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ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
INSTITUTE OF REGIONAL AND LOCAL DEVELOPMENT STUDIES

URBAN POVERTY AND THE SURVIVAL STRATEGIES OF
THE POOR IN ASELLA TOWN, OROMIYA NATIONAL
REGIONAL STATE

SISAY DEBEBE KABA

JUNE, 2009

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**A THESIS SUBMITTED TO INSTITUTE OF REGIONAL AND
LOCAL DEVELOPMENT STUDIES OF ADDIS ABABA
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**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR
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IN REGIONAL AND LOCAL DEVELOPMENT STUDIES**

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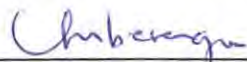
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ACRONYMS

AEU	Adult Equivalent Unit
Cal	Calorie
CBN	Cost of Basic Need
CBOs	Community Based Organizations
CSA	Central Statistical Authority
FGT	Foster-Gereer-Thorbecke
FEI	Food Energy Intake
GIS	Geographic Information Systems
HDI	Human Development Index
HHH	Household head
HHs	Households
IMF	International Monetary Fund
Kcal	Kilo Calorie
MoFED	Minster of Finance and Economic Development
NGOs	Non-Government Organizations
PASDEP	A Plan for Accelerated and Sustained Development to End Poverty
PL	Poverty Line
SNNP	Southern Nation and Nationality People
SPSS	Statistical Package for Social Science
UNDP	United Nation Development Program
USD	United States Dollar
WB	World Bank
WHO	World Health Organization
WMS	Welfare Monitoring Survey

Abstract

Poverty is multi-faceted issue and deep-rooted in Ethiopia. The country is among the world's poorest nations in terms of human development index. The incidence of poverty in urban center of Ethiopia has been growing fast over the last few years as compared to the rural area. The main emphasis of this study is to assess the level and status of urban poverty and survival strategies of poor households in Asella town. Asella is the capital city of Arsi zone in Oromiya regional state.

In this study, analysis was made using primary data collected from 300 sample households selected through systematic random sampling from purposively selected six Kebeles of the town. Structured questionnaire was used to collect pertinent data form the households. Descriptive statistics and statistical analysis (ch-square test) was used to describe the sample households' demographic and socio-economic characteristics; and to test statistical significance between poor and non-poor household for some categorical variables. In addition to the statistical tests a Logit model was employed to identify determinants of urban poverty. Cost of basic need (CBN) approach and poverty indices computational formula were also used to identify the magnitude, incidence, and depth of poverty in the town.

The research found out that food poverty line and total poverty line for the area are 1506.28 Birr and 2271.86 Birr per adult per year, respectively. Both the food and the total poverty line for the area are higher than the national poverty line calculated for all urban areas in the country. The incidence, depth and severity of urban poverty calculated for the areas are 69%, 33%, and 18% respectively while for the food poverty line are 63%, 27% and 15%, respectively. In the study, Variables that are positively correlated with the probability of being poor are: sex, size of household and chronic diseases incidence in the household member. Variable negatively correlated with probabilities of being poor are income, educational level, marital status and housing tenure. The Logit result shows that from different factors hypothesized to determine poverty variables like; sex, family size, monthly income, educational level of household head, and chronic diseases incidence in the household member significantly affect the incidence of poverty in the town. The result also has implication for policy makers, researchers, policy implementers and non-governmental agencies to take their parts in minimizing the incidence of poverty.

The majority of poor household heads' monthly expenditure by far exceeds their monthly income. To close the gap between their fixed incomes and ever rising expenditure of basic needs, poor households in the town practice various survival and or/ coping mechanisms which include: engagement of family members in various informal activities, selling of personal possessions, selling of household assets, renting out property, leasing part of their dwellings to others, moving from higher rent residential to cheaper residential areas, taking loans from friends or/and relatives, sending children abroad, reducing the quality and quantity of food consumed, and reducing number of meals intake per day.

