



## **Understanding and supporting sustained pathways out of extreme poverty and deprivation in Ethiopia:**

### **Qualitative evidence**

#### **Qualitative Study**

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**January 2018**

**Addis Ababa, Ethiopia**



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## Glossary and list of acronyms

Chisenga	Tenant
Derg	A military junta that governed Ethiopia between 1974 and 1991
Gebbar	Ordinary farmer
Iddir	Local self-help association that supports grieving members during burials/mourning
Iqub	Local voluntary saving
Kebele	Ethiopia's smallest administrative structure, similar to a ward
Keberte	Landlord
Rist	Land ownership transferred through lineage
Sefera	Resettlement
Tella	A home-made alcoholic drink
Teskar	Religious ceremony to commemorate the deceased family members, usually parents
Woreda	A district administrative structure comprising several kebeles
Zemach	Government worker (and sometimes also farmer)
EA	Enumeration Area
EPDRF	Ethiopian People's Revolutionary Democratic Front
ESS	Ethiopian Socioeconomic Survey
FGD	Focus Group Discussion
KII	Key Informant Interview
LHI	Life History Interview
PSNP	Productive Safety Net Programme
SNNPR	Southern Nations, Nationalities and Peoples Region

## Executive summary

This report presents the major findings of a qualitative study carried out in four selected areas of Ethiopia. The purpose of the study was to understand the factors in and processes related to sustained escape from poverty. It also aimed to establish the major political, economic and social contextual factors and changes that shape the pathways of different social groups.

The research sites and respondents involved in the qualitative study were subsampled from the Ethiopian Socioeconomic Survey (ESS), which provided the main survey data that the Ethiopian research team used for the quantitative analysis. The data collection involved focus group discussions with men and women separately, key informant interview and life history interviews.

This sub-study involved 45 households. The life histories involved 75 respondents, including the household head, wife/wives and adult children. In polygamous households, one or more wives were interviewed. In female-headed households, an adult son was interviewed to explore his role in the overall running of the family.

The study uncovered the factors leading households to move out of or into poverty. Positive shocks have helped some families break the cycle of poverty. Many households reported that they had moved out of poverty mainly because of remittances gained from a migrant family member. Across the sites, families use remittances to build houses and start businesses.

In the context of climate change, shortage of farmland and rural population pressure, some are making a better life for themselves by moving out of their rural homeland and engaging in a new occupation. Thus, farmers who have diversified their sources of income seem to do better. Those involved in trade, wage labour and other income-generating activities seem to be in a stronger position. The general trend is that those working hard, diversifying their source of income, looking beyond agriculture and moving from rural- into urban-based activities are either escaping from poverty or maintaining their better economic status.

Meanwhile, climate change, idiosyncratic shocks, family structure and size, lack of a work ethic and the high costs of feasts and social events are the major factors behind poverty. Ethiopian farmers have been suffering rain shortages sporadically since the middle of the 1970s. In all communities, protracted rain failure had affected households for many years. During the survey years, households had encountered at least two drought seasons. Even if they see a good harvest in one year, drought often follows and depletes their resources. Vulnerability to food insecurity forces many to sell their livestock and enter into poverty traps.

The Federal Government is prepared to respond to community-wide shocks. Through its Productive Safety Net Programme (PSNP), the state offers emergency aid to all households in communities affected by drought, flooding or hailstorms. The PSNP also offers continued support for food-insecure households and extends direct food support to older and disabled families.

However, this study finds no evidence of the existence of any policy or programme that deals with idiosyncratic shocks, which are much obscure but still highly damaging. It shows that individual households have remained in poverty or dropped into poverty mainly because of family-related shocks, such as illness of family members, death of the household head, old age, disability, the house burning down and loss of property. Such individual shocks combined make society at large more vulnerable, and failure to act on this makes social protection efforts less successful. This study suggests that community-level responses need to be supported by household- or individual-level social

protection that addresses household-level shocks. This may entail a comprehensive intervention that includes rural health insurance.

Socio-cultural practices seem to have a significant impact on poverty, with significant variations across cultures and genders. In some cases, households have had to sell the only ox they own to pay for bride wealth. With an increased number of children and limited resources, older wives have it much harder. In addition, this is leading to young households inheriting indebtedness.

The Federal Government and regional authorities have tried to stop traditional practices they consider harmful but little has changed. This study suggests that continued efforts be made to mitigate the impact of these practices, which contribute to the persistence of poverty.

Finally, this study suggests that, while improving the availability of modern inputs and credit facilities would help some households move out of poverty, it appears that it is timely to design policies that go beyond agriculture. Policies are required to address increased urbanisation, with the employment of young people in urban areas a necessary way to offset the burden on the agriculture sector. Policies and programmes that address the chronically poor and the transitory poor and prioritise moving out of poverty are required. Some households need social protection; others need access to productive resources, job opportunities and support to enhance their productivity. Such interventions need not be just at community level, but can also focus on the household and individual levels.

## 1. Introduction

This paper presents the major findings of a qualitative study carried out in four selected areas in Ethiopia. The purpose of the study was to understand the factors in and processes related to sustained escape from poverty. The study also aimed to establish the major political, economic and social contexts and changes that shape the pathways of different social groups.

The paper starts by describing the methodology adopted, and then presents the major findings of the study and key emerging factors for moving into and out of poverty. Finally, by way of conclusion, it offers some policy suggestions.

## 2. Methodology

### 2.1. Research questions

The qualitative study adopted a methodology to help answer the basic research questions, already developed by the study and adopted by country teams. The major questions were as follows:

1. What endowments and relationships have a determining influence over whether or not escapes from poverty are sustained and why?
2. What are the key factors in escape and how do these fit into overall processes/pathways of escape?
3. What strategies do individuals and households deploy to enhance their prospects in relation to sustained escape out of poverty and why?
4. How do these vary across different groups of people, with diversity in age, gender and location?
5. How can policies and programmes support these sustained routes out of poverty?

### 2.2. Sampling

The research sites and respondents involved in the qualitative study were subsampled from the Ethiopian Socioeconomic Survey (ESS), which was also the main survey data source that the Ethiopian research team used for the quantitative analysis.

As the ESS households are geographically dispersed, simple stratified random sampling of households across the country would have incurred high costs and been logistically difficult. The methodology was thus based on stratified sampling of clusters at each stage, involving a multistage stratified cluster.

First, the country was stratified by region. Among the nine regions, we selected the big four regions that contain the majority of the population. The selected regions predominantly comprise highlands, which means the sampling did not include pastoralist areas, where populations are more dispersed. Second, we applied a cluster method and randomly selected one *woreda* (district) from each region. Within a *woreda*, there are *kebeles* (wards) where the Productive Safety Net Programme (PSNP) is common and others where it is not. Hence, as a third step, we randomly selected one *kebele* where the PSNP is common. Note that, even though the PSNP is implemented in the selected *kebele*, this does not imply that all households are benefiting from it. However, this step increased the probability of having households that benefit from the programme in our sample. In the ESS, there is usually only one Enumeration Area (EA) in each *kebele*, which implies that in the above process we selected an EA.

**Table 1: Households, respondents and poverty matrix**

Category	Tigray (HHs=10)	Amhara (HHs=12)	Oromia (HHs=12)	SNNPR (HHs=11)	All (HHs=45)	Female- headed HH
PPP	0	2	12	4	18 (24%)	1
PPN	2	2	1	4	9 (12%)	1
PNP	3	0	0	1	4 (5.3%)	1
NPP	1	13	0	6	20 (26.7%)	1
NPN	0	1	0	0	1 (1.3%)	1
NNP	2	0	0	1	3 (4%)	0
PNN	6	2	6	3	17 (22.7%)	1
NNN	2	1	0	0	3 (4%)	0
Total	16	21	19	19	75 (100%)	6 (8%)

Note: SNNPR = Southern Nations, Nationalities and Peoples Region.

Fourth, from each chosen EA, we selected nine households using systematic random sampling reflecting the poverty dynamics matrix that emerged from the analysis of the main survey. Using the above methodology, we were able to capture households with all kinds of poverty dynamics (PPP, PPN, PNP, NPP, NPN, NNP, NNN), except those that had achieved a sustained escape from poverty (PNN). As we could not get enough households that had sustainably escaped poverty within the randomly sampled households, we systematically selected PNN households from each region. This sampling seems to offer an unbalanced picture in terms of the number of households, but it covered the important areas of chronic poverty (PPP; 18%), transitory poverty (NPP; 20%) and sustained poverty escape (PNN; 17%). As Table 1 shows, we selected 45 households. The life history interviews involved 75 respondents, including the head, wife/wives and adult children. In polygamous households, we interviewed one or more wives. In a female-headed household, we interviewed an adult son to explore his role in the overall running of the family.

