sites for the Destitution Study, it was striking that recently-improved roads and the growth of local

[73] They added that while people go to Gosh Meda every day, usually *"you only go to Desse if you have problems – family or health problems".*

towns have had a significant impact on the level and type of interactions for some communities. The changes are not always positive for everyone: for example, the new road from Sekota to Korem has displaced a formerly profitable trade route using pack-animals.

Box 9.1 summarises the functions or purposes of rural-urban interactions for the people of these four villages, under the broad headings of economic interactions; services; and social functions. Economic purposes include, most prominently, market activities and employment. People (especially the younger men) tend to visit different markets for the sale and purchase of different commodities, especially major or specialist items such as livestock, clothing, and commodities for trading. Price differentials are constantly changing, rendering these market-based interactions quite fluid.

Box 9.1. *Functions of towns for rural residents in Wollo*

Economic:

- Employment (construction, stone-breaking, portering, services, domestic work…)
- Trading (buying and selling for profit, arbitrage)
- Selling produce (primary, agro-processing and artisanal products)
- Consumer shopping (buying grain, coffee, etc. for own use)
- Access to transport and migration networks
- Information exchange
- Training or skills development (⇔ chain migration)

Services:

- Medical (clinics, midwives…)
- Education
- Law courts
- Administration / political activities
- Grain mills
- Agricultural inputs (pesticides, fertiliser, improved seeds, veterinary medicine…)
- Food aid

Social:

- Visiting relatives (⇔ economic networks)
- Religious observances

Source: Destitution Study fieldwork (PRA discussions of rural-urban linkages)

Urban employment is a very important component of livelihoods for some rural communities (such as Adi Maya in this sub-sample), but hardly features at all for others (such as Aya Ager). Participants in the Aya Ager discussion echoed a widespread comment that rural people are increasingly in competition with the urban unemployed (who are likely to have better skills and/or local contacts) for scarce jobs: *"Desse people are already sitting unemployed, why would they give us work?"*

If employment is available in local towns, it tends to reduce or displace labour migration, since most people prefer to stay in the village if possible to take care of family obligations and to maintain their base in farming. The BASIS study in South Wollo (Yared *et al*. 2000:22) found that:

> "[o]pportunities for daily wage labor expand with greater proximity to towns and market centers. *Kebeles* which were less than 10 km away from a market center were more likely to mention daily wage labor as a source of income in comparison to *kebeles* which were more than 10 km away from a market center. On the other hand, migrant labor and food-for-work were mentioned more often in *kebeles* that were more than 10 km away from a market center, possibly because of the lack of alternative sources of income".

Access to transport and migration routes is another very important function of towns, and indeed the major function for many of the towns mapped in these discussions. Some small towns which are currently booming along the new or improved roads seem to be primarily transit centres, offering various services to passengers and drivers – food and drink, accommodation, tyre and engine repairs, trading goods – and, of course, sexual services (In this context, the danger of sexually-transmitted diseases, including HIV/AIDS, arising from increased rural-urban interactions and migration should not be underestimated).

Among the government services for which rural people go to the towns, education and medical treatment are the most frequently mentioned. However, more mundane daily services such as grain milling, as well as occasional dramatic needs such as legal intervention or emergency food aid, also featured in all the discussions of rural-urban linkages.

"Social" interactions, usually described as "visiting relatives", often have a component of economic networking and/or job-searching. Religious reasons for visiting towns also overlap with economic and broader social interactions. For example, Gishen Mariam in Ambassel Wereda is an important Orthodox Christian pilgrimage site: participants in the rural-urban linkages discussion in Enkoyber (Delanta Dawunt) said that "everyone" from the Christian community goes there twice a year for the major festivals of Saint Mary. They added, "*the Moslems also go because it's a very good market during the festivals – they sell oxen, sheep, honey, and butter. People also come from Shewa for the market. Some people sell food and drink there."*

9.3.3. Social capital and sources of transfers

The findings of the Destitution Study fieldwork support the anecdotal observation made in section 9.3.1 that socio-economic linkages between rural and urban residents are relatively weak in Wollo. An overview of the household survey data on access to informal transfers (that is, free assistance received from sources other than government and non-government organisations) has already been given in Chapter 7: here, we look more closely at the types and sources of such transfers, comparing the levels of rural and urban social capital that they reveal. Table 9.3 shows the frequency of household receipts of such transfers, classified by type and locational origin. Cash remittances and gifts from urban sources are found to be very rare by international standards: only 42 households out of 2,127 (less than 2%) had received such transfers in the past year. Interestingly, by far the most frequent source of assistance in every category is the local community (84% of all reported informal transfers), despite the falling resource levels and declining number of better-off people in the villages [see Chapter 6].

Free assistance with labour and animals are especially frequent, and our qualitative work confirms that people consider these non-monetary types of transfer very important, especially for the elderly and labour-poor: being able to draw on social or family networks for the use of oxen or labour can make the difference between a household surviving or becoming totally destitute. Although transfers from towns and distant places are likely to be of higher monetary value than local gifts, very few households have access to them: in our sample, only 60 households (about 3%) had received any kind of transfer from an urban source in the twelve months preceding the survey.

Table 9.3. ***Rural versus urban sources of informal transfers***

TYPE OF TRANSFER	Total number and % of HHs receiving this type of transfer in the past year	SOURCE OF TRANSFERS (number and percentage of cases)						
		WITHIN THE VILLAGE	OTHER RURAL AREA		URBAN AREA			FOREIGN COUNTRY
			Within ANRS *	Outside ANRS	Town in ANRS	Addis Ababa	Other town outside ANRS	
Cash gift / remittance	76 *3.6%*	21 *28%*	14 *18%*	2 *3%*	11 *14%*	16 *21%*	15 *20%*	4 *5%*
Cash loan	208 *9.8%*	143 *69%*	44 *21%*	3 *1%*	*2 1%*	*2 1%*	0 -	0 -
Food gift	78 *3.7%*	63 *81%*	15 *19%*	2 *3%*	1 *1%*	0 -	0 -	0 -
Grain loan	182 *8.6%*	140 *77%*	39 *21%*	39 *21%*	1 *1%*	0 -	0 -	0 -
Seed gift	36 *1.7%*	26 *72%*	11 *31%*	1 *3%*	0 *0%*	0 -	0 -	0 -
Seed loan	70 *3.3%*	53 *76%*	14 *20%*	3 *4%*	1 *1%*	0 -	0 -	0 -
Free labour	816 *38.4%*	712 *87%*	49 *6%*	0 -	0 -	0 -	0 -	0 -
Free use of plough oxen	523 *24.6%*	460 *88%*	50 *10%*	0 -	0 -	0 -	0 -	0 -
Free use of pack animal	563 *26.5%*	538 *96%*	40 *7%*	3 *1%*	0 -	0 -	0 -	0 -
Other gift (e.g. clothing)	28 *1.3%*	15 *54%*	4 *14%*	0 -	2 *7%*	6 *21%*	3 *11%*	0 -
Total number of cases	*2,580 **	*2171*	*280*	*53*	*18*	*24*	*18*	*4*

* *ANRS = Amhara National Regional State*

** *The number of transfers reported is greater than the household sample of 2127, because some households received more than one type of transfer.*

9.3.4. Migration

This section briefly reviews what we know from the Destitution Study about two types of migration from rural Wollo to urban areas:

a) ***Labour migration***, which we define as temporary migration for employment *('shegel')* and other economic activities. This may be either seasonal (fitting in with the slack seasons of the agricultural year) or 'circular' (temporary, but without a regular seasonal pattern: this is usually longer-term than seasonal migration, but can also be of shorter duration). Labour migration is, and has been for generations, an important component of livelihood diversification and coping strategies for many households who continue to base their lives in the villages and to consider themselves primarily farmers.

b) ***Permanent rural-urban migration***, in which people (whether individuals or households) leave the villages and establish a home in the town, usually with no plan to return to rural life.

We have seen in Chapter 7 that labour migration to urban destinations is less frequent than rural-rural migration, and that non-destitute households are almost twice as likely as destitute households to have a member engaged in urban labour migration. One can infer that the reasons for this include the higher initial costs of travel and job-searching in towns (especially accommodation and subsistence while unemployed). There may also be a causal link in the opposite direction, i.e. that the ability to engage in urban employment enables households to escape from destitution.

Qualitative discussions (focus groups and interviews) suggest that there is also, to some extent, a generation divide between rural and urban labour migrants: younger men [74], given the choice, tend to prefer urban destinations, while older men on the whole favour rural work. For example, a focus group in Delanta Dawunt split along age lines in response to a question about the best destination for labour migration. The older migrants maintained that the rural areas were best:

> *"Expenses are limited, you live and eat with the farmers, so you can save. In urban areas, there are lots of problems. The work's insecure, and you have to spend what you earn to live while you're unemployed. Working with farmers is easier, and if you're out of work you can at least go and collect firewood to cover your expenses. In urban areas it's all money – there are temptations like drinking, so you spend your money. In Addis or Assaita you can stay there a long time because you don't want to come back without money. You go and work and then spend your money – you've got nothing to bring back so you stay, and in the end you get buried there."*

The younger men in the group agreed with these comments but maintained that, nevertheless, urban employment was better paid (especially in Addis Ababa) and that life was safer because of the highland climate. There was heated disagreement about the balance of risks: the main danger in rural (lowland) areas was malaria, while the risks in the towns included HIV/AIDS,[75] crime and traffic accidents. Underlying the discussion of rural versus urban destinations were also broader differences in attitudes to migration: the older men were more likely to have fields and families to come back to, and therefore favoured the predictability and seasonal pattern of agricultural work, while the younger men (many of them unmarried, and either landless or unable to farm through lack of other resources)

[74] Only a very few examples were reported of *women* who had been on temporary labour migration and returned to the villages. Most women who leave do so permanently, either for rural resettlement areas (such as Wellega) or, more frequently, for the towns. This phenomenon is discussed below, in the context of permanent migration.

[75] As one older migrant (arguing in favour of rural areas) commented: "You can survive malaria but not AIDS".

were attracted by the more open-ended experience of urban migration, with its greater risks but greater and more varied opportunities. Generally the group agreed that succeeding in urban migration required more capital, and contacts (to help with living arrangements and employment) were more important in urban than rural areas. A general advantage of urban destinations, on the other hand, is that work can be found there all year round, independent of the season.

Permanent migration from the rural areas to the towns is more difficult to document from the village perspective: however, our fieldwork discussions suggest that it is mainly young individuals, rather than established households, who have been leaving the villages in recent years to make new lives in an urban setting. Women are more likely to leave permanently, once they move from the village:

> *"Young women (aged 18/ 19 +) go to Addis Ababa. Both married and unmarried women go (if they're married, they just leave their husbands). They come back to visit their parents but they don't come back to live." (Women's livelihoods group, Worke Wuha)*

Chain migration, in which people move first to nearer towns and then progress by steps to larger cities, is common. It is especially important for young women who are learning the skills of domestic service. For example, participants in Enkoyber commented that *"people stop [in Dessie] on their way to Addis Ababa for employment. We may stay and do some work in Dessie on the way (especially women, who get domestic jobs)".*

A study of Addis Ababa's migrant population in the year 2000 (Falge *et al.* 2001) found that migrants from the rural areas have an unusual gender profile, compared to other African countries. In Ethiopia, women migrants to the capital outnumber males; women migrants are, on average, younger than their male counterparts; and the median age of women in-migrants to Addis Ababa actually fell between the census years of 1984 and 1994 (while the median age of male migrants rose slightly during the same period). At the same time, an unusually high proportion of these women migrants are divorced or unmarried (contrary to the common assumption in international migration studies that women migrants usually follow or accompany their husbands). In Addis Ababa, it is often observed that most of the female domestic workers are from Wollo: and indeed the survey just mentioned (Falge *et al*: 33-34)) found that the Amhara were the largest single ethnic group among recent migrants to Addis (34.4% of migrants, followed by the Gurage (29%) and the Oromo (22.4%)). Box 9.2 puts a human face on these statistics, in the words of one young woman who left a village in Delanta Dawunt (North Wollo) to go to Addis Ababa. She was about 18 years old at the time of this interview (so about 16 when she left the village). Her story illustrates the 'push' factors that led her to leave village life, as well as the 'pull' of the city: it also exemplifies the crucial role played by earlier migrants from the same area in facilitating 'chain migration' and enabling newcomers to gain a foothold in the destination area.

Box. 9.2. *The story of a young woman migrant to Addis Ababa*

"I was married at the age of about 12, to a man in his mid-twenties …. We didn't get on, and I only stayed with him for a month before leaving and getting a divorce (I have no children). After that, I lived with my father and stepmother in the village for about five years. My own mother died when I was a child. I didn't get on well with my stepmother, but my father was strong and protected me: I lived with them and helped in the house. Then my father got sick, and dependent on his wife: he couldn't protect me any more, and there was bitter conflict between me and my stepmother. If my father hadn't got sick I would never have dreamed about leaving.

"Then about two years ago, some people who'd left this area for Wellega during the resettlement period came back to visit. They started talking about getting employment elsewhere, and I agreed to go with them. I left without telling my parents. Four of us young people from the *gott*, two men and two women, went with one of the 'relatives' *[the resettlers]*. He took me to Addis Ababa and left me with a relative of my mother's, and then the other three continued with him to Wellega. I stayed with my relative, a widow with children who also migrated from Wollo and now lives permanently in Addis Ababa, working in the health sector. I lived as one of the family, cooking and doing housework for them in return for board and lodging and 30 Birr *[approx. £2.50 / US$3.50]* per month. I like Addis, and hadn't planned to come back to the village: but my father died in Tikimt (October), so I came home for the mourning period.

"I want to go back to Addis, to the same home, but my two brothers don't want me to leave. One is divorced and the other is unmarried. My stepmother left when my father died, so there is no woman in the household and my brothers want me to stay and help them (at least until one of them marries).

"Everything about urban life is better than rural life. You're clean, the houses are better, and the food is better and more varied. Here *[in the village]* you eat barley and sorghum all the time, but in town you eat *teff*, with oil, onions, and other ingredients. Sometimes just cleaning the house in Addis makes me happy, because the house itself is better than here. … I've also started school in Addis. I go in the evening, and I'm in Grade 1. I never went to school in Gosh Meda because my father wanted me to stay at home and help him. None of my two brothers and four sisters went to school: one brother had to manage the cattle while the other worked in the fields (our father was busy trading). When I go back to Addis I plan to continue my schooling for as long as I stay there – at least until I can read and write, but I'll go further if I can. Education is important for whatever I do in the future.

"My only regret about leaving is that I left my sick father without help. Also, sometimes being alone made me cry – I was homesick, and remembered my family. Apart from this, there are no bad sides to living in town.

"My plan for the future is to go back to Addis Ababa to make money, and then come back to live in Wogel Tena *[the wereda town]* and open a shop. I don't know what kind of shop – I'll see about that when the time comes. I don't know how long I'll need to stay in Addis to save enough money, but once I've learned how to cook and housekeep well I plan to leave my relative's home and take a better-paying job as a domestic servant. I have friends who earn 70 to 80 Birr a month plus accommodation and meals …. I think my relatives will help me find a job. From my previous stay in Addis I wasn't able to save any money … [and] … I didn't send anything back to my family. …

"I want to come back to Delanta eventually rather than staying permanently in Addis, because it's my place, it's the best area, and also because I am not respected in Addis. People insult me and call me a "migrant" because I wasn't born there. …. But I plan to live in town (Wogel Tena), not in the village. Coming back to the rural area would be going back to my former situation.

"I'd like to live alone without a husband - why do I need a husband if I have something to do *[i.e. a means of earning a living]*? – but I don't think it will be possible.

"There are other women in the village who want to go with me to Addis, but I won't take them because it would cause problems *[in the village]* and damage the reputation of my family. When I go, I go alone. But I've told them a bit about life in Addis and they say they'll follow me. Even my brothers are a little tempted to come to the city, but they want to stay here to ensure the continuity of the family.

"My friend *[who left the village at the same time]* …. wants me to join her in Wellega, but why would I leave a rural area to go to another rural area?"

Source: Destitution Study field work, unstructured interview

9.3.5. Small town growth: potential and constraints

Government policy in Ethiopia, both past and present, has tended to focus on the first of the major policy strands identified in 9.2.3: that is, on controlling and discouraging the mass migration of poor and landless farmers to the country's few large urban centres (such as Addis Ababa and Desse). Indeed, this concern is one of the major reasons for the current government's commitment to avoiding private ownership of land, on the grounds that it could lead to distress land-sales and an influx of destitute landless peasants to the towns.

The alternative approach of actively investing in small-scale urban growth at dispersed locations within rural areas (the third option discussed in section 9.2.3) has received little attention in Ethiopia so far, but it has considerable potential as a development strategy for areas like Wollo and could contribute to improved livelihoods in several ways. Such 'growth points' could be centres of employment, education, marketing, low-tech agricultural processing industries, services, and communications. While some people from the rural areas around such centres will relocate to houses and businesses in town, the great majority of those who would benefit from their markets, employment opportunities and services are likely to continue living in the villages and gaining a large part of their living from farming. Such small-town growth could, therefore, form an integrated part of the regional rural development strategy, and lead to a very different path of development from what is usually understood as 'urbanisation'.

The objective of creating small urban growth points is already included in the current rural development policy, as summarised by Amdissa (2002:24; see Annex 1):

> "In order to promote urban centres in the rural areas a 'growth centre' will be selected in the *kebele* where basic services such as schools, health centres, and water points will be constructed to attract rural people towards the centre. …. Employment opportunities will be created for the youth in order to discourage them from leaving for urban areas and also relieve the pressure on farm land."

However, it is not yet clear which government ministry or department is responsible for promoting these 'growth points', or where the necessary investment will come from.

The Destitution Study fieldwork has confirmed that many small towns are already growing in Wollo, especially along the recently-improved roads, and that access to such growth points has a marked effect on the livelihood opportunities of rural communities. For example, the people of Woldib in Ziquala, within a few hours' walk of the small town of Tsitsika, described the impact on them of the town's growth since it became a *wereda* centre in 1986 EC (1993/94 GC):

> *"In the past it was a life of migration, not only because of rain shortage – you couldn't buy grain on the market. That time was bad…. Many people went on labour migration to Belessa, Korem, and Raya. Now we don't migrate, we get work locally at Tsitsika – we go there and stay 4 to 6 days, and we can come home if there's a holiday or if we don't get work….. There's construction work at Tsitsika, and road-building work with the government…. Things are better than before because we don't have to go far for 'shegel' [employment]. Health services and markets are nearer."*

Similar effects (though on a larger scale) were described by the people of Adi Maya, a village near the town of Sekota, which has doubled in size since it became the Zonal capital on the creation of Wag Hamra Zone in 1993. The influx of salaried government staff and investment in public services such as the hospital and schools have provided a great deal of employment for the surrounding rural population. The market has also grown significantly, probably due as much to the new road linking Sekota to Lalibela and the main

north-south trade route as to the increased urban population. As people explained in a focus group on rural-urban linkages:

> *"Sekota has always been the most important town for us, but its importance has increased since it was upgraded from a wereda town to a zonal capital in 1986 EC [Ethiopian Calendar]. We have seen many changes in Sekota since then. The population of the town has grown. There has been road construction. Twenty-four-hour lights and electricity were put in. Now we receive our food aid from Sekota instead of Korem.[76] There was a clinic in Sekota before; now there is a hospital. The school that used to be elementary only is now secondary as well. The market is constantly expanding: it used to be on Tuesdays only, but now you can go to the market every day and find people buying and selling. You can get everything you need from Sekota market, instead of having to travel to several different places to buy grain, clothes, livestock, and other things. Also there is a good market for anything we want to sell – firewood, dung, clay pots – every day, not just on market day."*

Other examples of small towns already flourishing as potential growth points are Gosh Meda (Dawunt Delanta *wereda*), and Debre Zeit (Mekdela *wereda*). Mekane Selam, the *wereda* centre of Debre Sina, is a different case: an old town with little recent growth, but with well-established services, communications and market links which have clearly had positive impacts on the livelihoods and wellbeing of surrounding villages (through, for example, greater access to schools, agricultural extension, health services and organised labour migration than in other communities visited).

Constraints to the economic growth of small rural towns include the difficulty of transferring farming land to housing or business use;[77] the lack of private investment; the scarcity of productive infrastructure and utilities; and the shortage of business skills and marketing knowledge. Regarding productive infrastructure, a study of off-farm income diversification commissioned by the Regional Government (Consultancy for Progress 2002:43) identified the lack of electric power in most Wereda towns as a "major obstacle to establish[ing] cottage and small-scale industries in rural areas". Other basic types of productive infrastructure such as communications and water are equally lacking, and equally important for the development of locally-based enterprises complementary to agriculture.

There is, therefore, an urgent need for strategic planning and investment in small-town growth if its full benefits are to be realised. Although such a strategy must, of course, be designed to fit the specific conditions and current level of development of Wollo, the experience of other countries (discussed in section 9.2. above) suggests that service provision alone will not create the 'growth point' effect: productive infrastructure and the active promotion of favourable business conditions for rural employment and enterprise are also needed.

9.4. Conclusion

This chapter has reviewed selected strands of the international development literature on rural-urban linkages and small-town promotion, and has then discussed the Destitution Study's fieldwork findings regarding current rural-urban interactions in Wollo. The literature shows that conclusions about the positive or negative impacts of towns on rural development have been a focus of disagreement and controversy among development analysts over the past half-century. More recent work has tended to emphasise the importance of locally-specific empirical analysis of actual rural-urban interactions, rather than generalised models and assumptions (whether positive or negative). Particularly relevant areas of recent international literature include the 'network' model of rural-urban

[76] Korem is a twelve-hour walk from Adi Maya, while Sekota is a much shorter two-hour walk.

[77] See the discussion of urban land issues in Chapter 11, on policy implications.

linkages (which envisages the interactions between villages and towns as reciprocal, interdependent, multisectoral and spatially dispersed), and the growing evidence about the interdependence of rural and urban livelihoods at the household level. The clear separation between rural and urban populations and activities appears to be more theoretical than real. Investment in services, infrastructure and enterprise in small towns within rural areas is one policy direction which has been tested in various countries and could be particularly appropriate to Wollo.

The pattern of current rural-urban interactions in Wollo was found to fit well with the 'network' model. Villagers interact with many different towns for varied purposes, rather than with one central urban point. People consistently described their nearest towns, however small, as their most important urban centres. Gender, age and wealth play a role in determining the extent of households' urban linkages. Social capital and transfers between the rural and urban communities were found to be very weak, with villagers mainly relying on assistance from their close neighbours (despite the low resource levels in the villages and the problem of covariate risk, meaning that local problems such as drought affect everyone). Very few households had received any assistance or resource transfers from an urban source in the preceding year.

Migration from the villages to towns was considered under two categories: temporary and permanent. Temporary (labour) migrants go more frequently to rural than to urban areas: urban migration is considered potentially more profitable, but also more expensive and in some ways more difficult. Non-destitute households are significantly more likely than destitute households to have a member engaged in urban labour migration. Younger male migrants tend to prefer urban destinations, while older men prefer seasonal rural work: it is not clear from this evidence whether this is a fairly stable life-cycle effect (meaning that younger migrants always prefer the towns, and that the current generation will incline more towards rural destinations as they age), or whether there is a trend towards increasing urban migration in the future. The demand for labour is clearly limited, and rural migrants are in competition with the growing pool of urban unemployed. Growth in local employment within the rural areas would to some extent reduce or substitute for labour migration. Permanent migration, especially to Ethiopia's few major cities, was found to involve mainly individuals rather than households. Young women without husbands (either unmarried or divorced) form an unusually high proportion of these permanent urban migrants.

The policy issues arising from this discussion of rural-urban interactions in a poor, food insecure and drought-prone agricultural area like Wollo go to the heart of rural development and poverty reduction strategies. The major objectives of these strategies need to include diversification of risks and livelihoods for rain-dependent smallholder farmers; the mitigation of remoteness effects (including economic and political marginalisation, inadequate service access, lack of physical transport and poor information flows); and the prevention of mass distress migration from the rural areas to overloaded urban slums. We argue that systematic investment in the growth of small rural towns (based in a detailed understanding of current rural-urban networks and local needs and potentials) could contribute to all these objectives. At the local level, rural and urban development are interdependent and need to be pursued simultaneously: the conditions for off-farm diversification and small-scale industry based on local resources and artisanal agro-processing need to be fostered together with agricultural improvements, in order to achieve the goal of "agriculture-centred rural development" (FDRE 2001:3). We will return to these issues in the concluding policy chapter of the report.

CHAPTER 10. CAUSES AND PROCESSES OF DESTITUTION

10.1. Introduction

The analysis in Chapters 5 and 7 focused on destitution as an *outcome* or state of being, and examined the characteristics of households in the study area that are defined as being destitute. Chapter 6 examined *trends* in destitution outcomes over time. There is, however, another way of looking at destitution: as a *process* over time, rather than a state of being. The analysis of destitution processes is important for policy because it explains how and why people become destitute – in technical terms, it isolates causal correlates rather than descriptive statistics – and, if the population is disaggregated into sub-samples, it can focus attention on specific groups of households that are likely to need monitoring and special attention.

This chapter explores how rural households in Wollo become destitute. It considers destitution as a dynamic process, and tries to understand the causes and trajectories that push households towards a state of becoming destitute. Chapter 6 showed that the incidence of destitution in the study area seems to be steadily increasing over time – and conversely, that very few households manage to escape out of destitution *("In the past, people moved from poor to rich, but not now").* It is clear that most destitute households did not start out assetless and unable to meet their basic needs, but fell into this state of dependency as the result of a combination of livelihood shocks and complex pressures that undermined their livelihoods over many years. How and why this happened to them is the subject of this chapter, which draws mainly on qualitative data: in-depth interviews with case study households, and group discussions around participatory methods such as community time-lines and wealth ranking. But the chapter begins with a general overview of some of the contextual factors that are generating processes of impoverishment in the study area.

10.2. Contextual Causes of Destitution in Ethiopia's Northeastern Highlands

The forces driving increasing levels of destitution in Ethiopia's northeastern highlands are often conceptualised in familiar Malthusian terms (see Holt and Dessalegn 1999):

- Landholdings are too small, despite being unusually evenly distributed, to allow most farming households to achieve food production self-sufficiency, while an inflexible land tenure system prevents the sale and accumulation of land;
- Population growth, at about 2.2% per annum, reduces per capita landholdings further, increasing the stress on an already fragile natural resource base, and generating landlessness;
- Soil fertility, already very low, is declining due to intensive cultivation and limited application of yield-enhancing inputs;
- Recurrent droughts add life-threatening food production shocks to low yields;
- Land shortage also reduces pasture and fodder resources for maintaining plough oxen, undermining household access to draught power;
- Limited off-farm employment opportunities restrict diversification and migration options, leaving rural Ethiopians trapped in dependence on unviable and highly risky rain-fed agriculture.

This section examines the causes of destitution more closely, by examining resource availability and livelihood strategies pursued by people in rural Amhara Region, drawing on the categories provided by the livelihoods framework.

10.2.1. Livelihood resources

Livelihood systems in the northeastern highlands are dominated by subsistence-oriented smallholder agriculture. It follows that access to agricultural inputs is a major determinant of household incomes: the destitute are those who lack land, labour and livestock assets.

- ***Natural capital – Land***

Access to land has two elements: the size and quality of farm plots, and tenure security. (In the livelihoods framework these correspond to 'natural capital' and institutions mediating access to natural capital, respectively.) Landholdings in the northeastern highlands are very small, soil fertility is low and the area is subject to periodic and often severe droughts. Given the fragility of the natural resource base in conjunction with a constantly expanding population, many observers view the problems of poverty and food insecurity in Ethiopia's northeastern highlands in neo-Malthusian terms: 'too many people on too little land'. Land tenure insecurity is an additional constraint to peasant production. Redistribution of land by the state has achieved socially equitable outcomes, but arguably at the cost of reduced household food security.

> "Simply redistributing land, without linkages to wider development opportunities, may not by itself lead to improved agricultural production and growth. Radical egalitarian measures, as practised in Ethiopia and Tanzania in the 1970s and 1980s, probably undermined overall farm production and food security, leading to increased poverty. This was due to the high level of insecurity generated by fears of further redistribution and a consequent unwillingness to invest effort in measures to improve soil conservation and enhance fertility" (Quan 2000:39).

Dessalegn (1999) concludes that the establishment of secure rights over land "could provide much better incentives for proper management and longer term investment". The land tenure debate in Ethiopia remains unresolved, but pressures to move towards a land market of some form are growing. The government fears that commoditisation would result in land concentration in the hands of rural elites, who would buy up land at distress prices when the poor face livelihood crises such as drought. This raises the twin spectres of mass displacement of rural people with no employment prospects – the urbanisation of mass poverty – and a reversion to quasi-feudal social relations in rural communities, with an emerging class of landless labourers who would be deeply vulnerable to exploitation by wealthy landowners.

Access to land in rural communities can be increased by renting fields from neighbours and paying the owner – typically half of the production from the rented plot. This practice is responsible for rising stratification (Chapman and Haile Kiros 2000). The reasons given for renting out land in a recent survey in Wollo centred on lack of labour strength – elderly or female household heads – and lack of access to draught power (FSCO 1999:9).

In focus group discussions,[78] the inadequacy of agricultural resources was identified as the most important determinant of destitution in rural Amhara Region. A viable farming household needs a minimum of 3 *timad* of land (or 6 *timad* in the *dega* areas, where half of a household's landholdings needed to be fallowed in any given year), the labour of a married couple and a child to herd the animals, and at least one draught animal. The destitute have no land or very little land: up to 2 *timad* at most. Many of these households were ineligible to claim land during the 1991 redistribution, because they failed to meet age criteria or were absent due to involvement with the military or resettlement – over 1 million returnees were looking for land after the civil war ended in 1991 (Bevan 1997:12).

[78] Focus group discussions on local perspectives on destitution were conducted in Amhara during fieldwork for this project. Findings presented here draw on Dr Yared Amare's fieldnotes.

A survey of land tenure in Ethiopia in 2001 found that average landholdings in Amhara Region were 25% lower than the national mean, at 0.75 ha compared to 1 ha nationally – lower than all regions except Tigray [Table 10.1]. Half of all households in rural Amhara (50.1%) are either landless or farming less than half a hectare. As the authors conclude:

> "a significant number of the holdings are too small to provide a decent level of income to farmers. … with the expected increase in the farming population in the coming years, it is difficult to see how the farming population can come out of poverty without a significant creation of non-farm employment in the near future to absorb the additional population" (Berhanu and Samuel 2002:35).

Speaking of the difference between the present and their parents' generation, a young man participating in a focus group for the destitution study in Ambo Ferede observed that: "*the land used for five households now was used for only one household then."*

Table 10.1. ***Landholding in Ethiopia, 2001***

Farm Size	Amhara *[n=1,703]*	National *[N=8,540]*
Landless	9.8%	10.0%
0.1-0.5 hectares	40.3%	27.6%
0.5-0.75 hectares	19.1%	13.1%
0.75-1.0 hectares	9.4%	12.0%
1.0-1.5 hectares	14.2%	14.0%
1.5-2.0 hectares	3.5%	8.1%
2.0-3.0 hectares	3.3%	11.5%
3+ hectares	0.4%	3.7%
Average farm size	**0.75 ha**	**1.02 ha**

Source: Berhanu Nega and Samuel Gebreselassie 2002:34

- ***Natural capital – Livestock***

The destitute lack livestock, especially draught power, due to scarcities of fallow land and shortage of cattle feed, as well as elevated livestock mortality and distress sales during droughts. Lack of draught power forces people to rent out their land or to exchange their labour, usually at the rate of two days work for one day's use of a pair of draught animals (Haile Kiros *et al.* 2000:5). Lack of livestock implies two further dimensions of destitution. The destitute are particularly vulnerable because they have no animals to sell when faced with livelihood threats such as crop failure. Secondly, they have no reproductive animals, which would allow them to build up their asset base and emerge from poverty.

- ***Physical capital***

Ethiopia has 90cm of road per person – one of the world's lowest (Webb and von Braun 1994). Destitution is associated with poor access to infrastructure – roads, transport, towns, markets – and remoteness from more economically buoyant areas of the country. A recent survey in South Wollo found that opportunities for earning off-farm incomes "expand with greater proximity to towns and market centres" (Yared *et al.* 2000:22).

- ***Human capital***

Adult literacy rates in Amhara Region, at 24% for males and 8% for females, are considerably lower than the national averages in 1998 (at 36% for males and 17% for females), while the figure for female literacy in Wag Hamra (just 0.8%) is the lowest in the country (CSA 1999:91). High illiteracy reduces access to off-farm employment.

Table 10.2. ***Literacy rates in rural Wollo (10 years old and above), 1996-1998***

Zone	1996			1998		
	Male	Female	Total	Male	Female	Total
South Wollo	19.7%	9.5%	14.4%	29.6%	10.1%	19.6%
North Wollo	15.0%	3.7%	9.4%	24.9%	7.1%	16.0%
Wag Hamra	4.3%	0.5%	2.5%	12.5%	0.8%	6.8%
All 3 Zones	15.5%	6.2%	10.8%	26.5%	8.3%	17.3%

Source: Frehiwot and Ermias 2002; Table 5.1

Children in Amhara Region display some of the highest levels of malnutrition in the country, with 65% being stunted in 1998 (against the national estimate of 55%) and 71% of under-fives in Wag Hamra being underweight (against a national estimate of 45%) (CSA 1999:135).

A study in India found that destitute households are more likely than others to resort to child labour (Mohanty 1996:85). This is equally true in Ethiopia: according to one recent study, rural Ethiopia has the highest child labour participation rates in the world (CSAE 1999:26).

Focus group discussions found that the destitute are unable to visit a clinic when ill, because they can not afford the fees. This in turn affects their ability to farm productively during seasons of peak labour requirements and to earn income in the non-agricultural season. Deficits and decline in labour capacity due to age, death of household members or dissolution of households also impoverishes households by preventing people from performing productive activities, diversifying or maintaining their assets. For instance, lack of labour as well as oxen forces people to rent out their land to sharecroppers, in return for only a fraction of the produce from the land.

- ***Financial capital***

Input credit is provided to farmers by the Commercial Bank of Ethiopia, the Development Bank, the Ministry of Agriculture and Sasakawa Global 2000 all extend, often this is on unreasonable terms. Extension workers with quotas to fulfil are coercing farmers into taking inputs packages (seeds and fertilisers) which require high levels of moisture and are not well adapted to Ethiopia's variable rainfall regime (Ayelegn and Shirega 2000). No grace periods or write-offs are given in drought years, and farmers are often forced into selling their food production at low post-harvest prices to repay their loans. Defaults occur for several reasons: inability to repay following drought-triggered crop failure, loan diversion to non-agricultural uses (e.g. health expenses or social ceremonies), high fertiliser prices and lack of markets for produce (Belay and Belay 1998). Farmers who fail to repay their agricultural loans have been imprisoned – a perverse outcome of a well-intended policy to improve access to inputs following sharp increases in fertiliser prices.

A critical factor behind continuing destitution is lack of access to start-up capital, either in cash or in-kind, that would allow destitute households to accumulate assets (especially livestock), or working capital to support informal income-generating activities. Because of chronic poverty in rural Ethiopia, access to informal credit is almost as limited as access to formal credit. Only 29% of 300 households surveyed in Wollo in 1999 had taken a loan during the previous year, though many more had tried and failed. Half of these loans came from relatives and the rest mainly from rural credit associations (FSCO 1999:23). Local savings clubs (*equb*) demonstrate a limited potential for accumulation: savings are spent mainly on food and clothing (Aspen 1993:79).

♦ ***Social capital***

Destitutes are looked down on by other community members and are excluded from many social activities and community-based associations. Much of their alienation arises from their inability to meet the criteria for equal participation in social events. They cannot become members of certain religious associations (*mahebers*, *senbetes*) because they are unable to contribute towards feasts and religious ceremonies. Being too poor to contribute to community funeral associations (*idirs*), they are buried without ceremony. Their inability to reciprocate in social activities also prevents them from socialising in an equal fashion. They are not entirely excluded from social support mechanisms, however. The community is a vital source of assistance in the form of gifts or loans of cash or grain from relatives or neighbours. As for participation in resource exchanges, destitutes often exchange their labour for draught power or for pack animals during harvest time, and they rent out their land due to lack of inputs. They generally do not engage in reciprocal labour exchanges, though, because they lack access to land (having rented theirs out) or because they are unable to provide meals. Possibilities for such community support are said to be declining, due to the widespread contraction in resource availability: "hard times erode the ability of people to engage in sharing and self-help. Giving becomes less generous and more focused on one's immediate social network" (Yared *et al.* 2000:7).