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

As it is known from various literature on development, one of the most challenging and pressing issues facing developing countries is how to reduce poverty. Indeed reducing poverty is seen by many as fundamental objectives of development. However, achieving this objective requires greater and deeper knowledge about the poor: their number, characteristics, economic condition, the way they live, and the way they respond to their changing environment and socio-economic circumstances. Hence possessing this knowledge is the key element to attack poverty.

A variety of indicators of well-being attests that Ethiopia is one of those countries severely affected by poverty and as such ranks among the world's poorest countries. According to the 2006 human development indicator of the United Nation Development Program (UNDP) which takes life-expectancy, adult literacy, primary schooling, and per capita income into consideration, Ethiopia ranks 170th out of 177 country (WB,2007 cited in Yoseph, 2008).

A significant portion of the Ethiopian population lives in absolute poverty lacking the basic necessities of life. According to the data of MoFED (2006), about 38.7 percent of the total Ethiopian population live in absolute poverty in 2004/05. This implies that they were unable to fulfilling the minimum livelihood standard. There is a significant difference in poverty levels between urban and rural areas of the county. For example, 39.3 percent of the rural population and 35.1 percent of the urban population are estimated to live in absolute poverty in year 2004/05 (MoFED, 2006).

The incidence of poverty is higher in urban areas on average than rural areas. For instance, the proportion of the rural population that lived in absolute poverty dropped from 47.5 percent in 1995/96 to 39.3 percent in 2004/05, while it increased from 33.2 percent to 35.1 percent in the urban areas during the same period. Over all, the proportional change in the

incidence of poverty was reduced by 8.2 percent in rural areas where as it increased by 1.9 percent in urban areas between 1995/96 and 2004/5 (Ibid).

The extent and severity of poverty have different causes and manifestations in the rural and urban areas of Ethiopia. For the major proportion of people in the rural areas, the causes of poverty include lack of income, decent health care, schooling and drinkable water, high rural unemployment/ underemployment, fast depletion of natural resources, increasing shrinkage of cultivated land, and a general stagnation of the agricultural economy that does not keep pace with the rising population (Stefan & Mekonen, 1999; Itana, 1999; Metalign, 2005).

By rural standard, urban areas may be considered to have better standard of living. Trend in the recent years, however, indicate that poverty in most urban centers have been rising rapidly. The major reason for this is that, in most urban centers, population growth faster than the supply of economic opportunities (Abbi, 2005). This is due to influx of migrants from rural areas affected by drought, famine and civil conflict (Mekonen, 1999a). Moreover, lack of initiatives to undertake urban development in post-1991 in urban areas (Solomon, 2006). Therefore, this creates formidable problem to its urban dwellers. These problems include; lack of access to education, health services, inadequate security, and lack of access to essential human needs in general. All of these could often lead to social and political instability in urban areas (Masika et al., 1997; Tegegn, 2000).

This study intends to raise the issue of urban poverty in general and the survival strategies of poor households in particular by presenting an empirical case study from six kebeles of Asella town.

1.2. Statement of the Problem

In Ethiopia poverty is the general feature for the nation and is the leading cause of suffering and illness for the largest proportion of the population. As the result, it is one of the major agenda of the government, donor agencies, non government organizations (NGOs) and other actors to mitigate the effect and its associated impact on the well-being of the poor. To this end, the government of Ethiopia has designed and implemented various policy interventions and programs that focus on poverty reduction.

Most of the previous studies conducted in Ethiopia on the subject have focused on rural rather than urban areas. Most of these studies concentrated on food entitlement failures of farmers and on determinants of rural poverty (for instance, Dercon & Krishanan, 1996; Itana, 1999; Kedir, 1997; Metalign, 2005). They studied the profile of poverty in rural Ethiopia by taking income portfolios and food entitlement of households as yardsticks. Bevon & Joiermen (1997; cited in Ayalew et al., 2000) adopt a sociological approach to analyze the poverty situation in selected rural parts of Ethiopia. They concluded that in rural Ethiopia social capital are very important in the way out of poverty.