### 2.3. Data collection

The data collection was carried out in January and February 2017. In each study site, the qualitative data collection involved focus group discussions (FGDs) with men and women separately, key informant interviews (KIIs) and life history interviews (LHIs). In total, eight FGDs were conducted, each involving between five and eight people (in total about 60 individuals) drawn from their respective communities. The men's group included mainly farmers, religious leaders, elders, teachers, local officials and youth leaders. The women's group consisted of female households heads and wives who were involved in farming as well as serving in the local administration, women's associations, local water service and school committees and *iddirs* (community-based voluntary burial associations).

The major objectives of the FGDs were to establish the major political, social, economic and climatic changes during the past three regimes: the imperial regime (pre-1974), the Derg (1974–1991) and the era of the Ethiopian People's Revolutionary Democratic Front (EPRDF) (post-1991). Participants were asked to discuss the different policies these regimes had adopted, how these had affected their lives, the changes in their livelihoods brought by climate change and the major factors that had dragged households into poverty or the resources available that would help them move out of poverty. As the groups were mixed in age and knowledge, it was possible to establish the long-term context of the communities.

Moreover, FGD participants were asked to shed light on the socio-cultural practices in their communities that affect households both positively and negatively. These could include marriage structure, bride wealth, social events and expenditure. It was also possible to establish the livelihoods of communities, drawing on the experience of farming, migration, off-farm activities and other income-generating activities.

Finally, with the help of the field researchers, participants were asked to depict the major changes in the three regimes in a community timeline.

KIIs were conducted with officials from the zone/*woreda* and *kebele* level. In all sites, 10 individuals were interviewed, including zone and *woreda* heads of agriculture and food security, *woreda* development agents, *kebele* managers and *kebele* heads of food security and livestock. The main objectives of the KIIs were to establish the economic situation of households in the community and the major poverty reduction policies and programmes in operation. Some specific questions relevant to the interviewees' expertise were also asked. For example, those involved in food security programmes were asked how they screened the poor who were eligible for support and about the

general poverty situation in their respective communities. High officials at regional and local levels were asked about the major programmes being implemented in the area and how these were affecting the lives of the people.

As indicated in Table 1, 75 LHIs were carried out in the four research sites. The purpose of the LHI was to understand the real lives of individuals and households, by establishing their livelihoods and well-being and *how* and *why* they had moved out, remained in or fallen back into poverty. Discussions started by establishing respondents' and their family members' biographies, economic status, their basic livelihoods, the resources they owned, shocks they had encountered, major costs incurred, how they had coped with shocks and any programmes that had helped them out. Based on their description, we captured the major life trajectories of the individuals in a timeline.

In each study site, two field researchers were involved in data collection as guided by the lead qualitative researcher. As the pair was made up of a male and a female researcher, they were assigned to interview based on their knowledge of the local language, and as much as possible interviewed respondents of their respective gender. In FGDs with men, a male researcher acted as note-taker while a female researcher facilitated the discussion. Female researchers took notes on women's FGDs while the male researcher was responsible for facilitating. In all cases, the note-taker took on the duty of preparing the detailed report. In the KIIs and LHIs, each researcher interviewed on their own using a digital audio-recorder.

## **2.4. Data-processing and analysis**

Field researchers submitted field data in the form of writing, audio recordings, drawing and pictures. Included were detailed FGD reports and community timeline drawings; KII audio files and short summary reports; and LHI audio files, short summary reports and timelines. Audio files from both the KIIs and the LHIs – more than 82 hours of recording – were simultaneously translated and transcribed into English. The data were then cleaned and merged. This involved merging the summary reports and the transcribed data, English editing and anonymising respondents and places. The cleaned data were analysed thematically. The themes were the social changes and policies of the past three regimes; a description of the study communities; poverty dynamics with a particular focus on poverty escape, remaining poor and chronic poverty; key driving factors in poverty dynamics; and policy implications of the study.

This paper has been prepared mainly using the outline adopted within the project. Its main purpose is to describe the changing context and the real experiences of household and individuals and to provide some insights for future policy and programming that will be useful for sustained poverty escapes. We endeavour to present emphasise respondents' real-life experiences and perceptions, supported by drawings and individual timelines as well as summarised community timelines and disaggregated tables.

## **2.5. Ethical considerations**

The ensured the anonymity of its participants. Interviews were carried out after obtaining the consent of each respondent. Field researchers were flexible in terms of accommodating the time preferences of respondents. In some cases, field researchers had to revisit families more than twice so they could fit into their free time. In other cases, if respondents were not available at home, field researchers travelled to distant places to meet them.

As most of the respondents are poor, any time lost would affect their daily life. To compensate them for time spent during interviews, we offered a monetary gift. The amount was too small to make an

impact on the interview but enough to ensure respondents were not negatively affected by their participation in the research.

In this paper, we use household IDs to refer to respondents. In the KIs, we mention the respondent's position. The IDs were adopted from the survey, in which respondents from Tigray start with 01, Amhara with 03, Oromia with 04 and SNNPR with 07. For FGDs, we use site and gender.

## 2.6. Fieldwork challenges

When sampling from the survey, we could not find enough households that had achieved a sustained escape from poverty (PNN), and had to include some more from the list. The households were therefore spread outside of the study *kebeles* and even woredas. Tracking these households was a challenge in terms of logistics, costs and time. Field researchers had to travel long distances to reach them, in some cases having to hire a car to be able to stay for two days to interview one household.

Polygamous marriage is common in the research sites of Oromia and SNNPR. Polygamous households are headed by one husband but the wives tend to have their own individual houses. During the fieldwork, it was difficult to decide which wife to interview. To get the different perspectives, we tried to interview all wives wherever we could. The challenge was to determine the economic status of each household as a single household or multiple households, when in fact households were 'households within a household'.

Meanwhile, one wife might be richer than the other(s). For example, Ado's household in SNNPR is a polygamous household. In the household, one wife owns more than 2.25 ha of farmland while the other has about 1.25 ha. Both wives run their own farming, getting help from their children, but their farmland is registered in the name of the husband. There has been a conflict between the wives and the second wife and the husband with regard to land registration, which has not yet been resolved. The first wife has more land but wants to get it registered in her name; the second wife feels she was given less land.

Discrepancies between the survey data and qualitative evidence on the economic status of some households represented another challenge. Certain households that were reported as poor in the survey looked to be doing well, and the researchers felt they were better-off. For example, the household of Redo, 35, from SNNPR, was in the survey reported as chronically poor (PPP) and a beneficiary of the PSNP. However, during the qualitative data collection, the couple reported that they had never received any support and considered themselves non-poor.

Dawu's household, from the same community, classified as NPP by the survey, is rich in the local context. The household owns 2 ha of farming land, two oxen, one cow, one donkey, four goats and four sheep. This makes it among the wealthiest in the community. The household bought an ox and started using fertiliser and improved seeds, which helped improve yields. They sell *khat* and get around 9,000 birrs per month. They have changed their house from straw to modern materials.

One possible explanation for this is that the household returned to non-poor status after the survey period. Another explanation could be that there was a discrepancy in the methodology, whereby the survey did not capture all the resources households owned.

The usage of the term 'non-poor (N)' for households was a challenge. While those in the NNN category could be rich, those temporarily coming out of poverty cannot be considered wealthy, but rather as 'medium'. For example, a woman head of household in Tigray is classified among those who have

sustainably escaped poverty (PNN), and she confirmed that poverty was behind her. However, compared with the rich in the community, she considered herself medium rather than rich. She said:

I am considered medium in economic situation... I am not considered among the rich in the community. For instance, if there is church construction in our area, while those who are rich contribute 1,000 birr and I am expected to contribute 500 birr in the community.

This brings a methodological challenge to the study in terms of the use of the term 'non-poor'. This issue needs further discussion across the project.

### 3. Findings

#### 3.1. Social changes and policies

FGD participants and key informants established the social changes and major policies that had been experienced during the past three regimes. In this section, we present the three social systems and major economic policies that make up the context for these rural households.

##### **The imperial period (pre-1974)**

During the imperial period, agriculture was the main source of livelihood. Households were categorised based on their land ownership as *keberte*, *zemach* and *gebbar*. *Kebertes* were the landlords, who owned a large amount of farmland. *Zemachs* served in the government, in various positions like in the military, but were also sometimes involved in farming. *Gebbars* were ordinary farmers who paid taxes. People who did not have farmland were tenants (*chisegna*) to the *kebertes*. Tenants could get only a quarter of what they produced and the rest went to the landlords.

During the imperial regime, the farmland was in the hands of a few *kebertes* and the majority of the rural population lived in poverty. People had to either become tenants or migrate for wage labour. The land system was *rist* (land ownership transferred through inheritance), and the landless had nothing to pass on to their children. This created intergenerational inequality, whereby rich families were more likely to pass wealth on to their children.