10.2.2. Livelihood strategies

♦ ***Agriculture***

Even by African standards, livelihoods in Ethiopia are dominated by peasant agriculture, which employed 89% of the national labour force in 1997. Rural Ethiopia is unusually undifferentiated: small farmers account for over 90% of total crop area and agricultural output (Bollinger *et al.* 1999). But food production is highly unpredictable, due to erratic weather, which has triggered famines for centuries, most having their epicentre in the northeastern highlands. 'Rainfall irregularity' is mentioned by the majority of farmers in Wollo as the primary problem affecting their farm yields. But 'drought' is too simple a concept. Farmers identify several problems with rainfall, including: rains start too late (bad timing); rains stop during the growing season (erratic distribution); rainfall is too little (agricultural drought); rains are too heavy (crop flooding); no rains at all (meteorological drought) (FSCO 1999:15).

Food economy assessments conducted by SCF-UK in farming communities in the northeastern highlands have consistently identified three critical determinants of relative wealth and household food security status: farm size, availability of family labour, and access to draught power (Boudreau 1998; Chapman and Haile Kiros 1999; Haile Kiros *et al.* 2000). As landholdings and livestock ownership fall, the most food insecure households are the labour constrained: female- and elderly-headed households, people with disabilities, households affected by HIV/AIDS.[79]

♦ ***Income diversification***

Off-farm employment opportunities in the study area are limited in both availability and income-generating potential (RESAL 2000). A recent survey in Wollo found that only 26% of household heads had a second occupation – petty trading, daily labour, handicrafts (FSCO 1999). Food and income strategies pursued by the destitute include agricultural wage labour, selling fuelwood, seasonal migration, trading, participating in food-for-work, borrowing food from neighbours and eating wild foods. Many of these survival strategies

[79] Not only does HIV/AIDS remove economically active adults from the labour force, the costs of the disease often exceed annual household income. A survey of AIDS-afflicted rural Ethiopian households in 1993 found that average treatment plus funeral costs totalled 2,494 birr, while farm incomes varied between 270 and 620 birr per annum (Bollinger *et al.* 1999:4). The death of adult males is associated with a rise in female-headed households and a fall in farm yields.

are forced responses to structural food deficits (few households achieve self-sufficiency) and are pursued only for lack of alternatives. The limited availability and high seasonality of off-farm employment as well as the high incidence of illness limits the income and benefits that households can derive from such activities. Also, such options are becoming less accessible due to declining production and economic conditions.

- ***Migration***

There are few towns and virtually no industry in Amhara Region. In the Wollo survey cited above, one in four households stated that one or more of their members migrate during the dry season in search of work, mostly to other rural areas within the Zone, and a few to town. One in three migrants said they have difficulty securing employment, while half the migrants do not earn enough to bring back any food or income for their families (FSCO 1999:24). For the poorest labour constrained households, migration is not an option – female household heads cannot leave their children, the elderly cannot work.

There is little land to spare in the northeastern highlands, and the extent of landlessness or near landlessness is increasing. Land pressure is worse in some areas than others, and many farming households would certainly move if they could. People should be free to settle where they choose, but rigid institutional and administrative barriers – ethnically based regionalisation ('ethnic federalism'), state administered land redistribution and land tenure insecurity – all impose severe constraints on mobility (Aklilu and Tadesse 1994). Anyone who leaves the community for a farming season risks losing their land. Farmers in severely degraded highland areas of Amhara Region are requesting resettlement, and Amhara's Food Security Coordination Office recently completed a "reconnaissance survey of potential resettlement sites" (FSCO 2000), which identified several possible sites but cautioned that basic infrastructure and services need to be in place before resettlement is facilitated.

10.3. Causes of Destitution at Household Level

Although every case of destitution is both unique and complex, there are some common factors that unite large numbers of destitute households in the study area. In the study area, the most common proximate cause of destitution is catastrophic and recurrent crop failures – a 'sudden onset' livelihood shock – mainly associated with agricultural droughts (inadequate or untimely rainfall) but also due to other hazards such as pests, hailstorm, and frost. Severe droughts, which have occurred with varying frequency and severity in different parts of the study area, often cause mass destitution by bringing about the deaths and distress sales of household assets, especially livestock. *("When the harvest's not good you have to sell things, and you become poor.")* Loans taken for agricultural inputs combined with crop failures cause indebtedness, forcing households to sell critical assets such as oxen and other livestock, thereby becoming destitute. Households affected by drought commonly have to migrate to relief camps or to less affected areas in search of food, returning with almost nothing. The famine of 1984/85 is remembered for causing a scale of destitution from which many households and communities have not yet recovered. While a single crop failure can destitute vulnerable households, repeated crop failures can reduce more resilient households to the same state. *("Another way you become poor is when the harvest is low every year – year by year you manage on a poor harvest, but that impoverishes you gradually.")* In recent years, for example, rainfall shortages occurring over several consecutive seasons, particularly in the *belg* dependent areas, have steadily pushed a large number of households whose livelihoods were previously relatively secure towards, or even into, destitution.

Another important factor behind the destitution of many households is a lack or shortage of land. Growing populations and degradation of land due to intensive farming has meant that a large number of households have inadequate landholdings (as was seen in Chapter 3), which severely constrains their agricultural productivity and income. Although land

redistributions carried out by local officials in the 1980s led to relatively equal access to land and made land available to previously excluded female-headed households and the youth, several categories of households were disadvantaged by this policy. These included: households who lost land, those who fared less well in the lotteries and who were not favoured by corrupt officials, young people who were not old enough to be eligible for land allocations during the redistributions, and returnees from resettlement who now have access to smaller and less fertile plots, which has enhanced their vulnerability to destitution. The fact that family size was not considered in the allocation placed large households at a disadvantage. The redistributions which reduced the more substantial landholdings are also widely perceived to have minimised the scope for practices to maintain soil fertility, such as fallowing and crop rotation. This was thought to have a very negative impact on productivity, resulting in overall impoverishment of households and communities.

Apart from the impact of the land redistributions, those who did not succeed in getting much land from their parents in the form of marriage endowments or inheritance also face land shortage. Many households who have shortages of labour, draught power or seed (possibly due to a crop failure) are forced to rent out their land, which reduces the grain supplies or animal feed they could expect from it, an outcome which is likely to perpetuate their destitution.

The socio-economic impacts of different stages of the household life-cycle also accounts for the destitution of a large number of households. This includes recently formed households who are severely short of land for reasons noted above – because the last land redistributions preceded their formation, and because they have not yet have overcome the effects of a poor endowment that they may have received from their parents. Female-headed households who have sustained the loss of critical male labour and management skills, as well as division or reduction of their landholdings and other assets due to divorce or death of a spouse, constitute a large proportion of destitute households. The elderly, many of whom are either forced to rent out their land or are unable to make full use of it for lack of labour, and who may have seen the gradual attrition of their landholdings and other assets due to the endowments they have made to their marriageable children, are also highly vulnerable to destitution. Although larger families tend to be better off than small or single-person households [see Chapter 4], a large family size can place a heavy consumption burden on households and push them towards a state of destitution. *("Large family size can be either an advantage or a disadvantage. Someone with a small household may have no-one to support him if he's sick, and no-one to keep animals or pests away from more distant fields. On the other hand, if you have a large family you may have trouble feeding them all, so you may be forced to sell animals to feed them.")*

Apart from such environmental, institutional, demographic and socio-economic factors that constitute systemic causes for the destitution of many rural households, various idiosyncratic events experienced by individual households could also reduce them to a state of destitution. *("You can move from rich to poor at a stroke, for example if your cattle are taken by the Afar or rivers.")* Thus, illnesses, accidents, theft, major expenditures associated with social events such as funerals or weddings, or individual personality traits such as laziness or wastefulness could cause destitution. A common perception among local people is that people's possibilities of becoming either well-off or destitute is largely a matter of fate or luck. *("Our fingers are not equal. Some people are made to farm efficiently and get a good harvest, some are made to have many children.")*

In most cases, however, destitution is not only a result of a single, sudden disastrous occurrence, whether of a natural, economic or social nature. The combined impact of a number of events such as a drought or reduction in one's land holdings, or the repeated occurrence of one factor such as crop failure are also prevalent pathways to destitution. A gradual slide into destitution due to an imbalance between households' consumption needs

and productive or income-earning capacities, usually arising from shortfalls in productive resources, is also common.

10.4. Processes of Destitution

The above discussion indicates that destitution is a complex process that occurs as a result of a variable number and combination of events. The consideration of destitution as a process also reveals that households experience varying trajectories towards, and degrees of vulnerability to, destitution because they are characterised by different initial asset levels, livelihood strategies, demographic composition, social networks and economic contexts. The following typology of destitution processes, derived from household case study material, reveals how such factors combine to bring about distinctively different pathways towards destitution.

10.4.1. Rapid onset of destitution due to crop failure

The most common way by which households became destitute was by experiencing severe or repeated crop failure, due to drought or other natural causes, which led to the sale or death of their livestock assets. This was a relatively rapid form of becoming destitute, and was not easily reversed. The following cases of Muhaili and Tadele depict this drastic process of destitution.

> *"I spent my early childhood in my grandparent's house. I then started to work as a servant for many years. I had been to able to acquire two oxen, when I rejoined my parent's household in order to help them out as they were facing food shortages in 1984/85. I sold the oxen for 200 Birr each to buy food for the joint household. My parents also became sick at the time. We all had to go to Asosa [a resettlement locality], including my sister and brother, who died there."*

Tadele experienced a similar process of destitution under the impact of repeated crop failures.

> *"Our crops failed partially in 1983/84 and we got only 5 quintals. I had 2 children in town and 5 children here at the time. I had to sell my two oxen that year. I cultivated my land, exchanging my labour for oxen, but the crops failed totally. I was also sick from August to Tikemt. We therefore left for the relief camps, where four of our children died, leaving us with only one child. We stayed there only getting small amounts of food aid. I also worked as an assistant in the camps, receiving payment in injera. We did not return in 1984/85 because the rains failed again. The Derg, which had lost Sekota to the rebels, recaptured it in 1985, and we stayed there that year receiving food aid. We left some of our land fallow and sharecropped out the rest for 1/3 of the output which amounted to 4.5 quintals, due to lack of seed and draught power. We cultivated our land in 1986, after begging for draught power, but the crops failed again because the rains fell short in August."*

10.4.2. Destitution due to crop failure compounded by asset degrading strategies

Other households had experienced an initial crop failure which forced them to take up strategies that compounded their state of destitution. Moges, for instance, had been destituted by repeated crop failures. He resorted to renting out his land afterwards which reduced his annual grain supply in a sustained fashion, exacerbating and prolonging his destitution.

> *"Our living conditions were fair until 1972, when both of my parents died in a single month. Their assets were divided among five siblings. I got only 3 beehives. Part of their land-holding was taken by the kebele as motekeda [the land share of the dead alienated for redistribution] and I was left with only 2 timad of land. We*

began to fall short because the land was not enough for our needs. The crops also failed in 1983/84, and we left for the camps in Korem where we stayed for 4 to 5 months, receiving 20 to 30 kgs of grain per month from food aid. I did not have sheep and goats to sell, but I sold one ox that year. We planted our land using mekenajo [an oxen-sharing arrangement] and seed that we bought after selling the ox, but the crops failed completely in 1984/85 as well. We therefore went to Belesa [an adjacent region] in October to work harvesting crops, leaving an ox with relatives in the dega area which later died. After we returned, we sharecropped our land to two of my brothers for half of the output. I have become poor since 1984/85, due to the death of our oxen and lack of seed. We only got 2.5 quintals of grain in 1986. We sharecropped out our land again the following year, but the crops failed due to drought and damage caused by rats."

10.4.3. Destitution due to land shortage or landlessness

Lack of access to adequate amounts of farming land is an important factor explaining destitution in the case of many households. After having survived the 1984/85 famine, lack of land in the case of Shambel's household led to a permanent state of severe food insecurity, which had forced them to sell off two oxen consecutively.

[The year after the famine] we bought seed and planted about 7 timad of land that belonged to people who had been resettled. My father had previously given an ox to somebody who sold it off but later repaid him. We ploughed the land sharing our ox with others – mekenajo – until we got enough for one more ox. We cultivated the land for three years after which we gave it up when its owners returned from the resettlement areas. We sold one ox, after which we started to trade in goat skins, buying them at Debe [a market 3-4 hours away] for sale in the local market of Adame. It was not very profitable. Our remaining ox got sick and was sold for 300 Birr to buy food. My uncle had given us 0.75 timad of land that my mother had inherited, when we came back to this area. We requested draught power from others and hand-dug the rest of the land to get fresh maize and 2 quintals of sorghum. We make ends meet by trading goat skins. We survive by rationing our food, especially in July and August.

10.4.4. Destitution due to poor access to resources at time of household formation

Some households appear fated for destitution because they had very poor access to key productive resources such as land, oxen and sometimes labour from the time they were formed. This was true in the case of Mohammed Yimer, who had returned from the region of Shewa where he and his brother had been working as migrant labourers, having saved enough money to buy one bull each. He appears to have missed the land redistributions and was therefore not able to claim land of his own. The fact that he sold his bull to cover the costs of his wedding, and the small size of the land he had access to, relegated him to a state of destitution that he was not able to escape from for a long time.

"We begged for draught power that year until ours matured. I started to plough 4 timad of my father's land, giving him half of the output. I then got married but my wife did not bring any assets. I sold my ox to cover the expenses of the wedding and continued to use my brother's which had now become a pair. I brought an ox in a yegerafi arrangement in order to reduce the burden on him. We used to get about 3 quintals that we shared equally with my parents. The grain we get, about 1.5 quintals, was only enough for 3 months even after rationing by eating only 1 injera per person a day. I have also been sharecropping-in some of my uncle's land, getting from 1 to 2 quintals. The total amount of grain we get only lasts seven months. I have not been able to rent more land because of lack of seed and labour for weeding. Land for rent is available in adjacent gotts, but not in ours. This year, my father gave me 2 timad out of his 4 timad, leaving 2 timad for his son and himself. The land is stony and unproductive."

Alemnesh, who did not get a proper marriage because of her parents' death, never received livestock or had enough labour to cultivate the land she inherited, and was therefore destined for destitution from the outset.

> *"My parents both died in the early 1980s and my brother and I inherited their land, which amounted to 4 timad. He left for Korem during the 1984/85 famine and was never heard from. I did not get any animals from my parents because they died soon after. I started to rent out the land. I continued to rent out land until the 1990 land redistribution, when I received only 2 timad of infertile bereha land and 1 timad of wejed. I sharecropped out the land for a third of the produce to two young men who had not received any land. I used to get 1 quintal of barley, 1 quintal of sorghum or 1.5 quintal of wheat. The grain runs out around April, so I have to sell dung and wood every 3-4 days, until the rainy season. We then subsist on melons and kale that we plant in the back yard, as well as injera once in a while."*

10.4.5. Onset of destitution due to social or demographic developments

Events in the social development of households can also cause push them towards destitution. The most common way this happens is when women lose their husband due to divorce or death, and are forced to lead households without critical male labour or management skills. The death of her two husbands appears to have sent Amemoye well on the way to destitution, a process which was completed by the drought of 1984/1985.

> *"I was raised by my mother after my father died as a child. We grew up in poverty, with 2 of my brothers. I got married as an older teenager to a man who had 2 oxen. We lived well, producing 10 quintals. I had 3 children before he died six years after we got married. We subsequently became poor, sold the oxen and sharecropped the land. I raised the children by myself and married-off two of them. I then remarried after a long time but he got sick and died after 5 years in 1984/85. I did have a daughter with him. Our living conditions did not improve since he did not have much."*

Widows and divorced women are an especially vulnerable group, because they lack access to male labour and the key productive resources that men control. *("Women become poor when they don't have men to plough for them.")* This appears to have been true in the case of Beyu, 70, who due to the tragic deaths of her four children and a severe physical disability, has not been able to sustain a viable marriage and therefore has been relegated to a prolonged state of destitution and dependency on her sister.

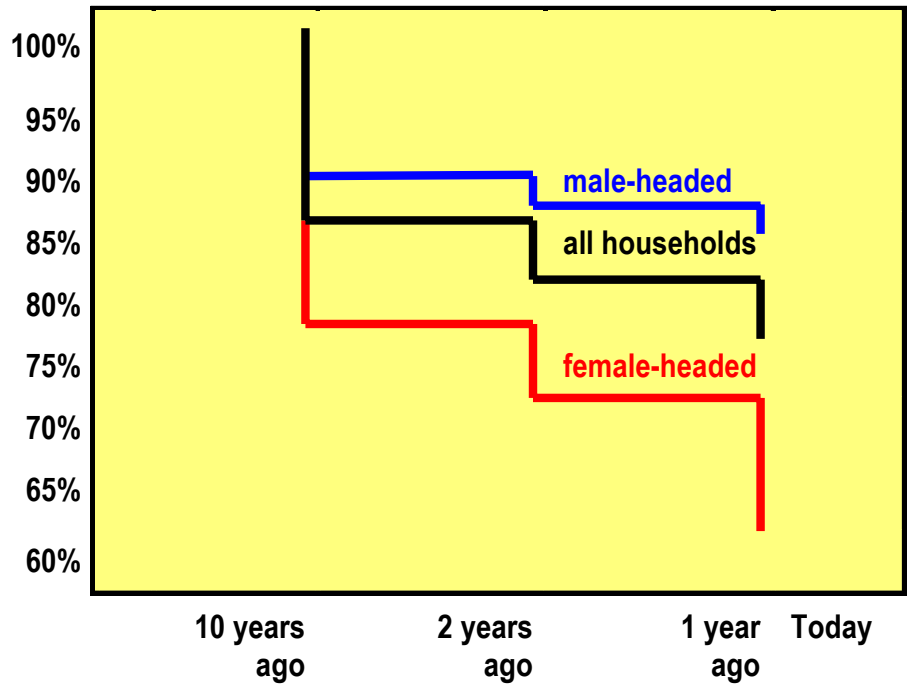
> *"I was born and got married here in this kebele. For six years, we were living well with my husband who came here from another locality. We had a pair of oxen but he used to have his land ploughed for him in his natal kebele. I had four children who all died, so he left me without leaving me anything. I then began to live with my sister. I have had a bad leg since I was a child so I was not able to remarry for another 5 years. I then married an elderly man who had only 3 timad of land which we sharecropped out. We remained in poverty so we got divorced. I therefore started to live with my sister again."*

Figure 10.1 uses our household survey data to test the hypothesis that female-headed households have a greater likelihood than male-headed households of falling into destitution over the ten years preceding our survey.[80] By starting all households at the same point ten years ago (at 'cumulative survival' probability = 1.0), the Figure clearly

[80] The statistical technique used – 'survival function' analysis – was introduced in Chapter 6. The empirical data are derived from answers provided by the 2,127 households to the survey question about household ability to meet basic needs, not just at the time of the interview but also one year, two years and ten years before the survey.

shows that female-headed households did have a much higher cumulative probability of becoming destitute over the decade. This applies in every time period, though most of the difference occurred in the recall period ten years ago to two years ago, with smaller numbers of both male- and female-headed households falling into destitution between two years and one year ago, and during the year preceding the survey.

Figure 10.1. ***Probability functions of becoming destitute by sex of household head***



The implications of this finding are threefold:

1. female-headed households are more likely to be destitute than male-headed households (this was already established in Chapter 7);
2. female-headed households are at greater risk of falling into destitution in the future;
3. male-headed households that become female-headed – through divorce, abandonment or widowhood – are at great risk of falling from viability into destitution.

10.4.6. Destitution due to inadequate production or income in relation to consumption needs

Some households gradually slide into or remain in a state of destitution because they no longer have the assets that would allow them to produce enough for their consumption needs, let alone for investment purposes. Thus, Muhaili, who we saw had lost his oxen due to crop failure, is forced to remain in continued destitution and food insecurity because he has to rent out part of his land, for lack of draught power.

> *"The following year, my relatives ploughed some of my land for me while I sharecropped out the rest for lack of oxen. Only part of the land is productive. I got 2.5 quintals from the sharecropping arrangement and 5.5 quintals from the rest. I was not able to acquire more livestock that year because our output did not exceed my family's needs – my family had grown to a size of four. I had to sell my ox for food when the crops failed, after it was ready to start ploughing. Since then I have been begging others to have the land ploughed for me. Our annual grain output fluctuates from 3 to 6 quintals. When we produce less, I sell charcoal and borrow money from traders and farmers, making a payment of 50 kilos of teff and 100 kilos of sorghum for a loan of 60 Birr. The lack of oxen is the main constraint that we face. Otherwise, my total landholdings would have been enough for my*

needs. I have also leased out a third of our landholdings for two years because we run out of food. We have been hurt by this. I am eager to get our land back and I will not rent it out again."

10.5. Escaping Destitution

Although destitution is a very real threat and a common outcome for a significant number of households, some who have experienced destitution due to various natural and socio-economic causes do manage to emerge from it and form viable livelihoods. The possibilities of escaping destitution depend on the strategies pursued by different households,[81] the assets that they are able to access, and the general conditions that they face while attempting to reconstruct their livelihoods. This section demonstrates the role of these factors with respect to the most common routes by which people escape destitution.

10.5.1. Investing in agriculture

Although most households that become destitute find it difficult to reverse their circumstances, there are some that have managed to escape destitution to rebuild viable livelihoods. One of the ways such households achieve this is by investing in agriculture and using surplus to rebuild their assets. The success of this strategy depends on sufficient access to land and labour, as well as favourable crop conditions. (As one farmer said: *"Rain is the only means of getting out of poverty. There's no project or anything from the government providing employment.")* One success story is Ali's emergence from destitution after he came back from resettlement.

"We came back with nothing, and started to plough some of the poor land that I had inherited – about 7 timad. Our relatives – brothers, uncles – helped us for a year by giving us grain. A relative gave me a bull. We ploughed with it for one year but it died soon after. I had brought 150 Birr from Asosa which I used to buy two goats. I bought an ox subsequently after selling grain and the 2 goats, and purchased an ox and a heifer in the following years. We thus escaped poverty with the help of my relatives. I now have 2 oxen, 1 cow and 2 calves."

10.5.2. Mutual reinvestment between crop and livestock sectors

Other households are able to rebuild their assets base in a sustained fashion by combining surpluses from their crop and livestock production to enhance their assets and productivity in each sector. This strategy also requires sufficient access to land and labour, as well as favourable crop performance if it is to be successful. Having been reduced to destitution by a crop failure, Mohammed Yassin and his family received assistance from relatives to restart their productive activities, and then capably used their surplus and assets from each of the crop and livestock sectors to enhance their productivity in the other.

"We had a good harvest in 1987, so we bought a cow which gave birth to six animals subsequently. We are now left with three of them after having sold the rest to pay the rent on land that we have been contracting in the past 6 years. The rent has been as much as 650 Birr to rent one timad for 3 years. It is a good piece of land that we plant with sorghum, oats, wheat and teff."

10.5.3. Combining farming and off-farm income-earning activities

There are households that escape destitution by successfully resorting to both farm and non-farm activities to acquire resources that they can invest in assets. This type of strategy requires a substantial amount of skill and labour. Hussein, for instance, returned from

[81] Some respondents suggested ingenious strategies for accessing income and assets. *"The best way to get out of poverty is to marry into a better-off household; then they'll give you livestock!" "There are people who improved themselves with remittances from children in Mecca. Christians also go there – you just change your name!"*

resettlement to engage in a variety of off-farm and migrant employment, in addition to extensive involvement in land transactions, to eventually attain a substantial asset base. His ability to diversify his income by engaging in migrant labour allowed him to invest in draught animals that he used to enhance his agricultural productivity, which in turn became the basis for a sustainable livelihood.

> *"I stayed [in the resettlement areas] for a year and came back by myself when I was in my twenties. I got employment as a ploughman in a household for a salary of 200 Birr and 1 quintal of grain a year. But I quarrelled with him after four months and left to stay with relatives, selling charcoal to gain income. I then went to Asayita in place of someone drafted to harvest cotton who paid me 40 Birr. I stayed there for 2 months and returned with 200 Birr. I bought 2 bulls for 130 Birr each while I stayed with relatives. I then hired out as a farmer near Harbu for 35 Birr per month for 4 months. I also went to Asayita again to earn enough income to buy a third bull. I then began to stay with an aunt, ploughing her farm in exchange for half of the output which amounted to about 8 quintals. I have been sharecropping-in as much as 15 to 20 timad, getting up to 10 to 15 quintals from it per year. The land in our area is generally not very productive, so we are able to get some grain only by cultivating a large amount of land. I have also started to rent in land for cash for the past three years. For instance, I rented land from Muhaili, paying him 490 Birr for three years, and 600 Birr to rent land for eight years from a farmer who does not have oxen. I sell grain as well as goats to pay the rent on the land and other needs."*

Trading is seen as a possible escape route out of destitution, for those who could access the working capital needed, which is most difficult – and most risky – for the poorest households: *"You take money from the rich, and trade in donkeys, goats, sheep, or honey. But if you fail, you're poorer than before because you're in debt."* Cases were reported in several communities of people who had been forced to sharecrop out their land in order to repay debts.

10.5.4. Receiving support from the community or urban kin

Households that have succeeded in escaping destitution have often been beneficiaries of a helping hand from their kin or other members of the community that helped them 'get back on their feet'. This could be in the form of grain or cash loans when they were facing severe food or seed shortages, or donations of labour and oxen as well. We saw above that the support that Ali received in this regard was instrumental in eventually allowing him to regain his livelihood. Other households may receive aid from their urban kin to achieve the same outcome. This type of assistance was critical in allowing Mohammed and his family to launch a successful effort in rebuilding their cropping and livestock-raising activities, as we saw above.

> *"When our crops failed in 1984/85, we remained in the area, selling our cattle, sheep and goats for food. We sold two oxen whereas two of our oxen, 2 cows, 4 goats and 4 sheep died. Our cousins who used to live in Addis also helped us out by sending money. In 1986 some relatives gave us oxen and money for seed that we used to plough 2 plots of land. We got 10 quintals of grain that year. This was enough for our needs because the size of our family was small. My cousin sent us 600 Birr to buy 1 ox for his mother and 1 ox for ourselves. In return, we ploughed for her. We had a good harvest in 1987, so we bought a cow which gave birth to six animals subsequently."*

10.6. Conclusion

The extracts from life histories transcribed in this chapter represent often depressing narratives of sudden impoverishment or gradual decline into destitution. Though these are individual stories, they are not unique 'anecdotes': they represent hundreds of thousands of similar experiences across the north-eastern highlands of Ethiopia. The strength of this material is in illuminating the dynamic process of *becoming* destitute, complementing the analysis of characteristics of *being* destitute, as presented in previous chapters. As these case studies reveal, sometimes the cause of a destitution process is 'idiosyncratic', such as the chronic illness or death of a key family member, and sometimes the trigger is a 'covariate' shock, such as drought or a sequence of low rainfall seasons that affects entire communities, undermining not just individual livelihoods but the capacity of the community to provide support to its weakest and most vulnerable members.

A common element linking most of the destitution scenarios discussed in this chapter is a binding constraint on the household's ability to construct a viable livelihood out of agriculture. Either the harvest fails due to circumstances beyond the household's control (usually low or erratic rainfall), or the household lacks the essential productive inputs – labour, land, livestock (draught power) – to produce enough food for household reproduction. When the harvest is inadequate and household reproduction can be secured only by asset-eroding strategies – selling livestock to buy grain, sharecropping out land for 1/2 or 1/3 of the produce – a cycle of impoverishment is initiated which is extremely difficult to reverse. Although a few encouraging cases were presented where households had managed to graduate out of impoverishment by investing in agriculture, off-farm activities or a combination of the two, these 'success stories' were relatively few. Breaking the cycle of impoverishment is the key to tackling the rapidly rising incidence of destitution in the study area, and is therefore the focus of the concluding chapter.

CHAPTER 11. IMPLICATIONS FOR POLICY

11.1. Introduction

This study has shown that destitution is a real, significant and deepening phenomenon in the northeastern highlands of Amhara National Regional State. This concluding chapter of the Destitution Study report draws out a number of ideas and recommendations for policy interventions to address the problem of destitution in rural Wollo. The chapter draws on three main sources of information. Our primary source is, of course, the empirical findings and analysis of fieldwork data – both quantitative and qualitative – as presented in the substantive chapters of this report.

Secondly, participants in various discussion fora (time-lines, wealth ranking, focus groups) were asked towards the end of these meetings what they thought the government and other agencies should do to help improve livelihoods in their communities, for themselves and for their children. The villagers' views clearly depended to some extent on the topics raised in the preceding discussion, and on the individual views of the people present. It is also the case that people's answers to questions like these are constrained by their general experience of life outside the village, and their understanding of the range of things that government and aid agencies could do. Women's groups, for example, were often reluctant to give their ideas on future policies, saying they knew nothing about such things: but individual women who had been on migration or were involved in trade had strong and well-informed opinions. In general, people (both men and women) who had travelled and worked in different parts of Ethiopia had clearer and more specific ideas about the kind of development they would like to see in their home area.

Thirdly, any recommendations made by the Destitution Study team obviously need to be informed by current thinking and policy debates. In preparing this chapter, therefore, we have consulted key current strategies and policy documents – including the federal and regional Food Security Strategies, the Rural Development Strategy, and the Sustainable Development and Poverty Reduction Programme (Ethiopia's 'PRSP') – to ensure that our recommendations reinforce as far as possible the thinking reflected in ongoing policy initiatives. Additional detail and clarification were provided by discussions of the draft recommendations at policy consultation workshops with stakeholders in Addis Ababa and Bahir Dar, in November 2002 and April 2003.

11.2. Conclusions from the Destitution Study

The Principal Components Analysis conducted for the Destitution Study identified ***constrained access to productive resources*** as the most significant determinant of whether a household was likely to be classified as 'destitute' or 'non-destitute'. Specifically, *livestock* (total livestock and oxen ownership), *land* (cultivated rather than owned), *labour* (household labour capacity, male labour, and access to non-household labour), and *social capital* (proxied by participation in social institutions) occupied the first 7 positions in a ranking of the 15 variables that constituted the first component generated by the Principal Components Analysis.

These findings provide a clear prioritisation for interventions needed to address destitution in the study area. If destitute households lack livestock, and are land-constrained, labour-constrained, and unable to participate in social institutions, then policies should be designed – or supported – that address these specific constraints, by enhancing ownership of or access to these assets for the very poorest households and communities. Enhancing access to productive assets is the only way of reversing processes of impoverishment, phasing out chronic dependence on food aid, and empowering poor households to achieve viable and sustainable livelihoods.

Two qualifications need to be added to this conclusion. The first is that our conceptualisation of 'destitute' covers two broad categories of individuals and households: the 'labour-constrained', who will by definition be unable to take advantage of the livelihood opportunities provided by enhanced access to productive assets, and the 'working destitute', who are extremely poor despite working very hard to make ends meet, and who could benefit greatly from access to more land, livestock and other resources. Different strategies are needed for each group: for the labour-constrained without family support (people with disabilities, the chronically ill, elderly widows living alone, orphans), safety nets are probably the only logical policy option.[82]

The second qualification is that the sampling frame for the Destitution Study consisted of rural households in South Wollo, North Wollo, and Wag Hamra, and since almost all these households are engaged in crop farming as their principal occupation, the findings identify constraints within a livelihood system that is dominated by crop farming. This is important to bear in mind because it would not be sensible to recommend, say, a livestock credit policy that increases household ownership of draught oxen, if a broader analysis concluded that land constraints mean that crop farming is an unviable livelihood strategy for the (growing) population of the study area to pursue in the future.[83] It is partly for this reason that several of our policy recommendations look beyond agriculture and emphasise the urgent need to promote non-agricultural livelihoods, including off-farm diversification and small town development (building on the cross-country evidence presented in Chapter 9 about small towns acting as 'growth poles' for rural economies).

Taking a longer-term perspective also motivates a focus on factors that are inhibiting people from moving into less vulnerable and more lucrative livelihood activities. For instance, illiteracy of the household head raises the probability that the household is destitute in our survey, and functional literacy and numeracy are prerequisites for finding employment in the formal sector as well as many informal sector activities (such as trading). This explains why we put a stronger emphasis (under 'human capital') on education as a route out of destitution than might be expected in an economy dominated by 'subsistence' agriculture, for which literacy is not required.[84]

Following the examination of policies to address constrained access to assets, therefore, this chapter considers policies to promote ***alternative livelihood strategies***, including diversification within agriculture; rural non-agricultural diversification; labour migration; and safety nets to alleviate transitory and chronic vulnerability of rural livelihoods in the study area. This structure follows the useful discussions that took place during the Policy Consultation Workshops in Bahir Dar and Addis Ababa in November 2002, which identified four sets of priority policy issues:

1. Rebuilding *assets* in households/ communities that lack key productive resources;
2. Generating *non-agricultural livelihood opportunities* to enable the working destitute to find employment or income;
3. Providing *social protection* for labour-constrained destitutes who have no support;
4. Reducing *vulnerability* to shocks and processes that are pushing poor Ethiopians towards destitution.

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82 As Herring observes: "For poverty resulting from individual infirmities – debilitating illness, mental incompetence, age, physical disabilities – public works or asset redistribution would be inappropriate but transfer payments certainly work" (Herring 1998).

83 This was in fact the conclusion reached by a 1999 report on 'Sustainable Livelihoods in North Wollo and Wag Hamra Zones', by Julius Holt and Dessalegn Rahmato for Save the Children (UK): "Whatever local development initiatives may be undertaken, a sustained, general improvement in livelihoods is hardly conceivable alongside any increase in the number of people trying to make a living directly from the land."

84 But see the discussion on the benefits of education and adult literacy, later in this chapter.

This remainder of this chapter is structured around the first two of these dimensions of destitution – assets and livelihoods – with social protection and vulnerability being covered under 'livelihoods'.

11.3. Assets

Following the 'sustainable livelihoods' framework, five categories of assets were investigated during fieldwork for the Destitution Study: *natural* (land), *physical* (including livestock and roads), *human* (labour, health and education), *financial* (credit) and *social* (transfers and social institutions). These categories structure the discussion of policy ideas below, though social capital is discussed throughout the chapter rather than in a separate section.

11.3.1. Natural Capital

Land is the critical natural resource in the rural economy of the north-eastern highlands. As land availability per capita has steadily declined over recent decades, land tenure systems have been the subject of numerous policy debates, and various alternatives have been proposed to prevent a permanent 'Malthusian crisis' from emerging in the highlands, including privatisation of land rights and resettlement of farming families to land-abundant areas elsewhere in the region or beyond. Both sets of options are considered here.

Land tenure

Land fragmentation – the shrinking size of household land-holdings with each redistribution or division of land on inheritance – was, not surprisingly, a major worry throughout the study area. However, there was little apparent consensus on what should be done about it. Some people, especially the young landless, favoured a further redistribution (especially of *'ye mota kada'*, the land of the deceased, or the land of people who were not living in the village). Some discussed voluntary resettlement and other types of migration. Most seemed to believe that the only answer for their children and future generations was simply to leave agriculture – ideally for a salaried government job.

There is no doubt that most farmers in highland Ethiopia are severely land-constrained. Average landholdings have declined steadily for the past several decades (from 0.4 hectares per capita in the 1960s to 0.1 hectares by the mid-1990s), 11% of farming households are landless, and many others are cultivating plots too small to ensure household self-sufficiency even in years of good rainfall. Pressures on farmland have also eliminated pastures for grazing and restricted the numbers of draught oxen and other livestock that can be maintained at both the household and the community level.

Following the 1984/85 famine, Dessalegn Rahmato made the point that famine is hardly new to Ethiopia, but that pressures on the natural resource base due to population growth were creating unprecedented resource degradation ("destructive land use practices, active deforestation, and excessive over-grazing") which would inevitably reduce rural incomes and raise the vulnerability of the rural population to destitution and "the scourge of recurrent famine" (Dessalegn 1986). Although soil and water conservation activities have slowed down the pace of environmental degradation in places, many Wollo households classified as 'destitute' in the Destitution Study were suffering from the long-term consequences of famine, land pressure and a depleted resource base that Dessalegn predicted in 1986.

A number of responses are possible to the reality of steadily falling landholdings and household food production in the highlands. One is *agricultural intensification* (raising yields per unit of land), which is supported under ADLI, but is not promoted in the Food Security Strategy or the Rural Development Strategy for the moisture-deficit drought-prone highlands, where intensification is no longer perceived to be a viable option. Given the depth of poverty and the increasing risk of crop failures, we agree with Holt and Dessalegn

(1999), that technology adoption (especially chemical fertilisers) is too expensive and too risky for most farmers. We also agree with the recent study by EEA/EEPRI, which concluded that "agricultural intensification efforts will face a challenge due to the prevalence of mini-plots of unviable size operated by Ethiopian subsistence farmers" (Berhanu Nega and Samuel Gebreselassie, 2002:5).