While in urban areas, particularly in Addis Ababa, various researches have been made on poverty (for instance, Abbi, 2005; Earmias, 2000; Goitom, 1996; Hadgu, 1995; Meron, 2002; Tesfaye, 2004; Tizita, 2001; Yassin, 1997). They tried to depict the poverty profile of the city through explaining the general characteristics, measurement, and dimension of poverty. The result of all the papers indicated that there is a substantial increment in the incidence of urban poverty in the city.

There are also some studies carried-out on poverty out off Addis Ababa (such as Arne & Negatu, 1996; Dessalegh & Aklilu, 2000; Esubalew, 2006; Solomon, 2006; Mekonen, 1996; Yohannes, 1996) which used economic and social indicators to indicate poverty outcomes in their analysis. Their study also confirmed that there is high incidence of urban poverty in their respective studied areas. But all of the papers did not highlight the survival and coping strategies of poor households. Besides, the studies done so far are confined to the prime city

and few other secondary towns. Studies of urban poverty in medium size towns like Asella are neglected. The challenge to mitigate the effect of poverty in the medium-sized towns in the country in general and in Asella in particular is pertinent. Therefore, this study will be a significant contribution to the stock of knowledge in the study of poverty among medium-sized towns and the coping strategies of their poor residents.

To my knowledge, no study has specifically examined urban poverty and the survival strategies of poor household in Asella town. In general there is insufficient research-based information on how households can close the gap between their fixed income and the fast rising cost of living in the town. Such research is useful not only to design effective strategies to mitigate poverty in the town, but also to inform decision makers, particularly administrators and stakeholders of other medium towns. Besides giving baseline data for developing strategic plan for the town under study, the research can help as a model to launch specific studies for other medium towns.

1.3. Objectives of the study

General Objective of the Study

The overall aim of this study is to assess the level and status of urban poverty and the survival strategies of poor households in Asella town.

Specific objectives

The specific objectives of the study are:

- To assess the incidence, depth, and severity of poverty in Asella town.
- To assess the Determinants of urban poverty in Asella town.
- To identify the survival and /or coping strategies of poor households in Asella town, and
- To draw possible policy implication.

1.4. Research Question

The specific research questions that the study tries to answer are;

- ❖ What is the poverty line for the area?
- ❖ What does the magnitude (incidence, depth and severity) of urban poverty look like in the study area?
- ❖ What are the major determinant factors behind poverty of the area?
- ❖ What are the survival and/ or of coping mechanisms of poor households in the study area?
- ❖ What policy measures are necessary to reduce poverty in the town?

1.5. Significance of the study

A growing number of studies in the area of poverty in Ethiopia have been published. The issue of rural poverty has dominated the study of poverty and little has been done on the varied problems of urban poverty. Even the studied ones are confined to limited urban areas. Therefore, assessing urban poverty and survival and/ or strategies of poor households in medium-sized towns like Asella has the following importance:

- ❖ It can give an input for the town administrators and stakeholders/actors who in one or another way are engaged in the development of the town.
- ❖ The study contributes to the stock of knowledge by understanding the determinant factor of poverty in medium-sized towns.
- ❖ No similar study has been conducted in this area before. This research, therefore, will serve as a spring board for future study.

1.6. Scope and Limitation of the Study

The study is conducted on urban poverty and the survival strategies of poor households in Asella Town. In so doing, 6 kebeles out of 14 kebeles of the town were included in the study. Although there are many variables which can play a role in urban poverty studies, in this study only few dominant variables are analyzed. These include: household demographic characteristics (such as sex, age, family size, and marital status), educational level, income,

employment and housing and housing facilities (like water, electricity, toilet etc.). In addition, there are at least four dimensions of poverty. The first dimension is lack of opportunity that can be measured by income or consumption. The second dimension is absence of capabilities expressed in terms of low achievement in education and health. The third dimension is vulnerability to risks and insecurity and fourth dimension is voicelessness (World Bank, 2000 cited in Tassew and Daniel, 2002). The scope of this paper is limited to the dimension of poverty that can be expressed in terms of consumption expenditure of the households.