In the northern part of the country (e.g. Tigray and Amhara regions) the *kebertes* were from within the local society, but in the south (such as Oromia and SNNPR) they could be from elsewhere. The majority came from the north and turned the local people into *chisegna*. They delegated to individuals from the local community, using them as agents to manage their land and ensure the *chisegna* paid due tributes to them as absentee landlords.

Despite unequal landholdings, people perceived this era as better in terms of produce. The weather was good and people largely benefited from extensive livestock-rearing. The land was fertile and people produced enough from small plots of land. Families consumed what they produced and were not expected to sell in the market, perhaps because there was a limited need for cash. However, population increases contributed to deforestation, and a change in the weather resulted in declining crop production over the years. The rain started to come at the wrong time for farming.

In general, during the imperial regime, land ownership was the defining factor with regard to who remained poor and who did not. Societal stratification was based mainly on land ownership. As land transfer was lineage-based, the children of those who owned the land were more likely to stay non-poor. On the other hand, landless families had no land to pass on to their children, which was the main reason for intergenerational poverty transfer.

##### **Derg (1974–1991)**

The Derg regime was mainly the outcome of a popular revolution over unequal land ownership in the country. Young people, mainly from the higher learning institutions, opposed the imperial regime and demanded *meret le'arashu*, 'Land to the tiller!' The first task of the Derg was, consequently, abolishing the feudal land ownership system. In 1976, the regime abolished the *rist* system and distributed farmland to all farmers. This offered poor farmers the opportunity to acquire land rights and to benefit

from the fruits of their labour and land. Meanwhile, the few wealthy farmers found it hard to continue prospering and society became more equal economically.

In an attempt to address long-standing economic problems, the Derg adopted a number of policies. One was the **resettlement** (*sefera*) programme, which affected the study communities in Tigray and Amhara. This targeted poor families that had suffered from protracted droughts. Following the drought and famine of 1984, many poor families that suffered from food insecurity as a result of a shortage of rain and low land fertility were resettled in fertile places of the country.

Respondents, including those who had experienced it, indicated that resettlement had helped many families survive and even improve their lives. Some opted to settle in the new location for life. However, as this was *forced* resettlement, many were not willing to settle permanently. They made little effort to improve their lives in the new location. Many found their new location was not ready to respond to their basic needs, for health care and other services. Many settlers, mainly children, died of malaria and other diseases. After two years, some people returned to their original location, in secret. Their farmland had been taken away and some people had to lead a destitute life after their return from resettlement.

One of the women FGD participants from Amhara said:

My family migrated to Wollega [in western Ethiopia], but my two siblings died there. In 1986, just after my birth, we came back here, to our original place. However, our farmland was already given to other farmers. We were able to get a small plot of land from relatives on which my parents had to depend until their death. Because of this they had nothing to pass on to me and I am now living in a bad condition. I am forced to depend on PSNP to raise my children (ZS, 40, Amhara).

Late in the 1970s, the Derg introduced the **villagisation** programme. Under this, households were forced to demolish their house and construct it again in designated villages. The programme applied to study communities in Amhara, Oromia and SNNPR. During villagisation, households that had formerly lived scattered out were made to relocate to new villages to lead a collective life. The objective of the programme was to make infrastructure such as health facilities, roads and water more accessible to communities.

There was much discontent with this programme. Men FGD participants in SNNPR recalled that, in their area, households had been forced to relocate into the new villages and families that refused were penalised 50 birr. The programme forced households to move away from their own land and made the use of animal manure impossible, which affected yields. People had to travel every day to their original farmland to look after their crops. They were not able to keep up or maintain the conservation of their neighbourhoods. People suffered different diseases as a result of being crowded into the new villages. In general, the programme failed. Families returned to their original place of residence – in SNNPR, for example, within three years.

As a socialist-oriented government, the Derg pursued a command economy manifested in different ways. The government imposed a quota system on farmers that forced them to sell their produce to farmers' cooperative shops at a fixed price. This practice was forced on both the rich and the poor.

### **EPRDF (1991-): Poverty reduction programmes**

The EPRDF came into power in 1991 by overthrowing the Derg regime. The new government adopted a few of the policies of the Derg but abolished most of them and introduced new poverty reduction programming.

The major continuity in policy related to the landholding system. Farmers continued to enjoy land use rights but had no right to sell their land. In recent years, the government has introduced land registration and provided farmers with land ownership certificates. Now all farmers have land certificates, which means farmers are now the legitimate owners of their own land.

Meanwhile, the EPRDF government abolished the ‘forced’ resettlement and villagisation programmes. Instead, it adopted programmes that would help farmers ensure their food security in different ways. The first was the transformation of emergency food aid into the PSNP, which targets food-insecure households by providing some food aid or cash transfers. The programme was set up to mitigate the impacts of protracted droughts.

When the command economy of the Derg was abolished, farmers were motivated to produce more and improve their lives. Depending on their productivity and their ability to make use of the prevailing free market economy, some farmers became richer and societal stratification started to emerge.

The competitive nature of the free market economy had an impact on the lives of the majority of farmers. Increased prices of inputs and a drop in the price of produce in some seasons put farmers at a disadvantage. Others who depend on market also found it hard to buy food and other necessary items.

In response to this, the current regime developed some strategies that were much closer to those of the Derg. It almost reinstated the farmers’ cooperatives, whereby agricultural inputs were channelled from the state to farmers at fair prices. In urban areas, community consumer cooperatives were reinstated to provide local dwellers with basic consumer goods at fair prices.

### **3.2. The study communities: Livelihoods and determination of economic status**

#### **Major livelihoods**

In all study communities, agriculture is the main source of livelihood. Although farming and livestock-rearing persist, poultry, beekeeping and irrigation schemes are also evolving. Wage labour and petty trade are gradually becoming important income-generating activities.

Remittances are gradually becoming an important source of livelihood and sometimes a driving force in moving households out of poverty. In all study sites, remittances gained from families working abroad, mainly in the Middle East, are playing a significant role in helping families move out of poverty. Young people who have little land to farm or any job to do have opted to migrate to the Middle East in search of employment. In the study communities, young people look to any source of financing to fund their travel abroad. In some cases, they use business loans from microcredit institutions to finance their migration.

#### **Determining ‘who are the poor?’**

As this study is about poverty dynamics as experienced by households in the study communities, it is important to establish how poverty is defined. Nationally, nearly 8 million people fall into food insecurity every year. To support food-insecure households, there is a periodic national, regional and local poverty assessment. Food-insecure households are assisted through the national PSNP. Households are classified into different levels of economic situation as determined in public meetings organised by local government officials. The selection process is based on observation and carried out by committee members who are selected by the community. Local officials report the list to their seniors, and this is used nationally to determine the food support required each year.

As the purpose of the local categorisation is to identify households that are eligible for food support, there is some over-reporting of poverty and there are some irregularities in the selection process. For instance, some non-poor households obtain support while the poor are overlooked as a result of biases in the selection process. Regional and federal officials carry out assessments periodically to correct such irregularities.

The PSNP categorises households as very poor, medium and rich. Possession of livestock and grain harvested in a season define their status. Generally, poor households are those that do not have any domestic animals and those whose produce is not enough to feed them beyond three months of the year. They may have farmland but cannot properly cultivate it as they do not have oxen. Instead, they rent out their farmland to rich or middle-income households. They engage in paid work and some petty trade but their food security relies on food support provided by the PNSP. During the study period, local officials reported that, in one *kebele* of Amhara, nearly 35% (450 of the 1,300) of households were categorised as poor and eligible for food aid.

A household with farmland and an ox or a cow will be considered a medium household. Those that have farmland, a pair of oxen and livestock and that are involved in trade are categorised as rich. The wealthy are generally those who own shops, grind mills and cars or who live in a good house. This group includes some farmers, public servants and traders.

Across the sites, only a few households are categorised as rich. For example, in one research *kebele* in Oromia region, among the total of 1,415 household only 220 (15.5%) were rich, about 700 (49.5%) are middle-income and 450 (32%) live in poverty.

### 3.3. Poverty dynamics

#### Poverty escape

In this section, we discuss the experiences of households that have moved out of poverty. Their pathways have varied: some experienced poverty for a longer period before they improved their economic situation (PPN); others have remained non-poor with a short spell of poverty in between (NPN). The rest are households that have achieved sustained poverty escape (PNN).

#### *Temporary escape (PPN, NPN)*

Households can overcome poverty temporarily after suffering for a long time. This study shows that *positive shocks* can help poor families suddenly recover from a poor economic life. In the context of protracted droughts and crop failure, some families can improve their economic situation only through income generated from off-farm activities.

One source is remittances from migrant family members. One household in Tigray experienced poverty for years before the husband migrated to Saudi Arabia and changed the life of his family. The wife is now engaged in trade and poultry farming. The family is generating more income and it has improved economically. The wife confirmed this:

We were poor before three years. We were living in a rented private house. Our family moved out of poverty after my husband migrated to Saudi in 2016 for work. We bought land with the money he sent us. Later, we built a house for living and for rent. This year, we started getting an income by renting out a house (Selemawit, 32, wife, Tigray).