A second option is *renting or sharecropping land* in order to expand access to land beyond what is owned. Although there is an increasingly active land rental market in the study area, and renting land is now officially recognised and legalised, many farmers still believe that it is illegal. Renting or sharecropping is an essential mechanism for reallocating land between households with land and labour surpluses or deficits: in our fieldwork we found numerous cases of landless young men sharecropping land for widows who lacked the labour power to farm their own land. Taking this one step further, many farmers interviewed complained about fragmentation of plots, and it would clearly be economically efficient to consolidate plots owned and rented into larger farming units. It is likely that fear of breaking the law is inhibiting farmers from implementing this mechanism for raising crop production in many villages. ***We recommend experimenting with land consolidation as a way of maximising land utilisation and output in the north-eastern highlands, and urge the authorities to clarify to farmers that this (like renting land) is not illegal, and is in fact encouraged as a community-level response to falling landholdings.***

Two further possible responses to land pressure in the highlands are to *change the land tenure system*, or to implement another *land redistribution*. However, the government has announced that no further land redistributions are envisaged,[85] and it is adamantly opposed to privatisation of land rights. Not surprisingly, farmers are not convinced that their land will never be seized and reallocated again in the future, given that this happened as recently as 1997 in Amhara Region, and this uncertainty is damaging in terms of their willingness to invest in upgrading or conserving the land.[86] ***Whatever land tenure system is in place, all farmers need tenure security, which means both (formally) some form of registration of their right to their land, and (informally) confidence that government policy with respect to land redistribution or changes to the tenure arrangements will not arbitrarily change in the future.***

Privatisation or alienation of land is resisted by the government because of the prospect of mass destitution and an "urbanisation of poverty" if poor farmers are forced to sell their land to survive future droughts. There is no doubt that privatisation of land rights would result in redistribution of land from poorer to richer households, probably in the form of 'distress sales' at low prices during food crises, and that this would deprive the poorest of a vital livelihood resource. On the other hand, there are some who argue that this 'shake-out' of the rural economy is the only viable long-term option for highland Ethiopia, even if the result is a stratified agricultural sector with a few farmers controlling most of the land and the majority of peasants either migrating to towns or becoming landless labourers on the new, commercially viable farms.

We share government's view that land titling would create more problems than it solves. However, given the current context of critical food insecurity and rising destitution in the Amhara highlands, more flexibility is needed, to encourage people to explore alternative livelihood options elsewhere. Specifically, spontaneous resettlement and urbanisation are strategies that need to be strongly encouraged, whereas in fact both are discouraged by the threat of losing one's land in one's home community, because of the requirement that land is continually farmed.

[85] The Amhara Regional government issued a Proclamation in 2000 declaring that there would be no more land redistributions; also that land could legally be leased by farmers.

[86] According to the recent EEA/EEPRI land tenure survey: "Despite the fact that most regional governments have publicly dissociated themselves from possible future land redistribution, only a minority of farmers (27%) is convinced that there will not be any land redistribution in the future" (Berhanu Nega and Samuel Gebreselassie, 2002:6).

Later in this chapter we will argue that small town growth is an essential element of Wollo's future food security and poverty reduction in Wollo. A coherent and integrated strategy to address destitution in Wollo should facilitate the free movement of the poor to other rural areas, or to urban centres. Instead, the present land tenure arrangements traps the destitute and vulnerable in their communities and locks them into unsustainable livelihoods.

Resettlement

The argument for resettlement derives from the perception outlined above, that chronically poor households in highland Ethiopia are land-constrained, that this is a primary cause of their poverty and food insecurity, and that these negative outcomes can be alleviated through providing them with access to additional land, which will raise their agricultural production and reduce poverty. What are the strengths and limitations of this argument?

- *Strengths:*

1. Because poor farmers cannot afford to invest in yield-enhancing technology (e.g. fertiliser), and since returns to farming in highland Ethiopia are highly unpredictable and erratic, these farmers tend to favour expanding areas cultivated – including seeking out new land to farm in land-abundant areas elsewhere – as a lower-cost, less risky alternative to intensification.
2. Land redistributions and legal restrictions on land markets have arguably increased the vulnerability of the poorest households (who are often forced to rent out their land for a fraction of the harvest, and cannot leave without losing their land); while limiting the potential of the better-off farmers to increase their landholdings, invest in the land, and potentially generate incremental employment, food production and cash crop income.
3. Despite the failures of forced resettlement schemes in Ethiopia in the past, land scarcity and deepening vulnerability to drought and other livelihood shocks is prompting an increasing trend in spontaneous resettlement by rural households (despite often being discouraged by government). These pressures on livelihoods make the present context very different from the 1980s, when resettlement was motivated by a complex of political and other factors, and was certainly not 'demand-driven'. Alula Pankhurst (2003) suggests that this changed context may mean that there is "a genuine demand for voluntary resettlement by destitute farmers".[87]

- *Limitations:*

The historical experience with resettlement in Ethiopia is not encouraging. The 1984-86 planned resettlement of some 600,000 people, mainly from Wollo and Tigray, to land-abundant areas in the south and elsewhere, was a famous failure from which important lessons can be learned.

In a feasibility study for the Oromia Regional State 'Voluntary Resettlement Programme' (VRP), Cliffe *et al.* (2002) argue that bad planning – specifically, a lack of pre-planning – and faulty implementation were largely to blame for the failure of the Derg resettlement programme [see Box 11.1], and they recommend that a pilot programme is implemented to test the viability of alternative models of resettlement in future. Cliffe *et al.* (2002:15) also warn that it is important "to proceed with caution and a high degree of doubt about the appropriateness and specific value of settlement".

[87] Pankhurst also argues that: "There is a case for learning from spontaneous migration which privileges social relations with local people, and maintains linkages between settlement and home areas, rather than seeking to create rigidly planned isolated units."

Box 11.1 ***Problems with the Derg resettlement programme of the mid-1980s***

- Heavy human and social costs: 20,000 died on the way, many more of disease; property was lost; community networks were disrupted and 'social capital' was diminished
- Non-realisation of agricultural and other production objectives
- Clashes between immigrants and local residents (for it is now clear that many supposedly 'empty areas' were inhabited by indigenous people or were laid claim to for certain, often seasonal use)
- Non-provision of promised services
- Massive and unsustainable costs to the exchequer
- Settlers were psychologically traumatised due to lack of religious institutions and burial grounds
- The conflict resolution mechanisms of host communities and settlers were replaced by cadre-led committees
- Most of those resettled did not stay when they had the chance to return home or move on [...] and by 1999 in some areas 75% of those resettled in 1985 had left.

Source: Cliffe, *et al.,* 2002: 5-6.

From experiences in Ethiopia and elsewhere, it is possible to identify several reasons why there are many more failures than successes with resettlement programmes across the world, including the following:

1. *It is debatable whether Ethiopia has sufficient open land of adequate arable potential to relocate the numbers of people that need to move, if a significant reduction in land pressure in the highlands is to be achieved.*[88] Alula Pankhurst is doubtful: "the myth of vast fertile and uninhabited areas is still believed in despite the weight of substantial academic studies to the contrary" (Pankhurst 2003:8). Either there is less free land than believed; or it is less fertile than believed; or it is not really 'free' – often land earmarked for resettlement falls within the territory of pastoralists, who are wrongly believed to utilise more land than they need. "The ideological justification is the assumption that pastoral land is 'vacant' and 'unoccupied'" (Ayalew Gebre 2003).
2. *Land tenure and land utilisation disputes often emerge in resettlement areas, either among the settlers themselves or with locals in the host area or neighbouring communities.* A recent study by UN-EUE found evidence of social tension and confrontations over land and natural resources in many resettlement sites in western Ethiopia: "Resettlement represents a threat to the indigenous people because it has alienated resources vital to their livelihood" (Dechassa Lemessa and Piguet, 2003). This study also finds that "colossal deforestation and other forms of environmental destruction are conspicuous phenomenon" in virtually all resettlement areas.
3. *Most resettlement is either forced, coerced or implemented under false promises, it is rarely entirely 'voluntary'.* Expectations tend to be raised that are rarely met in the resettlement area.[89] In the case of current initiatives in Amhara and Oromia regions, the fact that settlers are provided with livestock (one pair of oxen shared between four

[88] As Cliffe *et al.* (2002:11) point out, even in Ethiopia in the 1980s, "where those resettled could be counted in the hundreds of thousands, the numerical impact on overcrowding in the source areas hardly equalled the annual population increase."

[89] A notorious case occurred in South Africa in the 1970s, when the *apartheid* regime moved tens of thousands of people to *'bantustans'* in the name of 'separate development'. One group of people from the northern Cape Province were promised "a land of milk and honey" if they agreed to move to Namibia; in fact they were trucked into the Namib Desert and abandoned with nothing except their goats and tin sheeting to build make-shift shelters. Within a few years the community had collapsed into alcoholism, depression, and destitution (Devereux and Næraa 1996).

households) is positive in terms of supporting their livelihoods in the resettlement area, but it might also attract the poorest, assetless households to volunteer rather than a full range of households, including the better-off who provide vital support to the poor that will be removed if these households do not participate equally in resettlement.

4. *All too often, resettlement means 'dumping' people in areas with little infrastructure and no functioning social services.* Functioning roads, water supplies, clinics, schools and other basic services are prerequisites for successful resettlement, yet rarely met in practice.

5. *Resettlement disrupts the social institutions, networks and relationships that are an essential dimension of survival for the poor.* A study of resettlement in Beles Valley, Metekel found that "the resettlement scheme disintegrated the resettlers' social institutions and organisations" (Wolde-Selassie Abute, 2003). It takes time for these social structures to be rearticulated; in the meantime, the vulnerability of the resettled population is increased. Resettlement should not be only for the poor; it is important that social cohesion is maintained by replicating home community conditions as far as possible at resettlement sites.

6. *Resettlement does not usually result in improved agricultural production and reductions in poverty to the extent imagined.*[90] Especially if settlers are moving from one agro-ecology to another, local farming systems and livelihood options may be very different, and farmers need to learn how to farm in this new environment. New livelihood opportunities may also be created that should be exploited: for instance, if settlers have left domestic items behind this creates a niche for craft-workers to sell pots, leather goods and other household necessities to their neighbours. Both farmers and craft-workers may need assistance – extension advice, micro-credit, and so on – until they adjust to this new economic context.

7. *In the context of moving highlanders to lowland areas, this exposes settlers to new disease vectors that can seriously threaten their health status.* In fieldwork for the Destitution Study, we were told that migration for work is an unpopular 'last resort' livelihood strategy, partly because migrants face increased risks of malaria and other 'lowland diseases'. In the 1980s resettlement programme, as noted above, thousands of resettled people died of disease.

- *Recommendations:*

The Voluntary Resettlement Programme must be seriously considered as offering a potential solution to the severe land constraints that were highlighted in the Destitution Study fieldwork. However, it is our belief that resettlement of land-constrained farmers out of Wollo is likely to fail unless the following preconditions are met (and even then, success is not guaranteed):

1 that resettlement is entirely voluntary (for example, it should not be induced with selective offers of food aid to those who register for resettlement);

2. that those being resettled are fully informed about conditions in the resettlement sites before signing up (preferably by community representatives visiting the site and reporting back);

3. that resettlement areas are subjected to a thorough environmental assessment prior to being selected as sites, including a projection of the area's current and future 'carrying capacity' for people plus livestock;

[90] As long ago as 1969, Robert Chambers concluded his review of resettlement experiences with this depressing summation: "in almost all countries settlement schemes have been criticised … for failure to achieve their social, agricultural and economic objectives" (quoted in Cliffe *et al.* 2002:9), and this general conclusion has not changed much since the 1960s.

4. ***that essential physical infrastructure and basic social services are in place before the settlers arrive (government should not ask people to move before these essentials are functioning in the host area, and volunteers should not accept promises that services and infrastructure will be installed after they move);***
5. ***that clear criteria for occupying land are established and made known to all involved, and that procedures for settling land disputes and related conflicts are in place;***
6. ***that comprehensive extension packages, including training in relevant agricultural and non-agricultural livelihood activities, are offered to settlers so as to facilitate their adjustment to their new (and different) ecological and socio-economic environment;***
7. ***that the specific health risks facing highlanders who resettle to lowland areas are recognised (e.g. malaria), and that specific health care provisioning is in place to deal with these risks (e.g. malaria prophylaxis);***
8. ***that people who do not adapt well to the resettlement site have a period of, say, one year to change their mind and return to their place of origin – their claim to land in their home community should remain open for one agricultural year, and they should be given transport back to their original homes if they choose to take up this option;***
9. ***that settlers who were beneficiaries of food aid or public works employment in their home communities are not immediately excluded from the relief system as soon as they relocate, but continue to receive this essential 'safety net' support until they achieve sustainable livelihoods;***
10. ***that resettlement activities are both formalised, by the immediate development of a 'Resettlement Policy', and institutionalised, by the establishment of a 'Department of Resettlement' at regional level (similar to China's 'Ministry of Resettlement') in Amhara National Regional State.***

11.3.2. Physical Capital

Livestock

The north-eastern highlands are usually described as one of Ethiopia's 'crop-dependent' areas, and the bulk of attention and investment in agricultural development so far has gone to arable crop production, yet the importance of livestock in the mixed farming system of the highlands is difficult to overstate. Animals are not only vital productive assets (for ploughing, threshing, transporting goods and people, and producing dung for fuel or fertiliser): they are also direct sources of food (especially milk), clothing (hides and wool), and income (through sales of products and offspring); and they are the main form of savings in this still largely non-monetised economy. Households with some livestock to sell in an emergency are also more secure, and more able to cope with shocks such as harvest loss or illness. In all the Destitution Study's qualitative sites, participants in discussions of wealth and destitution identified livestock ownership as the major distinguishing feature of relatively well-off families, a finding which echoes SC-UK's HFE baseline descriptions of these same areas. The point was reinforced in the quantitative analysis of the questionnaire survey, when objective statistical analysis assigned livestock ownership the highest weight out of 15 indicators in the composite index of destitution.

It is alarming, therefore, that all the available evidence shows a significant decline in livestock holdings at household and community levels, and across the board in terms of TLU per capita at the *wereda* and Zonal levels, over a period of the last ten years or more. Many informants date the beginning of this decline back to the 1984/85 famine, from which many households have never fully recovered.

The importance of livestock is recognised in the current policy framework. According to the federal government's Sustainable Development and Poverty Reduction Programme, one of the national priority objectives in agriculture and rural development is to "strengthen livestock development through forage development; improved breed; veterinary services and livestock marketing with the view to improve livelihoods, diversify income, insure food security, and strengthen export" (FDRE 2002b:61). Livestock development and animal feed production are identified as particularly appropriate for the drought-prone areas: related activities include poultry and beekeeping, which require little land, and programmes for natural resource protection and agro-forestry development, which can provide a basis for animal feed production, including flowers for bees (FDRE 2002b:57). The ANRS Food Security Strategy also aims, among its ten specific objectives, to "increase the contribution of livestock to food security".[91] However, detailed plans for interventions to achieve these objectives in the drought-prone farming areas are not yet clear.

The Destitution Study found that the major constraints to households increasing their livestock holdings are the fundamental ones of shortage of capital, labour, and land (for grazing or fodder production). However, the reasons for erosion of livestock assets go beyond the household level. In some areas, shortage of drinking water for livestock in the dry season (natural capital) was also mentioned as an important factor. A more universal problem was the overall land constraint. Relatively successful farmers in several villages told us that the most recent land redistributions (c.1990/91) which subdivided landholdings for more equal distribution within the *kebeles*, had made it uneconomic and even undesirable for them to keep the numbers of plough oxen that they maintained in the past, since they had less land to plough and less land to graze the animals on. Even if they could afford to buy additional oxen, there was no longer any advantage in doing so. The smaller number of oxen now maintained by the better-off households has reduced the access to draught power of oxen-less farmers through sharing, rental or exchange arrangements. At the aggregate community level, too, the overall scarcity of grazing and fodder due to the pressure for farming land puts a limit on the total livestock herd that can be maintained. At the same time the sharp decline in *per capita* livestock holdings is, of course, directly linked to population growth, and is yet another aspect of the problem that Holt and Dessalegn succinctly express as "too many people trying to make a living directly from the land" (Holt and Dessalegn Rahmato, 1999:45).

Despite these overall limitations (which will only be eased by development and economic diversification processes enabling more people to move out of agriculture and the remaining smallholders to invest more intensively in their land), it is clear that the current levels of livestock holdings are inadequate at household and community level, and that people's inability to replace livestock lost or sold during repeated droughts and crises is a major contributing factor to the destitution of the poorest and the general impoverishment of all socio-economic strata. We therefore propose the following five strategies to protect, rebuild and improve livestock assets.

- *Recommendations:*

***Enable households with the capacity to do so to raise their asset levels**:* This can be done directly through micro-credit for livestock purchase, and indirectly through generally raising and diversifying incomes. Despite the constraints to aggregate carrying capacity described above, we believe that there is no danger of over-stocking resulting from these policies in the sedentary farming areas: households will only take on and maintain livestock to the limit of their land and labour capacity. Credit and livestock extension programmes should assist beneficiaries in realistically planning and managing their asset accumulation. ACSI has been very active in providing credit for oxen purchase. There is also high demand among poorer households who are not eligible for ACSI credit for even smaller loans, on easier terms, to purchase small stock. One example of a successful micro-credit project (in Kalu, South Wollo) addressing these

[91] Amdissa Teshome, 2002, Policy Review for Destitution Study [see Annex 1].

needs is summarised in Box 11.2 (overleaf). This project had a significant impact on the assets and incomes of poor participants, particularly women, by lending them only 300 Birr (approximately US$ 37) for the purchase of two goats or sheep.

***Continue to protect existing household livestock holdings**,* in order to halt or at least slow the process of asset erosion. Assets can be protected through the provision of transfers in kind or cash in times of stress, and through any kind of safety net intervention which provides an alternative to liquidating livestock savings. Impact assessments suggest that in the recent past this asset protection function has been fulfilled to some extent by food aid distributions (both gratuitous relief (GR) and employment generation schemes (EGS).[92] However, it is recognised that food aid is an inefficient way of protecting assets and has potential disincentive effects on agricultural production and marketing: we endorse the government's objectives of moving away from in-kind aid to cash aid,[93] and to more flexible modalities of asset protection under multi-year planning approaches such as 'TAPS' (Transitional Asset Protection System) (Raisin 2003).

At the community level, protect and intensify common property areas for grazing and fodder production. Resources and technical assistance to promote this strategy could be provided through TAPS for selected food-insecure *weredas* (Raisin 2003), and more widely through the agricultural extension system. The protection of resources at community, as well as household, level should be considered in the design of menu-based extension packages for the drought-prone farming areas.

Promote and facilitate market development for livestock and livestock products. Market development should not only enable farmers to gain higher and more reliable incomes from the sale of livestock products and surplus offspring, but should also support their increasingly important strategy of seasonal off-take and restocking, especially of plough oxen. Highland farmers are coping with the land and fodder constraint by buying and training young oxen only for the ploughing season, after which they fatten and re-sell them before the dry season. With the proceeds they may be able to buy two young bulls, or to fulfil other cash needs and keep a reserve to re-purchase an ox for the following year. Thus they avoid the cost and risks of feeding and watching the oxen during the dry season. This is a rational and efficient strategy to maximise scarce resources: however, it can be risky for poor farmers who may be unable to maintain an ox during the dry season, but equally unable to re-purchase one when needed. These factors should be taken into account in the design of micro-credit programmes for livestock purchase (particularly regarding the seasonality of loans and repayments), and in the promotion of livestock markets.

Raise livestock productivity, by (a) continued investment in improved veterinary services, and (b) dissemination of improved (locally adapted) breeds to raise yields of milk, wool and meat per animal, thus maximising the use of limited grazing land. The first of these strategies, to protect and improve the health of the existing herds, should be given first priority. Improved fodder provision is another area that is receiving policy attention, for example in the 'R2D' (Relief to Development) programme. This is an area that offers great potential for enhancing the capacity of poor households to rear livestock, as well as improving the quality of their animals.

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92 For example, see Emebet Kebede (2002).

93 According to the Federal Food Security Strategy: "The Government envisages not only a gradual reduction in the magnitude of external food assistance but also a shift from in kind to cash. This shift has to be dictated by objective conditions in the country so as to avoid unnecessary disruptions of food aid-supported programs. Reliable information on market situations and marketable surpluses will be needed to implement such program. The gradual reduction in food aid needs would be achieved by increasing more food domestically, refining need assessment techniques, improving targeting of beneficiaries, and achieving steady and broad-based economic growth" (FDRE 2002a: 32-33).

Box 11.2. ***Example of a successful micro-credit project for livestock asset-building***

CONCERN's Food Security Pilot Project in Kalu Wereda:
Livestock Microcredit component

Key features included:

- Objectives were to enhance the capacity of Kebele Development Committees (KDCs) in planning and managing community-based micro-projects and to improve the management and financial systems of Service Cooperatives (SCs), at the same time as enabling households to accumulate livestock assets and increase/ diversify income.
- Beneficiary selection and implementation modalities designed by all stakeholders, within current government policy and revolving fund rules of SCs. Rules and regulations developed in the form of credit by-laws, which established a guarantee system, interest rate and payment scheme, and roles of beneficiaries, KDCs, SCs and Concern.
- Interest rate (4%) and repayment periods (2 years for small animals and 3 years for an ox or cow) were decided by beneficiaries through a participatory process.
- Technical training was provided to the beneficiaries on livestock management, the importance of vaccination and forage development.
- Ministry of Agriculture provided veterinary service and technical assistance.

Impacts included:

- 90% of beneficiaries managed their household project successfully. Household-level impacts were: enhanced assets; higher income from agricultural production (beneficiaries enabled to plough their own land), animal products, sale of offspring, renting and fattening / seasonal resale of oxen. Household coping capacity was also strengthened, and skills and knowledge enhanced through experience of income and credit management, group decision-making, etc.
- Small animals (sheep and goats) were most popular, especially for poorer and female-headed households, because they reproduce quickly giving short-term income and represent a smaller debt / risk than cattle.
- Excellent repayment rates enabled the continuation of the revolving fund.
- Project activities were funded for two years (1998/99): revolving funds are continuing to operate under KDC and SC management, after the phasing out of the NGO project component.

Source: Summarised from CONCERN, Micro-project Impact Monitoring Report, 2002.

Roads

The Ethiopian government inherited a huge challenge in the road sector at the beginning of the 1990s: even the limited network of major inter-regional roads had badly deteriorated during the long civil war against the Derg, and feeder roads linking agricultural areas to the towns were virtually non-existent in large parts of the country. "The country's road network [was] among the lowest in Africa with a density of 29 km per 1000 sq.km in 2001/02. As a result, vast expanse[s] of the country's potentially productive areas lay distant from all-weather roads. [In] 1996 some 80 percent of the land area of the country was more than half a day's walk from all weather roads. Although this has declined to 70 percent by 2001/02, road density is still the lowest even by Sub-Saharan Africa (SSA) standard" (FDRE 2002b:34). Challenges of this magnitude cannot be solved overnight, but enormous efforts and resources have gone into road-building in Ethiopia since 1996, with the support of donors such as the World Bank and the African Development Bank. The Destitution Study finds that these efforts are beginning to have positive impacts on the livelihoods and vulnerability of rural communities in Wollo, and that it is essential for government and

donors to continue the expansion and improvement of the rural road network. Long-term planning for sustainable maintenance is also crucial.[94]

Taking the government's standard of "half a day's walk from all-weather roads" as a quantifiable indicator of remoteness, our survey analysis found that the probability of a household being destitute was highly correlated with distance from roads [Chapter 7.4]. Our consultations with villagers during the qualitative fieldwork also provided many examples of the benefits observed by people living close to newly improved roads and the small towns that are already growing along them. Livelihoods are more diversified, products can be sold more easily and more frequently, consumption items and productive inputs can be bought more cheaply, social services including health and education are more accessible, labour migration is easier and cheaper, trade of all kinds is more profitable. For example, people in Debre Sina *wereda* told us:

> *"The government is talking about poverty reduction: what we need is a road to Gojjam, that would reduce poverty! A road network would improve things. Now it takes 6 hours on foot to reach the Abay [Blue Nile River], and then we can't cross it because there's no bridge."*

Roads are closely linked in people's priorities with employment, markets and access to services. Road-building is also a valued (and relatively well-paid) source of short-term employment. The people of Worke Wuha in Dawunt Delanta *wereda*, where major road improvements were in progress at the time of the fieldwork, commented: *"Road construction is going on now – it will improve our market access and create employment."* Labour migrants in the same *gott* added: *"Improved roads would bring employment closer, and would reduce our accommodation costs as well as transport costs, because we'd get home quicker and not have to spend so many nights in transit."* The impact of roads in improving the market availability and price of food was widely commented on.

International experience confirms the importance of roads for poverty reduction and development. A rural Poverty Assessment in Zambia found that 'remoteness' – measured as distance from a major road – was closely associated with household and community-level poverty. The poverty headcount in rural Zambia overall was 76% in 1994, but in more remote areas the figure exceeded 85% (World Bank 1994). One factor was high transport costs caused by lack of all-weather roads within isolated parts. The fare for transporting a bag of maize 600km from Western Province to Lusaka was the same as the fare for taking the same maize just 70km from the provincial capital to the neighbouring district. This resulted in high food price variability between markets not very far apart, and motivated the implementation in 1995/96 of a major road-building programme to link urban centres and integrate rural markets. In Ethiopia as in Zambia, the need for improved transport links – both road networks and vehicles – between remote areas and towns or markets cannot be overemphasised, if food security and poverty reduction are to be achieved.

We therefore strongly support the objectives of the national Road Sector Development Programme which is now entering its second phase (RSDP II).[95] We especially welcome the introduction for RSDP II of the Ethiopian Rural Travel and Transport Sub-Program (ERTTP), which aims to address travel and transport needs at the village level, especially

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94 "Unless there is a system of follow-up and maintenance of rural roads, there will be destruction soon after construction and this does not ensure development. To alleviate this problem, the issue of ownership should be addressed. The owner of the rural roads should be the people of the surrounding area" (FDRE 2001:119).

95 RSDP I started in 1997 and ended in 2002. Targets for the current phase (2002/03 to 2004/05) are: *"to increase the rate of acceptable roads from an average 57% for all road types to 82% by the end of 2004/05; and to increase the road density from the current 29-km/1000 km 2 and 0.48-km/1000 people to 47-km/1000 km 2 and 0.70-km/1000 people by the end of 2004/05 (including low class roads)"* (FDRE 2002b).

for the many rural areas which are cut off during the rainy seasons because of unmetalled roads and lack of bridges. At the regional level, a new Rural Roads Construction Authority has been established under the Rural Development Bureau. The strategic objectives of RSDP II now include:

- "Promote the use of labour-intensive technology and ensure community participation wherever possible in building and maintaining regional and community roads", and
- "Provide community-based integrated village travel and transport services and reduce travel time and burden on villagers, especially women, to meet the expected increase in the movement of agricultural input and surplus production" (FDRE 2002b).

Current policy also recognises that the impacts of rural road development are not limited to agriculture. "The ERTTP is expected to better support agricultural and other commercial activities in the regions, and thus provide a sound and sustainable foundation for the on-going economic development and poverty reduction effort in the country" (FDRE 2002b). We would add that this foundation includes access to services, employment and information, and that the continued improvement of roads and transport will facilitate *all* the destitution-reducing measures proposed in this report.

11.3.3. Human Capital

Three aspects of human capital are discussed here: labour availability at the household level, health, and education.

Labour availability

The Federal Food Security Strategy notes the particular labour constraints faced by female-headed households: "Special efforts are needed to assist them finding labour saving ways to prepare food, secure firewood and water, as well as to ensure that they receive priority in income generation programmes" (FDRE 2002a:27). We strongly agree with these efforts, especially since female-headed households were found in our survey to be much more likely to be destitute than male-headed households.

More broadly, the Destitution Study has highlighted lack of male labour as a factor that significantly raises the probability of household-level destitution. There is little that policy-makers can do to increase the supply of male labour to poor households directly. However, there are three routes that address this constraint indirectly.

The first is to facilitate access to (non-household) male labour. This already happens informally: the land rental market is a means of reallocating land and labour between households which are constrained in one asset but have the other. Nothing should be done to restrict this exchange of labour for access to land; without it, many households would be literally unable to farm. Labour hiring on a commercial basis is not commonly practised in the study area, and the destitute are unlikely to be able to afford to hire labour anyway.

The second route is to reduce the probability that a household will lose its male labour. This idea is less strange than it appears at first. Chronic illness or disability affects twice as many destitute households as other households in our survey, and many female-headed households fell into destitution when the household head was widowed after her husband fell ill and died, or when she was abandoned after she fell chronically ill and could no longer fulfil her domestic roles. Since loss of male labour is commonly triggered by illness or disability of the husband or wife, it follows that interventions that improve the health status of the population could reduce the number of destitute households that are created by loss of male labour power. In this context, the threat posed by an upsurge in HIV/AIDS in rural Ethiopia is especially worrying.

The third route is to reduce the household's dependence on male labour for its livelihood. The logical solution is to promote alternatives to crop farming as the dominant livelihood

activity for these households, since agriculture is heavily dependent on male labour power. Strategies to support livelihood diversification are discussed elsewhere in this paper, but the argument made here is that basic education is a prerequisite for most livelihood alternatives to farming, so that people's efforts to pursue alternative livelihoods can be best supported through increased investment in education.

This analysis motivates a strong focus on health and education as mechanisms for raising human capital in destitute and vulnerable households in the study area.

Health

As the SDPRP correctly notes: "Another important aspect of human capital is the health status of individuals in a society" (FDRE 2002b:12). The Federal Food Security Strategy identifies under-nutrition, poor health status and inadequate sanitation facilities as factors that undermine household food security, and it envisages nutrition and health interventions that are targeted on children under five and pregnant and lactating mothers. Interventions include diarrhoea control, promotion of family planning services, weaning foods, micronutrient programmes, and increased investment in environmental sanitation (FDRE 2002a:26-27). These interventions are all very important, and we do not disagree with any of them. However, we believe that a number of other aspects related to health need prioritisation as well. Here we consider three issues: HIV/AIDS, immunisation, and access to health services.

- *HIV/AIDS*

Given the alarming projections reported in a recent National Intelligence Council report, of a rapid rise in HIV/AIDS cases to 7-10 million by the year 2010 (NIC 2002), the government of Ethiopia needs to prepare well in advance for the consequences of this pandemic on the health and livelihoods of those least able to cope with debilitating illnesses, namely the poorest of the rural poor. The health system is already over-stretched, but it is important to try to prevent the worst case scenario – 10 million HIV/AIDS cases in seven years time – by intensive public awareness and education campaigns. Both the Rural Development Policy and the Federal Food Security Strategy prioritise steps to control the spread of the disease.

This is important, but it is not enough. ***The government must prepare for the worst, and the Ministry of Health have contingency plans in place.*** The government's argument, that a "decrease in the level of disease transmission and prevalence would help mitigate all the consequences" (FDRE 2002b:131), risks being unprepared if the spread of the disease is not effectively controlled. ***The health services must be geared up to care for rapidly rising numbers of patients with HIV/AIDS, and adequate social protection measures must be developed for affected families.*** The risk of HIV/AIDS causing accelerated destitution for enormous numbers of poor and vulnerable households is very real, but the PDRSP says nothing about these consequences, and only one of the 14 strategies for fighting HIV/AIDS in the PDRSP mentions providing any social protection to affected households – namely, provision of food, clothing and school expenses for AIDS orphans.

- *Immunisation*

Secondary evidence compiled for the Destitution Study found a general increase in immunisation rates for children in the study area since the mid-1990s, and the polio vaccination campaign in particular attracted favourable comment from some respondents during the fieldwork. Under the first Health Sector Development Programme (HSDP I), immunisation coverage rates doubled between 1997/98 and 2001/02, from 20% to 42%. ***This progress needs to be continued, as immunisation against major diseases is a critical determinant of a child's life expectancy as well as their future health and productivity. A specific issue that needs to be addressed is geographic variability in coverage.*** We were concerned to discover that immunisation rates are generally lower in Wag Hamra than in North or South Wollo, even though Wag Hamra is the poorest of these three zones by most indicators.

❖ *Access to health services*

The 1999/2000 Welfare Monitoring Survey found a direct association between household poverty levels (proxied by expenditure) and utilisation of health services: poorer households were less likely to seek treatment at a health facility than wealthier households (FDRE 2002b:12). This unequal access to health care reflects a complex of factors, including remoteness of the poorest households, as well as the direct and indirect costs of health-seeking behaviour. The pledge of the Rural Development Strategy, "to establish a health station in each *kebele"* (FDRE 2001:20), will make health care more accessible to poor households living in isolated communities.[96] ***If the second Health Sector Development Programme (HSDP II) achieves its target of increasing health care coverage from 52% in 2001/02 to 65% by 2004/05, this will represent significant progress towards the ultimate goal of universal access to health care for all Ethiopians.***

Education

A powerful mechanism for building human capital is investment in education. During fieldwork for the Destitution Study, education was mentioned by many participants in discussions throughout the study area as a means of escaping poverty. Two aspects of education were mentioned most frequently: adult literacy; and children's schooling.

For the present generation of adults, there was widespread demand for literacy programmes. As some labour migrants said: *"if we're literate, we can get jobs when we go on migration. Illiteracy is our main problem in Addis Ababa."* In fact, international experience reveals that farmers can also benefit from education – literate farmers are likely to be better off than their illiterate neighbours. Research in Southeast Asia (South Korea, Malaysia, Nepal and Thailand) found that average farm output increased by 10% for every four years of education the farmer had received, mainly because educated farmers were more likely to adopt new technology (such as fertiliser or hybrid seeds), or to utilise technology more effectively. More generally, various studies have found that educated adults can move more easily from low productivity sectors, like smallholder agriculture, into more profitable activities such as trading, or even formal employment (Devereux 1998). Another benefit of female education in particular, well-documented in the international literature, is the existence of a significant positive relationship between mother's education and child nutrition, which makes a strong case for investing in adult literacy programmes targeted at women. Ethiopia's adult literacy rate in 1998 was just 36.3% (42.1% for men, but only 30.5% for women) compared to a literacy rate of 58.5% for sub-Saharan Africa as a whole (UNDP 2000).

Secondly, many parents saw exiting from agriculture as offering the best future for their children, and education is regarded as the key to that escape. *("Now we're sending our children to school – this is one thing that's different from our time – we hope they'll have a better life.")* Expectations of what opportunities education might bring are high, but not totally unrealistic. *("Education is good because you can get a government job")*. There are 'success stories' in many villages of educated community members who started profitable businesses or found permanent jobs in the public or private sector, and these role models provide inspiration for others to follow. The current government programmes of school-building and promotion of primary enrolment are therefore widely appreciated, although there remains a huge amount to do in this sector.

[96] This pledge is reaffirmed in the PDRSP: "Farmers, whether skilled or unskilled, could not engage themselves in productive activities unless they lead a healthy life. There is, therefore, a need for establishing basic health services delivery system to the grassroot farming population, particularly for those in remote rural localities" (FDRE 2002b:52). This is another reason for re-emphasising construction and maintenance of rural road networks, which the Destitution Study team believes is a prerequisite for achieving all other destitution-reducing measures proposed.

In Malawi, which has experienced a rapid escalation of food insecurity in recent years, it is now recognised that agriculture is unable to provide a viable livelihood for Malawi's rapidly growing population, but at present few non-agricultural employment options are available. Given this context, the donor community has opted for a two-stage approach: safety nets for the present generation; education for the next generation. In the short-term, the donors are spending large amounts of ODA funds on safety nets, to protect household assets and consumption against chronic and transitory food insecurity. At the same time, they are investing heavily in primary and secondary education, arguing that there is no alternative to farming for the present generation, but that the children of today need to be equipped with the basic literacy, numeracy, knowledge and skills that will enable them to start businesses or find employment off the land. This logic might also have some relevance to that part of rural Ethiopia covered by the Destitution Study.

International cross-country evidence indicates that the returns to education are highest for primary education, rather than secondary (though this is also extremely important); for girls rather than boys; and for countries like Ethiopia with the lowest per capita incomes (Psacharopoulos 1994). In many countries, sons are more likely to be sent to school than daughters, and girls are more likely to drop out of school than boys (often because of early marriage or pregnancy). Many initiatives have been introduced to try to reduce gender gaps in education. In Bangladesh, UNICEF has pioneered a programme which gives girl learners a bag of rice to take home every month as a reward for good attendance: as a result, many more poor families are sending their daughters to school than before. In Malawi, where primary education is free but secondary education is not, USAID is subsidising the costs of girls' education at secondary level: this helped to narrow the enrolment gap between boys and girls in secondary schools significantly (Kadzamira and Rose, 2001).

Since Amhara National Regional State is one of the poorest regions of one of the world's poorest countries, and since illiteracy rates in Amhara are extremely high and are closely associated with destitution (92% of destitute household heads in our survey are illiterate), we conclude that every effort should be made to extend adult literacy programmes throughout the region, raise enrolment rates among children in the study area, and provide adequate quality teaching to learners at both primary and secondary levels.