1.7. Study Area

This study is made in Oromiya regional state which is the home of 27,158,471 people (CSA, 2008). In this region there are 16 zones and 6 special urban zones. A total of 246 rural district and 36 towns with respective district governance and 6,500 rural kebeles and 564 urban kebeles exists in the regions. Asella town, which is the capital of Arsi Zone and Tiyo district of Oromiya regional national state, is the subject of this study. Its population size, climatic condition, location, and socio-economic characteristics are briefly described below.

Population Size

The population and housing census conducted in 2007 by the central statistics authority enumerated the population of the Asella town as 92,861. Disaggregating by sex, 44,496 (47.92%) are male while the rest 48,365 (56.02%) are females. Regarding the age structure, about 34 % of its population was under 15 years of age, 3 % above 64 years and 63 % in the intermediate age group (15-64). This indicates that a significant portion of the population was within the age group of 15-64 implying a higher intermediate age group in the Town. The young dependency ratio for the town was estimated to be 59.9% meaning, of 100 persons in the working age group (15-64) had to support on average 55 persons whose age is between 0-14. And also, the old dependency ratio for the town was estimated to be 4.7% meaning, of 100 person in the working age group (15-64) had to support nearly on the average 5 person whose age is above 65 years.

In addition, The Population and Housing Census of 2007 and town administration revealed the fact that more than seven different ethnic groups were co-existing in Asella town. Among the various ethnic groups in the town, Oromo (47 %) constituted the large proportion of the total population. Next to Oromo, Amhara, Guragie, Siltie, Tigray and Welaita and others formed about 42, 6, 3, 2, 0.8 and 0.2 percent respectively. The same reports further showed that, the largest proportion of the residents of the town were followers of Orthodox religion, constituting 51.2% of the total population of the town. Muslim, Protestant, Catholic, traditional and other religions followers constitute 30, 18, 0.4, 0.7 and 0.4 percent respectively.