Cash endowment and credits have helped some families deal with poverty and improve their economic situation. A female-headed household in Tigray lived in poverty for years. The death of the husband in the Ethio-Eritrean War of 1998-2000 left the family without adult labour. Recently,

Meskele, 46, the widow, was given 9,000 birr as compensation for the death of her husband. She bought a house in a small town and started a small business by borrowing money from a local microfinance institute. Now the economic situation of the family has improved.

Recovery from illness can also restore the economic situation of a family. For example, Hucu, 35, from SNNPR, was ill and had to give away his land for share-cropping. In 2014, he spent 4,000 birr on medical needs. Then his health improved and he began farming by taking his farmland back. In the past two years, the economic situation of the family has improved.

Hard work, diversification of income-generating activities and irrigation (though this is accessible by very few) play a role in improving economic status for some households. Meri's household in SNNPR was reported to be poor in Waves 1 and 2, but in Wave 3 it emerged as non-poor. During the fieldwork, we found the household had improved a great deal in terms of owning resources, which now include land (for farming and grazing), three oxen, other livestock and stored grain (20 quintals of bean, 20 quintals of wheat). The household has a house made of corrugated iron sheets built in 2016. In the same year, they started using irrigation and began growing different types of vegetables and fruit, such as onions, coffee, cabbages, tomatoes and carrots. They also grow and sell *khat*. The wife is involved in poultry. The household's economic improvement started with the father of the household head, who gave the couple a plot of land for their marriage. However, hard work has also been behind the change in their fortune. The household moved from being PSNP-dependent in 2000 to being a 'model farmer'<sup>1</sup> in 2016, and in the same year being elected as kebele administrator.

The household head described his poverty pathway as follows:

When I got married in 2001, I had nothing. I could not even buy soap. There was nothing in the house and I was sleeping for the whole day, and I was afraid to tell my bride that I had nothing. I was poor. I remember one day we went to sleep with empty stomach because we had no food to eat. I never forget that time! After that we started to work hard. Now we are rich. We have everything including a house in town valued at 200,000 birr [\$8,700]! (Nuredin, 41, husband, SNNPR).

This example illustrates the major components involved in a move out of poverty: hard work, a diversified income, use of modern inputs and inheritance.

In general, then, positive shocks, recovering from long-term hardship such as illness, diversification and hard work can offer a certain amount of relief for households and enable them to register some improvement. However, such households still remain vulnerable to shocks and some of them are more likely than others to fall back into poverty. Households like that of Meri seem to be exceptions, and more likely to achieve sustained escape.

### ***Sustained escape (PNN)***

Households that escape poverty sustainably may owe this to some positive experiences that have long-term outcomes. In our study, unlike for those that experience temporary escape, this change may in some cases be rooted in their main livelihood activity, which is agriculture. Long-term escape may have followed a short spell of poverty that has owed mainly to the experience of some shocks.

In sites in Oromia, where the land is relatively fertile and people have bigger farms than elsewhere, it has been possible for farmers to bounce back from temporary shocks and achieve sustainable economic improvement. For instance, Kena's household experienced some economic hardship in the past but it has now achieved sustained poverty escape. The household is working hard on its 3 ha of

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<sup>1</sup> Farmers who are selected because they excel by improving their economic situations with different reasons such as use of modern inputs, hard work, or taking credits.

fertile farmland using fertilisers, and breeding livestock. Kena described how life had improved over the years by saying:

My household has moved out of poverty. We are able to construct a house in town and rent it. We also have constructed two houses with corrugated sheets in my original place. We have also some money in town. In the past, we had only one house. We only had one ox and then the number increased to a pair of oxen and now we have two pairs of oxen. In the past 10 years, my household has shown important changes (Kena, 62, household head, Oromia).

The couple believe working hard has been important to improve the family income. The husband highly appreciates his wife as hardworking and good at household management:

My wife is a hard worker. We helped each other and managed to improve our livelihood.

During the fieldwork visit, it was observed that the family had a good house.

Besides farm size and fertility, proximity to towns seems to have a positive impact. Farmers have access to services such as agricultural inputs and opportunities to carry out non-farm activities (e.g. renting a house). They can sell their produce at a good price to town dwellers. Kena is one of those who have benefited from this.

As seen throughout this paper, though, agriculture has become a risky livelihood for most farmers. Land shortage, deteriorating productivity, lack of rain, flooding and pests are making the activity very challenging. To cope with such uncertainty, many farmers are looking into a life beyond farming. Households that have achieved sustainable escape have at least one non-farm income-generating activity. Besides farming, they may be involved in a range of activities such as trade, wage labour, renting out a house, taking out credit, saving or receiving remittances.

Tsehayu's household achieved a sustained escape from poverty after pursuing different sources of income. He explained:

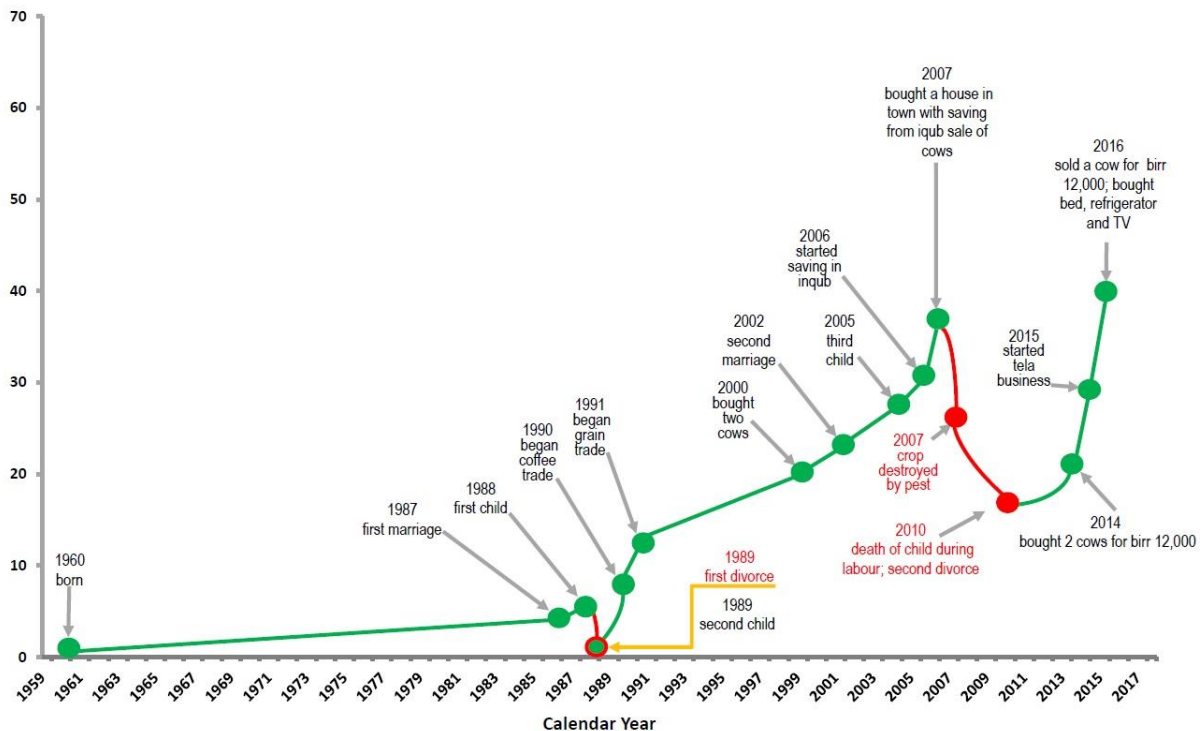
I have 1,800 birr in income from the job [working as a guard] I have been involved in. Because of this income, I am saving 250 birr in *iqub* [local savings] weekly. In 10 months, I will save 10,000 birr. I hope the money will support us to improve our economic situation... We have also bought cattle. My plan is to replace these local-bred cattle with other foreign [modern] cows so I can improve my economic situation by getting an additional income. I have decided and started the process to buy a foreign-bred milking cow.

I have a saving both in the rural credit association in which I have saved 1,100 birr and in the urban savings of Dedebit microfinance, in which I saved 1,000 birr but I withdrew 500 birr for some emergency (Tsehayu, 42, household head, Tigray).

This household took out credit to get involved in non-farm activities. Dedebit microfinance institution lent the household 10,000 birr and they have already paid it back. *Iqub* is also a common saving practice across the sites. For example, in Oromia, Yedu, a widower household head indicated that saving in *iqub* had helped him improve his life.

Others, particularly female-headed households, seem to be more successful in off-farm activities that are traditionally suitable for women. After moving into small towns, some women have become engaged in petty trade and the sale of local liquor. One example is Askalu, aged 50 with four children, from Tigray, who has divorced twice. Despite being a single mother, she has moved away from the chronic poverty she has experienced over the years (see her life trajectory in Figure 1).