In 1997, almost two-thirds of primary school-age children in Ethiopia were not attending school – enrolment was just 35%, against the sub-Saharan Africa average of 56%. One mechanism for promoting higher enrolment and attendance is school feeding projects, which are self-targeting in that the poorest households – including destitute households with school-age children – are most likely to respond positively to the provision of a daily meal at school for their children.

The evidence that school feeding programmes increase school enrolment rates and learner attendance, and reduce dropout rates, is overwhelming, both in Ethiopia and in other countries such as Malawi and Burkina Faso.[97] There is also some evidence that school feeding improves the performance of learners, both in the classroom and in examinations, since well-fed children can concentrate better whereas malnourished children have impaired cognitive abilities. Providing meals at school encourages poor parents to send their children to school, knowing that at least one meal is guaranteed for that child that day. It also encourages parents to keep their children in school during difficult times (e.g. during a drought emergency), when studies of coping strategies found that withdrawing children from school is a common response to livelihood shocks. There is even some evidence that school feeding causes enrolment and attendance to *increase* in drought years in Ethiopia,

[97] An evaluation of school feeding in Burkina Faso "found evidence that this program had a positive impact on children's nutrition, attendance, and academic achievement". School attendance increased by 10-20%, promotion rates were significantly higher and drop-out rates significantly lower, and pass rates in exams averaged 45% in programme schools as compared to 38% in non-programme schools (USAID 1997).

as school meals become an important source of food for severely stressed households. So school feeding contributes to long-term human capital formation and also serves as a safety net in times of crisis.

An impact assessment of WFP's school feeding programme in Ethiopia[98] found that the greatest impact on enrolment by region occurred in Amhara National Regional State, which also recorded the lowest dropout rates, following the introduction of school feeding. Moreover, these positive impacts reached girls proportionately more than boys, which is encouraging because girls are less likely to enrol and more likely to drop out than boys (WFP 2001). A positive correlation between female school enrolment and per capita economic growth has been found across 94 countries (Psacharopoulos 1994). The WFP evaluation in Ethiopia also found that the nutrition status of children receiving meals at school was significantly better than that of children in schools with no school feeding activity, which supports evidence from the Philippines and elsewhere that meals provided at school are not substitutes for meals at home – in other words, the child derives most of the nutritional benefit as additional food consumption (Jacoby 1997). Although the nutritional impact of school feeding has been found to be negligible in evaluations elsewhere, this finding is important in the context of Amhara Region, which has the highest levels of chronic malnutrition (60% stunted children) in Ethiopia.

One of the arguments made against school feeding in Ethiopia is that it creates imbalances in the education system, so that some schools become 'overstretched' and unable to cope with the number of learners. This complaint is misguided. Every child has the right to a decent education, and if school feeding contributes to this basic right being met then it is the responsibility of the Ministry of Education and its donor partners to provide adequate schooling facilities, including enough trained teachers, to meet this demand. In South Africa, for instance, newly qualified doctors are required to perform one year of 'national service' by working in the primary health care sector in poor communities. Perhaps newly trained teachers in Ethiopia should perform a similar function, by working for one year in primary or secondary schools in poor communities, or even teaching on adult literacy programmes.

- *Recommendations:*

1. ***School feeding should be promoted and extended throughout rural Wollo, as a means of improving access to education, in response to the high levels of chronic and transitory food insecurity in the area, measured by high levels of chronic and acute malnutrition; and as a means of building human capital for longer term livelihood diversification away from agriculture.***
2. ***To the extent that enrolment and attendance rates improve as a consequence of school feeding projects, investment must be made in educational facilities to ensure an adequate quality of educational services, especially in terms of trained teachers to maintain learner/teacher ratios at reasonable levels and to ensure that children are acquiring useful knowledge and real skills.***
3. ***School feeding can also fulfil safety net functions, by expanding during droughts and other livelihood crises to encourage children to remain in school and even to attract children whose parents recognise the value of school feeding in providing a meal to some household members when resources at home are scarce. Children can also be targeted for resource***

[98] The Ministry of Education's WFP-funded project 'Improving Education Through School Feeding' was piloted in 1994 and launched in 1998. By 2001, the project was providing school meals to over 200,000 children attending 299 primary schools in rural areas of four regions with severe food insecurity and the lowest attendance rates nationally – Amhara, Tigray, Oromiya and Afar (World Food Programme 2001).

transfers to poor families, in either emergency or non-emergency contexts, through 'food-for-school'.[99]

4. ***For adults, functional literacy and numeracy can make an enormous contribution in terms of expanding the livelihood opportunities that they might access which are inconceivable at present because of their illiteracy. We strongly recommend an expansion of adult literacy programmes in the rural areas, especially for women, to whatever extent possible.***

11.3.4. Financial Capital

The Destitution Study found strikingly low levels of access to financial capital across all socio-economic groups in the household survey: 73.3% of the 2,127 sampled households had no access to cash credit, from either formal sources (such as the Amhara Credit and Savings Institution, government and NGOs) or informal sources (friends, relatives, religious organisations, and so on), in the year preceding the survey; nor did they receive any cash gifts or remittances from relatives living and working elsewhere. At the same time, lack of capital *('weret')* was raised as a major constraint on people's livelihoods, especially for livestock purchase and trade, both in the survey and in participatory discussion groups in all the qualitative sites. We support the Rural Development Policy's general emphasis on improving the rural finance system (FDRE 2001: 99-107), but we would also draw attention to the different needs of the low-potential food insecure areas in the sector of finance as well as agricultural technology. Financial institutions for poor smallholders in Wollo should focus on facilitating diversification of risks and incomes for the very poor, thus reducing their vulnerability and dependency, as well as on the national goal of agricultural growth.

The expansion of such financial services (especially credit and savings) for poor and drought-prone farming areas such as Wollo will be a slow process, because it is starting from such a low base of institutional and human capacity: it should therefore be seen as a long-term goal to be approached gradually and steadily, building on what is already there – with "one foot on land", as the Rural Development Policy says (or, in the equivalent English idiom, learning to walk before you run).

Participants in our fieldwork were very appreciative of the work of ACSI (the Amhara Credit and Savings Institute) in providing group loans to medium-income rural households for a range of purposes (including livestock purchase, trading capital, and seed money for various business ventures). ACSI's coverage and implementation rate since its start-up in 2000 is impressive. It has 16 branches, 162 sub-branches, 1,147 staff, and the laudable long-term objective "to see a society in which people are free from the grips of abject poverty with all the power determining their future in their own hands and its own capacity as an institution well developed to provide best services for all in need".[100] However, we found that there is a very large gap in credit provision for the very poor, who are excluded from the ACSI programme either by their inability or unwillingness to take on the relatively large loans offered by ACSI, or their rejection as co-borrowers by the group members or *kebele* guarantors because of their lack of collateral. Poor people in need of credit also frequently stressed their need for flexibility of repayment periods, taking account of seasonality and shocks such as harvest failures. As one of ACSI's clients in Debre Sina wereda said, the credit programme *"is good – but those who want credit are many, and also they don't consult the peasants about the good time to pay back, they just come and demand the money and then you have to sell the ox to pay the loan back."* Another informant in a desperately poor village in Legambo stressed the dilemma of needing capital but fearing debt:

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[99] 'Food for school' is one initiative proposed under the 'TAPS' concept, drawing on successful experience in India. "School attendance of household members entitles the household to the international ration of 15kg per month or a cash equivalent in the same way as households would ordinarily be remunerated under EGS" (Raisin 2003:33).

[100] ACSI, Strategic Business Plan 2001-05, quoted in Amdissa 2002.

> *"We need oxen, and Birr to generate our own income – [if we had money] we'd buy cows. The government gives free food aid, why don't they give us free cash? We don't need credit, in case the rain fails. The wereda was asking us to take credit but we didn't dare – only a few people took it."*

The possibility of free cash transfers (grants) to assist the able-bodied destitute to regain assets and diversify their livelihoods should be explored under the TAPS framework (Raisin 2003) and within the context of shifting emergency relief operations from in-kind to cash distributions.[101] ***In the meantime, we strongly recommend that the regional government reconsider the prohibition on NGOs providing micro-credit for very poor households who are not being reached by ACSI.*** There is such a dearth of financial capital to assist these households to raise and diversify their incomes and assets, that all available capacity should be utilised to fill the gap, including the considerable experience of international NGOs such as Oxfam-GB, SC-UK and Concern. We suggest that the objective of building local financial institutions could be better achieved by requiring NGO micro-credit projects to include skills transfer and capacity-building of community-based MFIs, rather than by refusing their assistance in this under-developed sector. We do not underestimate the additional time and resources NGOs would need to fulfil this financial capacity building role alongside short-term credit provision, but the difficulties are not insurmountable: one example of a successful project on this model was described in Box 11.2 above (in the section on livestock assets).

Our other specific recommendation relating to financial capital is the development of networks to ensure safe transfer of money between migration destinations and home areas *(see the recommendations on labour migration later in this chapter).*

11.4. Livelihoods

In this section of the chapter we consider interventions to support agricultural diversification, rural non-agricultural diversification, labour migration, and safety nets to mitigate vulnerability.

11.4.1. Agricultural Diversification

Diversification within agriculture is one of the major alternative or complementary strategies for low-income farmers identified in the livelihoods framework (along with agricultural intensification, non-farm diversification, and migration). As a national strategy, the federal Rural Development Policy advocates "agricultural product diversification based on area specialization" (FDRE 2001:41). However, the policy stresses that different approaches will be needed in the drought-prone or moisture-deficit farming areas. In such areas (which include most of Wollo), crop specialisation is inappropriate and potentially dangerous: as the federal Food Security Strategy recognises, diversification for smallholders needs to focus on diversifying *risks* as well as income sources (FDRE 2002a:41).

Four core components of agricultural development for the drought-prone areas have so far been identified under the rural development strategy: "moisture conservation practices … the use of drought tolerant crop varieties, high economic value crops and animals".[102] It has also been stressed that locally adapted extension packages should be developed to provide the most appropriate agricultural technology for low-potential areas, and to give farmers more choice than the standardised input package distributed in recent years. These approaches should be used to promote agricultural diversification, as well as intensification where feasible.

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101 See the Federal Food Security Strategy quoted elsewhere in this paper, and SC-UK's pilot 'Cash-for-Relief' programme.

102 Working Paper on the Major Components of Rural Development in Ethiopia, [no date], p.6.

The Destitution Study fieldwork confirms that ***there is scope to improve or expand small-scale irrigation in some areas of Wollo, and if 'low-tech' water harvesting is successfully introduced it could help to raise yields, reduce drought-induced crop losses, and improve grazing land when the rains do not totally fail***. The potential for introducing high-value crops is, however, likely to be limited to certain areas (such as the eastern plains around Raya; irrigable areas close to good roads; and the shores of Lake Hardibo where *chat* is already an important cash crop). These limitations are due to the remoteness of markets as much as to the limitations of natural capital.

Regarding the aim of promoting drought-tolerant staple crop varieties, ***our discussions with farmers lead us to recommend including a greater variety of seeds chosen not only for drought resistance, but also for the increasingly unpredictable range of growing periods and climatic conditions***. A wider choice of seed varieties would allow farmers to diversify their risks and to change planting decisions during the year according to the vagaries of the weather. For example, the near mono-cropping of barley in the *belg*-dependent highlands leaves farmers highly exposed to the risk of rain failure at the beginning of the increasingly erratic *belg* rains: a greater range of crops could give them more options for staggered planting and for re-planting later in the season if the main crop fails or the rains are too late. Farmers have been spontaneously importing and adapting seed varieties from other areas to cope with the shifting seasonal pattern (for example, the re-introduction of *gimbote* barley into the Legambo area). However, some of the drought-resistant crops they are increasingly growing for consumption (such as *guaya* – see below – and *sinar,* a crop resembling wild oats previously grown mainly for animal fodder) are of low nutritional value or even dangerous to eat. ***Research and extension services for the drought-prone areas should work in consultation with farmers to provide a variety of nutritious and marketable grain varieties with different maturing periods and moisture requirements, to support their efforts to adapt cropping patterns to the changing seasons and recurrent droughts. Non-grain food crops (such as potato varieties) for the drought-prone highlands should also be researched***.

Within this risk-diversifying agenda, ***urgent priority should be given to providing an alternative crop to the high-yielding and drought-resistant grass pea (lathyrus sativus, locally known as 'guaya') which has caused an epidemic of paralysis, primarily among boys and young men***, in the Ethiopian highlands. Medical scientists have known for over 50 years that over-consumption of this crop, especially when combined with a low-protein diet, causes irreversible nerve damage. Villagers in Wollo also know, though in less accurate technical detail, that *guaya* causes paralysis and that its effects are more pronounced in malnourished people, especially boys. However, they continue to grow and eat it, especially in years of drought or food shortage, because it produces high yields without fertiliser and with minimal rainfall, and because "paralysis is better than death from starvation". Internationally, alternative varieties of similar crops which do not cause paralysis are known to exist. ***It is recommended that the government takes urgent action to eliminate this source of avoidable disability by immediately commissioning research on the most appropriate replacement crop, and then disseminating the seed through all available channels, including the adapted agricultural extension packages for the drought-prone areas.***

The scope for diversification of livestock varieties and breeds should also be investigated. Participants in the Destitution Study fieldwork expressed interest in improved breeds such as "American" sheep for higher wool yields and *"ferenji"* chickens for increased egg production. Animals other than oxen (especially horses and cows) are increasingly being used for ploughing, and there is scope here to provide well-adapted livestock varieties to maximise the limited supplies of grazing land, dry season fodder and water. The Amhara Region Agricultural Research Institute is already pursuing some of these directions, such as breeding stronger cows for both milk production and ploughing. These initiatives should

be supported, and means of bringing diversified livestock components into future agricultural extension packages and credit programmes should be explored.

All the above recommendations will require scaling up agricultural research and extension programmes, specifically for the drought-prone smallholder farming areas. Donors should be encouraged to provide funding for such expansion and specialisation, thus reversing their general neglect of productive investments in agriculture since the 1980s (Kydd and Dorward 2001).

11.4.2. Rural Non-farm Diversification

The 'Rural Non-Farm Economy' (or RNFE) has received a great deal of attention recently in international development studies and policy debates. In 1997, Thomas Reardon from the International Food Policy Research Institute (IFPRI) reviewed 33 household surveys from 18 African countries and found that, on average, 45% of rural household income was derived from non-farm rural activities, even in 'subsistence' farming communities (Reardon 1997). This provides strong evidence for the argument that vulnerable households diversify their livelihood activities as a risk management strategy, and to supplement their inadequate harvests. However, early warning systems continue to treat rural African households as subsistence production-oriented, and there is a danger that strategies for achieving food security, rural development and poverty reduction in Ethiopia will continue to over-emphasise agriculture, to the neglect of non-agricultural livelihood activities. Although the need for rural diversification into non-agricultural activities is clearly stated in the current policy documents,[103] implementation to date is far behind the discourse. At regional level, the ANRS includes the strengthening of off-farm activities in the objectives of its Regional Food Security Strategy, and has established a Regional Micro- and Small Enterprise Development Agency (REMSEDA) to promote it. However, a recent EU-funded study noted a number of factors constraining implementation, including a lack of government capacity in this sector and lack of donor funding (Burley *et al.* 2002).

As far as we know from limited available data, the contribution of off-farm and non-farm earnings to household income is much lower in rural Ethiopia than in the countries covered by Reardon's international study. In 1996, a survey of five regions (Amhara, Oromiya, Tigray, SNNPR and the sedentary farming areas of Afar) by the Ministry of Labour and Social Affairs found that, while 43.9% of households had engaged in agricultural wage employment or non-farm activities in the previous year, the average contribution to total household income was only 10.2%. For Amhara Region, the figures were respectively 54.2% of households and 11.3% of income.[104]

The Destitution Study found that, in rural Wollo, the off-farm livelihood activities currently available were limited in scale, mostly very low-return, and almost entirely dependent on local demand, which itself is determined by the success or failure of rain-fed agriculture. The household survey recorded 46 income-generating activities other than crop, livestock and poultry production. These ranged from beekeeping, blacksmithing and pottery to

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[103] According to the Government's Rural Development Policy: "Ensuring food security means enabling … citizens [to] avoid hunger and get sufficient income to provide themselves with food; it does not mean that each person should necessarily produce his own food. Therefore, it is possible to ensure food security by earning sufficient income from non-agricultural activity" (FDRE 2001:41).

Similarly, the Food Security Strategy argues that: "Off-farm income generating activities also play an important supplementary role to enhance self-provisioning of households … To promote micro and small-scale enterprises, the government will initiate and strengthen industrial extension services. Towards this end, micro and small-scale enterprises development agencies have been established at both federal and regional levels. The capacities of these agencies will be increased and strengthened" (FDRE 2002a:9 & 21).

[104] MoLSA, Agricultural Wage Employment and Rural Non-farm Employment in Ethiopia: Survey Results, Addis Ababa, 1997. Cited by P. Sørensen, 2003.

thatching, distilling *araki*, repairing umbrellas, and hairdressing. However, in the qualitative discussions, participants stressed that the demand for most of these services and products collapses when the local harvest is poor. Only public works and (to a lesser extent) labour migration were considered to provide reliable income in years of local agricultural drought. Very few were considered really profitable (among these were blacksmithing and medium-scale trading with pack animals): not surprisingly, access to and demand for the more profitable activities is limited. Thus, while the existing off-farm activities have played an important role in enabling people to survive in 'sub-subsistence agriculture' for many years; and while some (such as honey production) may have scope for expansion and even commercialisation for the domestic urban market; on the whole they offer little potential for significant reduction of vulnerability or poverty. New opportunities are needed which can raise the returns to labour, reduce economic dependence on the rains, and add value to local agricultural products.

The difficulty is, of course, how to create such opportunities. The importance of micro-credit for diversification has already been discussed. Apart from this and the training initiatives which are detailed in the Regional Food Security Strategy, we recommend careful market research and development for the outputs of the activities to be promoted: there may be a danger of over-supply (resulting in a collapse of prices or inability to sell products) if existing activities are expanded to large numbers of people without first assessing the demand and the distribution channels. There may also be a role to be developed for co-operatives in the group marketing of off-farm products.

We also recommend that efforts be made to assist and encourage entrepreneurs from outside the rural communities (possibly migrants willing to re-invest in their home areas) to establish small industries and trade networks, to inject capital into the area and employ local people. The capital base within Wollo is so low that it is difficult to imagine significant growth in new employment without some element of business investment from outside. Such enterprises do not need to be large or to be located in major urban centres (the continued improvement of the road network will facilitate their decentralisation). Rather, the emphasis should be on small-scale agro-processing enterprises which add value to local raw materials. As informants in Legambo told us:

> *"We need employment. The government should build factories for those with labour….. [What type of factory?] Maybe beer – we have plenty of barley! Or wool processing. There's a project training women to process wool in Tulu Awleya,*[105] *using 'American sheep' which produce more wool – but that's in another kebele. We need something like that here."*

One major strategic area where government and donors could direct investment to promote economic diversification, both at the household and the wider social level, is in the development of small rural towns. The objective of creating dispersed urban growth points in the rural areas is already included in the current Rural Development Policy:

> *"In order to promote urban centres in the rural areas a 'growth centre' will be selected in the kebele where basic services such as schools, health centres, and water points will be constructed to attract rural people towards the centre. … Employment opportunities will be created for the youth in order to discourage them from leaving for urban areas and also relieve the pressure on farm land."*[106]

A similar objective features, with a stronger emphasis on micro-enterprise development, in the Federal Food Security Strategy:

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[105] A nearby small town. The project referred to is the 'Washera' project run by EECMY.

[106] Translated from the Amharic version by Amdissa, Policy Review for the Destitution Study, 2002.

> "Selected small towns in the most food insecure areas would be targeted for investment in micro-enterprise activities to increase sustainable growth amongst small town households. The objective would be to begin the process of increasing purchasing power among the households of these towns, which would increase effective demand. At the beginning, a survey of a number of candidate small towns should be undertaken to determine what the opportunities would be for small enterprises in each of the towns. A pilot program would be tested with two or three different approaches. The activities might include tailoring, restaurants, petty trading, small-scale grain milling, bakeries, blacksmithing and retailing" (FDRE 2002a:25).

However, it is not clear which government ministry or department is responsible for promoting these 'growth points', or where the necessary investment will come from. Our fieldwork found that small towns, mainly founded on service provision, are already growing along the improved roads. Villages near to such towns benefit from increased market activity and better access to services, as well as more diverse livelihoods. An example is Tsitsika in Ziquala: people in a village a few hours' walk described the impact on them of the town's growth since it became a *wereda* centre in 1993/94:

> *"In the past it was a life of migration, not only because of rain shortage – you couldn't buy grain on the market. … Now we don't migrate, we get work locally at Tsitsika … There's construction work at Tsitsika, and road-building work with the government. … Things are better than before because we don't have to go far for 'shekel' [employment]; health services and markets are nearer."*

Other examples of booming rural towns encountered during our fieldwork are Gosh Meda (on the improved road to Delanta); Debre Zeit in Mekdela (on another recently improved road); and Sekota, which is rapidly becoming a major trade and service centre. Most people who benefit from the economic and social impacts of such small towns remain residents of the villages, and remain engaged to a greater or lesser extent in farming. Over time, increasing numbers will move into the more successful towns, but this model of decentralised 'rural urbanisation' is unlikely to cause mass urban migration: on the contrary, it could reduce migration to the major urban centres by providing some of the advantages of town life to the rural population. However, there are constraints to the spontaneous economic growth of small rural towns in Wollo which should be addressed by policy and investment. These include the difficulty of transferring farming land to housing or business use; low levels of basic infrastructure for production (such as electricity, water and communications); the lack of incentive for private-sector investment; and the shortage of business skills and marketing knowledge.

There is an urgent need for strategic planning and investment in small-town growth if its full benefits and its potential for fostering diversification are to be realised. There is considerable international experience of donor-supported small town development programmes in other countries (for example, the USAID-backed "Rural Trade and Production Centres" in Kenya (Gaile 1992)), which should be reviewed. Although such a strategy must, of course, be designed to fit the specific conditions and current level of development of Wollo, the experience of other countries suggests that service provision alone will not create the 'growth point' effect: active creation and promotion of the conditions for rural employment and enterprise are also needed. For example:

"South Africa, where the current pace of land redistribution provides little scope for basing poverty reduction on the growth of smallholder agriculture, demonstrates the potential of promoting secondary trade and industrial centres to create employment for the rural poor. Yet, this case also demonstrates that small town development requires more than investments in transport infrastructure. Equally important is to ensure active state intervention in directing and stimulating private investment" (Jerve 2001:118).

To sum up, our ***recommendations*** on rural non-farm diversification are as follows:

1. *We recommend that the regional government request an interested donor to make an initial **technical feasibility study of the potential for development of selected small-town centres** in rural Wollo.*
2. ***Urban land policy** for the small towns should be reviewed, and provision made for the commercial expansion of towns through transferring farming land to building use: financial compensation for such land may be the only option in areas where there is no available farmland to exchange.*
3. ***Donors should support the Regional government's efforts** to promote off-farm income diversification under the Food Security Strategy. If the lack of donor support so far is due to reservations about the programme itself, renewed discussion should be opened about the design and possible alternative approaches.*
4. *Any programmes to expand existing non-farm activities or to introduce new ones should be preceded by a careful **assessment of market viability**. Cooperative development could strengthen the position of small producers in this regard.*
5. ***Private entrepreneurs** from outside the food insecure areas should be encouraged and supported to invest in small-scale industries, especially agro-processing and services, which will provide local employment.*

11.4.3. Labour Migration

Temporary or seasonal labour migration has been an important component of rural livelihood strategies in Wollo for many generations, and remains so today. A significant number of people migrate from the villages in search of employment even in normal years, and it is well known that the numbers can rise dramatically in years of drought or crisis. During the Destitution Study fieldwork, experienced migrants told us repeatedly that they would prefer to have employment provided in their home areas, to remove the need for migration which they often find hard, dangerous and unprofitable. Realistically, though, even if we envisage a successful diversification strategy enabling the expansion of local enterprise and employment to their maximum, it is likely that temporary migration will remain a common seasonal activity (and a coping strategy in poor farming years) within households' diverse livelihood portfolios. From the broader economic perspective, too, migrant workers make an important contribution to national growth by filling seasonal labour shortages in high-potential and commercial farming areas (including the major production centres of coffee, sugar and cotton, as well as high-value grains such as *teff* and sesame). Wollo is one of Ethiopia's rich pools of labour, a vital national resource. Seasonal migration both facilitates agricultural development in the high-potential areas and allows smallholders from the low-potential, drought-prone areas to fill seasonal gaps in their income and to offset their dependence on local climatic conditions. In many other African countries, temporary labour migration from smallholder farming areas has been an important means not only of supplementing incomes, but also of raising the productivity of subsistence agriculture through the investment capital and innovations (such as new seeds or irrigation techniques) that the migrants bring home to their farms.[107] It is surprising, therefore, that the issue of labour migration is missing from Ethiopia's federal and regional policies for food security and rural development.

[107] In West Africa, there is a well-established pattern of seasonal migration from the semi-arid northern regions of countries such as Ghana and Togo and their northern neighbours – e.g. Mali, Burkina Faso – to the cocoa farms and other destinations in the south. This annual process of reallocating underemployed labour from the north during the dry season to the labour-constrained south benefits both sub-sectors of the rural economies of these countries. In Southern Africa, the goldmines and commercial farms of South Africa have historically played a similar role for migrant workers from Lesotho, Namibia, Malawi, Mozambique, Zambia and other countries in the region.

The Destitution Study found that the majority of labour migration from the study area (58% of reported trips) is to other rural destinations, for agricultural work of various types (harvesting, weeding, crop-guarding, livestock herding, and so on depending on the season and location). Although migration was commonly described in the qualitative discussions as an activity for the poor, the questionnaire survey found that the very poorest (households classified as destitute) were less likely to have sent someone on migration during the previous twelve months (6% of destitute, compared to 8% of non-destitute households).[108] This is attributed to destitute households' shortage of labour as well as capital for travel and search costs: a similar differential in migration rates was found for female-headed households, who also tend to be labour-poor (5% of female-headed households, compared to 8% of male-headed, had a member who had migrated for temporary employment during the past year). Those destitute households who do engage in labour migration are less likely than others to go to urban destinations (1.7% compared to 3.3% of the total sample category) or to travel to the more distant employment centres (only 37% of migrants from destitute households travelled outside the Region, compared to 52% of those from non-destitute households).

Qualitative work showed that rural-urban migration was more popular among the young, and among women. It was considered to have higher potential rewards, but also higher costs and risks. Literacy and specialist skills such as masonry were a great advantage to urban migrants in finding relatively profitable employment.

The major constraints and problems facing labour migrants from Wollo, according to participants in focus groups and case studies throughout the study area, can be summarised as follows:

- ***Lack of information*** about employment opportunities (and consequently high risks and search costs).
- ***High costs of travel*** (direct transport costs, plus subsistence and accommodation *en route*).
- ***Over-supply of migrant labour*** compared to demand, especially in recent years. (Many respondents attributed this to greater freedom of population movement since the end of the Derg regime, as well as to the 'push factor' of increasingly inadequate own-farm incomes.)
- ***Health risks*** and lack of access to medical services in the destination areas, and while travelling. The most feared illnesses were malaria in the lowland crop and livestock areas, and HIV/AIDS in the towns. Injuries and accidents were also considered a serious risk when far from family support and with doubtful access to medical care.
- ***Theft of earnings***. In the absence of any financial institutional network for the transfer of money between different parts of the country, most migrants carry with them whatever they earn. Migrants, especially those who go to the relatively profitable destinations, reported that they were often targeted by robbers who knew they would be carrying a season's earnings when they left for home.
- ***Low human capital*** in terms of skills and education, which limits rural migrants to unskilled, low-paid work.
- Generally ***very low returns to migration***, due to the combination of low earnings and high costs. While some migrants do make enough profit to purchase livestock or make

[108] Overall, the percentage of sample households reporting labour migration during the year preceding the survey was much lower than expected. This could possibly be explained by the high levels of food aid distribution during that year, and/or by under-reporting of absent household members. However, the pattern of migration revealed – in terms of which types of household migrate, to which destinations, and for what kinds of work – is believed to be representative.

other investments in their home area, these success stories seem to be a small minority. Many people, especially those who cannot afford to reach the more profitable destinations, view migration more as a way of reducing the household's consumption by feeding themselves elsewhere for a season, than as a means of accumulating capital or increasing household income. Many bring nothing back with them when they come home, except the clothes they are wearing.

- ***Uncertainty of land tenure*** for people leaving their villages temporarily.[109] While relatively short-distance migration (much of which is to neighbouring *weredas* within the same administrative Zone) mostly takes place in the local agricultural slack season, and can therefore be combined with farming of the migrant's own fields, long-distance migration can necessitate missing a farming season at home. For labour-rich households this is not a problem, as the remaining household members can continue farming their land without the migrant's labour. Smaller and poorer households, however, commonly sharecrop or rent out their land when the household head or young men migrate (sometimes in exchange for an advance payment which will support the migrants' dependents during their absence). Such mutually agreed contracts suit both parties, but there is widespread anxiety about security of land rights for migrants who may be absent for a season or more, given the general speculation about possible future redistributions and the growing number of landless youth. Some cases were also encountered of returning workers having difficulty in regaining their land from the sharecropper or renter, either because of cheating on the contract or because the migrant's family had become so deeply indebted to the sharecropper that the land was effectively mortgaged against the debt.

Policy initiatives to address these constraints could help to make labour migration a less risky and more profitable component of diversified livelihoods for rural households, while ensuring a reliable, higher-quality supply of labour for agricultural (and eventually non-agricultural) development centres elsewhere in Ethiopia. Some constraints are, of course, beyond the direct or short-term control of government: for example, the excess supply of labour will probably only be eased by increasing the demand for unskilled labour, through growth in the destination areas. Similarly, low earnings are partly determined by macro-economic and international factors (most dramatically for migrant coffee-harvesters, whose pay is fixed as a proportion of the crop and whose incomes are therefore entirely at the mercy of the international coffee price).

However, other factors can be addressed by policy and investment initiatives. Some are already under way or are included in the government's food security and rural development plans, and should be supported. ***Road development, for example, has a significant effect on migrants' costs, not only through reducing the direct cost of transport but also by reducing the number of days spent travelling and therefore the subsistence costs and risks of the journey itself.*** As one experienced migrant from Dawunt Delanta *wereda* put it: *"Improved roads would bring employment closer, and would reduce our accommodation costs as well as transport costs, because we would get home quicker and not have to spend so many nights in transit."* ***Expanded primary education, and the types of training in craft-work and business skills planned under the Regional Food Security Programme, will eventually contribute to people's ability to access more diverse and higher-return employment in migration areas, as well as at home. Renewed investment in adult literacy could also raise the human capital of migrants***

[109] According to participants in the Destitution Study qualitative work, departing migrants often do not know how long they will be gone, especially if they are travelling to potential resettlement areas such as Wellega or Addis Ababa. They need to go and explore possibilities, before deciding whether to stay there permanently or to spend a few years accumulating enough capital to take home and (for example) buy an ox or establish a household. Uncertainty of land tenure makes this a very much riskier strategy, since the migrant or prospective resettler risks having nothing to go back to if s/he fails. This factor may be inhibiting spontaneous resettlement from the drought-prone smallholder areas.

relatively quickly, making them less vulnerable to being cheated on contracts as well as enabling some to get better-paid jobs.

Targeted medical services (including malaria prophylaxis and HIV prevention) for migrants in the major destination areas would reduce their health risks, as well as ensuring a stronger workforce for the achievement of ADLI. Current policy provides a degree of free access to medical care for those who are unable to pay, but this requires a letter from the patient's *kebele* of residence. Migrants thus find it difficult to access even the minimal level of health care that the government system provides.

Clarification of land tenure security for farmers who are temporarily absent from the village, or who may be exploring the possibility of permanent resettlement, would facilitate both income diversification for people who will maintain their base in smallholder farming, and spontaneous resettlement for those who will eventually establish themselves elsewhere. Regularisation and legal enforcement of sharecropping and rental contracts would also make migrants and their dependents more secure, and more confident about moving. This is, again, partly a question of clarifying the current and planned tenure policy: since many of the farmers we interviewed believed that renting of land was still illegal, their contracts were kept secret from the *kebele* and other authorities, and were thus unenforceable if problems arose.

Financial networks for the safe transfer of earnings from destination to home areas should be developed. While it will undoubtedly be a long time before a formal banking system reaches the villages, it is recommended that institutions such as ACSI and its counterparts in other Regions should explore the feasibility of providing assured transfer of savings, at least between Zonal capitals and eventually to *wereda* towns.

Definite information of employment opportunities in the destination areas greatly reduces the risk and cost of migrating. Currently, due to poor communications and the lack of any institutional support for migration, most migrants from Wollo are setting out from home with no information about the availability of work, except their experience of previous years and perhaps some outdated information from other migrants. During the qualitative work for the Destitution Study we came across only one example of organised labour migration, where workers were recruited in their home area and provided with transport (as the former state farms used to do). This was in Mekane Selam (Debre Sina *wereda*), an old town with established migration networks. As a local informant explained:

> *"People go to Dubti to work on the cotton. When there's work, they come and announce it at the Saturday market in Mekane Selam, and then they pick people up the next day. Transport there and back is free. In Nehassie [August] they come once a week, then in Meskerem [September] they come 3 times a week on Saturday, Wednesday and Thursday. The timing and labour demand depends on how the crop develops, and whether the Afar cattle are invading the cotton fields. Meskerem's the peak month, many people go, and then it declines. … Transport back is provided at the end of the weeding season and the end of the picking season. … Accommodation and water are free. Food is given on credit from the estate shop. They pay you every 15 days and then they charge you for the flour you've received."*

Although the work is still hard and people fear malaria, this arrangement enables poor individuals (including women) to migrate without any capital outlay for transport and subsistence, and without risk of unemployment on arrival. Better-off households in the same community prefer more profitable and congenial destinations such as Wellega, but these are not an option for people who cannot afford some outlay of 'venture capital' to go and prospect for work.

This degree of organisation, in terms of information and transport provision, is only realistic in the private sector for large employers such as the cotton estates. ***However, it is recommended that the regional government investigate the possibilities for institutional support to labour migration by improving the flow of information about current job opportunities, and potentially facilitating seasonal transport between major sending and receiving areas.*** Whether such a mandate should be located under REMSEDA (the Regional Micro- and Small Enterprise Development Agency, in the Trade, Industry and Urban Development Bureau), or the Cooperatives Promotion Bureau (under Rural Development), or elsewhere in the government structure, is a matter for regional discussion. However, it is strongly recommended that some institutional unit be established to support labour migration. If necessary, donors should be approached to fund an initial study of the most appropriate strategies for the local context, and a review of international experience.

11.4.4. Vulnerability

According to Robert Chambers, "vulnerability, more than poverty, is linked with net assets", and the Destitution Study confirmed that destitution and vulnerability are both significantly affected by asset ownership and access to assets. Chambers (1989) also observed that vulnerability has two sides: "an external side of risks, shocks, and stress to which an individual is subject; and an internal side which is defencelessness, meaning a lack of means to cope without damaging loss". Based on an analysis of livelihood strategies of poor urban households from three continents, Caroline Moser developed this link between vulnerability and assets (which she defines broadly as including labour, human capital, productive assets, household relations, and social capital):

> "Vulnerability is therefore closely linked to asset ownership. […] The means of resistance are the assets and entitlements that individuals, households, or communities can mobilise and manage in the face of hardship. […] The more assets people have, the less vulnerable they are, and the greater the erosion of people's assets, the greater their insecurity" (Moser 1998).

Vulnerability can be either 'transitory (vulnerability to short-term shocks), or 'chronic' (vulnerability to long-term asset depletion). The Destitution Study has highlighted the importance and the scale of chronic vulnerability, which has previously been relatively neglected because of policymakers' preoccupations with annual food needs assessments, but there are of course strong interactions between the two. Specifically, episodes of transitory vulnerability tend to accelerate processes of asset depletion, increasing chronic vulnerability, while the chronically vulnerable are less resilient in the face of livelihood shocks because they have fewer assets of all kinds to draw on in times of crisis. The distinction between transitory and chronic vulnerability is, therefore, artificial, or at least blurred.

Having identified lack of assets, or constrained access to assets, as a primary cause or correlate of destitution, it follows that vulnerability to destitution can be reduced if strategies and policies are adopted that protect assets and prevent forced asset depletion. This has been the thinking behind 'employment-based safety nets' (EBSN) in the form of food-for-work projects and the Employment Generation Scheme (EGS) in Ethiopia for the past decade. In the context of lifting people out of destitution and reversing processes of destitution among currently vulnerable households, we would endorse recent initiatives that emphasise both ***asset protection*** (e.g. the Transitional Asset Protection System (TAPS) and the Relief To Development (R2D) project) for the vulnerable and working destitute, and ***asset-building*** (e.g. the policies laid out in the Rural Development Strategy and the SDPRP) for the less vulnerable and better-off rural households.