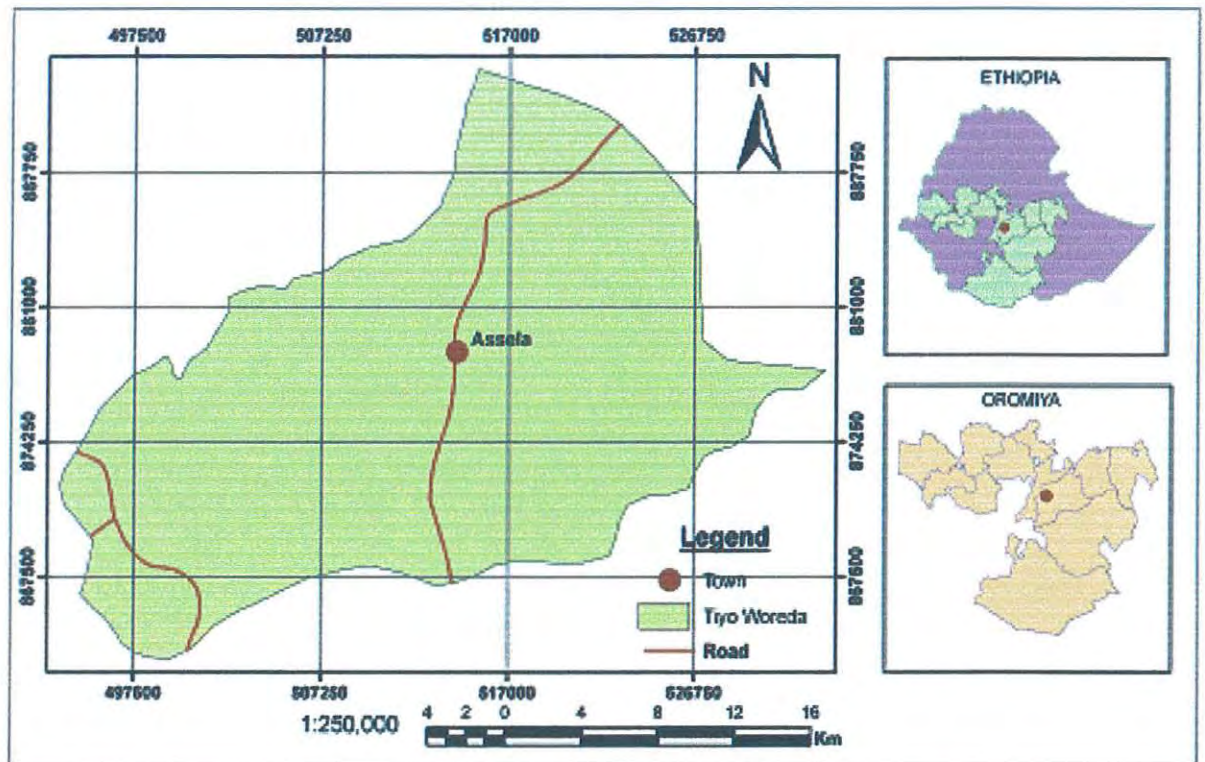
Climate of Asella Town

The average daily temperature is ranging between 13.6⁰C and 16.3⁰C. The main rainy season starts in June and lasts up to beginning of November. This indicates that Asella has a long rainy season. The town receives a fairly uniform amount of rain fall across March to October. Therefore, the town and its surrounding areas have an advantage of growing different types of cool weather vegetables and producing different types of cool weather crops (Asella town city services, 2008).

Location of Asella Town

Asella is located between 7⁰54'55''N-8⁰00'05''N, 39⁰06'10''E-39⁰10'00''E. It is the capital of Arsi Zone and Tiyo district of Oromiya regional national state. It is found at a road distance of 75kms from Adama but 166kms from Addis Ababa along the highway of Addis Ababa-Adama and Bale Zone of Oromiya regional national state. The relief of Asella is not uniform. The gradient of the town inclines from east to west direction. That means there is maximum altitude in the eastern peripheral areas of the town. This rises up to 2700 meters above Sea level in the south east but declines up to 2210 meters above Mean Sea level in the west direction of the town. The overall altitudinal range of the town is 490 meters.

In relative terms Asella is surrounded by peasant associations in all directions. Asella is bounded by the peasant associations of Gora Silingo in the north and northeast, Lalo Cheka in the west and south west, Qonicha in the east and Burqa Chilalo in the south and southeast (Asella town city services, 2008). Refer to the Fig. 1.1.



Source: Ethio GIS archives

Figure 1.1: Location Map of Asella Town

1.8. Socio-Economic Description of the Asella town

Infrastructure has remained to be a crucial tool in flourishing investment, increasing productivity, ensuring efficiency and effectiveness of work and in the development endeavor of urban areas. This variables when available at sufficient level in urban centers has a positive multiplier effort for the growth and development, it also brings comparative advantage, economies of scale, and in the overall requisite performance of institutions. In Asella, the basic infrastructures, such as water, electric, telephone and transport are available but not to the commendable level.

In the town, the major source of water for the population is river water. The water treatment plant of the town is located at Ashebeka River. The treated water is stored in four reservoirs of the town located in Kebele 01, 04, 12 and 14. The maximum discharge capacity of the

present water supply system is 3600 to 7200 m³ per day. However, of the water produced in the town, large quantities of water are wasted, due to different reasons and one of the most frequently cited is found to be leakage because of old age of the pipe lines (Asella town water service bureau, 2009).