Figure 1: Life trajectory of Askalu



Currently, she has no farmland, but she rears milk cows and is engaged in poultry. Her main income-generating activity has been grain trade, but she now runs a local liquor (*tela*) house. Her two daughters run a coffee shop and one son is engaged in wage labour in a youth association. She has also received some remittances from a brother working abroad, who sends her about 5,000 birr yearly. Meanwhile, she has taken out credit from a local microfinance institute: she borrowed 5,500 birr from Dedit in three instalments to start up the business. She also saves in *iqub*. She has bought a refrigerator, a modern bed and a TV set. In addition, she has bought her own house to live in as well as for her business. She considers herself better-off and the family economy has improved in the past six years. She described her pathway into a better life as follows:

I have improved economically because of the different income-generating activities I am involved in. Previously, I lived in a rented house, but I have bought a residence through the income I got from the grain trade. In addition, I am involved in '*tela*' trade, which gives more rest for me. Currently, I have income to cover all my household expenditures. I have enough spare time to participate in social events such as weddings, christening and memorial ceremonies. I have enough money to spend for such social expenditures with no concern... I am considered a model in the community. I am considered a hard worker who is economically independent and who can afford to send my children to school and raise them in a good condition (Askalu, 50, divorced, Tigray).

This story explains that hardworking and diversification can help households move out of poverty.

### Remained non-poor

Rich families could be more sociable people; they are the ones who are the kebele officials and others who are in different positions (Women FGD, SNNPR).

Climate change-related shocks have affected all households in the study communities. However, some households possess the necessary resources to help them cope and maintain their economic status. A combination of material wealth and human, political and social capital seems to be necessary. These

resources are much like those that have helped some households attain a sustainable escape from poverty, as discussed in the above section. What differs is that the resources these households hold are more diverse, have a strong foundation or can be transferred through generations.

In terms of agriculture, households that have enough farmland and livestock, those that are involved in cattle-fattening and beekeeping and those that have better productivity through the use of agricultural inputs are considered as living well in their respective communities.

They also possess better human capital. The rich are relatively well-educated and active farmers who can easily establish political allegiances with local officials and have access to policies and programmes such as credit services, savings and trade. The expansion of education in the past two decades has been helpful, meaning that educated farmers can also work as salaried employees in government or private institutions in their area or nearby towns. A wage income is more likely to protect them from depleting their resources during sporadic failures in agriculture.

Asfaw's household is one of the few that have remained rich. Asfaw, the head, aged 68, is a former army lieutenant and salaried police investigator in Tigray. He is from a rich family and inherited resources from his father, who was an administrator during the imperial regime and owned a large amount of farmland and livestock. Asfaw attended school up to Grade 8 during the imperial regime and served as an administrator in his locality for some years. He still receives a salary as a policeman despite being out of service following a car accident in 2001.

Some individuals have a bigger role in their community, which helps them gain access to the resources available in their area. This was confirmed by FGD participants in all sites and was reflected in the real life of some households. For example, the household of Ado, 72, has all the necessary resources. He has 3 wives and 18 children. He owns 6 ha of farmland shared between his wives, although the second wife confirmed that only 4 ha<sup>2</sup> was shared between the two wives, with Ado keeping the other 2 ha for himself. It is likely that Ado has been able to keep up such a big amount of farmland because he has connections, likely as a result of serving in different roles in the *kebele* administration during the Derg regime, during which land was distributed to farmers for the first time. Despite managing a polygamous household and many children, the household is doing well. Ado has already started receiving some remittances from his working children.

Across all sites, remittances emerge as an important resource in maintaining or improving economic status. Either they help households cope with shocks, protect them from resource depletion or allow them to invest in income-generating activities beyond agriculture. Tesfu, 38, is one of the few farmers from the Tigray research site who has remained non-poor and even continued to improve. The migration of his older brother to Saudi Arabia in 1992 was the major positive event here. The remittances sent have improved the lives of his parents and that of Tesfu. In 2010, he opened a shop in his locality. Three years later, he moved to the capital city of the region and opened a wholesale trade enterprise. His economic situation has improved significantly. He sends his children to good schools and saves money. His success owes mainly to the remittances received from his brother.

In general, these rich families have lived their lives in a stable economic situation. They have demonstrated their resilience in the face of broader shocks. Their past poverty status is beyond the scope of this study, but if they were in poverty they have achieved intergenerational poverty escape.

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<sup>2</sup> The resources are not shared equally between the wives. One has more than 2 ha and the other about 1 ha. Meanwhile this land is in the name of the male head; the wives only have usage rights. This has generated a great deal of tension among the wives and their children (see Section 2, Methodology).

## Impoverishment and chronic poverty

### *Transitory poverty*

In this section, we present evidence on households that have experienced transitory poverty. These are households that entered a poverty trap once or twice in the last data collection waves. These are NPP, NNP and PNP, with all ending in poverty in the final round of data collection. The qualitative data show the processes whereby some households enter into poverty traps (P), then recover (N); others move out of poverty (N) for a certain period of time then re-enter poverty traps (P).

**Death of a male** household head is a major reason for a sudden economic deterioration of households. Redi, 60, a widow from SNNPR, represents the pathways of some households, involving a move out of poverty then a descent into poverty after a short spell of being in a better economic situation (PNP). The final descent into poverty followed the death of her husband. The widow reported that, when her husband was alive, her family was among the richest in the community:

After his death, I gave the farmland out for sharecropping and I get a very small amount of grain. Now my family depends on safety net [PSNP] and other support from a local non-governmental organisation.

Another example is Sanyo, 35, a widow leading a female-headed household. Soon after the death of the head of the household, her economic situation weakened. The widow has six children (four daughters and two sons) but the boys were too young to help with labour. The household descended from being rich into an aid-dependent state. Sanyo said:

We had a good life when my husband was alive. It is after his death that we became very poor. I was included in the safety net when my husband died because I had nothing to feed my children.'

The study shows female-headed households are disproportionately poor. In farming, male adults are important as traditionally women cannot plough. When the family loses its male head and there are no male young adults, families are more likely to be labour-poor, which soon leads into poverty.

**Polygamous marriage** is another driver of poverty. Polygamy is practised in certain areas of SNNPR and Oromia, including in the study areas. Generally, rich husbands can marry more than one wife. However, over time, they find it hard to maintain enough resources in terms of the necessary adult labour to produce enough to feed their large family.

In this study, we observed that polygamous households were more likely to enter into poverty as they grew older, either becoming NNP or NPP. The older wives are forced to contribute to the wedding costs of younger wives. Wesi, 40, the first wife of a polygynous household, explained how polygamous marriage had gradually brought her family into poverty. She stated that her husband had married other two wives and that her resources had covered the wedding ceremonies. This was clear in her conversations with the field researcher:

*You told me your husband has two other wives. What is its impact on your economy?*

It has a negative impact on my life, but we practise it to keep the custom.

*How does it affect your economy?*

Our farmland has reduced because the new wives get their portion from that land we had. But we are still living together in peace and we don't have any problems.

*What other expenses did he have when he got married?*

He gave 1,000 birr [as bride wealth] and bought a dress for the family of the new wife.

*What did he receive from them?*

He was given cattle.

*Did he bring the cattle to your house?*

No, he took the cattle to the house of his new wife.

*So you don't have any advantage?*

No, he shared some of our resources with his new wife

*How did all these costs affect the economy of your family?*

He used from my resources. He sold one of our oxen to buy clothes for his wife. So only two oxen are left. He sold wheat, which was stored as our food, to pay for her parents.

The husband has 3 wives with 18 children and seems unable to properly manage all his families. Polygamous marriage incurs wedding costs, sharing already limited resources among more households and family members. Women, mainly the older ones, and their children seem to be disproportionately disadvantaged.

The general trend is that polygamous families seem to start out better-off but end up poor. Initially, families in the first marriage seem richer and husbands work hard to maintain their status. But husbands look for more wives as they assume they can manage economically. Marriage costs and bride wealth endowment come from the first marriage, affecting the older wife. New wives bring fewer resources than the first wife, but if they do bring resources they keep them for themselves. Thus, although all wives and their children are affected, the first wife is more likely to be deprived. She also is neglected by the husband and receives less labour support.

**Disability** as a result of **old age** and accidents has negatively affected the economic condition of some households. Fatem is a widow of around 100 years whose sight has diminished and who suffers from some health problems. She cannot get enough food and health care because of poverty. She does not receive any government support. She is dependent on her children. She said:

My house is just a hut. I have no bed; I have no cattle and no food. I have nothing in my house. I just wait for my children to invite me for a meal.

Berhane, 62, from Tigray, stated that her family had become poor recently because her husband had become too weak to farm as a result of old age. Their household had been among the richest in the community for many years, with her husband a strong and hard worker. Their children have either married and moved out, died or migrated. Now the family depends more on the efforts of the wife.