Michael Lipton (1997) argues that safety nets are needed for two reasons, to provide social protection to two distinct groups: "both to mitigate the vulnerability (to droughts and floods, illnesses and twins) of the working poor, and to compensate those too old or ill to work".

However, governments are often resistant to the establishment of large-scale social welfare or safety net programmes, especially in poor countries, because of a perception that these programmes divert scarce public (government and donor) funds away from investments that might instead generate economic growth. In Malawi, for example, the donor community designed a National Safety Net Programme in 1999 that would provide consumption support to 40% of the population – drought-affected smallholders, the rural landless, female-headed households, AIDS orphans, and other 'vulnerable groups'. But the Malawi Government rejected this proposal, arguing that the resources allocated to these interventions would be better spent on more 'productive' development programmes.

In many countries, including Ethiopia, the World Bank's 'Consultations with the Poor' exercise highlighted the importance of livelihood insecurity as a factor that constrains the poor from taking steps that could improve their living conditions (Narayan *et al.* 2000).[110] Uncertainty causes the poor to favour risk-spreading strategies that reduce income fluctuations, and to limit their investments in case their enterprise fails. In Ethiopia, for instance, it is often argued that farmers are reluctant to adopt technological packages that might raise crop yields, not because they are irrational or 'backward', but because the high risk and high cost of failure is too much for poor farmers to take the chance. Unfortunately, this behaviour, although rational, contributes to keeping poor people poor.

Safety Nets

Our study confirms the common observation that community support and informal safety nets are much weaker now than in the past, and finds that the major reason for this is not the moral effect of outside aid (as some people claim), but the impoverishment of whole communities (in terms of total and per capita assets) and of the better-off groups within these communities, who were previously better able to support their poorer neighbours both through charity and through mutually beneficial economic arrangements such as employment, share-rearing and loans. The possibility of securing productive resources and consumption support from wealthy neighbours has effectively disappeared in large numbers of communities throughout the Amhara highlands. This has had two negative effects for livelihood security among the poor and destitute: it has undermined their productive capacity by removing local providers of jobs and inputs, and it has eroded their social safety nets by removing local providers of food and income support. The general impoverishment of the middle and better-off households (compounded by out-migration of those who can afford to make a better life elsewhere) contributes to a vicious circle of increasing need for aid, and increasing aid dependence.

Two policy responses are possible to this situation. One is to provide external support to local efforts to rebuild productive capacity at the community level, for instance by offering livestock credit to households that can afford the cost and the risk of taking on such credit. In most cases this would probably not benefit the destitute directly, but it would increase the stock of productive resources available at the community level, and some of these resources would be accessed by the poorest community members through a range of local institutional arrangements, as in the past. To the extent that middle-income and wealthier community members accumulate income and assets and improve their economic circumstances, this would also rebuild the local informal social safety nets that were vital to the poor during livelihood crises in the past – though at the cost of increased socio-economic inequality within communities. This is regrettable, but Ethiopia's experience in recent decades has demonstrated that the economic costs of eliminating the wealthy class of rural peasant households generally outweigh the social benefits, and – paradoxically – it is the poorest rural households that have suffered most from this process.

The second set of possible responses is to focus on the loss of informal safety net support that the disappearance of the rich has meant for the poor, and to install or expand major

[110] For the Ethiopian contribution to the Voices of the Poor process, see Dessalegn Rahmato and Aklilu Kidanu, 1999.

public safety net programmes (such as EGS, cash-for-work and food-for-work) across the region to compensate for the inability of the poor to secure this support at the present time from their extended families or wealthier neighbours.

Our conclusion is that both approaches are required. In order to strengthen informal safety nets as a long-term sustainable alternative to dependency on food aid, it is necessary not only to ensure that the poorest of the poor are targeted with appropriate assistance, but also to enable relatively successful households to accumulate assets and substantially increase their incomes. This will inevitably lead to greater economic differentiation within the rural areas. While we do not advocate a pure 'trickle-down' approach of focusing only on high-potential people and areas to achieve growth, the opposite extreme of focusing only on the very poor also has its dangers: too much equality may end with everyone equally destitute.

Safety net programmes have a long history and have been implemented on an enormous scale in Ethiopia, but they have always been seen, at least in theory, only as interim measures, never as preferred long-term solutions to rural poverty and food insecurity. Although large-scale safety nets have become institutionalised in the north-eastern highlands, with no clear 'exit strategy', there are four reasons for arguing that their continued presence is an important component of efforts to combat destitution.

Firstly, the emphasis on 'productivity-enhancing safety nets' (such as building roads or micro-dams with food-for-work) is very important and is making a difference in terms of creating essential physical infrastructure as well as transferring food to project participants. For instance, the importance of roads in linking isolated communities to towns and integrating rural with urban markets emerged strongly in the fieldwork. The evidence suggests that communities closer to towns enjoy better economic prospects than people living far away, and communities that have recently been connected to a sizeable market by a new road have benefited enormously in terms of accessing a wider range of food and non-food commodities more easily and at lower prices than before. Well designed safety nets can and should continue to contribute to this important positive process.

Secondly, apart from this 'asset creation' effect, there is growing evidence from studies in several countries of a significant 'investment effect' from safety net programmes. Research conducted in southern Africa (Mozambique, Namibia and Zambia) found that even tiny safety net transfers are often invested in income-generating activities, education of children, or purchase of productive assets. In general, this effect is more pronounced with cash transfers than food (Devereux 2002). These findings suggest that social safety nets, far from being merely a welfarist intervention to protect the poor against livelihood shocks, can play a role in reducing chronic poverty.

Thirdly, recent thinking in policy circles about the need to shift away from annual food needs assessments and towards multi-annual planning offers real prospects for integrating short-term safety net programmes with longer-term food security and development strategies. This is an important step which deserves full and enthusiastic support. It takes the idea of 'linking relief and development' to the next logical stage, because it should allow resources mobilised for short-term imperatives to be pooled more effectively in future to meet a combination of immediate and long-term objectives. It also should facilitate a 'consolidation of thinking' around strategising to reverse the poverty ratchets and destitution processes that have necessitated the introduction of large-scale, long-term safety net programmes, with a view to phasing them out as developmental initiatives start, hopefully, to achieve some success.[111]

[111] This is not to imply that emergency relief programmes will ultimately be 'phased out' along with food aid projects. There will always be periodic needs for drought relief in agricultural systems that are vulnerable to erratic rainfall. But institutionalised project food aid in the north-eastern highlands is compensating for widespread poverty and market failures that should ultimately be eradicated by successful development processes.

Fourthly, although discussions about policy initiatives with communities mostly focused on employment and development, and people frequently expressed the view that repeated food aid distributions had not solved their problems and they wanted more productive investments, there was also an awareness that food aid is the only substantial and effective safety net for the poor in many areas, at least for the foreseeable future. As one respondent expressed it: *"Trade, credit and projects are okay – but we need to survive this year, we need food aid!"*

Crop insurance

Given the high-risk nature of rain-fed agriculture in the Ethiopian highlands, it is not surprising that the idea of providing crop insurance to Ethiopian farmers has been seriously considered on more than one occasion. Equally unsurprisingly, the idea has quickly been dismissed as unfeasible each time. Crop insurance for small farmers in developing countries has often been championed in theory, but has rarely been successfully implemented in practice. Reasons for this include:

- *Covariate risk* – most private (life, health or theft) insurance is provided against idiosyncratic risk, but crop insurers in Ethiopia could face potentially bankrupting claims in years of severe drought, when production failures strike hundreds of thousands of farmers simultaneously;
- *Information asymmetries* – given the high variability of Ethiopian harvests from year to year and even from community to community, how to determine whether a bad year is sufficiently disastrous to merit paying out?
- *Transactions costs* – the dispersed and inaccessible locations of many potential clients would require extremely costly and time-intensive monitoring systems;
- *Poverty* – chronically poor Ethiopian farmers are unlikely to find commercially provided crop insurance affordable, especially since the above-mentioned problems faced by insurers would inevitably necessitate extremely high premiums being levied.

An innovative variation on conventional crop insurance would combine voluntary contributions by farmers with 'matching funds' provided by government or donors. Under this scheme, farmers would be offered the opportunity to contribute to a savings fund that builds up in good years and pays out *double* their total contribution in bad years. This should not be seen as a substitute for emergency relief, which would still be required in years of major crop failure. In the longer term, however, if this scheme gained support and larger contributions were feasible from both farmers and funders, dependence on food aid might decline as a direct consequence. This proposal combines several positive features, including providing crop insurance in a high-risk environment, a savings component that should promote self-reliance and the development of rural financial institutions, and a food security safety net for extremely vulnerable people.

This scheme addresses most of the 'insurance problems' described above. *Covariate risk* is not an issue in this scheme because funders would be paying in to the fund every year anyway. *Information asymmetries* between administrators and clients can be addressed either by allowing individual participants to decide when to make withdrawals to meet their contingency needs; or by using a proxy for crop failure (such as a 10% fall in rainfall relative to average) as a pay-out trigger; or by drawing on information generated by annual food aid needs assessment exercises. *Transactions costs* would be minimised if the scheme was linked to regular community-level interactions by *kebele* or *wereda* administrators, or if the scheme was grafted onto existing relevant schemes such as microfinance institutions.

What constraints might undermine this idea? Firstly, *chronic poverty* clearly limits the amount of cash that destitute farmers can afford to set aside for this scheme. However, the knowledge that any contribution they make will be matched by an equivalent amount from

the government or donors should encourage them to set aside as much as they can – effectively, this is a savings scheme that earns 100% interest. Secondly, *administrative complexity* needs to be minimised. Reflecting Ethiopia's decentralised local government structures, the scheme could be administered at either the community (*gott* or *kebele*) or district (*wereda*) level, and integrated at the regional level. If savings are collected at community level, banked at regional level and matched at national level, this would serve to spread the risk of high payouts in any given year, given the localised nature of crop failures.

During fieldwork for this study, this idea was raised informally in discussions with farmers in several communities. Most farmers expressed their willingness to contribute to any scheme that would provide them with some degree of financial security against livelihood shocks. Even without the 'matching fund' component, there was a positive response to the idea of a savings fund that could be built up in good years and liquidated in bad years. The average annual amount that these farmers said they would be willing and able to contribute was 50 Birr, though some volunteered 100 Birr.

Ultimately, of course, whether ideas such as this one, and others proposed in this chapter, are considered financially and politically feasible or sustainable by government and donors is not a technical question, but a political choice.

11.5. Conclusion

Underlying all of the suggestions for policy-makers to consider in this chapter is an implicit but fundamental dilemma: how to reverse a demonstrated trend whereby families and communities throughout the northeastern highlands of Amhara Region are "sliding down" into extreme poverty, assetlessness, and chronic dependence on institutionalised safety nets for their survival.

Thinking through this dilemma requires more than a checklist of ideas; it requires a vision of the future economy of Wollo in 5, 10 or 20 years time. Will Wollo in 2020 look more or less as it does now – only worse, with larger numbers of people subsisting in destitution and permanently dependent on humanitarian food aid? Or will voluntary resettlement of people out of the densely settled highlands have alleviated the pressure on scarce land – is resettlement on this scale feasible? – or will the gains from resettlement be cancelled out by inexorable population growth? Perhaps the growth of small towns across the region will create a 'virtuous circle' of employment and income multipliers, providing smallholder families with the diversified livelihood portfolio they need – farming for their food needs, trading or working in the urban informal sector for their cash needs – to protect them against the livelihood shocks that have triggered destitution in Wollo for centuries?

At this point in time, anything less than a structural transformation of the Wollo economy seems inadequate to the task of reversing the poverty ratchets in which the people of Wollo seem trapped, but the source of such a transformation is by no means clear. Unfortunately, respondents during fieldwork generally shared this pessimism. Although the policy discussions with communities mostly focused on employment and 'development' options, and people frequently expressed the view that repeated food aid distributions had not solved their problems and they wanted more productive investments, there was also an awareness that for the foreseeable future food aid is the only 'guaranteed' and effective safety net for the poor. As one informant told us:

"Trade, credit and projects are okay – but we need to survive this year, we need food aid!"

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ANNEXES

ANNEX 1: POLICY REVIEW FOR DESTITUTION STUDY

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July 2002

Table of Contents

1. A CONCEPTUAL FRAMEWORK FOR POLICY MAKING IN ETHIOPIA

A clear understanding of policy and related concepts at all levels is paramount for good policy formulation and implementation. Key informants for this review accepted the view that conceptual issues are not only for the academia or student projects. In the context of Ethiopia, conceptual issues have an added weight for the simple reason that most policy related English terms do not have equivalents in local languages.

Browsing through policy documents in Ethiopia reveals that there is a wide range of terms in use. These include policy, strategy, programme, directive, and guideline. As part of this review, these concepts were examined in relation to the following questions:

- Do policy makers and implementers at federal and regional levels have similar understanding of the terms?
- Is there any logical sequence in the use of the terms?

Policy

Policy is often defined either too broadly in terms of a set of goals or statements of belief or too narrowly in terms of a detailed specification of a course of action to be followed or a set of rules and procedures. For example, a policy is "a set of guidelines which provides a framework for action in achieving some purpose on a substantive issues … they imply an intention and a pattern for taking action". Therefore, a policy is established to achieve some stated purpose, which invariably reflects a set of beliefs or values or philosophy on the issues at hand.

Policy refers to broad statements of what the government wishes or hopes to achieve in a given sector. In curtain circumstances, proclamations are issued to establish (or restructure) the body that implements the policy, its duties and responsibilities and the necessary co-operation it can expect from other departments.

An example of government policy is the Water Resources Management Policy, which lays down broad statements on what the government wishes or hopes to achieve in improving and developing the water sector. A Proclamation is also issued to restructure the Ministry of Water Resources.

Strategy

Strategy refers to detailed statements of how the government expects to implement the policy in a given sector. For example, following the Water Resources Management Policy, the government issued the Water Sector Management Strategy. The strategy articulates the under utilisation of water resources in Ethiopia and identifies constraints to improving and developing the water sector. The strategy claims to depart from the "piecemeal approach" the country followed in the past by adopting an integrated and comprehensive water sector development programme. In some cases strategies are defined within the policy document (e.g. Education). In most cases, however, separate strategy documents are issued.

On balance there is better understanding of the concept of strategy than the concept of policy. However, in some circumstances, there could be an overlap between the two concepts. For example, the government could issues broader strategy and request sectors to develop sectoral policies. There is a strongly feeling that there is a need for familiarising the context in which these terms are used among the policy implementers and the society at large.

Programmes

Programmes are detailed activities of actual implementation of the government strategy on the ground. Nowadays there is a shift from projects (time bound set of activities) to programmes. The reasons for preferring sector wide programmes are two-fold:

- Programmes are flexible. They allow for a shift of funds from programme component A to B in the event that there are difficulties in implementing A or other political reasons.
- Programmes allow for integrated approach to sector development presumably leading to the development a sector as a whole rather than development in one corner of a sector.

At programme level, the government begins to estimate how much the policies and strategies cost. Programme documents are also used for raising funds (approaching donors) to implement the policies and programmes. For example, following the water sector strategy, the government prepared the Water Sector Development Programme, which is a multi-donor financed programme. The majors donors are UNDP and the Wold Bank

Directives

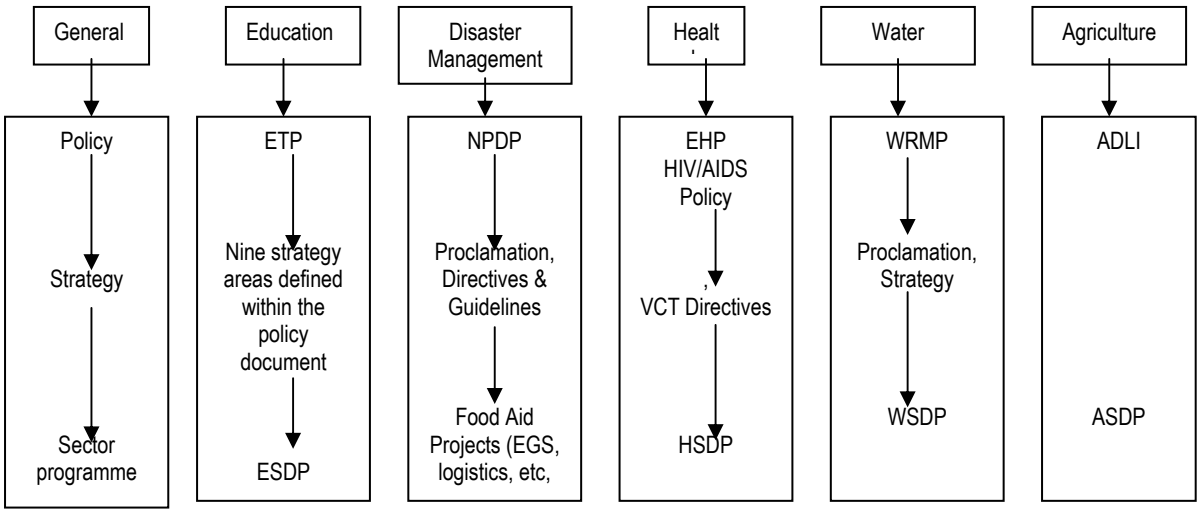
Directives represent official instructions to concerned departments and individuals. When issued separately, they elaborate and expand on what is stated in the policy document. For example, the Directives for Disaster Prevention and Management provides detailed description of (1) basic operations modalities of NPDPM; (2) structures at national, regional, zone and woreda levels; (3) duties and responsibilities of government and non-government organisations and individuals.

Guidelines/manuals

These are often prepared for training and familiarising the content of the policy and strategy to technical staff of the implementing agency and co-operating agencies. Operational manuals/guidelines contribute to consistency in interpretation and implementation of policies. By definition, lack of these resources leads to inconsistent interpretation and implementation. In recognition of this, DPPC developed the EGS Guidelines and the National Food Aid Targeting Guidelines. As shown in Box 1 below, the water sector has provisions for preparing implementation manual. Guidelines and manuals are often overlooked in the policy formulation process but field staff, NGOs in particular, consider them an important stage of policy making.

Is there any logical relationship between these policy-related concepts? By and large yes. Figure 1 below shows this relationship using examples from various sectors.

Figure 1: Logical sequence of the use of policy related concepts



Definition
ADLI = Agricultural Development Led Industrialisation
ASDP = Agriculture Sector Development Programme
EHP = Ethiopian Health Policy
ESDP = Education Sector Development Programme
ETP = Education & Training Policy
HSDP = Health Sector Development Programme
NPDPM = National Policy on Disaster Prevention & Management
VCT = Voluntary Counselling and Testing
WRMP = Water Resource Management Policy
WSDP = Water Sector Development Programme

The policy cycle

The policy cycle is a systematic procedure that policy makers should follow in formulating and implementing policies. By and large, it resembles the well-known programme/project cycle with the following key stages:

1. Problem analysis/diagnosis
2. Setting priorities
3. Policy formulation
4. Policy review
5. Policy implementation
6. Impact assessment/evaluation

The key questions therefore are:

- Do policy makers in Ethiopia follow any systematic procedure to formulate policies?
- If yes, which stage is the strongest; and which stage is the weakest?

To some extent, policy makers in Ethiopia follow a systematic procedure in policy formulation but not necessarily a textbook policy cycle. However, this "rough" policy cycle varies between sectors. A review of the various sectors showed that the water sector probably follows what is close to the textbook policy cycle as shown in Box 1 below.

Box 1: Steps in Developing Water Resource Management Policy

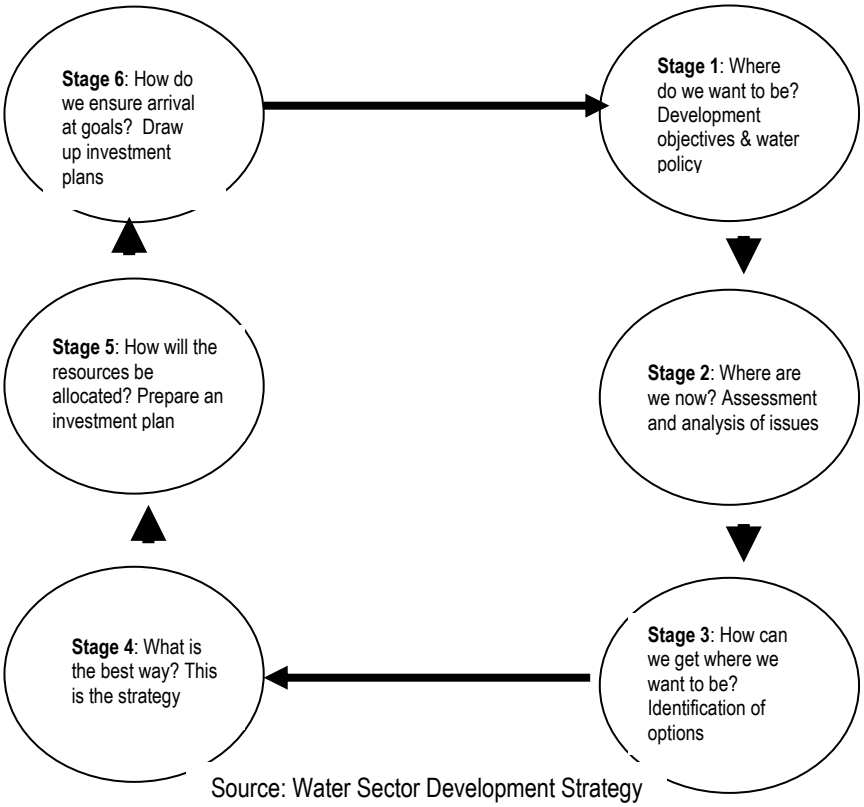
1. Commission technical papers on the water sector. This represents the diagnostic stage in the policy cycle;
2. Review these technical papers in workshops at Federal and Regional levels;
3. Form a taskforce to prepare draft policy;
4. Submit the draft policy for review by federal and regional bodies;
5. Finalise the preparation of the policy;
6. Submit the policy to the Council of Ministers;
7. The Council of Ministers approves and issues the policy;
8. Develop subsequent water sector strategies and programmes to facilitate the implementation of the policy;
9. Prepare implementation manual; and
10. Monitor and evaluate the implementation of the policy.

Key informants at Federal, regional and project level, were consistent in outlining these stages, which is a clear indication of the extensive consultation carried out.

Following the water resources management policy and strategy, the Water Sector Development Programme was prepared. The principles that underlie the preparation of this programme are consistency, sustainability, comprehensiveness, strengthening of national capacities, and participation.

- **Consistency**: projects and programmes need to be in line with the water resources management policy principles and objectives.
- **Sustainability**: the programme is expected to realise long term security and protection of water resources at national level.
- **Comprehensiveness**: the plan is comprehensive in the sense that it should take into account the needs of all sub-sectors. Intersectoral linkages are to be addressed.
- **Strengthening of national capacities**: the sector development plan is designed in such away that the necessary provisions will be made to strengthen national capacities at all levels in different aspects related to project design, implementation, O&M and M&E in different sub-sectors or water activities.
- **Participatory**: the preparation of the programme has been based on the "norms" of participatory and consultative process. Public and private sectors, NGOs and international partners have been brought on board right from the start and have continued to participate in the process.

Figure 2: Strategic Planning Cycle: Water Sector



Source: Water Sector Development Strategy

The Disaster Prevention & Preparedness Commission (DPPC) also claims that its policy was formulated in a systematic fashion involving:

- analysis of drought and famine situation over the 20 years prior to the policy, which revealed that
  - food aid increasing
  - beneficiary number increasing
  - dependency increasing
  - local production falling
  - then government was forced to ask itself - what next?
- formulate a policy that introduced "linking relief to development" as key mechanism of preparedness
- implement the policy through the various modalities (e.g. EGS)

According to the Environmental Protection Authority (2001), the process of developing the national conservation strategy began in 1989. The enabling conditions included (1) environment was gaining momentum at international level due to the inception of the UNCED initiative (2); at national, level drought and famine were belied to be products of environmental mismanagement (3) strategies for food security and disaster prevention were being formulated. The process was delayed due to the change in government in 1991 but never halted.

The process may be summarised as follows:

Box 2: Steps in Developing Environment Policy and Conservation Strategy

1. Courtesy call meeting between government officials (including the then Minister of Planning) and potential donors;
2. A national workshop in 1990 which kicked off the CSE. The proceedings constituted a collection of highly regarded technical papers;
3. A secretariat was established at the conference;
4. Attended the Rio conference on the environment. This offered opportunities for the secretariat to learn from the UNCED process;
5. Change of government in 1991. The CSE had to go through all kinds of situations leading to a fall of one government and a take over and consolidation of power by an incoming government.
6. Set up a technical committee to guide the CSE process.
7. Draw up a framework for the CSE formulation, prepare a number of background and thematic papers, conduct discussion with sample communities to identify local level problems and issues;
8. Revise CSE document in light of changes in government policies and structure.
9. Formulate regional strategies in light of decentralisation and build the capacity of regions;
10. Submit revised CSE document to 2nd national conference (1994);
11. Finalise and obtain approval of federal and regional strategies.

Source: *Tefetro*, Biannual Magazine of the Environmental Protection Authority (Amharic & English), Vol. 1, No. 1, Dec. 2001

The Environmental Protection Authority believes that in the process of formulating the CSE, a number of Ethiopians gained valuable knowledge in natural resources assessment and formulation of strategies. In summary, the importance of adopting such a systematic framework was acknowledged at both Federal and regional levels. Particular attention was placed on (1) the problem/situation analysis; and (2) full participation of stakeholders including beneficiaries. Although experience from other countries is useful, heavy reliance on them will simply divert attention from local conditions.

2. CONCEPTUAL STRENGTH AND WEAKNESS IN POLICY MAKING

Logical use of concepts

Review of policy documents and discussion with key informants indicated that these terms are used more or less in a logical sequence as shown in Figure 1 above. First, the government issues a policy, second it outlines a strategy or strategies, third it develops a programme or programmes, at which stage how much a given policy or strategy costs becomes clear. This may be considered a strong point. Strictly speaking, the strategies do not give alternative scenarios and select the best strategy in terms of cost or other criteria.

However, it can not be stated with any degree of confidence that these concepts are equally understood across the board – from policy makers, implementers, down to beneficiaries. The rural development policy document recently issued has been the subject of controversy during the sensitisation process. The document uses policy and strategy almost interchangeably and within the document the policies and strategies are not distinct enough. This is a weak point.

There are changes in the way policy issues are debated perhaps encouraged by the PRSP process. The fact that the rural development policy was put on the table for discussion is considered a move in the right direction. However, more often than not the policy documents are put on the table almost finished leaving little or no room for changes.

Policy cycle

In the Ethiopian context, the "strongest" point in the policy cycle is "policy formulation". There is the willingness and capacity to adapt policies from various countries most notably from India. For example, NPDPM (TGE, 1993) is based on diagnosis of the local situation as well as heavily drawing on Indian experience.

The weakest points of policy making with respect policy cycle are:

- absence of proper diagnosis of problems – determining felt needs
- resistance to reviewing/revisiting/revising policies
- absence of operational manuals/guidelines for policy implementation
- lack of consistency across sectors
- lack of proper implementation

Each of these weaknesses is explained below.

Absence of proper diagnosis of problems

It is generally acknowledged that problem diagnosis/identification is the most important stage in any planning process. If the correct problems are not identified, it is almost impossible to formulate appropriate policies or solutions. With very few exceptions, there is a general lack of systematic problem diagnosis/identification in Ethiopia. Policies are often based on general perceptions of existence of problems. Figure 2 above is a clear testimony to the wrong perception that prevails. It shows that water policy precedes assessment and analysis of situations.

To cite a further example, it is well known that the education sector in Ethiopia has been in trouble for sometime. The country has one of the lowest literacy and numeracy rates in the world, run down educational facilities, inequitable distribution of educational facilities, and so on. However, the education policy formulated to tackle these problems has recently been a subject of considerable controversy.

Based on limited observation, one could discern two schools of thought. The first believes that it is lack of implementation capacity rather than inappropriateness of the policy. The second believes that there are some aspects of the policy that require re-visiting. This group also shares the view that implementation capacity is lacking. The first is largely government's position whereas the second is of the education experts and the general public.

In response to the implementation capacity problem the government established the Ministry of Capacity Building and has completed preparations for a far-reaching civil service reform. Although these measures are commendable, the more fundamental issue is the lack of proper diagnosis and identification of problems with full participation of stakeholders and basing policies on these problems. The Ministry of Education has gone on record and stated that the problems of the education policy emanate from lack of extensive consultation with stakeholders – teachers, parents, and students. This has been confirmed during consultations for this review.

As shown in Box 1 above, the water sector appears to be an exception to the rule. Prior to formulating the policy, technical papers were commissioned to identify problems in the water sector, stakeholders' were given the opportunity review the papers, and the policy was based on the problems identified in the papers. The key informants from the Federal and Region sector were consistent in describing this process which indicates the close consultation between them.

Resistance to reviewing/re-visiting/revising policies

Good policy is not one that is written for life. It is one that is flexible with mechanisms built into it for justifiable changes. An interesting development in the most recent policy dialogue in government circles is the government's argument that lack of capacity to implement a given policy is no indication of its inappropriateness. Observers consider this stand very worrying. If a country is not capable of implementing a given policy, then logically it should revisit it and make changes – make it implementable with the existing capacity rather than wait until sufficient capacity is built. By the time the capacity is built, irreversible damages could have been done! The mere fact that most of the policies were formulated during the transitional period (when the government was not yet on its two feet), is a clear justification for revising the policies.

More recently, the government has begun re-visiting some of its policies. The investment policy and the urban land lease policy are two of the examples. However, the resistance to re-visit policies such as NPDPM, the land policy and the education policy remain.

Absence of operational manuals/guidelines for policy implementation

With very few exceptions (e.g. DPPC), there is a general lack of operational manuals/guidelines for implementing policies. Operational manuals/guidelines contribute to consistency in interpretation and implementation of policies. They could also be used to train and familiarise technical staff of the implementing agency and other collaborating agencies. By definition, lack of these resources leads to inconsistent interpretation and implementation.

Lack of consistency across sectors
There is a clear evidence of inconsistency in policy formulation. For example, the water policy went through a rigorous procedure. Disaster management policy has the most extensive documentation largely based on the experience of other countries. The education policy is perhaps the weakest in all aspects of the policy formulation.

Lack of proper implementation
The culmination of all the above weaknesses is the lack of proper implementation of policies. As stated earlier, the government has identified lack of proper implementation of policies as the root cause of lack of improvement or exacerbation of problems in the sectors. To tackle this problem, it has taken or in the process of taking the following measures.

- established the Ministry of Capacity Building which brings all capacity related institutions under one umbrella (see Figure 3 below)
- begun the process of strengthening woreda capacity to implement policies. This involves deploying experts from region and zone offices to woredas.
- will begin implementing the civil service reform packages in September 2002. The Ministry of Capacity Building is responsible for implementing these packages.

These measures are commendable and are in fact requirements as part of the PRSP process. However, for national interest the government needs to establish a sustainable framework for policy review and also listen to NGOs and Civil Societies that promoter policy dialogue.

3. ORGANISATIONAL FRAMEWORK FOR POLICY MAKING IN ETHIOPIA

A description of the structure

Federal level structure
With a view to streamlining the government, a new structure was put in place in October 2001. There are 17 Ministries accountable directly to the Prime Ministers Office. These make up the Council of Ministers. The essence of the new structure is that it brings departments with similar lines of work together under "Super Ministries".

Ministry of Rural Development
At Federal level the Ministry of Rural Development is headed by the Deputy Prime Minister and brought together, among others, the Ministry of Agriculture, DPPC, National Seed and Fertiliser Agencies, and Agricultural Research.

Ministry of Capacity Building
This is a new government organ responsible for co-ordinating civil service reform and capacity building issues at all levels. At Federal level, the Ministry of Capacity Building is headed by a Minister and brought together the Ministry of Education, Science and Technology Commission, Civil Service Commission, Ethiopian Civil Service College, and Ethiopian Management Institute. Similar arrangements are found in the Ministry of Infrastructure and the Ministry of Trade and Industry. Figure 3 gives detailed structure. The Ministries are not listed in any order.

Levels of ministerial appointments
Depending on the weight given to the particular sector, three levels of ministerial positions were introduced, namely Minister, Minister of State (the French equivalent of *Minister d'etat*), and Vice Minister. For example, the Ministry of Rural Development has x Ministers of State, and x Vice-Ministers. Similarly, the Ministry of Capacity Building has x Ministers of State, and x Vice-Ministers.

Regional level structure
There are 14 Bureaus accountable directly to the Office of the Head of the Regional Government. In line with the Federal structure, the new regional structure brings together departments with similar line of work under "Super Bureaus".

Rural Development Bureau
At regional level, the Bureau Head leads the Bureau of Rural Development. He/she is supported by a Deputy Bureau Head. In line with the Federal structure, this bureau brings together the Bureau of Agriculture, DPPC, and Regional Research Organisation. In addition, Bureaus or agencies that do not feature at Federal level are included in the region Rural Development Bureau:

- Co-operatives' Promotion Bureau,
- Rural Roads Construction Authority,
- Sustainable Agriculture & Environmental Rehabilitation Commission and
- Environmental Protection, Rural Land Administration & Use Authority.

The addition of these important departments makes the Rural Development Bureau at regional level even more powerful than that at Federal level.

According to the ANRS Proclamation No. 60/2001 (ANRS, 2002), the powers and duties of the Rural Development Bureau are:

- Cause the execution of the country's rural development policy within the limit of the regional state, initiate the region wide rural development policy taking the federal rural development policy as a basis;
- Create the favourable conditions whereby the various inputs, which are of vital necessity for the speedy promotion and growth of rural development.
- Create a suitable climate whereby production and productivity are maximised to their utmost throughout the region;
- Supervise and co-ordinate activities of those executive bodies and developmental institutions under it;
- Undertake such other duties as are designated to assist the promotion of rural development.

In order to accomplish these powers and duties, the Bureau recognises that its technical capability should be greater than or equal to the technical capabilities of the respective Bureaus within it. To this end, the Bureau has two technical departments:

- Policy & Planning Department
- Agricultural Development Department

These are equipped with technical personnel holding Masters degrees or above in their respective fields. The Bureau believes that this strengthens its capability to control, supervise and co-ordinate the activities of the Bureaus within it. However, coordinating the activities of Bureaus who are used to work independently is no easy task. The expectations are high. For example, the Bureau of Finance and Economic Development expects analytical and high quality report on each of the executive bureaus. It is too early to judge whether or not the bureau has begun operating accordingly. But the bureau has expressed the confidence to fulfil its duties.

Disaster Prevention and Preparedness Commission (DPPC) is another key member of the Rural Development Bureau. What does this mean for NPDPM? DPPC both at Federal and regional levels have expressed high level of optimism about the new arrangement. In other words they are comfortable with it. There is a feeling that it enhances the profile of NPDPM and DPPC' as relief resource mobiliser. One of the long lasting problems of the DPPC at all levels was the fact it had to rely on good wills of the so-called Early Warning Committees and DPP Committees. Give and take one or two Bureaus, the members of these committees have now come under one umbrella – Rural Development. In the words of one key informant "cooperation and collaboration have been institutionalised." Having said that, DPPC at regional level still wants the previous committees because it wishes to continue working with Bureaus outside the Rural Development Bureau (e.g. Health and Education). It is not yet clear how this can happen. However, in terms of revising the policy, it means very little. At this juncture, there is plan to revise the policy.

Rural Roads Construction Authority (RRA) is a welcome addition to the regional Rural Development structure. Although its overall duties and responsibilities have not changed. However, the restructuring brings the Authority into sharp focus and facilitate integration with other sectors. There is a general complaint that road builders are usually concerned with building the road cost effectively paying little attention to farmland and conservation. It is expected that the Rural Development Bureau will ensure integration of development activities in this regard.

Commission for Sustainable Agriculture & Environmental Rehabilitation (CoSAERAR) is a region specific agency responsible for promoting small-scale irrigation and efficient use of water resources. It has participated fully in the preparation of the Water Resources Management Policy and Strategy. Since the regional equivalent to water policy and strategy has not yet been prepared, the agency is guided by the federal policy and strategy.

Environmental Protection, Rural Land Administration & Use Authority is also a regional specific agency responsible for implementing the regional land policy and regional conservation strategy, which are based on the Federal land policy and Conservation Strategy of Ethiopia (CSE).