The town got its electric power service from Koka power station in 1971. Currently, the electric power coverage of Asella town is 76%. But the street light coverage of the town is 42%. Both services are small compared to the status of the town and investment opportunities the town has. According to Electric light and power Authority of Asella district, the major problems related to electric power delivery in Asella town are absence of a buffer zone along the high tension lines of the town. In some residential compounds electric power poles are also erected. Apart from this, very large trees are also creating problems on the electric power delivery of the town. All these have impacts on the residents of the town. Therefore, the high tension lines of the town should be separated from the residential quarters and other land uses by a buffer zone in order to minimize their impacts. Additionally, very large trees creating electric power delivery problem should be cut. But in the future, the vegetated areas of the town should not be chosen so as to distribute electric power for the residents and investors (Electric light and power Authority of Asella district, 2009).

Telephone services play a crucial role in exchanging information among individuals, wholesalers, and retailers and traders. According to Asella Telecommunication Corporation (2009), the major telephone services in the town are Fixed Lines, Mobile lines, Internet, and Fax. There is a demand for such services in the town. The numbers of customers of fixed lines are 350 which exclude those customers in the expansion areas. The number of mobile lines in the town during the first phase is 500 GSM or Global System for Wireless communication and the number of internet clients of the town is 250. There are both domestic and international calls to and from Asella town. Both of the calls were irregularly increasing from time to time. The major problems related to telephone service of the town are lack of accessibility of net works for residential areas. Currently, the corporation has taken measures than actions so as to minimize the major problems of telephone service in the town. But there should be coordination among different infrastructure services when

establishing services like water, power service, road and recreation centers all of which are necessary for a society. The telecommunication corporation office of the town should also expand its services in line with the current investment flow to Asella.

With regard to transport facilities in the town, According to information obtained from trade and industry office of the town, (2009) there are 28 taxis, 98 bajajs and 300 carts in Asella town. The vehicles are mainly giving transport services along the main or asphalt road and carts usually give services along gravel or poor surfaced roads. But carts usually cross the main asphalt road in many areas especially in commercially active areas.

Education play a significant role in improving the welfare of the society, to this end, the quality and distribution of education service in the town is still not remarkable. Regarding the number there are eighteen Kindergartens, ten full primary schools (1-8), two secondary schools (9-10), one Preparatory and TVET School and twelve college level educational institutions. As it can be clearly understand from Annex A: Table 1, the educational accessories like student to class ratio, students to teacher ratio, books and availability of qualified professional are poor in the town (Asella town education office, 2008).

Regarding health institution in Asella town there are 35 health institutions. Among these institutions 12 of them owned by government (Health sector offices and government owned institutions such as schools, colleges, and development firms), 2 by non-governmental organization, and 19 privately owned and 2 by faith based organization (FBO). The hospital is owned by Government serves the major portion of Arsi Zone and its surrounding including some part of Bale. According to the information obtained from Asella town health office, the health services in terms of Population - health institution ratio, Population - health personnel ratio, Population - bed ratio, Facilities and physical condition of health institutions in the town reveal that the existing serves is by far less than the standard set by ministry of health (see Annex A: Table 2).

1.9. Organization of the Thesis

The research has the following five chapters: Chapter one is an introductory chapter covers introduction, research objectives, scope and limitation of the research, and description of the study areas. Chapter two deals with the review of theoretical and empirical literatures relevant to the major theme of the study. Chapter three describes the methodology part of the study which includes; sampling size, sampling techniques, source of data and data type, method of analysis, and model specification. Chapter four is then describing the data collected from the field. It identifies the poor from non-poor, and assesses the determinant factor of urban poverty in Asella town. The main essence of descriptive part of the study is to give a qualitative description of the coping and survival practice applied by poor households to bridge the gap between income and expenditure. Chapter five comprises the concluding remark and policy implication.