The high price of consumer goods is becoming a challenge for households. In times of drought, households find it hard to meet their needs regarding food consumption, clothing and other expenses. In addition, **social events** cost a great deal, and usually take priority over meeting basic needs mainly because of their high cultural and social value. Berihin, 35, from Tigray, said:

I spend on social ceremonies because I do not want to be isolated from our relatives and the community. I attend such ceremonies and I spend money even saving from my children's food. I even leave them without food to spend on social expenditures of the community. The community members consider you as an enemy if you do not attend social ceremonies (Berihin, wife, 35, Tigray).

Families reported that they spent money on christening their children, weddings and religious memorial days. For example, a poor mother (Berihin) had to slaughter a heifer for the christening

ceremony of her child. Families have to organise feasts and also attend others' events. These have their own costs, which drag families into a poverty trap.

In general, similar to those who experience chronic poverty, these people are also often victims of wider community-level shocks. In the study communities, shortage of rain and flooding have exposed all families to economic shocks. Likewise, household-level shocks have pushed families into economic difficulties and resource depletion. Unlike chronically poor families, however, these families have demonstrated some resilience in responding to shocks.

The evidence presented above shows that climate change, crop failure, idiosyncratic shocks, the cost of social events, polygamous marriage, family size, disability and old age contribute to the descent into poverty. Those who have faced a number of these factors find it hard to get any respite and continue to experience chronic poverty.

### ***Chronic poverty***

Unlike the transitory poor, chronically poor households (PPP) generally lack resources such as farmland and livestock, as well as other income-generating opportunities. Chronically poor households in the study have been victims of shocks and have lacked the capacity to capitalise on better farming seasons. They have stayed in poverty and remained dependent on state safety net programmes.

Different shocks have been the main reason for households' entry into poverty or remaining in poverty for a long period of time. **Droughts** and death of livestock have contributed to the persistence of poverty.

After the marriage, the parents of my wife gave us 12 heads of cattle. However, most of them died owing to drought at different times (Ali, male, 45, Oromia).

Another head of a poor household from the SNNPR site stated:

Last year, there was a shortage of rain. I lost the maize and teff as a result of the drought. The snow later destroyed the remaining crops; we got nothing!... We had livestock, donkey, goats and sheep; so we sold some (Redo, male, 35, SNNPR).

Crop failure leads to the depletion of existing resources such as livestock, making the household vulnerable for a longer period of time. Families that sell their livestock to survive find it hard to properly cultivate their farmland even if rainfall improves in subsequent seasons.

Long-term **illnesses or disability** of family members have a double impact on households, which lose labour support and have to spend what they have on medication. For example, poverty persisted in Ushe's household in Oromia after the household head became mentally ill and unable to work. The only resource they have is 1 ha of farmland, one cow and two sheep. The wife could not run the farming properly and they depend on safety net support. Another poor family, in SNNPR, had to spend money on medical care with a lasting impact:

When the doctor referred my mentally ill daughter to a big hospital in Addis Ababa, I had to spend 11,000 birr. Then my son got sick and I had to spend 7,000 birr on medication. I had to sell my only ox to cover these expenses (Redo, male, 35, SNNPR).

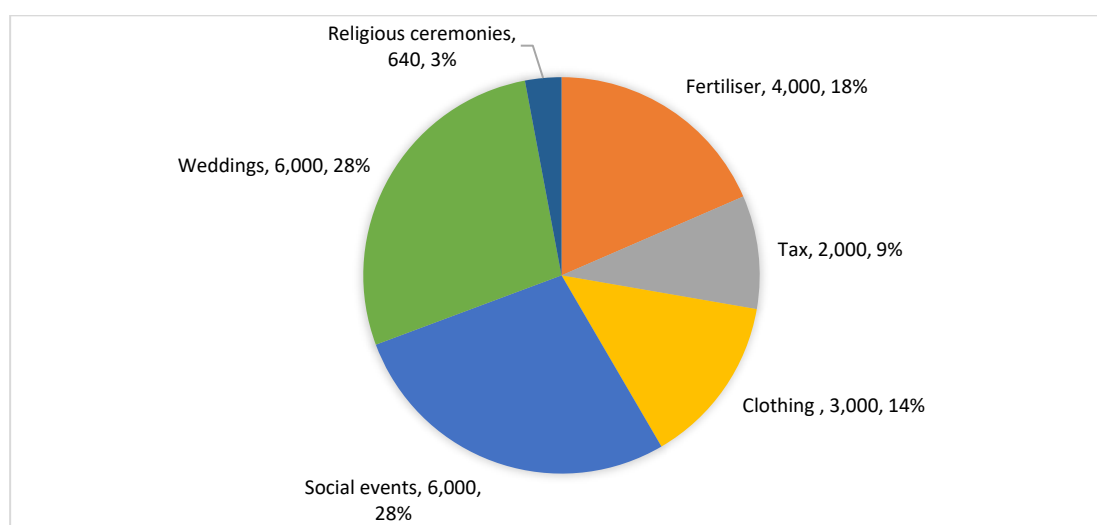
In the absence of health insurance, families have to sell what they have to cover the health care costs of their family members. Depletion of resources leads into poverty.

The **high costs of traditional practices** contribute to poverty. In some contexts, the household structure has been exposed to economic challenges. The study shows that polygamous marriages in Oromia and SNNPR are the main factor driving households to live in an adverse economic situation. One example illustrates this. Ali has two wives and 15 children. One wife lives in a rural area and the other in a nearby town. The husband is responsible for the management of both households. Despite being a big family, each 'sub-household' owns only 0.5 ha of farmland and a few livestock. The farmland (1 ha) is too small to meet the needs of the big family.

According to the head, the older wife has a cow and the second wife a cow, an ox, sheep and goats. Each of them controls their own activities. The wives reported that the husband was a part of the economic problem. He does not work hard and is unable to manage both households. During this study, the field researcher also observed that he spent most of his time chewing *khat*. Most of the children live on their own, mostly in towns, doing paid work.

When harvests fail, polygamous households find it hard to cope. For example, Mo, 50, from Oromia, has three wives; one of them he inherited after the death of her husband, who was his uncle. He has 21 children. In 2016, the family lost 4 ha of harvest owing to hail and flooding. As the food aid provided by the local administration was not enough, they had to sell two oxen to purchase grain from the market and feed the big family. The economic situation of the family has declined over the past five years. The head of the family has increasingly become unable to produce enough, but the family incurs much cost (see Figure 2).

**Figure 2: Mo's polygamous household expenditure, 2016 (birr)**



A big household costs a great deal and, in the absence of sustainable resources, families live in chronic poverty. Some households prioritise cultural obligations to achieve economic security. Goba, 45, head of a newly established household in Oromia, explained how cultural obligations had led to the depletion of the limited resources they had:

We have a cow, but no ox. Last year, we sold the only ox we had to pay bride wealth to my in-laws because they urged us to do so. We bought the blankets for them and prepared the feasts. I may have to borrow oxen to cultivate my land in the future.

Redo from SNNPR, who leads a chronically poor household, prioritises payment of bride wealth but explained how damaging it was. He gave away bride wealth of a heifer, a bull and other materials. He said this practice had had a big negative impact on their economic life:

It is a cultural expectation. In order to perform the cultural practice, the person who has nothing to give should sell his land. This is harmful.

Cultural obligation also forces young families to inherit indebtedness. Such families are expected to spend a great deal on the wedding ceremony and bride wealth. Local traditions look to guide the inheritance of poverty rather than the transfer of resources between generations.

**Multiple factors** can force families to live in poverty. They can happen simultaneously or come in sequence, leaving households with not chance to recover. Such factors are palpable in chronically poor households. According to one household head:

Two years ago, we sold one ox to pay bride wealth for my son's marriage. Then we lost the crops because of a shortage of rain. We sold our other oxen and a cow in order to buy food crops for the family. The household economy has gradually declined. The drought and the marriage costs of my son were the major factors contributing to the decline in the household economy. Our family size is very large. In addition, I have been suffering from illness. My mind is not normal. Sometimes, I faint. I also suffer from stomach illness. I use traditional medicine for the illness. It has been four years since the time I started to suffer from the illness (Ushe, 36, Oromia).

Ushe's household, with eight members, has struggled as a result of multiple shocks faced over the years. The household is one of the poorest in the community. It has only two goats and 0.25 ha of farmland. The household has struggled to cope with drought and its prolonged poverty situation. The couple earns their living through small farming, paid work and pot-making. The wife engages in pottery and sells pots in the market every week. The head of the household explained how manifold shocks had continued to affect their lives over the past decade:

In 2005, I faced a serious problem and the economy of my household started declining. Gradually my household became poorer and poorer. I lost all of my cattle. I finished all my resources. This started when the people who rented me farmland received the money, but they denied it. I took the case to the court. The court litigation took a long time and I had to sell my livestock to cover the legal costs... In 2008, I set the house of a neighbour on fire. The community elders forced me to rebuild the house of the person and to replace all the properties lost. The cost was so huge that I had to sell all my cattle, which hugely contributed to the deterioration of our livelihood. In 2011, my enemies stabbed me in my head. I stayed in the hospital for some days. This has had a long-term negative effect on my life. My thinking power has declined owing to the damage to my head. I become mentally and economically very poor (Ushe, 36, household head, Oromia).