<u>Capacity Building Bureau</u>

This is a new organ responsible for co-ordinating civil service reform and capacity building issues at regional levels. The composition of this bureau is scaled down to only three bodies, namely Bureau of Education, Civil Service Commission and Management Training Institute. According to Proclamation No. 60/2001 (ANRS, 2002), the powers and duties of the Capacity Building Bureau are:

- Cause the execution of the country's capacity building policy within the limit of the regional state, initiate the regional capacity building policies primarily taking the Federal capacity building policy as its basis;
- Cause the establishment of institutions which are bound to be vital to the region's capacity building activities;
- Oversee and co-ordinate the activities of those executive bodies under it;
- Perform such other activities as may be necessary to strengthen capacity building thereof.

It is too early to judge whether or not the bureau has begun operating accordingly. But early indications are that capacity building initiative will probably continue to come from the Federal Ministry of Capacity Building and the role of the regional bureau will be limited to disseminating the information among the various executing bodies. Figure 4 gives a detailed structure at regional levels. The Bureaus are not listed in any order.

Woreda level structure

The major drive in the government's new line of thinking is the Woreda level decentralisation. It is committed to substantially raising woreda capacity to implement, monitor and evaluate development programmes.[1]. Woredas will directly report to Regions. The formerly strong Zones will be reduced to liaison offices with desks for each sector. Bureaus are represented by Departments (e.g. Rural Development Department, Agriculture Department).

The decentralisation process is largely supported by local institutions, non-government and the donor community, except perhaps individuals who have to move out of town centres causing disruption to family life. It is believed that it will bring Ethiopia in line with many African countries where districts are the unit of development effort. During the regional policy review, it was possible to gauge that the Amhara Region would probably be among the first to start the mobilisation of human and material resources to the 113 woredas. Considerable financial incentives are put in place to compensate for lose of town life and family disruption. These include salary increase, one month free salary, covering any transport cost, where possible reserving accommodation.

However, these incentives are not sufficient to make the decentralisation process effective. The woreda should have the basic infrastructure so that the professionals could fulfil their duties. Key informants frankly expressed their desire to start with a few woredas (piloting) where these facilities are already in place. As shown in Table 1 below, over 60% of the 23 woredas where PRSP consultation was carried out have access to water supply, telephone and postal service, and roads (with varying degrees of quality). If one extrapolates this to the entire woredas (60% of 113 woredas), many believe that there are sufficient numbers of woredas to pilot the decentralisation process. But the regional government decided to go ahead with all the woredas primarily because of the urgency of the matter and it has firmly stated that those who do not wish to move to woreda may have to leave the civil service.

Table 1: Availability of infrastructure in 23 woredas where PRSP consultation was carried out (ANRS)

Infrastructure availability	Yes (%)	No (%)	Not stated (%)	Total
Water supply	65.3	30.4	4.3	100.0
Communication (telephone & post)	74.0	21.7	4.3	100.0
Credit service	69.6	4.3	26.1	100.0
Light	43.5	52.2	4.3	100.0
Road	60.9	13.0	26.1	100.0

Source: Summarised from a Report on Woreda PRSP consultation, Bureau of Finance and Economic Development, PRSP Secretariat (Amharic), 2002

Promised changes

The government has clearly stated that at Federal level ministerial positions (Ministers, Ministers of State and Vice Ministers) are political appointments. Individuals are chosen for their loyalty to the governing party and ability to explain policies. Technical ability is not a requirement or at best it is secondary. This has been known all along throughout the various regimes but it is for the first time that the government has gone on record to state it.

More importantly, the government has promised that all positions outside the aforementioned are to be made solely on merits. Political affiliation to a given party will not be used to appoint for example, Heads of Departments. Generally speaking, the Civil Service will be free of political affiliation. In a country where the civil service is used to serve the party in power, not necessarily the public, the government's plan is welcome. It is very important for the public to realise that political appointment is a valid thing to do and not all those working for government are politicians or have political affiliation.

There is a similar line of thinking at Regional level. All Bureau Heads are political appointees. Deputy Bureau Heads, Department Heads and Team Leaders are appointed on merit.[2] A key informant proudly stated "mixing political work with civil work is a thing of the past". Such optimism only exits with a few that have made the decision to separate political work from civil work. The public needs time to assess the situation and feel confident about the genuineness of the decision.

Concerns with the new structure

Some elements of the new structure are new. For example, the idea of the "Super Ministry" is new. It is perhaps based on the experience of countries such as the United Kingdom where the Secretary of State has several Ministers under its office. In this regard, the concern is that key ministries such as the Ministry of Agriculture and the Ministry of Education might lose

[1] This idea is by no means new. Nearly 20 years ago, the Ministry of Agriculture developed the so-called Peasant Agriculture Development Programme (PADEP). It was planned to strengthen woreda capacity to implement projects primarily by deploying manpower from Addis Ababa and the regions to woreda. One can only guess the level woredas would have reached today if the initiative were not aborted.

[2] During one of the interviews, a Deputy Head stated that he was appointed because of his ability and he has no affiliation to any political party.

influence because they are placed under a "Super Ministry". In parliament, for example, the affairs of the Ministry of Agriculture are spoken for by the Minister for Rural Development whereas the affairs of the Ministry of Education are spoken for by the Minister for Capacity Building.

Another concern is that ministries and bureaus placed under "Super Ministries" or "Super Bureaus" are also accountable to the Prime Ministers Office at Federal level and the Office of the Regional President at Regional level. It is difficult to predict what potential problems this might create but from organisation & management perspective it is not common for an office to be accountable to two distinct offices.

Woreda level decentralisation raises some concern. To begin with, the fact that the government resisted the idea of piloting with few woredas means it might encounter problems in implementing it. Having said that, no resistance from the professionals deployed to woredas is anticipated. It is simply the capacity of the woredas to provide the minimum working condition that is in question.

Figure 3: The New Federal Executive Organs Structure

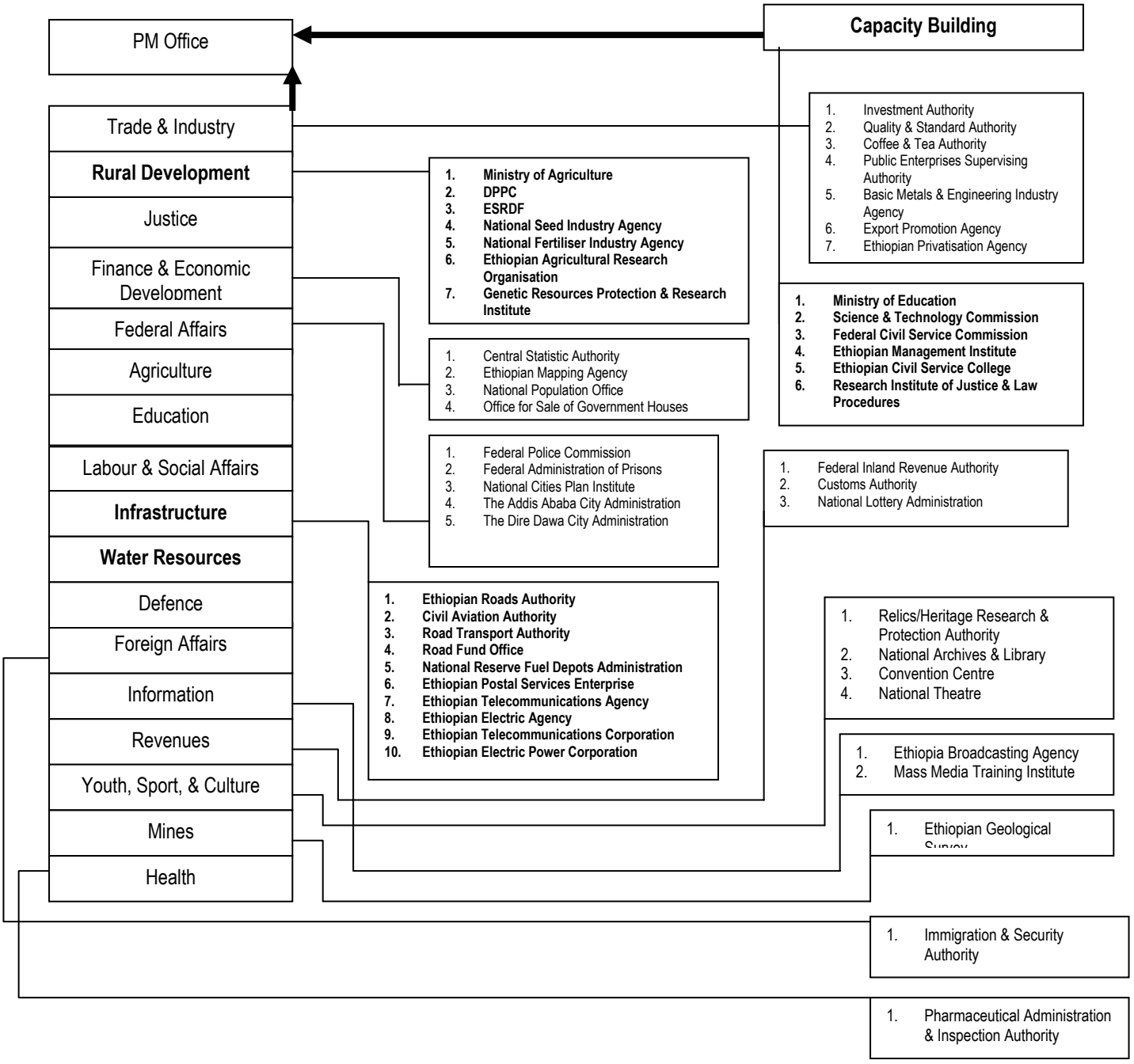
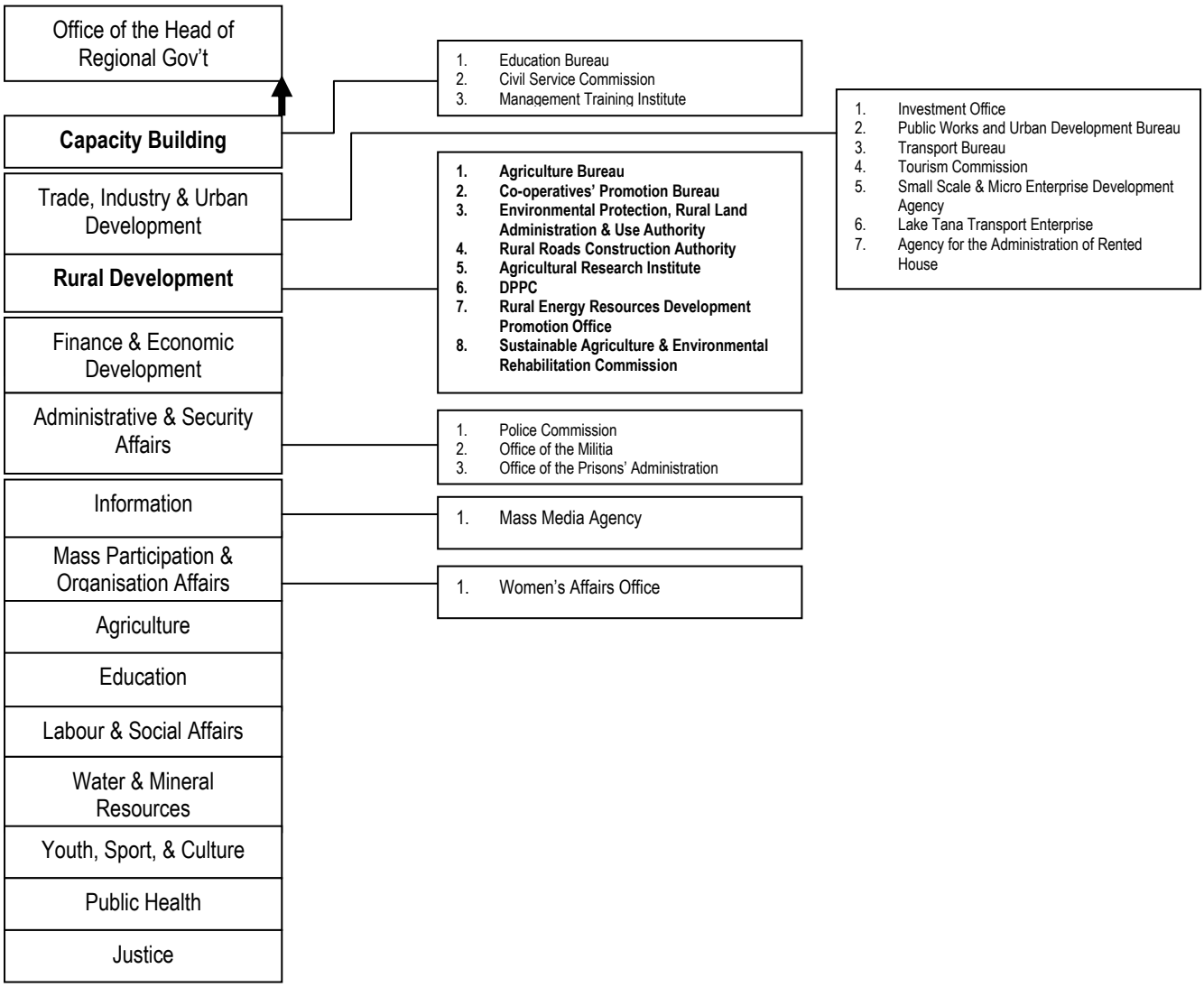


Figure 4: The New Amhara National Regional Sate Executive Organs Structure



4. CURRENT POLICY POSITIONS

Rural development policies and strategies

The Ethiopian government has repeatedly stated that its economic policies are rural centred. This is logical in the sense that 85% of the population is rural based. Any development effort that is rural-centred is therefore bound to involve and benefit the majority of the people. Hence making it broad-based. The use of the term rural seems deliberate. It is in recognition that although agriculture is the most important sector, the rural people are also engaged in a variety of non-agricultural activities which in the past have not received the attention they deserve. The new rural development policies and strategies address this issue.

The rural development policies and strategies document is divided into three major parts. Part I argues strongly why the government has adopted a rural-centred development strategy. Accordingly, rural-centred development strategy:

- Brings about rapid development
- Ensures that the majority of the population benefit from development efforts
- Enables the country get out of aid dependence
- Facilitates the development of free market economy

Part II is the largest part of the document. It articulates what exactly the policies and strategies are.[3] There are nine pillars of the policies and strategies:

- The basic direction of agricultural development
- Developing and utilising human potential
- Proper utilisation of land
- Prepare development packages the suit the diverse agro-ecological zones of the country
- Promote a market-led agricultural development
- Improve rural finance
- Encourage private investors into the agriculture sector
- Expand rural infrastructure
- Strengthen the development of non-agricultural (off-farm) activities

Part III is concerned about the management of rural development, which emphasises democratic participation, strengthen rural institutions and define the roles and responsibilities of government institutions. This document also explains at some length the current land policy of the country (see below).

Land policy

Rahamato and Kidanu (1999) describe the journey of the Ethiopian land policy through the three most recent regimes – the imperial, the Derg and the EPRDF regimes. During the Imperial regime, a class of landed nobility had extensive property holdings, especially agricultural land, throughout the country. The farming peasants did not own the land they tilled but were tenants of the landed classes of the state. For them, tenancy was onerous and exploitative. They not only paid rent but also had to render a variety of services including labour to their landlords. While frequent evictions of tenants were not a regular practice, most tenants had no sense of secure holdings. In the latter part of the 1960s and early 1970s, a good deal of tenant evictions did take place due to the expansion of large-scale mechanised agriculture. The Imperial regime refused to seriously consider reforming the land system, which was a target of criticism by radicals and liberals in the country and by a number of international donors.

One of the most important policy initiatives of the Derg was the radical land reform of 1975. The reform nationalised all agricultural land and the peasant cultivator had only usufruct rights to the land he or she was allocated through redistribution. Farm plots could not be sold, mortgaged or transferred in any way except to one's children in special circumstances. The land reform dispossessed, without compensation all landlords, and abolished tenancy. Initially, the reform was received with a good deal of support; it appeared as an emanicipatory reform designed to enable the peasantry to become an independent class. But subsequent policies aimed at the socialisation of agriculture alienated the peasantry and soured the relations between it and the Derg. Moreover, the reform gave rise to frequent redistribution of land and as a result created a high degree of tenure insecurity.

Immediately after the overthrow of the Derg in May 1991, the transitional government refrained from announcing a comprehensive new land policy, stating that this will be undertaken following a constitution and popular elections. However, in 1993 it proclaimed that land would remain, as previously, under state ownership and the peasant farmer would continue to hold unsfruct rights. A slight improvement from before is that now landholders can transfer their land to others through short-

[3] During the policy review, it was learned that this document actually generated heated debate on the use of the terms policy and strategy. Many argued that in this document it is not clear which part is a policy and which part is a strategy. Or which statements referred to policies and which referred to strategies. It seems they are used interchangeably. Since the government defended the use of the terms, many do not expect changes in the final version of the document.

term rent or contract, though they are still prohibited from selling or mortgaging their holdings. There has been one major land redistribution in the north of the country in 1996, and peasants in other parts of the country suspect that there will be more to come later. The sense of tenure insecurity created by the Derg regime has not been allayed.

In its Rural Development Policies and Strategies document, the government vigorously defends the current policy position on land. It goes out of its way to present arguments for and against the land policy citing examples from various countries that went through similar development path as Ethiopia. Table 3 summarises these arguments.

Resettlement programme

Resettlement has a bad reputation in Ethiopia or even elsewhere in Africa (e.g. Tanzania). The Derg regime implemented forced resettlement programmes, which were ineffective and became sources of conflict between the visitors and the hosts. The present government has brought back despite the fear associated with such programmes. It claims that the new vision for resettlement is based on "voluntarism". From the regional food security programme it is clear that the Amhara Region has seen resettlement as one of the solutions to low productivity and destitution. It is estimated that the resettlement programme would cost Birr 341.4 million over the five-year period (2001-2005), making it the third most important programme following agriculture and small scale irrigation.

Preliminary studies have been carried out in Metema, Tegede, Armachoch and Dangla Woredas to identify potential problems and solutions. The results of the study have been shared with experts in a panel discussion. The regional government is convinced that resettlement is a complex undertaking and should be handled with care.

The objectives of the and results of the settlement programme are summarised in Table 2 below.

Table 2: Strategies for implementing the resettlement programme

Objectives	Strategies	Goals/Outputs
♦ Utilise fresh land (uncultivated) to increase production and productivity ♦ Ease pressure on highly dense areas ♦ Increase income for settlers and enable them to lead stable life ♦ Promote balanced utilisation of natural resources; accelerate development ♦ Promote planned distribution of human and natural resources; prevent desertification ♦ Learn form past lessons and promote integrated development	♦ Identify suitable areas for resettlement and determine financial, material and manpower feasibility ♦ Build the necessary infrastructure and basic services for the settlement ♦ Establish an organ that manages the programme ♦ Identify people willing to resettle and the types activities they could engage in ♦ Pilot the settlement programme prior to region wide implementation ♦ Assist the programme until it could be sustainable ♦ Facilitate the development of markets in the resettlement area ♦ Expand non-farm activities (e.g. handicrafts) ♦ Monitor and evaluate the programme ♦ Train settlers and eliminate dependency syndrome	♦ Improve the living conditions of the settlers ♦ Provide land to the landless ♦ Open opportunities for income generation ♦ Ensure balanced distribution of human and natural resources ♦ Strengthen brotherhood between settlers and host population ♦ Develop cultural ties between various peoples of the region

Source: Extract from Regional Five-Year Food Security Programme (2001-2005), FSCO, ANRS, May 2001 (Amharic)

Table 3: Arguments for or against the current land policy

The land question	Policy response
Land should never be in the hands of the government. Like capital and labour its ownership should be determined by the market.	This is pure ideological question. The proponents of this view do not examine the implication of land ownership for agricultural development. Because of its importance to the majority of Ethiopians, it was found necessary to enshrine land use right into the constitution. All policies and strategies bound by the constitution.
The government has banned the sale of land and distributed it to small farmers. This stands in the way of commercial farming that could use the latest technology to increase productivity and production.	Land that is suitable for commercial farming is located in the lowlands. This land is good for irrigation and above all is not currently used by small farmers. It is possible to lease this land on long term basis. In the highlands, the only feasible land use is small holder farming. Giving this land to commercial farmers is tantamount to displacing the small farmer or subjecting him/her to exploitation by commercial farmers. When land is put on the market, large amount of money is expended simply to transfer ownership from A to B. B could have invested that money. The policy gives land free of charge or on long term lease basis to all those who wish to earn a living from farming. Even in the highlands, the policy gives an option for a framer or a group of them to rent their land to an investor who could introduce modern technology. These farmers have the opportunity to learn from the practice. Adequate legal protection will be put in place.
The lowlands are not suitable for commercial farming. The necessary infrastructure is lacking. The required manpower is lacking. The areas are infested with various diseases, particularly malaria. Lease policy in Ethiopia is known to impede investment.	True. However, these problems are not related to land ownership. The problems should be tackled with an integrated development – infrastructure development, health programmes (malaria protection in particular), improving the lease policy and improving facilities to attract manpower to the areas.
Renting land to investors has its own problems. For example, investors may demand rent on long term basis and also demand that farmers combine their adjacent land to facilitate mechanisation.	True. Small farmers may want to rent their land on short-term basis (e.g. seasonally). But investors would want a long term commitment (e.g. 10-20 years) in order to make any sensible investment. They are entitled to legal protection. Farmers may be organised in groups to combine adjacent lands. All these issues are problematic and may require special legislation.
Plots are too small to divide between own farming and renting to investors. If the land is rented, then the farmer should leave the area. Is this not tantamount to displacement?	Farmers could introduce modern farming side-by-side with investors and produce cash crops such as flowers, fruits and vegetables. The produce could then be sold to the investors themselves.
Because land could not be sold or mortgaged, the development of banking is hampered.	In a country where plots are too small, it is economically, administratively and logistically impossible for banks to hold land as collateral. In this situation the best approach is to promote "group loans" where self-selected farmers approach micro-finance institutions for loans. The group takes responsibility for administering and repaying the loans. Property based collateral is not a requirement. However, if it becomes a requirement there is no reason why land should be the only property for consideration. Farmer's produce and other assets could serve as collateral.
The policy makes provision for the government to take away land at any time for "development" purposes. It can also redistribute land at any time. Therefore farmers have no tenure security.	Regardless of the nature of land ownership, it is a universal phenomenon that governments reserve the right to acquire land for infrastructure and other developments. There is noting new in Ethiopia in this regard. The policy also makes provision for farmers to be compensated for any development/improvement they have made on the land. Land redistribution will not take place for the sake of it. Only in situations where substantial population, particularly the productive youth, become landless. By promoting urbanisation we should be able to create youth employment outside farming thereby reducing the fear of land distribution.
The provision to transfer land to children in a form of inheritance leads to further fragmentation of land because a farmer may have several children all wanting their share. If there was provision for selling land, then those who inherit could sell the land to an investor and use the money elsewhere.	True. But in a country where off -farm activities are not well developed, it is not possible to envisage how those who sell their land could utilise the money. It could lead to displacement and further social and economic crisis. The solution is to bring about rapid development by encouraging off-farm activities and provide alternative employment for rural youth. These would reduce the number of farmers and subsequent increase in landholding.
Because the farmer is given a plot of land, he/she does not have the incentive to migrate and look for better life.	The land policy does not in any way prohibit migration. There is ample evidence where farmers have migrated to urban as well as other rural areas where there is better farming conditions. It is lack of better employment opportunity not the land policy that prohibits migration.
Conclusion: Given the Ethiopian social and economic conditions, keeping land in the hands of the state and guaranteeing constitutional right to access to land by all those who wish to earn a living from farming is the only alternative. The country needs to build capacity to use the land productively, and ensure broad-based development from which all participants can benefit. All critics of the land policy will eventually wither away.	

Sources: Extract from Rural Development Policies and Strategies (Amharic), Ministry of Information, FDRE, November 2001, (pp 67-90)

Food security strategy

Federal food security strategy

In March 2002 the government issued an update of the 1996 food security strategy (FSS). The objective of the (FSS) is to ensure food security at household level. It targeted to the chronically food insecure moisture deficit and pastoral areas. A clear focus on environmental rehabilitation as a measure to reverse the level of degradation and also as a source of income generation for food insecure households through a focus on biological measures marks a deviation from the 1996 strategy. Water harvesting and the introduction of high value crops, livestock and agro-forestry development further inform its content. In recognition that the pursuit of food security is a long term and multi-sector challenge, institutional strengthening and capacity building is included as a central element of the strategy. However, the overall objective of the strategy is similar to the 1996 strategy – ensuring food security at household level.

The strategy addresses both supply and demand side of the food equation – that is, availability and entitlement at national and household levels. The strategy rests on three basic pillars:

- To increase the availability of food through increased domestic production;
- To ensure access to food deficit households; and
- To strengthen emergency response capabilities.

The strategy envisages a more consolidated agricultural extension programme by offering farmers a choice from a menu of market-oriented technological packages. Diversity of agro-ecological zones in Ethiopia create opportunities to exploit and enhance diversification and specialisation. Extension packages will therefore be designed to to reflect the diversity of agricultural zones and encourage pecialisation where appropriate. This will assist in the diversification of the household economy and eventually realise the transformation from subsistence farming to commercialisation (see extension below). Off-farm income generating activities also play an important supplementary role to enhance self-provisioning of households.

The strategy predicts that the real possibility of closing the food gap at the national level and the persistence of food insecurity at the households level over the medium to long term have implications of food assistance in cash and in kind. Overall, this implies that the need to transfer resources to the vulnerable population, shifting assistance from in-kind to financial flows, and shifting procurement of food for releif distribution away from imports to domestic supply. This provides for a transition period within food entitlements will be increasingly met by self-provisioning of food, and increased purchasing power of the food insecure themselves. The elements of the strategy are summariesed below.

Table 4: Elements of the food security strategy

Essential elements of the strategy	Additional/ entitlements elements of the strategy	Cross-cutting aspects of the strategy
Agriculture production, marketing and credit	Supplementary employment and income schemes	Capacity building
Pastoral areas	Targeted programmes	Agricultural research
Micro and small scale enterprises	Nutritional and health interventions	Marketing and credit
Agricultural exports and diversification		Infrastructure

Source: Food Security Strategy, FDRE, March 2002.

Regional food security strategy and programme

Following the 1996, Federal Food Security Strategy, the regional food security strategy and programme were subsequently designed. The Food Security Programme Coordination Office, as the name indicates, a coordinator of the five year regional food security programme (2001-2005). The overall objective of the programme is to improve food security situation of 1 million people in 48 woredas (40% 2.5 million people) that are most vulnerable to drought. The specific objectives are to:

- increase production and the productivity of households
- increase the contribution of livestock to food security
- expand and strengthen irrigation
- implement sustainable use of land
- improve supply of clean water
- build human and institutional capacity
- expand rural marketing service
- strengthen off-farm activities
- expand rural credit service
- implement resettlement programmes

The programme is estimated to cost Birr 1.978 billion as shown in the table below.

Table 5: Summary budget for food security programme for ANRS

Activity	Birr ('000)	%	Rank
Agricultural Development	385,601	19.5	1
Small Scale Irrigation	364,203	18.4	2
Natural Resource Development & Conservation	220,747	11.2	4
Off-farm Income Generation	183,300	9.3	5
Co-operative Promotion and Strengthening	59,270	3.0	9
Health & Family Planning	28,314	1.4	13
Education	88,121	4.5	6
Discipline and Child Development Follow up	64,191	3.2	10
Gender	36,210	1.8	12
Road	75,820	3.8	8
Potable Water	82,107	4.2	7
Resettlement	341,445	17.3	3
Research, Evaluation and Capacity Building	48,810	2.5	11
Total	**1,978,139**	100.0	

Source: Five Year Food Security Programme (2001-2005) (Amharic), FSCO, ANRS, May 2001 [percentage and ranks added].

Ten government organisations/agencies and 3 NGOs are involved in the implementation of the programme.

Table 6: Executing agencies of the food security programme

Government Bureaus	Government agencies	Non-government organisations
Agriculture	SERRAR	ACSI
Education	ReMSEDA	ADA
Health	Agricultural Research Institute	ORDA
Water, Mines and Energy Resources	RRA	
Cooperative Promotion		
Women's Affairs		

Source: Five Year Food Security Programme (2001-2005) (Amharic), FSCO, ANRS, May 2001

According to PRA exercises conducted by the FSCO over the past five years, the root causes of food insecurity are:

- backward agricultural technology and continuos drought
- lack of technology suited to drought-prone areas
- lack of strong extension service
- lack of sufficient water for agriculture and inability to use available water resource
- degradation of natural resources
- crop disease
- underdevelopment of off-farm activities
- incongruous (imbalance) between population growth and social services
- underdevelopment of rural credit and marketing
- institutional weakness

The most food insecure are farmers in rural areas with insufficient income. The food security programme targets the following in particular:

- the landless
- own land but oxen less
- farmers holding very small land
- female headed household meeting the above criteria

The food security programme also pays due attention to off-farm activities to increase household income. There are a number of institutions/agencies working in the promotion/development of off-farm activities. On the one hand, ACSI, Wisdom and Weket provide credit for farmers and cooperatives also secure funds from donors to give loans to their members. On the

other hand, Bureau of Education, ReMSEDA, Bureau of Labour and Social Affairs, and NGOs such as ORDA, ADA, and Dessie Project for Street Children provide technical and business training.

Off-farm activities focus on the target groups listed above. The number of beneficiaries of this component are given below.

Table 7: Number of beneficiaries of the off-farm activities component of the strategy

Target group	Number	%
The landless	54,000	68.3
Small and degraded land holders (< 0.75 ha)	16,000	20.3
Female headed households	9,000	11.4
Total	**79,000**	**100**

Source: Five Year Food Security Programme (2001-2005) (Amharic), FSCO, ANRS, May 2001

In addition to the above direct beneficiaries, other community members also benefit from the development of off-farm activities. For example, the expansion of small business will lead to competitive environment and further lead to price increase for the farmers and also fall in price for consumers. Investors shall benefit from the scheme because they supply input for vocational training. The development of off-farm activities also generate employment benefiting the unemployed. The types of training planned to develop off-farm activities and the required budget is as follows.

Table 8: Budget estimate to develop off-farm activities

Type of activity	**Unit**	**Total**	**Estimated budget (Birr '000)**
Training for builders, welders and carpenters	Persons	2,000	4,000
Establish and strengthen training institutes	No.	48	24,000
Training of handicrafts	Persons	5000	12,500
Business training	Persons	7000	7,000
Loan for those who start small business	"	50,000	125,000
Start-up capital for vocational trainees	"	5,000	5,000
Study to identify alternatives and constraints to off-farm activities	Package		800
Preparation and production of training manuals	Package		2,500
Monitoring & evaluation	Package		2,500
Total			**183,300**

Source: Five Year Food Security Programme (2001-2005) (Amharic), FSCO, ANRS, May 2001

Agricultural Development-Led Industrialisation (ADLI)

ADLI is about agricultural development as the first stage and about industrialization as the final goal of the country. Agriculture and industry are brought into a single framework of development, wherein the development of agriculture is viewed as an important vehicle for industrialization by providing a market base, as a source of raw material and capital accumulation. Its relationship to the food security strategy (FSS) is such that ADLI will focus on creating the conditions for national food self-sufficiency while the objective of FSS is to ensure food security at household level.

During the first stage of ADLI, agriculture is envisaged to play a leading role in the growth of the economy. But the extremely small ratio of urbanization of the country could be a critical issue due to inadequacy of domestic demand, thereby making exports a necessity. This implies that agriculture has to be made internationally competitive. Existing policies do permit such an outcome, as there are no agricultural subsidies, and the tariff on imports of grains, in particular, stands at a reasonable low level of 10 percent.

The strategy paper indicates that to start with, however, agricultural growth should improve the conditions of food security in the country. There are indications that excepting conditions of drought, even the present extension programme could have sufficed to bring about a satisfactory level of national food security. But droughts occur far too often to make this a possibility. Irrigation would have to be introduced in a significant way for a sustainable attainment of food security at the national level. Still further, food insecurity at the household level could persist despite growth of food and cash crops at national level, unless it is resolved on its own. For this as well the solution would have to come predominantly from within agriculture. The medium to long-term target is to reduce the absolute size of the food insecure rural population substantially as to exit from food aid, and rely on fiscal transfer of resources.

Moreover external assistance will be needed for voluntary resettlement from the highlands to lowlands under irrigation schemes. The problem of food security and agricultural growth in the nomadic areas is being conceived in terms of the development of the pastoral economy in its entirety. Appropriate entry points for evolving a cumulative process of growth are being considered, though there is recognition of the complexity of the matter. For the country as a whole, tackling food

insecurity at the household level is, arguably, the most effective and direct way of poverty reduction being envisaged by the government.

For agriculture to continue serving as an engine of growth in the coming years, through the domestic economy and international trade, there has to be progress in terms of commercialisation, with more intensive farming, increasing proportion of marketable output and correspondingly decreasing ratio of production for own consumption.

By and large, there is support for ADLI particularly from the NGOs sector as documented in the NGOs Perspective on PRSP (c2002). They have expressed their support for the government's attempt to promote broad-based growth and the envisaged increased commercialisation process within the ADLI framework. They have however major concerns, which need to be addressed in order to realise the intention of improving the lives of the majority of the population. Table summarises these concerns both for Federal and Regional NGOs.

Table 9: NGO concerns about development efforts in Ethiopia

Federal level NGOs concerns	Regional level NGOs concerns
ADLI in the short-term is solely focused on rural areas whereas pressing urban poverty problems already exist needing urgent attention	Low agricultural productivity caused by poor incentives, lack of subsidy and inadequate provision of services
Non-farm including off-farm activities as sources of livelihood are neglected and the needs of non-farming communities mainly the pastoralists but also fisherfolk, rural traders, rural entrepreneurs, etc. are not addressed in the strategy	Lack of input, poor infrastructure and lack of markets resulting in investments for new technologies virtually unprofitable (this is debatable since available evidence suggests that about 60% of the woredas have reasonable infrastructure)
In order to enhance the viability of small holder productivity as an engine of growth, interventions that are aimed at enhancing the saving and investment culture of the farmer need to be promoted through education	Little effort made on Participatory Technology Development (PTD) and promotion of low External Input Sustainable agriculture (LEISA) approaches. The environmental context in the ANRS is complex, diverse and risk prone.
The dynamic interaction between agricultural development and industrialisation including the linkage between rural and urban economies needs to be clearly established by reviewing in particular the historical experience of the current developed countries [and Asian Tigers].	Lack of adequate number of micro-finance and micro-enterprise institutions limiting access to credit in the rural areas.
Given the low level of agricultural development, subsidy should be considered to areas such as drought prone vulnerable communities and protection of selected agricultural products through discouragement of imports	Lack of practice of registration and certification of farmland causing poor land management and tenure insecurity.
	Problem of expansion of urban areas into "Class A" productive land
	Conflicting and uncoordinated approaches on natural resource management.
	Evaluation methods often focus on outputs and coverage rather than impact monitoring.

Source: NGOs Perspective on the PRSP at Federal and Regional levels

All of the above limitations have become challenges to the realisation of ADLI.

Credit policy

Overall credit situation

The government aims to study the possibility of establishing agricultural products exchange market and implement it, if found feasible. Extension of credit to the small farmer will gain in importance with commercialisation of agriculture, and give impetus to the establishment of rural banks. The first step is to carry forward the transition from loans underwritten by the regional governments to loans extended by micro-financing institutions entirely on their own. There are now four micro-financing institutions serving farmers in four regions, namely Amhara, Oromiya, Tigrai and SNNPR, which account together for over 90 percent of the country's crop output.

Compared to the total number of 2.5 million farmers who received loans in 1999, micro-financing institutions provided loans for agriculture and other purposes to about half a million clients. Considering, that these institutions are of recent origin, the progress made so far is remarkable. In addition, there are 13 micro-financing institutions reaching a small fraction of the above four. In the medium-term future, it is expected the micro-financing institutions will be the dominant source of credit supply to smallholder farmers, and that the existing make shift arrangement of loan underwriting by the regional governments will be substantially phased out from the four regions. The second step consists of graduating from a micro-financing institution to a rural bank, the essential dividing line being growth of deposits, and minimisation of the reliance on equity capital for the extension of credit as is presently the case. Deposit mobilisation by the micro-financing institutions will increase in step with the growth of income and savings of farmers. Thus the shift towards the formation of rural banks is dependent on the development of smallholder agriculture.

Amhara Credit and Savings Institution (ACSI)
ACSI is a rural micro-finance institution (MFI), originally established as one of the departments of the Organization for the Rehabilitation and Development of the Amhara (ORDA). Currently it is an autonomous MFI providing financial services (credit, savings, transfer payments, pension fund management) for rural and urban communities. ACSI has 16 branches and 162 sub-branches and 1147 staff members deployed at different levels.