CHAPTER TWO

THEORETICAL AND EMPIRICAL LITERATURE ON POVERTY

2.1. Theoretical Orientation of Poverty

Poverty, which is a widespread problem in developing countries, has its negative impact on and implications for a large segment of the population of these countries. Thus, identification of the poverty-affected population counts top priority in the possibility of designing any consistent poverty combating policies. This requires the demarcation of concepts, definition, methodology, and the appropriate measure to be used in order to ascertain the magnitude of poverty (Debarja, 1998; Sen, 1981 cited in WB, 2005).

2.2.1. Concepts and Definitions of poverty

Identifying the extent and nature of poverty requires establishing a clear definition of poverty (Tesfaye, 2004). A simple unanimous formulation which has almost universally been quoted was that of “the inability to lead a decent life” (Schubert, 1994; WB, 2005). Indeed, what constitute and is meant by a “decent life” could raise different answers, opinions, perceptions i.e., it is a subjective issue. This could be evolved historically, and varies tremendously from one culture to another (WB, 1990a). Further it implies having no enough to eat, low standard of living, and high mortality rate, and low life expectance, high rates of unemployment, illiteracy, social exclusion, marginalization, persecution as well as psychological and physical losses.

However, In spite of the growing concern about the issue of poverty among scholars, there is no consensus on a precise definition of poverty. Hence, there are different debates on conceptualization of poverty from different approaches, school of thoughts, disciplines, and countries’ experiences point of view.

Among the approaches, the biological approach tries to conceptualize poverty as a lack of basic needs for survival. The approach puts forward that poverty exists when the necessary minimum requirement for physical existence are not fulfilled (Debarja, 1998; Sen, 1987). The normative approach on the other hand conceptualizes poverty as the minimum adequate

level of welfare below which one is said to be poor (Esubalew, 2006). Whereas Inequality approach conceptualize poverty based on the economic gap that exists between the rich and the poor. The approach also attempts to see to what extent the gap existed between the bottoms 10% or 20% and the rest of the society (Debarja, 1998; Todaro, 2003). Finally, the social poverty approach explains poverty as absence of access to enjoy fundamental human rights (Tizita, 2001).

The three major schools of thoughts concerning the definition and measurement of poverty are; the Welfare school, the Basic needs school or non-welfares' school, and Capability School (Yared, 2005). The welfare school defines poverty in relation to the economic well-being of the society or poverty in relation to the well-being solely derived from the utility information's. It assumes a person or a society is facing poverty, when the minimum levels of economic well-being in a given society standard were not attained (Ravallion, 1995). On the other hand, the Basic needs school or non-welfares' school defines poverty as the level of well-being at which one lacks the basic needs for survival such as food, shelter, clothing, access to health service and so on (Tesfaye, 2004). The Capability school conceptualizes poverty as the human abilities or capabilities to achieve a set of functions. It also states that the extents to which people have capabilities to be and to do things are inherent (Esubalew, 2006).

Scholars in different professions have also tried to define poverty. For environmentalists, poverty is faced in a situation where a society has access to fragile natural resource (Tegegn, 2000). Economists view poverty as a situation in which the individual's command on resource falls below a certain level (Todaro, 2003). An Anthropologist likewise defines poverty as to the level where an individual or a society lacks genuine participation in the norms, values and culture of one's society. A Political Scientist could define poverty as lack of participation in political arena and voting system of a country (Sen, 1987).

Definition of poverty also differs from country to country. Chronic and mass poverty are often used to characterize poverty for developing countries. Chronic poverty, which is common in both urban and rural areas of developing countries, refers to the state where poverty is passed from parent to child and also a state of being poor and failure to move out

of it (Abbi & Andrew, 2003; Tizita, 2001). Mass Poverty is also common in developing countries and it refers to a situation where more than half of the total population is in poverty i.e. the bulk of the population is striving to win a daily bread (Metalign, 2005).

2.2.2. Measuring the Standard of Living

The fundamental approach towards a pertinent identification of the poor, assumes that there exists a predetermined and well-defined level of welfare below which an individual is to be identified as poor. The more this level is becoming depressed, the poorer the person is considered to be (WB, 2005).