The household depends on the income from the wage labour of the head, which is 50 birr (\$1.90) daily, and the wife's sale of pots, which generates about 30–150 birr weekly. Drought, death, family illness and conflict with neighbours have greatly contributed to the impoverishment of the household. A shortage of farmland and livestock has also exacerbated their poverty. The household descended into poverty in 2005 and has never recovered.

Another poor family faced theft, which hindered its efforts to move out poverty.

Last year, thieves stole my chat plant from my farm, which I planned to take to the market. I could have earned up to 8,000 birr from it. I was so frustrated (Abdi, 42, household head, Amhara).

The family head grows chat and is involved in some irrigation and carpentry. He hopes to achieve a good income and improve his life but still depends on PSNP support.

Climate change, a lack of rain, illness, costs related to socio-cultural practices and bride wealth, family size, conflict and litigation costs and theft are all factors that contribute to households living in chronic

poverty. The cases presented above represent the many households that reported having experienced one or many of these shocks as well as their ability to deal with them.

## 4. Key emerging driving factors

### 4.1. Factors contributing to poverty escape

Positive shocks have helped some households break the cycle of poverty. As this paper has shown, many households reported that they had moved out of poverty mainly because of remittances gained from migrant family members. Across the sites, remittances from migration have been a significant driver of the move out of poverty. The impact is evident at community level. FGD participants in the Amhara site indicated that 90% of households that had graduated from PSNP support had received remittances. It was also reported during the fieldwork that nearly all the houses built in the small two towns in the Amhara and Tigray study sites had been constructed using money coming from the Middle East. Families use remittances to build a house and start a business.

Although some households have benefited from improved agricultural activities (use of modern inputs, poultry, irrigation), there has been very limited impact on their economic situation.

In the context of climate change, farmland shortage and rural population pressure, some have made a better life by moving away from their rural place of origin and engaging in new occupations. In this regard, farmers who have diversified their income sources seem to do better. Those involved in trade, wage labour (usually casual labour in nearby towns) and other income-generating activities seem to be in a better position. To this end, again, money gained from remittances, microcredit, local savings (*iqub*) and family support are essential.

#### Box 1: Factors driving the move out of poverty

**Community:** use of modern inputs, irrigation, diversification, off-farm activities, remittances

**Household:** adult family labour availability, inheritance of resources from parents, land size

**Social/political capital:** membership and leadership in political and/or local administration

**Personal:** hard work, saving

The general trend is that working hard, diversifying income sources, looking beyond agriculture and moving from rural- into urban-based activities are enabling households either to escape poverty or to maintain their better economic status.

### 4.2. Factors contributing to poverty

Climate change, idiosyncratic shocks, family structure and size, lack of work ethic and the high cost of feasts and social events are the major emerging factors behind poverty. Ethiopian farmers have been suffering rain shortages sporadically since the middle of the 1970s. In all communities, protracted rain failure was noted as having affected households for many years. During the survey years, they encountered at least two drought seasons. Even if they see a good harvest in one year, drought may follow and deplete their resources. Vulnerability to food insecurity forces many to sell their livestock and enter into poverty traps.

The magnitude of the impact of El Niño has been huge, affecting many areas and households. For example, a key informant from SNNPR explained the extent of the damage last year in his area:

Five of the eight *woredas* in our zone were affected by El Niño. This resulted in a 38% decline in grain yield. The rain shortage was followed by a heavy hailstorm, which destroyed the remaining harvest... It was a shock in our area. 124,501 households descended into receiving emergency food aid. This is in

addition to the 42,565 households that regularly get support through the PNSP because they are poor (Head of Food Security and Agriculture, SNNPR).

Within one of the study *kebeles* in the *woreda* in SNNPR, about 60% of the households (3,849 of 6,000) had to resort to emergency food aid. Similarly, 55% of the households in one of the Tigray study sites had to receive emergency support in the same year. In the Amhara study area, the number of households regularly receiving supported from the PNSP was 25,000; this number has risen to 41,700 as a result of last year's drought.

This suggests that such shocks affect not only the poor but also those who are not, keeping the poor within poverty but also pushing the non-poor into poverty.

In addition, idiosyncratic shocks such as death, illness, disability, old age, conflict and others affect households. They diminish productivity and incur high costs. As this paper has discussed, many households remain in or descend into poverty because of such shocks.

Family size matters for many households. In the context of protracted agricultural shocks, large households find it hard to cope. While the fertility of the land has declined and irregular rain has made crop production uncertain, there has been no corresponding family planning among farming households. Polygamous marriages are still practised in some study communities, and families involved in such arrangements are much affected.

The *kebele* leader in the Oromia site explained the experience in his community:

Most of the recently married young people do not have their own farmland but they are having children themselves. Their parents do not have enough land to share with their married children. Having more children without the necessary economic resources leads to extreme poverty.

Young households are considered farmers without farmland. Some depend on their older parents or grandparents but many do not have such opportunities because their elders do not have enough land in the first place.

High expenditure on social and cultural events has affected the economic situation of many households. As guided by their respective cultural and religious expectations, households spend a great deal on weddings; death commemorations (*teskar*); saints days; children's christenings, birthdays and graduation ceremonies; and inaugurations of newly constructed houses. Respondents explained that these ceremonies had an impact not only on the host household but also on the guests, who are expected to offer gifts both in kind and in cash. Nowadays, preparing a ceremony is gradually becoming a means of generating an income.

In all communities, particularly in Tigray, reciprocity is expected when organising feasts. During such events, cash, grain and other materials are exchanged between families. Rich families find it easy to organise huge feasts but the poor find it hard. The poor, women and the older and younger generations are more likely to be victims of the high costs of organising social events. They are also unable to offer enough gifts when they are invited. Sometime they have to take credit and become indebted. In Tigray, FGD participants stated that some young people had been forced to migrate in order to generate an income and settle family debts incurred as a result of social events.

Old people are affected by social and religious ceremonies because they are not productive and they do not have the opportunity to prepare ceremonies such as christenings and weddings. As such, they cannot get back what they have expended. Some respondents argued that young people were the most affected because they have to pay back what their older parents have received over the years.

Despite government's attempts to stop this, people continue to spend on social events. In Tigray, organising *teskar* or lavish wedding has been prohibited and even penalised. However, people could not accept this, and the practice has now expanded again. During good harvest years, households spend more on social events. When the next harvest fails, people find it hard to survive. Their resources deplete and they resort to emergency food aid. In general, the costs of social events are making it very difficult for households to save grain harvested in good rainy seasons.

In Oromia, payment of bride wealth is one of the major cultural practices depleting the resources of farmers. Despite some efforts by the government to reduce the amount of bride wealth demanded, some people still paying up to 100,000 birr. A *kebele* leader in Oromia site said:

Now the costs of bride wealth are even increasing, because there is a competition among the people. People want to show their power and richness by paying huge amount of bride wealth when their children get married.

In the trade-off between economic consequences and adhering to cultural practice, many prefer the latter.

Other minor reasons for increased poverty came up in the KIs and FGDs. Addiction among the youth population; young people being unwilling to take up available jobs; lack of a good working culture; extravagance; lack of motivated and committed experts to change the life of the people; and many people looking for aid rather than making an effort to be self-sustaining were other factors mentioned as contributing to the worsening economic situation of households.

### Box 2: Factors driving people into poverty and keeping people poor

**Community:** land shortage, rain shortage, flooding, hailstorm

**Household:** illness, accident, disability, conflict and litigation costs, death of livestock

**Socio-cultural:** family size, polygamous marriage, bride wealth, high costs of religious and social events

**Personal:** addictions, extravagance, dependency syndrome

### 4.3. Poverty reduction programmes and activities

Section 3 reviewed Ethiopia's poverty reduction policies. Here, we present some of the implementation processes at grassroots level as reported by farmers and local officials.

As a part of Ethiopia's national poverty reduction effort in its second Growth and Transformation Plan, different programmes are being implemented in the study communities. These include the PSNP; risk management through emergency food aid and other; nutrition programming (supporting malnourished mothers and children through providing nutrients at health stations); adult literacy education; irrigation expansion; green development (soil and water conservation activities), etc.

The PSNP aims to ensure the food security of chronically poor families and protect them from the depletion of resources. Many households explained that the programme was the major intervention helping chronically poor families and the non-poor who are affected by community-level shocks such as crop failure or flooding.