According to the Strategic Business Plan (2001-2005), ACSI's vision is:

> *"to see a society in which people are free from the grips of abject poverty with all the power determining their future in their own hands and its own capacity as an institution well developed to provide best services for all in need"*

To this end, ACSI has been trying to reach the poorest section of the population, women in particular, giving priority to rural, remote areas, which had no previous access to any of the "conventional" services. Since the start of its credit service, ACSI has reached over 200,000 poor households. This means that over one million people have been helped in their effort to lift themselves out of poverty, through various income generating activities. At the same time, ACSI encourages the culture of saving.

Low interest rate combined with efficient service is a strategy that ACSI follows. Despite the high transaction cost of providing micro credits, it is determined to maintain low interest rate and still make profit. Market and client analysis (ACSI, 2001) found that 84% of those interviewed demand the credit service provided by ACSI. This implies that the estimated market for micro-credit is about 2.77 million in the region. The demand for saving is no less than the demand for credit. The environmental analysis also indicated that there is very little or no competition in this market due to the high transaction cost and the collateral demanded by the competition. The traditional mechanisms such as *Equb* provide no sufficient fund for business. The individual money lender is too expensive for the poor.

ACSI follows the **group lending methodology**. That is to say, a group of poor farmers come together and take loan with a promise to share the risk. ACSI does not require collateral from them. While opening access to credit for poor clients, the method has the following disadvantages:

- It excludes the poorest but economically active people on the following grounds:
  - Peer group looking for a reliable member is more likely to reject high risk - the poorest – people.
  - The institution is more likely to reject the poorest because they may not have the necessary skills to mange group finance without significant investment from credit officers – thus increasing transaction cost.
  - Kebele administration may not be sure guaranteeing repayment from the poor
- The method also fails to address those who build the capacity to borrow on individual basis.

Credit clients generally lack sufficient business skill, which ACSI is not able to provide. There are a number of agencies in the region providing business skill training for the poor. Two of these are the Regional Miro and Small Scale Development Agency (REMSEDA) and Amhara Development Association (ADA) profiled later in this section.

Regulatory factors also constrain or facilitate the expansion of micro finance in rural areas. In the past, National Bank of Ethiopia used to limit the interest rate that MFIs could charge. Currently such regulations no longer exist and a new liberal system is in operation (Directives No. MFI/92/98) whereby MFIs could decide the level of interest rate they charge as long as they can remain in the competitive market. Moreover, MFIs could mobilise saving for on-lending to the poor. But the Birr 5000 ceiling on loan size would be a limiting factor for business lending.

The tension between MFI, ACSI in particular and NGOs, is worth stating. NGOs used to provide loans to rural and urban poor. However, the government issued a regulation forbidding any NGO from providing credit to farmers directly. This is intended partly to avoid chaos in the credit market and partly to protect MFIs. If they have money available for credit purposes, then it should be handed over to an MFI and the latter does the lending.

Regional Miro and Small Scale Enterprises Development Agency (ReMSEDA)
ReMSIDA is a government organization established to provide training, information and consultancy, facilitation and information services, for small and medium enterprises (SME). The specific objectives of ReMSEDA are to:

- create of an enabling environment for SMEs to grow;
- support and coordinate SMEs to get the necessary institutional support;
- tackle poverty by creating long-term and sustainable job opportunities for the unemployed citizens (mainly the youth);
- strengthen cooperation among (SMEs);
- balance the preferential treatment between SMEs and large enterprises; and
- promote exports, develop the capacity of creativeness, promote entrepreneurship ideas, and increase the capacity of production in terms of quality and quantity.

ReMSEDA has more than 50 professional staff at the regional level and is on the process of establishing zonal and woreda level branch offices. Its target beneficiaries are small manufactures, start-ups and expanding firms, small enterprises in

drought areas, agribusiness and small-scale farming, fishing and apiculture, small builders, contractors, small exporters demonstrating comparative advantages, and small-scale tourism industry operators.

ReMSEDA's objectives and areas of operation are compatible with the current rural development policy that emphasises income diversification for the rural poor.

Amhara Development Association (ADA)

Amhara Development Association (ADA) is a local non-profit making NGO established in 1992. Its goal is to promote economic and social progress for the peoples of the Amhara region. The specific objectives of ADA are to:

- alleviate the poverty and backwardness of the Amhara people by promoting health, education and other development ventures;
- collaborate with government and NGOs working to the betterment of the livelihood of the Amhara people;
- promote and support the all round development efforts of the Amhara people to attain self-reliance, encouraging the initiatives of investors who are particularly interested to invest in economic and social sectors in the Amhara region; and
- preserve and develop the natural, historic and cultural heritage of the various peoples of the Amhara region and enrich their language and national identity.

Agricultural extension

Agro-ecology and soil type: a foundation for diversification

The rural population of the ANRS accounts for 90.85%, which is well above the national average. Agriculture is the way of life for all the rural population. The Region is divided into five agro-ecological zones and soil types as diverse as shown below:

Table 10: Agro-ecology and soil types in ANRS

Agro-ecology	%Area	Soil type	% Area
Desert	3.1	Fayozium soil	18.7
Kolla	28.5	Luvi soil	14.3
Weina Dega	44.3	Lepto soil	13.5
Dega	20.5	Cambi soil	13.5
Wurch	3.6	Black soil	10.2
Total	100	Nito soil	12.9
		Others	16.9
		Total	100

Source: Compiled from Crop Production and Protection Technology Package Part I, ANRS, Bureau of Agriculture (Amharic), April, 2002.

The Region's arable land is about 4.7 million ha (27.6%) of which Meher accounts for 91%, irrigation 5% and Belg 4%. The variety of agro-ecological zones allows for the cultivation of 24 different types of crops, cotton, coffee, spices and fruits and vegetables. The distribution of crops by area of cultivation is estimated that Cereal crops account for 54%; Maize and Sorghum 22%; Pulses 15% oil crops 6% and cotton 3%. There potential for agricultural diversification is clearly high. To this end, the Bureau of agriculture is in the process of developing and disseminating a variety of agricultural technology packages.

An extension system based on a new philosophy

Formerly a blanket extension package (with little or no consideration for differences in agro-ecological zones) was devised and presented to farmers. The new technology package is based on the principle of that rural households choose from a "menu" of packages depending on comparative advantage (e.g. agro-ecology, economic circumstances). The following technology packages are prepared and ready for dissemination:

1. Crop production and protection technology package
2. Livestock and fishery production and protection technology package
3. Natural resources development and conservation technology package
4. Coffee, fruits and vegetable production technology package
5. Water harvesting and utilisation technology package
6. Home science extension package
7. Training and advice service extension system

Within each domain, specific instructions are put in place to help Development Agents (DAs) disseminate the technology package. It is envisaged that three multi-disciplinary DAs trained at Diploma level will be placed in a Kebele. They will form a team that runs a small Farmers' Training Centre in the Kebele.

As far as technology adoption is concerned, in principle, a farmer could choose to plant threes on his/her land for commercial purpose as well as natural resource management. Similarly, Farmer A could choose to go into fattening

whereas Farmer B could produce forage supply farmer A. These farmers will be supported to meet their food requirement either on credit or freely until first harvest of the trees. Box 1 summarises the objectives of one of the technology packages available to the farmers.

Box 3: The objectives of the crop production and protection technology package

The principal objective is to provide suitable crop production and protection technology package to the farmer in order to raise his/her income on a sustainable basis. Specific objectives are:

- To disseminate technology that is suitable for the various agro-ecological zones and maximises the utilisation of the farmers' labour
- To utilise labour, land and water properly and produce crops that are profitable, better quality and ensure food security
- To encourage private investors and farmers to produce crops that are input for domestic industry and also suitable for the export market in areas that have sufficient rainfall; thereby increasing per capita income
- To improve post harvest storage facilities in order to add value to the crops.

Source: Crop production and protection technology package, Bureau of Agriculture, ANRS, April, 2002.

In order to promote urban centres in the rural areas a "Growth Centre" will be selected in the Kebele where basic services such as schools, health centres, water points will be constructed in to attract rural people towards the centre. That way, the people will "resettle" voluntarily around social and economic services rather than spreading the services thinly in the rural areas. Employment opportunities will be created for the youth in these centres in order to discourage them from leaving for urban areas and also relieve the pressure on farm land.

Developing off-farm activities

Off-farm activities are seen as a mechanism for generating employment and income for the rural population, the youth in particular. When targeted at the youth, off-farm employment relives the pressure on land. In view of this the regional Food Security Coordination Office, in collaboration with the EU, conducted an extensive study on the potential for developing off-farm activities. The study took an inventory of off-farm activities in the region and developed a strategy for those with high potential. The resulting long list of activities comprised some 20 items.

Table 11: A range of off-farm activities

Farm produce-based	**Natural resource-based**	**Crafts, artisan and manufacturing**
Wool shearing, Food preservation, Milk processing	Fishing, Bee keeping, Medicinal plant gathering	Spinning, Weaving, Carpet making, Horn carving, Basketry, Wool carving, Leather working, Blacksmithing/Metal working, Pottery, Candle making, and Tannery
Trading	**Tourism**	
Petty trading (retailing),	General	

Source: A consultancy report for FSCO/EU, 2002.

Urbanisation & industrialisation

Industrialization is the other arm of ADLI strategy, which is inter-woven with the development of the private sector. The growth of industry will come from existing investment projects in utilities and manufacturing and more importantly, industrial investment is expected to increase. The I-PRSP document suggests three types of measures that will be undertaken to encourage private investment.

First, to make the existing policies work better, by removing regulatory impediments and improving implementation capacities on the side of government. Existing regulations will be examined with a view to identifying those that should be abolished, modified and retained. As to problems of bureaucracy, it is foreseen to be tackled through civil service reform and capacity building measures. Second, to encourage public-private sector partnership through establishment of platforms of dialogue. Already, a forum for consultation has been established for exporters, and similar forums are envisioned in the medium term for different groups of the private sector at various levels of government. Third, to make the business environment and the incentive structure attractive for manufacturing.

5. THE PRSP PROCESS

The government has repeatedly stated that for the last ten years its policies and strategies have been poverty focused. In this regard there is nothing that the PRSP adds. However, the government believes that the process has given it the opportunity to involve the public and sharpen the focus on poverty.

The process of consultation to prepare the full PRSP is complete. Three levels of consultation were carried out – woreda, region and federal. NGOs and civil societies also participated in the process either independently or as part of the government driven consultation. The process included the following stages:

- Selection of woredas
- Selection of convenors
- Selection of participants
- Setting the agenda
- Holding the consultation

Selection of woredas

The consultation was carried out in about 116 woredas, of which 23 (15%) were in Amhara Region. In order to ensure the sample is representative, the following criteria were used:

- agro-ecological zone
- food security situation
- stage of development
- ethnic representation
- urban/rural mix
- other issues (e.g. border woredas, investment opportunities)

Based on these criteria the following woredas were selected.

Table 12: Woredas where PRSP consultations were held in ANRS[4]

Zone	Woreda	Total
North Gondar	Metema, Belesa, Janamora, & Gondar town	4
South Gondar	Este & Ebnat	2
North Wollo	***Meket & Kobo***	***2***
South Wollo	***Kalu, Jama & Dessie town***	***3***
North Shewa	Kewet, Lalomama & Ansaro Wayu	3
West Gojjam	Achefer & Sekela	2
East Gojjam	Dejen, Basoliben & Shebel Berenta	3
Bahir Dar Special Zone	Bahir Dar town	1
Awi	Yankasha Guagusa	1
Oromiya	Bati	1
Wag Hamra	***Sekota***	***1***
Total		**23**

Source: PRSP Consultation Report, Bureau of Finance and Economic Development, PRSP Secretariat, ANRS, February 2002 (Amharic)

Selection of convenors

The next step was to select three persons from each woreda to serve as convenors. The requirement is that they are free of any political and government organisation. A total of 69 convenors were selected and received the necessary training.

Selection of participants

At this stage, representation of various sections of society was a major concern – age and sex mix, occupational mix, economic sector, living conditions were consideration for selecting individual participants. In addition, civil societies, kebele and cooperative societies, religious leaders, and NGOs were represented. The number of participants in the 23 woredas was 1150 – one-third were women.

Setting the agenda

The regional PRSP Secretariat in collaboration with the convenors set a standard agenda for all the woredas, which has the following shape:

[4] Zones and woredas in bold print are study areas for the Destitution Study.

- Explanation of the objectives of the national PRSP preparation
- Living conditions of the woreda population
- Definition and causes of poverty in the woreda and which section of society are the most vulnerable
- Cultural, social conditions that exacerbate poverty
- Development programmes aimed at poverty reduction in the past five years – by government and non-government organisations; social services in the woreda and problems encountered
- Priority areas for poverty reduction in the future

Conducting the consultation and reporting

The consultation was carried as per the agenda. The raw data were recorded as they happen at woreda level. Summaries were prepared as input for regional and federal consultations. A general observation is that woreda consultation is perhaps the strongest of the three levels. The rural population articulates its problems very well. However, some observers expressed concern that the consultation was based on existing documents, which were taken along and participants were asked for comments.

The bottom line is to what extent the opinions expressed during the consultations influence the government's position? The draft PRSP document outlines the contribution of the consultation process as follows:

- Confirm the broad development strategy, sectoral and cross-sectoral priority actions followed by the government.
- Emphasising decentralisation and community empowerment
- Highlighting the significance of capacity building and cooperative effort of public, private, NGOs and communities
- Emphasising the significance of efficient, effective, transparent and accountable public service
- Highlighting the negative effects of harmful traditional practices, in the struggle against poverty by households, communities and the country

It is evident from the above list that contribution does not seem to be significant. Figure 5 (overleaf) summarises the PRSP consultation process for Ethiopia.

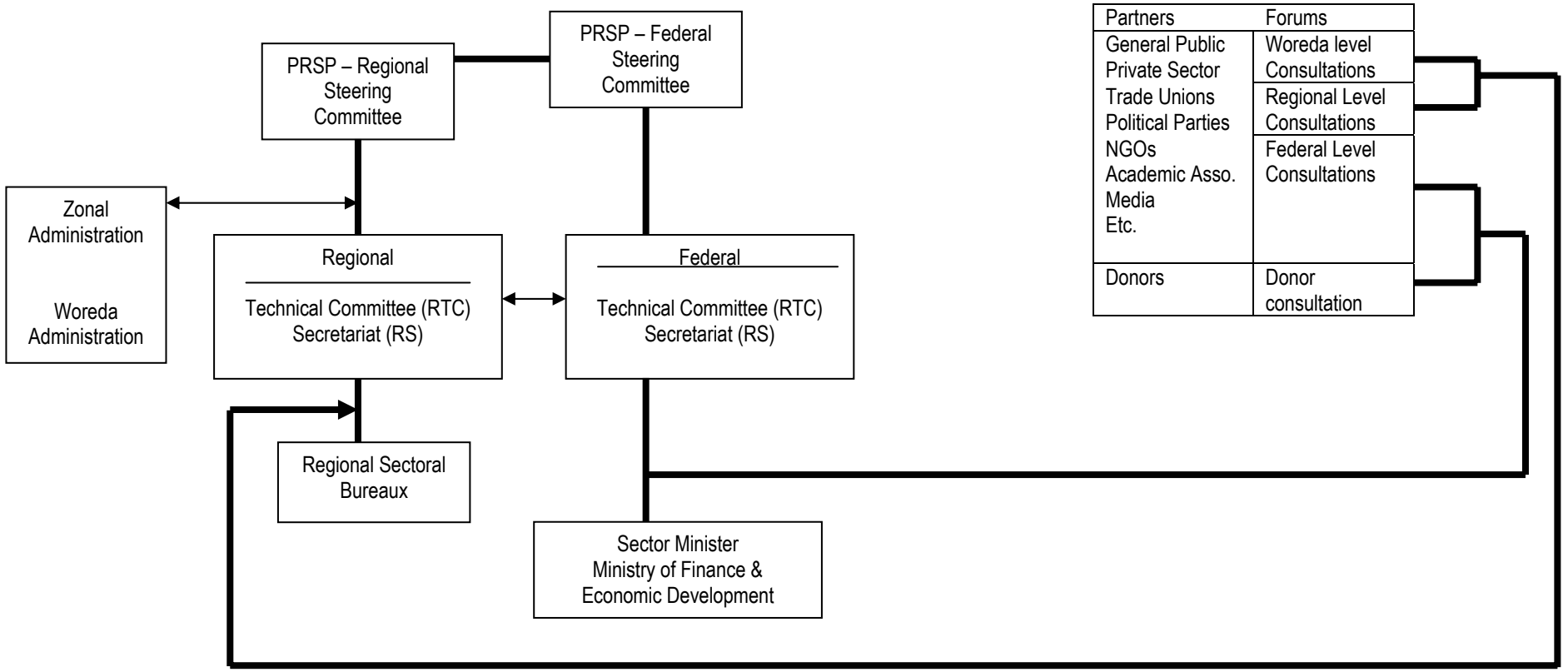
6. SUMMARY OF CHANGES IN POLICY DIRECTION

The government is committed to promote rural development more than ever before. There is recognition that the development and expansion of off-farm activities will create employment for the rural youth thereby reducing pressure on the limited land. Strengthening woreda capacity to plan, implement, monitor and evaluate development programmes is seen as key to the success of the rural development polices and strategies. To that end, each bureau will be represented by a department (e.g. Department of Agriculture) and the required experts will be mobilised from region and zone down to woreda. At the time of the review, the Amhara Region has finalised the plan and experts are waiting to move to the woredas.

The extension system is based on a new philosophy. That is, a menu of technology packages is designed to allow households to choose a package that meets the agro-ecological conditions they live in. In the case of Amhara Region, there are five agro-ecological zones and the technology packages take account of these variations.

The government is developing the "culture of policy dialogue" within itself and to some extent with the public. The experience of the PRSP consultation process may have something to do with this. However, on the evidence of recent dialogues, one feels that the dialogues are in defence of existing policies rather than listening and revising policies.

Figure 5: The Consultation process for the preparation of PRSP



Source: Ethiopia: Sustainable Development and Poverty Reduction, Executive Summary, Ministry of Finance and Economic Development, FDRE, June 2002.

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ANNEX 2: HOUSEHOLD QUESTIONNAIRE

IDS / SC-UK STUDY ON
DESTITUTION IN ETHIOPIA'S NORTHEASTERN HIGHLANDS (AMHARA REGION)

Identification of Household	
Name and Code of FEZ _____	☐
Name and Code of Kebele _____	☐☐
Name and Code of Gott _____	☐☐☐
Household Code	☐☐☐

To be completed by Interviewer	Date of Interview
Name of Interviewer _____	Day ☐☐
Signature _____	Month ☐☐
Comments:	Year 2 0 0 ☐

Team Leader	Interviewer	Office Editor	Coded by	Keyed by
Name _____ ☐☐	☐☐	☐☐	☐☐	☐☐
Signature _____				

A.1 HOUSEHOLD PROFILE

(1). Is this a polygamous household? *(circle one)* | Yes 1 | No 2 |

*If **YES**, see field manual*

First, I'd like to ask you some general questions about your household. How many people live in this household? For each household member – How old is she / he? What contribution does he / she make to the work of the household (see codes)? Is she / he literate *(= able to read a letter or newspaper in Amharic)* ? How many years of school has he / she completed? Is she/ he attending school now (this term)?

Line No.	**Relationship to household head** *(write code)*	**Participating in interview?** *(circle one)*	**Age** *(write age in completed years)*	**Male/ Female** *(circle one)*	**Labour capacity** *(write code)*	**Literate?** *(circle one)*	**Years of school completed** *(write number or 00 if none)*	**Attending school now?** *(circle one)*
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
01	HH head 0 1	Yes 1 No 2		M 1 F 2		Yes 1 No 2		Yes 1 No 2
02		1 2		1 2		1 2		1 2
03		1 2		1 2		1 2		1 2
04		1 2		1 2		1 2		1 2
05		1 2		1 2		1 2		1 2
06		1 2		1 2		1 2		1 2
07		1 2		1 2		1 2		1 2
08		1 2		1 2		1 2		1 2
09		1 2		1 2		1 2		1 2
10		1 2		1 2		1 2		1 2
11		1 2		1 2		1 2		1 2
12		1 2		1 2		1 2		1 2
13		1 2		1 2		1 2		1 2
14		1 2		1 2		1 2		1 2

Codes: Relationship to household head
01 = household head
02 = wife
03 = son / daughter of head or wife
04 = son-in-law / daughter-in-law of head or wife
05 = grandson / granddaughter of head or wife
06 = father / mother of head or wife
07 = brother / sister of head / wife
08 = other relative of head/ wife
09 = adopted
10 = non-relative / servant

Codes: Labour capacity
1 = child (too young to work)
2 = working child (herding livestock; doing domestic chores; childcare; may be hired / fostered out)
3 = "adult assistant" (boys helping in fields, girls making *wot*)
4 = adult (able to do full adult workload)
5 = elderly (not able to do full adult workload)
6 = permanently disabled (unable to work)
7 = chronically ill (unable to work for past 3 months or more)

A.2 AGE OF HOUSEHOLD

(11). When was your household formed? (Year EC) | 1 | 9 | | |

A.3 ADULT DEATHS

(12). In the last 10 years (since the change of government from Derg to EPRDF), has your household suffered any **adult deaths**? * *(circle one)*

Yes	1	No	2

* *(If the household was formed more recently, ask 'since your household was formed')*

If **NO**, go to section B1

If **YES**,

Please tell us who died – what was their relationship to the household head? Were they male or female? At the time they died,
what contribution were they making to the household's work? What was the cause of their death?

Relationship to Household Head *(write code)*	Male / Female *(circle one)*	Labour capacity *(write code)*	Cause of death *(circle as many as apply)*
(13)	(14)	(15)	(15b)
☐☐	M F 1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6
☐☐	1 2	☐	1 2 3 4 5 6

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05 = grandson / granddaughter of head or wife
06 = father / mother of head or wife
07 = brother / sister of head / wife
08 = other relative of head/ wife
09 = adopted
10 = non-relative / servant

Codes: Labour capacity (adults only)
4 = adult (able to do full adult workload)
5 = elderly (not able to do full adult workload)
6 = permanently disabled (unable to work)
7 = chronically ill (unable to work for past 3 months or more)

Codes: Cause of death
1 = long illness (3 months or more)
2 = short illness (less than 3 months)
3 = accident
4 = famine
5 = old age
6 = other

B.1 HOUSEHOLD LIVELIHOOD ACTIVITIES

In the last 12 months (between now and the same month last year), which types of work or activity did the members of your household do, in order to earn food and income *(column 16)*? Who worked at each activity *(column 17a)*?

Activity / Income Source *(Circle codes – as many as apply)*	(16)	**Who does the work / activity?** *(Circle as many as apply)* (17a)
AGRICULTURE		
Crop production (for consumption and sale)	01	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Livestock rearing / breeding (not chickens)	02	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Livestock fattening (buying & fattening for sale)	03	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Poultry rearing / sales (chickens etc.)	04	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
EMPLOYMENT / LABOUR		
Formal / salaried employment	05	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Public works (EGS / FFW / CFW)	06	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Local agricultural labour (within the wereda)	07	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Local non-agricultural labour (within the wereda)	08	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Migration for agricultural labour (out of wereda)	09	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Migration for non-agricultural labour (out of wereda)	10	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Army service	11	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Domestic service	12	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
TRADE (buying and selling)		
Trading in grains and pulses	13	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Trading in livestock	14	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Trading in other commodities	15	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
SALE OF NATURAL PRODUCTS		
Bee-keeping / honey sales	16	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Egg sales	17	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Eucalyptus sales (poles for building etc.)	18	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Charcoal or firewood sales	19	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Grass or fodder sales	20	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Sand or stone sales	21	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
FOOD AND DRINK PROCESSING		
Araki preparation and sales	23	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Tejj preparation and sales	24	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Other drinks (e.g. *tella / shameta / borde*)	25	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Food or tea preparation and sales	26	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		Codes: *Use line numbers from Section A.1, column 2.* 00 = non-household member 77 = now dead, not listed in the household profile (A.1)

Activity / Income Source *(Circle codes – as many as apply)*		**Who does the work / activity?** *(Circle as many as apply)*
	(16)	(17a)
CRAFTS / SMALL INDUSTRY		
Basket-making	27	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Spinning or weaving cloth (cotton or wool)	28	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Embroidery or making clothes	29	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Carpentry / house-building	30	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Pottery	31	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Blacksmithing or metal work	32	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
SERVICES		
Water-carrying	33	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Hairdressing	34	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Music / entertaining	35	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Traditional healer	36	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Traditional birth attendant	37	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
RENTS		
Sharecropping out land	38	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Renting out land	39	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Renting out pack animals (donkeys / mules)	40	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Renting out oxen	41	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Money-lending	42	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
Begging	43	00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
OTHERS *(Write name / description – do not add code)*		
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 77
		Codes: *Use line numbers from Section A.1, column 2.* 00 = non-household member 77 = now dead, not listed in the household profile (A.1)

B2. INCOME PROPORTIONS

In addition to the income sources we just discussed (listed in B1), did the household receive any free food aid in the past 12 months? Any free cash (formal/ official relief)? Any other (informal) gifts of cash or food? Any remittances from people living somewhere else?

For each one – if NO, write 000 in column 21. If YES, include in proportional piling exercise.

Place a pile of 100 beans in the middle of the floor (or on a mat or any other convenient place where all the participating household members can see). Draw a circle (or place a symbol) for each activity or income source the household identified in the last question. Add circles (or symbols) for free food aid, free cash, other gifts (cash or food) and remittances.

Explain that the pile of beans represents all the food, cash or other income produced or received by the household in the last year. Ask the household members to discuss together and agree roughly how much of this came from each source, and place the corresponding number of beans on each circle / symbol.

While they are discussing, copy the code numbers of the household's activities into column 19. If there are any activities without codes, write the name in column 20.

When they have agreed, ask one of them to count the beans on each circle, tell you the number and say the name of the activity or source. Write the number of beans in column 21.

Check that the numbers total 100 – if not, check the counting again.

Activity / income source		**Income proportion** *(write number of beans)*
Code *(copy from B1)*	*(if no code – write name)*	
(19)	(20)	(21)
FA	Free food aid (includes general rations and faffa)	
FC	Free cash (for relief)	
GI	Gifts (cash or food, apart from official aid)	
RE	Remittances (from people living somewhere else)	
	check TOTAL =	1 0 0

B3. CONSTRAINTS TO LIVELIHOOD ACTIVITIES

(22) Are there any income-earning activities which any member(s) of your household would like to do or would like to expand, but cannot? *(circle one)*

Yes 1	No 2

*If **NO**, go to section C1*

*If **YES**,* which activities are they? What prevents you from starting or expanding these activities?

Activity / income source		**Constraint(s)** *(circle all that apply)*
Code *(copy from B1)*	*(if no code - write name)*	
(23)	(24)	(25)
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
☐☐		01 02 03 04 05 06 07 08 09 10 11 12
		Codes: Constraints 01 = not available in this area 02 = not enough customers / market 03 = not profitable enough 04 = women's work / men's work 05 = labour poor (can't work, or not enough workers in the household) 06 = don't have time 07 = don't have skills or knowledge 08 = don't have money or credit 09 = don't have tools, equipment, buildings, etc. 10 = don't have trees, land, water, raw materials, etc. (natural resources) 11 = don't have animals 12 = other

C.1 LABOUR MIGRATION

Did the household's livelihood activities in the last 12 months include labour migration (code 09 or 10 in section B.1)? Ask the following question to cross-check:

(26). In the last year (12 months), did anyone from your household travel outside the wereda to look for work? *(circle one)*

Yes 1	No 2

If NO, *go to section D1.*

If YES, *ask the following questions about* ***each trip*** *in the last year – in the table, fill* ***one line per trip.***

Who went? *(column 27).* Where did they go? *(column 28)*. Did they find work? What kind? *(column 29).* In which month did they leave *(column 30),* and in which month did they come back *(column 31)*? Did they bring or send anything for the household? If yes, what? *(column 32)*?

Who went? *The line numbers listed below were used in Section A, column 2, to identify the household members. From this list, circle all the line numbers of the household members that went on the trip – one trip per line*	**Destination** *(write one code per line / trip)*	**Type of work** *(write code)*	**Months** *(write code)* **left**	 **came back**	**What did they bring or send back?** *(circle as many as apply)*
(27)	(28)	(29)	(30)	(31)	(32)
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8
01 02 03 04 05 06 07 08 09 10 11 12 13 14 77					1 2 3 4 5 6 7 8

Code:	**Codes: Destination**	**Codes: Type of work**	**Codes: Months**	**Codes: Remittances**
77 = now dead, not listed in household profile (section A.1) *Interviewer: cross-check with section A.3 (adult deaths)*	1 = rural, out of wereda but within Zone 2 = rural, out of Zone but within Amhara Region 3 = rural, out of Amhara Region 4 = urban, out of wereda but within Zone 5 = urban, out of Zone but within Amhara Region 6 = urban, out of Amhara Region 7 = out of Ethiopia	01 = did not find work 02 = commercial farms 03 = private farms 04 = coffee picking 05 = cotton picking 06 = construction 07 = unskilled urban labour 08 = domestic service 09 = other service 10 = trade 11 = begging 12 = work for relatives 13 = other	01 = Meskerem 02 = T'ikimt 03 = Hidar 04 = Tahasas 05 = T'ir 06 = Yekatit 07 = Megabit 08 = Miyazya 09 = Ginbot 10 = Sene 11 = Hamle 12 = Nehasie 77 = not yet returned	1 = food 2 = cash 3 = clothes 4 = inputs for farming (seed, fertilizer etc.) 5 = animals 6 = consumer goods 7 = other 8 = nothing

Next, I'd like to ask you some questions about your household's access to labour, land, and other productive resources

D.1. ACCESS TO LABOUR

(33). During the past 12 months, who did the work of crop farming, livestock care, domestic work and other types of work for your household? Which of these types of labour did your household employ *(read codes)*?

Activity	**Sources of labour this year (last 12 months)** *(circle as many as apply)*	
Crop farming	0 1 2 3 4 5 6 7 8	**Codes: Sources of labour** 0 = household not doing this type of work 1 = household labour 2 = other relatives or friends (unpaid) 3 = share-cropper 4 = daily hired local labour 5 = long-term hired local labour 6 = hired migrant labour (from outside the wereda) 7 = reciprocal / exchange work parties (e.g. *wonfel*) 8 = festive work parties (e.g. *jigi, debo, wobera*)
Livestock	0 1 2 3 4 5 6 7 8	
Domestic work	0 1 2 3 4 5 6 7 8	
Other types of work	0 1 2 3 4 5 6 7 8	

D.2 LAND-HOLDING / LANDLESSNESS

(34). Does your household (or any member of your household) own any land? *(circle one)*

Yes	1	No	2

*If **NO**, go to section D.3*

*If **YES,***

(35). How many *timads / ……..****** of **farming land** does your household own now, in total? (include landholdings of all household members; include fallow land). *(write number)* ____

(36). How many *kend / ……..****** of **grazing land** does your household own now, in total? *(write number)* ____

****** *If a different local measure is used, write the name and make a note under 'Comments' on the cover page*

D.3 ACCESS TO FARMING LAND

(37). During the last agricultural season, how many *timads / ……..******. of land did your household **cultivate**? (include sharecropped/ rented / mortgaged land) *(write number, or 0 if not farming)* ____

*If **NO to 34** and **None (0) to 37**, - i.e. household has no land and did not farm last season - go to section D.5*

(38). During the last agricultural season, did you cultivate all or part of your **own land**? Did you cultivate any land belonging to someone else (by **sharecropping** / *megazo*, **renting** or **mortgaging**)? Did you give any of your land to someone else to farm (by sharecropping / *megazo*, renting or mortgaging)? *(column 38)*

Farmed own land / sharecropped / rented / mortgaged *(circle as many as apply)*		
1	2 3 4	5 6 7
Codes:	2 = sharecropped **in** land	5 = sharecropped **out** land
1 = farmed own land	3 = rented **in** land	6 = rented **out** land
	4 = mortgaged **in** land	7 = mortgaged **out** land

D.4 ACCESS TO DRAUGHT POWER FOR PLOUGHING

If your household cultivated during the last season, how did you plough (using animals or hand-hoe)? If you used animals, what type of animals did you use? *(column 39)*
If you used animals, did you use your own animal(s)? If you used someone else's animal(s), did you share / borrow / exchange or rent them? *(column 40)*
Did you use hand tillage on any of your fields *(column 41)*? If yes, why *(column 42)*?

Ploughed with animals – what type? *(circle as many as apply)*	**If you used animals, did you own, borrow or hire them?** *(circle as many as apply)*	**Used hand tillage** *(circle one)*	**If used hand tillage, why?** *(circle as many as apply)*
(39)	(40)	(41)	(42)
1 2 3 4 5 6	1 2 3 4 5 6	Yes No 1 2	1 2 3 4 5 6
Codes: Animals 1 = Ox(en) 2 = Horse(s) 3 = Mule(s) 4 = Cow(s) 5 = Donkey(s) 6 = Camel(s)	**Codes: Own, borrow or hire?** 1 = Used own animal(s) 2 = Shared with another household 3= Borrowed (free) 4 = Rented (for cash) 5 = Exchanged labour for draught power 6 = Exchanged something else for draught power		**Codes: Why hand tillage** 1 = Couldn't get access to draught animals 2 = Draught animals too expensive 3 = Land not suitable for animals 4 = Plot too small for animals 5 = Sickness of draught animals 6 = Other reason

D.5. LIVESTOCK HOLDINGS & ACCESS

At the last New Year (1994 EC), how many of these kinds of livestock did your household own? Please include any animals that belonged to you, but were being raised by other households *(column 43).*

Now (at the time of the interview), does your household own any animals which are being cared for by other households (e.g. *yerbee, agedelegn, yegerafee*)? Which kind of animals? *(column 44)*

Is your household now caring for any animals which belong to someone else? Which kind of animals? *(column 45)*

Livestock	**Number owned at New Year 1994 (EC)** *(write number, or 00 if none)*	**Livestock owned now but cared for by other households** *(circle one)*	**Livestock cared for now by this household, but owned by someone else** *(circle one)*
	(43)	(44)	(45)
Chickens	☐☐		
Sheep	☐☐	Yes No 1 2	Yes No 1 2
Goats	☐☐	1 2	1 2
Plough oxen	☐☐	1 2	1 2
Cows	☐☐	1 2	1 2
Heifers	☐☐	1 2	1 2
Bulls	☐☐	1 2	1 2
Calves	☐☐	1 2	1 2
Donkeys	☐☐	1 2	1 2
Horses	☐☐	1 2	1 2
Mules	☐☐	1 2	1 2
Camels	☐☐	1 2	1 2

D.6 AGRICULTURAL EXTENSION PACKAGE

(46). In the last 3 years, how many times has your household received an agricultural input package from the Bureau of Agriculture or Development Agent? *(circle one)*

0	1	2	3	4 or more

(47). If **NONE (0)** , why? *(circle as many as apply)*

01	02	03	04	05	06	07	08	09	10	11	12	13

Codes:
01 = didn't need credit
02 = didn't want debt
03 = interest or repayment rate too high
04 = asked for credit but was refused
05 = bought fertiliser privately
06 = didn't want fertiliser
07 = land not suitable for fertiliser
08 = plot too small
09 = rainfall erratic
10 = preferred local seed
11 = extension package not available here
12 = not farming / no land
13 = other reason

*If **ONCE (1) or more,** ask the following questions about the <u>most recent</u> package received:*

Did you pay for the package when you received it, or take it on credit to be paid after the harvest *(column 48)*?

If you took credit, has the loan been repaid *(column 49)*? What did you use the input package for *(column 50)*?

Cash / credit *(circle one)*	**Repayment status** *(circle one)*	**Use** *(circle as many as apply)*
(48)	(49)	(50)
1 2	1 2 3 4 5	1 2 3 4 5 6
Codes: 1 = paid cash 2 = took on credit	**Codes: Repayment** 1 = fully repaid 2 = partly repaid 3 = not yet due 4 = can't pay (defaulted) 5 = not applicable (paid cash)	**Codes: Use** 1 = used for farming 2 = gave away or shared 3 = sold to buy food 4 = sold for other reasons 5 = consumed seed 6 = exchanged it for something else

E.1 CASH CREDIT

In the last year (12 months), has any member of your household borrowed any money from the following sources?: *(read column 51, circle Yes / No code in column 52).*

*If **NO**,* why not *(column 53)*?

*If **YES**,* what did you use it for *(column 54)*? How much (in Birr) did/ do you have to repay *(column 55)*?

In addition to cash payments, did you also have to provide labour, oxen or any other type of payment for the loan *(column 56)*?

Have you repaid the loan *(column 57)*? How much (in Birr) did you borrow *(column 58)*?