Microcredit and saving institutions (e.g. Dedit in Tigray, Omo in SNNPR, WALKO in Oromia) are available in the study communities, giving loans to their members. People can borrow money to buy sheep/goats, improved seeds and fertilisers, etc. However, the challenge is they may not be able to repay the money in the event that crops fail. Credit providers also require the borrower to save some

of the money in the bank. In addition, the interest rate (as high as 20%) is too much for farmers to afford. The association asks that interest be repaid on a monthly basis, but farmers do not have a permanent income that enables them to do this.

For these multiple reasons, many respondents do not believe that credit can help them improve their livelihoods. Even local officials believe credit is not helping families move out of poverty. Instead, it may lead to impoverishment. In SNNPR, men FGD participants stated:

It is the microfinance that makes our farmers destitute!

They indicated that farmers are forced to sell their livestock to repay credit.

However, as discussed in this paper, some individuals have benefited from credit – but they have used it beyond agriculture, such as for trade and other income-generating activities. Others have used the money for basic consumption, covering costs on feasts or funding unsuccessful migration.

Health services have expanded in recent years in Ethiopia. In the past, people had to travel far, with no health institutions in rural areas before the EPRDF took power. Now, health extension workers are present within the community, providing family planning, hygiene and sanitation education to households. In all communities, there are two health extension workers in the community.

The government has also introduced ambulances to take pregnant women to health centres. This is particularly important in improving the situation with regard to the delivery of children and reducing the rate of deaths of mothers and their children. In the past, pregnant women died as a result of labour complications, but the maternal mortality ratio has decreased significantly. Pregnant women receive this service free of charge.

The other thing is previously the communities had no latrines so they practised open defecation, which put their health at risk.

Fertilisers are supplied to farmers by the government after they make a down payment. This has been helping farmers improve their yields. The amount and type of inputs depend on the community and the type of crops they grow. However, this supply has not been demand-driven. Farmers are being supplied with more than they need. This has led to a dual challenge. First, they are advised to use more than their land needs. Abdi, a poor farmer, said:

Fertiliser cannot help increase production when the weather is dry and hot and the soil is not fertile.  
(Abdi, 42, household head, Amhara).

Second, the price is so high, leading farmers into debt. Farmers reported that sometimes, especially during times of limited rain, they could not cover the cost of fertilisers by selling their harvest.

The government has also introduced agricultural extension services, which help farmers use modern farming techniques and inputs. Farmers have been trained on how to sow crops in a line and how to use fertilisers and selected seeds. There are three agricultural extension workers in each community and they have supported people to improve their farming techniques, in animal breeding (fattening and dairy farming) and to protect the environment.

However, many respondents said that fertilisers were among the failed programmes in the area. The supply does not consider farmers' interest, or the type and size of land they own. Eventually, they are dragged into debt. Nowadays, also, farmers are expected to buy inputs in cash, which is difficult for many of them. A *kebele* leader in Oromia said:

We educate the people to properly implement all the packages that are designed by the government to reduce poverty. For example, the farmers should use the farming technologies to improve production. They have to use chemical fertilisers and improved seeds. Improved production inputs can bring important changes in the livelihoods of the people. One of the challenges in the past was that there was a shortage of improved production inputs in the area. Currently, the challenge is the purchasing power of the people is so low that they cannot afford to purchase the fertilisers and improved seed. The farmers ask for credit because they do not have the money to buy the fertilisers and the seeds. The poor people have no economic resources. There are no credit services in the area at the current time. In the past, WALKO (Oromia's saving and credit association) provided loans to the farmers for the purpose of purchasing the fertilisers and improved seeds.

The paradox the local official raised is that farmers are encouraged to use modern inputs but these are not supplied on credit.

Depending on the availability of water resources, local government programmes work on irrigation. In the Tigray site, some farmers who have access to irrigable land have benefited. Local officials supply some technical advice, motor pumps and fertilisers. Farmers grow vegetables such as carrots, cabbages and onions, and sell them at good prices. Some have moved out of poverty. However, the irrigable area is small and only a few farmers can access it. For example, a *kebele* leader in Oromia indicated that only about 300 households benefited from irrigation. This suggests that irrigation schemes are inadequate and cannot change the economic situation of the larger community.

Young people who complete Grades 10 and 12 cannot get jobs, and the rate of unemployment has been increasing. Many young graduates remain idle, fully dependent on their families, which in return drags the families into a difficult economic situation. This fast-growing youth unemployment has attracted government attention in the past few years, not just as an economic issue but also because unemployed youth have generated some security risks. The federal government earmarked a large amount of money (10 billion birr) for youth employment late in 2016.<sup>3</sup> Regional and local offices have been very much engaged in trying to disburse this budget. In the study *woredas*, youth employment programmes are in place. Young people have been organised into small groups in different schemes, including those related to irrigation, livestock, poultry, trade, wood and metal works and other income-generating activities. However, the implementation process has been very slow and job-seeking youth are increasingly frustrated.

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<sup>3</sup> This amount has been shared between regions based on their unemployed youth population. Regional states have matched a considerable amount of the budget, which means this is a huge investment.

## 5. Conclusion and policy implications

Communities have experienced multiple shocks, such as droughts, flooding and hailstorms, as well as idiosyncratic shocks such as illness, death, disability and accidents. These emerge as the main factors driving households into temporary or long-term poverty. Poor families remain vulnerable to community-wide and idiosyncratic shocks.

The federal government has preparedness to respond to community-wide shocks. Through its PNSP, the state offers emergency aid for all households in a community affected by drought, flooding or hailstorms. The PSNP also offers continued support for food-insecure households. It also extends direct food support to old and disabled families.

The assistance provided has a different impact on households living in the same community. The emergency support prevents non-poor households from selling their livestock and other property. It supports them from being dragged into poverty, thus keeping them where they are. On the other hand, the food support given to chronically poor households only ensures their survival; it does not help them move out of poverty.

This study found no evidence on the existence of any policy or programme that deals with idiosyncratic shocks. We have shown that individual households have remained in poverty or dropped into poverty mainly because of family-related shocks, such as illness, death of the household head, old age, disability, burning down of a house and loss of property. Such individual shocks combined make the society at large more vulnerable, and failure to act on this makes the social protection effort less successful. This study suggests that community-level responses need to be supported by household- or individual-level social protection to address household-level shocks. This may entail a comprehensive intervention including rural health insurance and crop insurance.

There is some wealth index insurance being piloted in some parts of Ethiopia, for example that being applied in drought-prone areas of Tigray by Oxfam USA as a part of the Horn of Africa Risk Transfer for Adaptation project. This offers support for farmers whose harvest may be affected, by, for example, insufficiency of rainfall. Such programmes could be scaled up. Farmers can pay their premium in cash or labour by carrying out community development works as a part of the public works component of the PSNP.

Socio-cultural practices look to have a significant impact on poverty, with significant variations across cultures and gender. In the south, in both Oromia and SNNPR, polygamous marriage incurs great expense, and subsequent wives of polygamous households find it hard to cope with economic challenges. In these areas, bride wealth payment is a norm, and it has led to the depletion of livestock and other resources. In some cases, households have had to sell the only ox they own to pay bride wealth. With an increased number of children and limited resources, older wives experience a much harder life, and young households are being forced to inherit indebtedness when they set up on their own.

In the north, in both Amhara and Tigray, weddings, christenings, memorial services, religious holidays and even inaugurations of new businesses have become very expensive. As reciprocity is the norm, these practices harm both the hosting and the invited households. In this study, several households indicated that they were in debt because of this, and some had encouraged their children to migrate to generate an income to settle their debts. When there is a good harvest, there are many feasts organised and little is saved for bad seasons.

The local authorities have tried to stop such practices but little has changed. This study suggests continued efforts are necessary to mitigate the impact of these practices, which contribute to the perseverance of poverty.

In addition to rain failure, the high cost of agricultural inputs; the inaccessibility and high interest rate of microcredit; and a shortage of irrigation land have limited farmers' endeavour to benefit from improved agriculture. Young people and new households lack farmland, which is the basic agricultural resource. There are limited numbers of job opportunities in rural areas.

This study suggests that, while improving modern inputs and credit facilities would help some households move out of poverty, it looks timely to design policies beyond agriculture. This requires policies to cover increased urbanisation, with the employment of young people in urban areas coming as necessary to offset the overburdened nature of agriculture.

Positively, some households have moved out of poverty or maintained their economic status as a result of their efforts to diversify and look for opportunities beyond risky agriculture. Investing in businesses, building houses in urban areas to rent out and engaging in off-farm activities are increasingly becoming ways out of poverty. Remittances from migration, which is largely based on individual effort, also remain an important route out of poverty. However, migration is risky and needs regulation.

In general, relevant policies and programmes to help the chronically poor and transitory poor move out of poverty are required. Some households may need social protection, whereas others need access to productive resources and support to enhance their productivity. Such interventions need to be not just community level but also focused on the household and individual levels.