Source	Received credit? *(circle one)*	If no, why not? *(circle as many as apply)*	Use *(circle as many codes as apply)*	Total amount to repay *(Birr)*	Any additional payment terms? *(circle as many as apply)*	Repayment status *(circle one)*	Amount borrowed *(Birr)*
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)
ACSI	Yes No 1 2	1 2 3 4 5 6	01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16		1 2 3 4 5	1 2 3 4	
Other government body	1 2	1 2 3 4 5 6	01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16		1 2 3 4 5	1 2 3 4	
Trader	1 2	1 2 3 4 5 6	01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16		1 2 3 4 5	1 2 3 4	
Other private individual	1 2	1 2 3 4 5 6	01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16		1 2 3 4 5	1 2 3 4	
NGO	1 2	1 2 3 4 5 6	01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16		1 2 3 4 5	1 2 3 4	
Other	1 2	1 2 3 4 5 6	01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16		1 2 3 4 5	1 2 3 4	
	Code: If no, why not? 1 = didn't need credit 2 = didn't want debt 3 = interest or repayment rate too high 4 = didn't like terms or conditions of credit 5 = wanted credit but couldn't get it / not eligible 6 = this source of credit is not available here		**Codes: Use** 01 = buy food 02 = buy clothes 03 = buy other consumption items 04 = buy farming inputs 05 = buy oxen 06 = buy other livestock 07 = buy farm equipment 08 = capital for trading 09 = capital for other off-farm business 10 = equipment for off-farm business 11 = pay debt 12 = social obligations 13 = medical expenses 14 = taxes or compulsory fees 15 = education 16 = other		**Codes: Terms** 1 = labour 2 = harvest share 3 = land use for fixed period 4 = land use as collateral (mortgage) 5 = other	**Codes: Repayment** 1 = fully repaid 2 = partly repaid 3 = not yet due 4 = can't pay (defaulted)	

F.1 SOCIAL INSTITUTIONS

During the last 12 months, has anyone from your household participated in the following social institutions or activities? *(read column 59, circle Yes / No code in column 60).*

*If **YES for all,** go to section F.2*

*If **NO**,* why not *(column 61)*? Did your household ever participate in the past *(column 62)*? *If **YES***, why did you stop *(column 63)*?

Institution	**Participated this year?** *(circle one)*	**If no, why not?** *(circle as many as apply)*	**Participated in past?** *(circle one)*	**Reasons for stopping** *(circle as many as apply)*
(59)	(60)	(61)	(62)	(63)
Funeral societies *(e.g. kire / idir)*	Yes 1 No 2	1 2 3 4 5 6	Yes 1 No 2	1 2 3 4 5 6 7
Savings groups *(e.g. equb)*	1 2	1 2 3 4 5 6	1 2	1 2 3 4 5 6 7
Church or saint's day social groups *(e.g. mahaber / senbete)*	1 2	1 2 3 4 5 6	1 2	1 2 3 4 5 6 7
Zawiya *(coffee-drinking / social circle in Moslem communities)*	1 2	1 2 3 4 5 6	1 2	1 2 3 4 5 6 7
Reciprocal or exchange work groups *(e.g. wonfel)*	1 2	1 2 3 4 5 6	1 2	1 2 3 4 5 6 7
Festive work groups *(e.g. debo, jigi, wobera)*	1 2	1 2 3 4 5 6	1 2	1 2 3 4 5 6 7
		Codes: Why not? 1 = too expensive 2 = doesn't exist here 3 = don't need it 4 = don't have time 5 = not open to me to join 6 = other		**Codes: Reasons** 1 = costs increased 2 = ability to contribute decreased 3 = institution closed / stopped 4 = didn't see benefits 5 = disagreement within group 6 = moved location 7 = other

F.2 ACCESS TO SUPPORT NETWORKS

(64). If your household had a problem and needed money or food urgently, would you be able to get it from people in your community or from relatives? *(circle one)* — Yes 1 | No 2

(65). How many people do you think you could ask for this kind of help (money or food)? *(write number, or 00 if none)* — ____

(66). If someone in your household fell ill or was injured, and you needed help with farming or other work, would you be able to get it from people in your community or from relatives? *(circle one)* — Yes 1 | No 2

(67). How many people do you think you could ask for this kind of help (with work)? *(write number, or 00 if none)* — ____

F.3 INFORMAL TRANSFERS

In the last 12 months (between now and the same month last year), has your household **<u>received</u>** any of the following types of assistance from anyone outside the household? *(read column 68, circle codes in column 69). Exclude food aid or other formal transfers.*

***If NO to all**, go to section F.4*

If YES, who gave you this help - a relative, friend or neighbour, or someone else? *(column 70)*
Where does the person live - in your community, or somewhere else? *(column 71)*

Item *(circle code – circle as many as apply)*		**From whom?** *(circle as many as apply)*	**Where do they live?** *(circle as many as apply)*
(68)	(69)	(70)	(71)
Cash gift	Yes No 1 2	1 2 3 4 5	1 2 3 4 5 6 7
Cash loan (no interest)	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Food or grain gift	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Grain loan (no interest)	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Seed gift	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Seed loan	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Free labour	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Free use of oxen or plough	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Free use of donkey / mule / horse	1 2	1 2 3 4 5	1 2 3 4 5 6 7
Other	1 2	1 2 3 4 5	1 2 3 4 5 6 7
		Codes: From whom? 1 = relative 2 = friend or neighbour 3 = trader 4 = other	**Codes: Where do they live?** 1 = same community *(gott)* 2 = rural area outside the *gott* but within Amhara Region 3 = rural area outside Amhara Region 4 = town in Amhara Region 5= Addis Ababa 6 = another town in Ethiopia, outside Amhara Region 7 = another country

F.4 FORMAL TRANSFERS

In the past 12 months, which of these types of assistance did your household receive from government or aid agencies?

FFW / EGS (work for food payment)	**CFW / EGS (work for cash payment)**	**Faffa (supplementary food)**	**Other free food aid**	**Free cash**	**Seed**	**Tools**	**Livestock**
(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
Yes No 1 2	Yes No 1 2	Yes No 1 2	Yes No 1 2	Yes No 1 2	Yes No 1 2	Yes No 1 2	Yes No 1 2

G.1 FOOD SECURITY / ACCESS

(80). During the last rainy season, did your household suffer any shortage of food to eat? *(circle one)*

Yes 1	No 2

*If **NO**, go to section G.2*

*If **YES**,*

(81). In which month was the food shortage most acute for your household? *(write month code)* ☐☐

(82). During that worst month, how many times a day did the adults and children in your household eat?

	Number of meals per day *(circle one for each row)*
Adults	0 1 2 3 4
Children *(= school-age / working children, not infants)*	0 1 2 3 4
	Code: 0 = sometimes passed a whole day without eating anything

(83). For your household, how many months did the food shortage last? *(write number of months)* ☐☐

G.2 CURRENT DIET

Yesterday *(or on the last non-fasting day if yesterday was a fasting day),* did any adults or children in your household eat the following types of food? *(read column 84, circle Yes/ No codes in columns 85 and 86).*

Food type	**Adults ate** *(circle one)*		**Children ate** *(circle one)*	
(84)	(85)		(86)	
	Yes	No	Yes	No
Injera	1	2	1	2
Boiled or roasted grain or pulses (*nifro or kollo*)	1	2	1	2
Tella / bukri	1	2	1	2
Milk / yoghurt	1	2	1	2
Bread	1	2	1	2
Meat	1	2	1	2
***Wott with*:** *Shiro* with beans	1	2	1	2
Shiro with vetch *(guoya)*	1	2	1	2
Onions	1	2	1	2
Red pepper *(berbere)*	1	2	1	2
Potatoes	1	2	1	2
Chickpeas *(shimbra)*, field-peas *(attar)* or lentils *(misr)*	1	2	1	2
Greens (*gomen / sama*)	1	2	1	2
Green pepper *(k'aria)*	1	2	1	2
Geten (wild root)	1	2	1	2
Atmit	1	2	1	2

G.3 CLOTHING

During the past 3 years, how many times has your household bought clothes for adults and for children?

	Number of times purchased clothing *(circle one for each row)*				
(87) **For adults**	0	1	2	3	4 or more
(88) **For children**	0	1	2	3	4 or more

G.4 HOUSING QUALITY

By observation if possible – if not, ask the household respondents. If the household has more than one house, note the condition of the better / best one.

ROOF	**Material** *(circle one)*		**Condition** *(circle one)*	
	(89)		(90)	
	Tin/metal	1	Good / adequate condition	1
	Thatch	2	Poor condition – inadequate protection from weather	2
	Other	3		

WALLS	**Material** *(circle one)*		**Condition** *(circle one)*	
	(91)		(92)	
	Stone	1	Good / adequate condition	1
	Wood / sticks and plaster	2	Poor condition – inadequate protection from weather	2
	Other	3		

G.5 BASIC HOUSEHOLD ITEMS

Do you have the following items in your house now? ***(Interviewer: if possible, ask to see the items).***

(circle one per row)

	Yes	No
(93) Salt	1	2
(94) Coffee (*buna*)	1	2
(95) J*emfel* (coffee husks)	1	2
(96) Kerosene	1	2

H.1 SELF-ASSESSMENT OF HOUSEHOLD SITUATION

Finally, considering all the questions discussed in this interview, how would you describe the situation of your household now?

Are you able to meet your household needs by your own efforts?
Are you making any extra for stores, savings or investments (e.g. buying livestock or other assets, improving your land)?
Do you sometimes need help from your community, or from government or other agencies?
Are you dependent on this help? (Could you survive without it?)

Interviewer: after asking these questions, choose the category in column 97 that best fits the respondents' answers. Then say, 'So would you agree that at this time your household is …… ***(read category description)***?'

If they do not agree, discuss further and identify the category they agree with.

When they agree, circle the corresponding code for 'Now' (column 98).

Then ask, At the same time (same month) last year, was your household situation better, the same, or worse?
Repeat the questions if necessary, read the category that best fits the respondents' description of their situation a year ago, and when they agree circle the code in column 99.

Repeat for 2 years ago (column 100) and 10 years ago (column 101).

Categories	**Now** *(circle one)*	**The same time last year (1993 EC)** *(circle one)*	**The same time 2 years ago (1992 EC)** *after several poor rainy seasons* *(circle one)*	**10 years ago (1984 EC)** *at change of government from Derg to EPRDF* *(circle one)*
(97)	(98)	(99)	(100)	(101)
Household not formed at that time		0	0	0
DOING WELL – able to meet household needs by your own efforts, and making some extra for stores, savings and investments (e.g. buying livestock or other assets, improving farmland, improving housing etc)	1	1	1	1
DOING JUST OKAY - able to meet household needs but with nothing extra to save or invest	2	2	2	2
STRUGGLING – managing to meet household needs, but by depleting productive assets and / or sometimes receiving support from community or government	3	3	3	3
UNABLE TO MEET HOUSEHOLD NEEDS - dependent on support from community or government	4	4	4	4

ANNEX 3: VILLAGE PROFILE FORM

Name and Code of FEZ _____	☐
Name and Code of Kebele _____	☐☐
Name and Code of Gott _____	☐☐☐

Team Leader

Name _____ ☐☐

Signature _____

Date of Gott Key Informant Interview	Day	Month	Year

Composition of key informant group (who participated in the discussion?)

Name	Position/description	Male or Female? (circle one)
		M F
		M F
		M F
		M F
		M F
		M F
		M F
		M F
		M F

RECORD OF SELECTED HOUSEHOLDS (complete after mapping and random selection of households)

Frame No.	NAME OF HOUSEHOLD HEAD	Assigned to: INTERVIEWER CODE	Questionnaire completed and checked (tick)	If not completed – why?
	(1)			
	(2)			
	(3)			
	(4)			
	(5)			
	(6)			
	(7)			
	(8)			
	(9)			
	(10)			
	(11)			
	(12)			
	(13)			
	(14)			
	(15)			
	(16)			
	(17)			
	(18)			
	(19)			
	(20)			

RESERVES

	(21)			
	(22)			
	(23)			
	(24)			

GOTT PROFILE (Complete from key informant discussions)

1. How far is the nearest:

	LOCATION (tick one)			Average or usual **TRAVELLING TIME** from the centre of the gott	
	In the gott	Out of the gott , but in the kebele	Out of the kebele	On foot	By vehicle
All-weather motor road					
Seasonal motor road					
Health post					
Clinic					
Pharmacy					
Primary school					
Wereda headquarters					
Veterinary clinic					

2. When people from this gott want to sell or buy crops, where do they usually go? Where do they usually go to buy or sell livestock, or other commodities? How far are these markets?

	Use of market *(tick all that apply)*					Average or usual **TRAVELLING TIME** from the centre of the gott	
Location of market (name of town or place)	Sell crops	Buy crops / grain	Sell livestock	Buy livestock	Other commodities	On foot	By vehicle

3. When people from this gott want to find employment (daily labour or longer-term work), where can they go? What kind of work can they do there? When is this work available? How much do people usually earn (per day / week / month etc.)? What do you think are the main problems or risks for people going to this place to work?

	(1)		(2)		(3)		(4)	
Type of work								
Name of place								
Rural or urban? (circle one)	R / U		R / U		R / U		R / U	
Travelling time								
Work available (write months codes)	from	to	from	to	from	to	from	to
Usual earnings	Birr		Birr		Birr		Birr	
Per (day / month / season etc)								
Risks/ problems								

	(5)		(6)		(7)		(8)	
Type of work								
Name of place								
Rural or urban? (circle one)	R / U		R / U		R / U		R / U	
Travelling time								
Work available (write months codes)	from	to	from	to	from	to	from	to
Usual earnings	Birr		Birr		Birr		Birr	
Per (day / month / season etc)								
Risks/ problems								

4. What are all the livelihood activities or types of work people do in this gott to earn income or food? *(Use checklist – circle codes for all activities available in the gott)*.
5. How many households are involved in each of the circled activities? *(Estimate as far as possible – you can use beans to represent the total number of households in the gott).*

AGRICULTURE		Number of households	**CRAFTS / SMALL INDUSTRY**		Number of households
Crop production (for consumption and sale)	01		Basket-making	27	
Livestock rearing / breeding (not chickens)	02		Spinning or weaving cloth (cotton or wool)	28	
Livestock fattening (buying & fattening for sale)	03		Embroidery or making clothes	29	
Poultry rearing / sales (chickens etc.)	04		Carpentry / house-building	30	
EMPLOYMENT / LABOUR			Pottery	31	
Formal / salaried employment	05		Blacksmithing or metal work	32	
Public works (EGS / FFW / CFW)	06		**SERVICES**		
Local agricultural labour (within the wereda)	07		Water-carrying	33	
Local non-agricultural labour (within the wereda)	08		Hairdressing	34	
Migration for agricultural labour (out of wereda)	09		Music / entertaining	35	
Migration for non-agricultural labour (out of wereda)	10		Traditional healer	36	
Army service	11		Traditional birth attendant	37	
Domestic service	12		**RENTS**		
TRADE (buying and selling)			Sharecropping out land	38	
Trading in grains and pulses	13		Renting out land	39	
Trading in livestock	14		Renting out pack animals (donkeys / mules)	40	
Trading in other commodities	15		Renting out oxen	41	
SALE OF NATURAL PRODUCTS			Money-lending	42	
Bee-keeping / honey sales	16				
Egg sales	17		Begging	43	
Eucalyptus sales (poles for building etc.)	18		**OTHERS** *(Write name / description – do not add code)*		
Charcoal or firewood sales	19				
Grass or fodder sales	20				
Sand or stone sales	21				
FOOD AND DRINK PROCESSING					
Araki preparation and sales	23				
Tejj preparation and sales	24				
Other drinks (e.g. *tella / shameta / borde*)	25				
Food or tea preparation and sales	26				

6. Which crops are grown in this gott? *(Circle codes for all that apply)*

7. How many households grow each of the circled crops? *(Estimate as far as possible – you can use beans to represent the total number of households in the gott).*

	circle codes	*Number of households*
CEREALS		
wheat *(sinde)*	01	
barley *(gibs)*	02	
teff	03	
oats *(ajja)*	04	
sinar	05	
white sorghum *(mashila)*	06	
red sorghum	07	
finger millet *(dagussa)*	08	
maize *(bakolo)*	09	
PULSES		
beans *(bakela)*	10	
field peas *(attar)*	11	
lentils *(misr)*	12	
chick-peas *(shimbra)*	13	
vetch *(guaya)*	14	
OIL-SEEDS		
flax *(talba)*	15	
nug	16	
sunflower *(souf – tilig)*	17	
safflower *(souf - tinish)*	18	
gomen-zer	19	
sesame *(salit)*	20	
VEGETABLES		
onions	21	
garlic	22	
potatoes	23	
red chili pepper *(berbere)*	24	
green chili pepper *(Karia)*	25	
tomatoes	26	
cabbage / greens *(gomen)*	27	
carrots	28	
beetroot	29	
FRUITS		
bananas	30	
papaya	31	
sugar cane	32	
lemons	33	
oranges	34	
mangoes	35	
ANY OTHER CROPS *(write name- do not add code)*		

ANNEX 4: QUALITATIVE METHODS NOTES

This Annex contains detailed methodology notes and examples for the following qualitative data collection methods:

- Community time-line and trend-line discussion;
- Historical wealth-ranking;
- Life history interview;
- Mapping rural-urban linkages; and
- Focus groups on labour migration and livelihood trends.

COMMUNITY TIME-LINE & TREND-LINE DISCUSSION

Beforehand – on a double page of the flipchart pad, mark out a scale of years from 1960 to 1994 EC.

Time-line / major events affecting lives and livelihoods of community

- Lay out the time-line rope on the flipchart paper – explain one end is now (place a stone), and the rope represents the history of the community.
- Ask group to discuss and agree on major events that affected their lives and the livelihoods / well-being of the community. These events may be agricultural or climatic, or changes in government, infrastructure development, etc. – let the group decide which events are important to them.
- Ask them to place a stone on the rope for each major event – as they do so, discuss the meaning and impacts of the events they identify, take detailed notes of the discussion. (Remember with this type of method, the discussion is at least as important as the output).
- When the time-line's complete, go through it again with the group, discussing each event. Write a summary/ reminder of each event on the flipchart next to the relevant year.

Trend-line / scoring of community well-being / prosperity over time

- Referring to the time-line, ask the group to discuss and agree when was the best time for their community in terms of overall well-being / prosperity and livelihoods. Give them 20 beans and ask them to place them next to this event / year on the time-line.
- Similarly, ask them to place 1 bean next to the worst time they remember.
- Give them the bag of beans and ask them to continue like this – discuss and score other events or period on the time-line, on a scale of 1 to 20. Encourage them to compare years (e.g. Was this time better or worse than that time? Why? etc.).
- When the scoring's completed, discuss with them their score for now compared to other periods – (What does it mean? Do they see any trend?) – or any other interesting points arising.

Example: Record of a time/ trend-line discussion (Cherefe gott, Mekdela)

Yr EC	= *GC*		well-being / prosperity score (* = best / worst year)
1960	*1967/68*		
1961	*1968/69*		
1962	*1969/70*		
1963	*1970/71*		
1964	*1971/72*		
1965	*1972/73*		
1966	*1973/74*	revolution – Red Terror	●●●●●●●●●●●●●●●●●● 18
1967	*1974/75*	PA established	●●●●●●●●●●●●●●●●●● 17
1968	*1975/76*	land redistribution	
1969	*1976/77*		
1970	*1977/78*	Debre Zeit school built; started paying land tax; resettlement	●●●●●●●●●● 10
1971	*1978/79*	road to Koreb built	●●●●●●●●●●● 11
1972	*1979/80*		
1973	*1980/81*		
1974	*1981/82*		
1975	*1982/83*	belg harvest – lots of marriages and festivals	●●●●●●●●●●●●●●● 15
1976	*1983/84*	Debre Zeit clinic built. Drought	●●●● 4
1977	*1984/85*	severe drought – but the rain came in Senne	● *1
1978	*1985/86*	good harvest (meher and belg)	●●●●●●●●●●●●●●●●● 17
1979	*1986/87*	people came back from distress migration	●●●●●●●●●●●●●●●●●●●● *20
1980	*1987/88*	drought – animal deaths	●●●●●● 6
1981	*1988/89*		●●●●●●●●● 9
1982	*1989/90*	EPRDF came	●●●●●●●●●●●●●●●●●●● 19
1983	*1990/91*	land redistribution; good harvest	●●●●●●●●●●●●●●● 15
1984	*1991/92*	teff harvest (unusual – needs rain in Miazia / Gimbot)	●●●●●●●●●●●●●●●● 16
1985	*1992/93*	terracing work started (most say this was good)	●●●●●●●●●● 10
1986	*1993/94*	terracing & EGS	●●●●●●●● 8
1987	*1994/95*	'mula-goda' year – 'half full, half empty'	●●●●●●● 7
1988	*1995/96*	good harvest, but then rain failures started	●●●●●●●●●●●●●●● 15
1989	*1996/97*	wheat was good	●●●●●●●●●●●● 12
1990	*1997/98*	EOC came; rain stopped early; conscription	●●●●●●●●● 9
1991	*1998/99*	road rebuilt (FFW); food shortage – many people went to Wellega; sheep & goats died	●●● 3
1992	*1999/2000*	sheep started to reproduce well – price was good (=high)	●●●●●●●●●●●●●●● 15
1993	*2000/01*	hail destroyed crops; market was full of food aid	●●●●●●●● 8
1994	*2001/02*		●● 2

HISTORICAL WEALTH-RANKING

The method is based on ranking of individual households within small communities (*menders* – ranging in size from 8 to about 50 households). Participants are asked to begin by counting out beans to the actual number of households in the community, and then to rank them individually. In doing this they discuss households by name among themselves - but they do not need to tell us the names, and we do not record them. The objective is to combine accuracy and detail with confidentiality.

In introducing the exercise, stress that we are not interested in knowing the situation of individual households: we are trying to understand the overall situation in the community, and how their lives and livelihoods have changed in recent years. Stress that this study is not connected with any assessment for relief – whatever they tell us will have no effect on any short-term aid allocations. Be aware that they may (understandably!) not believe this, but try to convince them anyway. *Note* – if done in full, this discussion takes about 2 ½ hours – try to start at an appropriate time of day, and provide coffee!

A) Wealth-ranking now (1994 EC)

1. Ask participants to count out beans to the number of households in the mender;
2. Discuss with them the idea that in any community households differ in their prosperity / wealth / assets / capacity / well-being; then
3. Ask them to discuss among themselves and agree on how to categorise the households in their community by wealth or prosperity, and divide the beans accordingly. The number and definition of groups is for them to decide. Offer to leave them alone for a while to discuss this in confidence, and let them call you back when they are ready. In doing this they will be discussing individual households (including themselves) by name – but we do not need to know names, only proportions and characteristics.
4. When they have finished the ranking, ask them to explain the terms they used to describe or define each group, and to count the number of households in each group.
5. Ask them to explain the characteristics of each group (i.e. what are the differences among them), in terms of:
   - *assets* (do they have land? labour? animals? what else?),
   - *livelihoods* (what do they do for a living – farming? trading? local employment? migration? what else?),
   - *consumption patterns* (is there any difference in the diet, clothing etc. of the different groups?), and
   - *demographic characteristics* (do households in certain groups tend to be male / female headed, elderly, young, etc.?)
6. How / why do people fall into the poorest category?
7. How can people escape from the poorest category?

B) Wealth-ranking about 10 years ago (1982 /83 /84 EC)

8. Refer to the community time/ trend line. Together with the participants, agree on a memorable reference point about 10 years ago (e.g. EPRDF takeover, land redistribution, end of conscription).
9. Ask them to recount the beans and remember how many households were in the community at that time. Discuss any changes – what happened to households who were here 10 years ago but not now (divorce? death? out-migration?), and where did new households come from (marriage? returnees? etc.). If there has been any significant out-migration from the community during this period, discuss and investigate further.
10. Once they have agreed on the number of beans (= households), ask them again to divide them according to wealth categories at that time. Offer to leave them to discuss privately if they like (but past conditions are usually less sensitive).
11. When they've finished the ranking, again ask them to count the number of households in each group, and explain the terms / labels they used.
12. What were the characteristics of each group at that time (assets, livelihoods, consumption, demographics)?
13. Point out and confirm / discuss any changes they mention in assets and livelihoods between now and 10 years ago.
14. Ask about resource access institutions at that time – were they the same as now? Have the conditions or frequency changed?
15. What other changes do they see between then and now?

C) Wrap-up discussion and policy questions.

16. Sum up what they've told you about changes in wealth-ranking, assets and livelihoods between 10 years ago and now – ask them if they agree with this summary, and if they want to change or add anything.
17. What kinds of policy or intervention should the government follow to improve future livelihoods for themselves and their children? (Apart from food aid / relief!)

Example: Record of historical wealth-ranking comparison (Enkoyber, Dawunt Delanta)

Now (1994 EC)			(1983 EC – before EPRDF land redistribution)		
No. of HHs	Wealth groups	%	No. of HHs	Wealth groups	%
33	*15 'yelelachew' / 'cheger tegna' (with problems)*	*45*	24 (Increase since then is due to 2 hhs returning from resettlement, some moving in from other gotts when land was redistributed, some hhs formed by marriage. One young man went to live in Kaffa when his father died – no other outmigration of whole hhs)	*14 'deha' (poor)*	58
	11 'mekakelegna' (middle)	*33*		*5 'mekakelegna'*	21
	7 'tinish shale-yalu' (slightly better-off)	*21*		*5 'yeteshale' (better-off)*	21

MAPPING RURAL-URBAN LINKAGES

This exercise is described below in four steps, though variations are possible as appropriate to the local context. The purpose of the exercise is to assess the significance of linkages between the village and any urban centres with which community members have contacts for employment, trade and other purposes. When the methodology was first used – in Adi Maya village, Wag Hamra – it provided an excellent starting point for discussion about trade routes and local traders. Another possible application is to map linkages between the community and other rural areas where community members might be migrating for agricultural labour.

Format: Focus group discussion + 'PRA'. Mixed group: men & women, farmers & traders.

Step 1: Listing and Mapping Urban Centres
Ask the group to name all the urban centres that are important for their community in any way at all. Do not give them criteria for 'importance', but let them discuss freely among themselves. Ensure as full participation as possible – encourage women to speak! Place a flipchart sheet on a flat piece of ground and give a member of the group a marker pen. Ask her/him to draw their village in the centre of the page, then to draw circles representing the urban centres around the village. [Details: Urban centres can be drawn either randomly over the sheet of paper, or to scale in terms of significance (i.e. biggest circle = most significant urban centre); they can be drawn in the correct relative direction from the village; and/or they can be colour coded (e.g. colour 1 = in this district, colour 2 = within the region, colour 3 = other regions, colour 4 = other countries).]

Step 2: Scoring Urban Centres by Significance
Give the group a set number of beans and ask them to allocate all the beans to the urban centres mapped on the flipchart paper, so that each centre has at least one bean, according to the relative significance of each urban centre to the local community. [Detail: Either a fixed number of beans can be used (say, 100) or the number can be determined by the number of urban centres, adding 1 for each centre (e.g. for 8 urban centres, 36 beans (1+2+3+4+5+6+7+8) would be used).] This step should be done separately by men and by women. In its first application in fieldwork, the results proved to be highly gendered: men in the group listed 15 urban centres that they visited regularly, while women listed just 2 of these – and no others outside the 15 used by men.

Step 3: Distances and Traffic
Ask the group to draw lines connecting their village to each urban centre, then to indicate (either verbally, to be recorded by the researcher, or in writing on the flipchart sheet if group members are literate) the distance to reach each centre. Often the 'distance' will be expressed in terms of hours needed to walk to the nearest centres, and in terms of days travel (note the mode of transport – e.g. bicycle, bus, lorry) to more distant centres. Now place the number of beans that corresponds to the number of households in the village on the circle representing the village on the map. (This obviously works best with relatively small communities of <100 households!) Ask the group how many households have at least one member who goes to the most significant urban centre. Find out more about which household members go, and how frequently (e.g. students might walk to town daily to attend school, traders might go to a weekly market, mothers might take their babies to a monthly clinic). Ask these questions in turn for each centre shown on the map. This will give an idea of the numbers of households that have connections of various kinds with various urban centres, and the nature of those connections – which leads to the next step.

Step 4: Reasons for Visiting Urban Centres
Investigate the nature of the relationship that the community has with each urban centre, either by open-ended questioning ("Why do people from this village go to Addis Ababa?") or by categories:

- Markets for buying things (what? grain, pepper, salt, soap, clothes, etc.)
- Markets for selling things (what? craftwork, livestock, honey, firewood, dung, etc.)
- Employment (either urban-based – e.g. construction, stone-breaking, formal employment – or in surrounding rural areas – e.g. agricultural labour for urban residents)
- Health (to visit clinics or hospital)
- Education (to attend school)
- Visiting relatives (when and why did they leave the village?)
- Official business (what?)

Example: Record of a rural-urban linkages discussion (Adi Maya, Sekota)

Urban centres ranked by importance for residents of Adi Maya, December 2001

Rank	Town	Woreda	Men's Score	Women's Score	Walk Time	Traffic from Adi Maya
1	Sekota	Sekota	45	110	2 hours	60 households daily
2	Qoseba	Dehana	20	20	7 hours	5 men/market
3	Dehana	Dehana	15	0	12 hours	5 men/market
4	Tsitsika	Ziquala	10	0	6 hours	10 men/market
5	Telaje	Ziquala	7	0	10 hours	6 men/market
6	Korem	[Tigray]	6	0	12 hours	0 now (declined)
7	Qidamit	Ziquala	5	0	10 hours	7 men/market
8	Areho	[Tigray]	5	0	7 days	4 men, twice/year
9	Mekelle	[Tigray]	4	0	3 days	5 men, twice/year
10	Samre	[Tigray]	4	0	1½ days	5 men, twice/year
11	Aseketema	Dehana	3	0	8 hours	5 men/market
12	Tsata	Sekota	2	0	8 hours	10 men/market
13	Tsemera	Sekota	2	0	4 hours	5 men/market
14	Lalibela	Bugna	2	0	2 days	1 man/market
15	Tewabe	[Sudan]	1	0	15 days	drought years only

Note: Scoring was done by giving men and women 130 beans (adding one bean per town cumulatively) and asking them to allocate all 130 beans to the 15 urban centres according to their own criteria for 'importance'.

LABOUR MIGRATION (FOCUS GROUP CHECKLIST)

1. List labour migration destinations known to the group
2. For each major destination:
   - type(s) of work
   - season
   - earnings
   - risks or problems
   - how many people go from here?
   - individual experiences
3. From this gott, what kind of people go on temporary labour migration (poor / better-off, young / old, men / women etc.)?
4. Are there any differences in the migration patterns of different groups?
5. Where do people go in good harvest years / bad harvest years?
6. Which destinations are preferred? Why?
7. When did people from this area start going on labour migration? Have there been any changes (e.g. in destinations, types of work, number or characteristics of migrants) since your parents' time?
8. Why do you go on migration? (problems, accumulation etc…..)
9. What happens to your land when you are away? (rented/ sharecropped out? farmed by other household members? no land? etc.)
10. Is there anything the government could do to make labour migration easier / less risky / more profitable?

TRENDS & CHANGES IN LIVELIHOODS (FOCUS GROUP CHECKLIST)

A. Middle-aged / older focus group

Step 1
Ask each group member:
- What livelihood activities are they doing now?

Discuss among whole group:
- Which activities are preferred, and why?
- Which activities are mainly practised by the poor / the better-off / particular age-groups or social groups?

Step 2
Ask each group member:
- What were they doing 10 years ago?

Identify and discuss:
- changes
- trends
- new activities
- former activities that declined / disappeared

Step 3
- What are the reasons or causes of the changes?
- Think about / discuss: Which causes are endogenous (household / individual level) and which are exogenous (wider economy / environment / policy context etc. – shocks & trends affecting the whole community)?

B. Young people's focus group

Step 1 *(same as older group)*
Ask each group member:
- What livelihood activities are they doing now?

Discuss among whole group:
- Which activities are preferred, and why?
- Which activities are mainly practised by the poor / the better-off / particular age-groups or social groups?

Step 2
Ask each group member:
- What do they hope to be doing 10 years from now (in the future)?

Identify and discuss:
- Constraints *and*
- Opportunities affecting these future plans or aspirations

Think about / discuss: Which constraints and opportunities are endogenous (household / individual level) and which are exogenous (wider economy / environment / policy context etc. – shocks & trends affecting the whole community)?

ANNEX 5: TECHNICAL NOTE: MARKOV PROCESS

~ Anthony Baah

There are four possible "states" households can "occupy" over time. The four possible mutually exclusive states, based on the self-assessment question in the household questionnaire, are:

1. "Sustainable" (Doing well),
2. "Viable" (Doing Just Okay),
3. "Vulnerable" (Struggling) or
4. "Destitute " (Unable to meet household needs).

The probabilities of the four states ***ten years ago*** (given that these households had been formed then) are shown in **Row Totals** of the Table below and the probabilities of the fours states at the *current period (**now**)* are shown in the **Column Totals** of the Table.

Self-assessment of household situation: 10 years ago * Self-assessment of household situation: Now Crosstabulation

			Self-assessment of household situation: Now				
			Doing well	*Doing just okay*	*Struggling*	*Unable to meet household needs*	*Total*
Self-assessment of household situation: 10 years ago	*Doing well*	*% within Self-assessment of household situation: 10 years ago*	7.1%	43.9%	41.3%	7.7%	100.0%
		% of Total	2.3%	14.1%	13.3%	2.5%	32.1%
	Doing just okay	*% within Self-assessment of household situation: 10 years ago*	1.2%	22.7%	64.4%	11.7%	100.0%
		% of Total	.5%	10.2%	29.0%	5.3%	45.0%
	Struggling	*% within Self-assessment of household situation: 10 years ago*	1.9%	23.6%	49.8%	24.7%	100.0%
		% of Total	.3%	4.1%	8.7%	4.3%	17.4%
	Unable to meet household needs	*% within Self-assessment of household situation: 10 years ago*	4.7%	15.3%	44.7%	35.3%	100.0%
		% of Total	.3%	.8%	2.5%	2.0%	5.5%
Total		*% within Self-assessment of household situation: 10 years ago*	3.4%	29.3%	53.4%	14.0%	100.0%
		% of Total	3.4%	29.3%	53.4%	14.0%	100.0%

The one-step movement by households from one state ten years ago to another state now was governed by a probabilistic/stochastic law given by a ***State Transition Probability Matrix*** and is said to follow the ***Markov Process***. The State Transition Probabilities (shown in the above Table) can be represented in a form of Matrix **A** [below].

$$\mathbf{A}=\begin{pmatrix} 0.071 & 0.439 & 0.413 & 0.077 \\ 0.012 & 0.227 & 0.644 & 0.117 \\ 0.019 & 0.236 & 0.498 & 0.247 \\ 0.047 & 0.153 & 0.447 & 0.353 \end{pmatrix}$$

The transition probability matrix represents the probabilities of "switching" from one state to another. For example, for households that were "Doing well" ten years ago, the probability of maintaining that status is 0.071[7.1%] and the probability of "switching" from "Doing well" to "Doing just okay" is 0.439 [43.9%]. The probability of switching from "Doing well" to "Struggling" is 0.413 (41.3%) while the probability of switching from "Doing well" to "Destitute" (unable to meet basic household needs) is 0.077(7.7%).

The probability of each of the four states in the current period (shown in the Column Totals of the above) and reproduced in Table A1 (below) are shown as **Matrix B** (below):

Table A1. State Probabilities in the Current Period (Now)

State	Probabilities
Doing Well	**0.034 [3.4%]**
Doing Just Okay	**0.293 [29.3%]**
Struggling	**0.534 [53.4%]**
Unable to meet needs	**0.14 [14%]**

$$\mathbf{B} = \begin{pmatrix} 0.034 \\ 0.290 \\ 0.530 \\ 0.140 \end{pmatrix}$$

The Markov Process obeys the following transition equation:

$$\mathbf{P}_{10} = A'B$$

Where, P_{10} is the vector of future probabilities of the four states (ten years from now), A' is the transpose of the State Transition Probability Matrix **A** and **B** is the state probabilities in the current period.

$$P_{10} = \begin{pmatrix} 0.022 \\ 0.229 \\ 0.531 \\ 0.218 \end{pmatrix}$$

Ten years from now, we expect 2.2 % of households to be "Doing well"; 22.9% to be "Doing just okay", 53.1% to be "Struggling" and 21.8% to be "destitute" (unable to meet basic household needs). In other words, the proportion of "sustainable" households are expected to reduce from 3.1% now to 2.2% while proportion of "viable" households are expected to fall from 27.8% in the current period to 22.9%. The proportion of "Vulnerable" households is expected to decrease marginally from 54.9% to 53.1% while that of "Destitute" households is expected to increase from 14.6% now to 21.8%. Thus the Markov Chain Process has enabled us to predict the state of households in future.

References

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