Poverty is exists in a given society when one or more persons do not attain a level of material well-being deemed to constitute a reasonable minimum by the standard of that society (Yohannes, 1996).

There are different methods to measure an individual's and household's well-being in the literature, which is commonly known to be the "standard of living". Standard of living is affected by various factors such as income, expenditure, health status, educational level, and area of residence. (Abbi,1997). Further, the standard of living is also used in developing countries to reflect specific form of commodity deprivation, particularly food insecurity (Ravallion,1992). Subsequently, in trying to measure the standard of living, the WB (2005), adopts the household income and expenditure per capital alone as adequate criteria to assess the well-being of an individual. From this it is possible to deduce that either of the two variables (consumption or income) can be used in order to evaluate an individual's or household level of welfare.

In countries where a reliable income data can be found, income has often used to conduct poverty and welfare analysis. However, for most developing countries like Ethiopia, this is not the case. Hence, the general preferred indicator of welfare has been consumption expenditure, in part because of volatility of income. Income may fluctuate in unpredictable manner, making it a "noisy" indicator of welfare. Consumption tend to be less volatile than income because consumption smoothing opportunities such as saving, borrowing and community based risk sharing are available to the poor. This suggests that current

consumption is a better indicator of the current standard of living (Deaton, 1999 cited in Abbi, 1997; Lipton and Ravallion, 1995; Ravallion, 1994).

In addition, current consumption may also be a good indicator of long-term average well-being, as it will reveal information about incomes at other dates, in the past and future. This is because incomes of the poor often vary over time in predictable ways. Moreover, in economies where most people earn their living from employment in the informal sector, the consumption approach is more realistic than income approach to measure the welfare of an individual or households (Mekonen, 1996; Stefan & Mekonen, 1999).

Another consideration in poverty analysis relates to the fact that measures of consumption are generally available at the household level to have a clear picture of the degree of deprivation requires that appropriate correlation be made to total household consumption or income to take account of the different need of households. A common approach is to divide aggregate household consumption by household size to obtain consumption per capita (Tesfaye, 2004). However, using consumption per capita as a measure of well-being has a serious draw back because it is based on the presupposition that each household member has the same consumption needs. A better measure of welfare can be obtained by converting aggregate household consumption into 'consumption per adult equivalent' using an appropriate equivalence scale. The equivalence scale will vary across sex and age taking into account the different consumption requirements of household members (Dercon & Krishanan, 2000).

Moreover, one basic question in using consumption as an index for the standard of living is: how could we determine a minimal standard of living, which is fundamental when trying to quantify poverty. According to Sen, the specification of certain "consumption norms" or a "poverty line" may do part of the job. Accordingly, those whose consumption standards fall below the norms or whose incomes lie below that line are regarded as poor (Sen, 1987). Therefore, to distinguish between the poor and the non-poor, it is important to define "a standard of consumption which must be reached if a person is not to be deemed poor. This standard is called the poverty line".

The determination of poverty line is the first step towards the quantification of poverty. But, the decision of this poverty line in numerical terms is a function of the way poverty is defined in a qualitative terms. In general, Poverty line is defined as a cut-off living standard level below which a person is classified as poor (WB, 1993 cited in Yohannes, 1996). or, it's defined as an expenditure threshold that is regarded as minimally necessary for "adequate " participation in economic life, and People below this threshold will be said to be poor (Debarja.1998).

According to Ravallion and Badin (1994), poverty line is constructed through three alternative approaches these are absolute, relative and subjective poverty lines

Absolute Poverty line

An absolute poverty line is "estimate the cost of a bundle of goods (both food and non-food) deemed to assure that basic needs are met in the specified domain of the poverty comparison. This is then augmented by a modest allowance for non-food goods" (Ravallion, 1992).

This means that, in estimating poverty line, both food and non-food item are to be accounted for in the costing exercise. Absolute poverty, consequently, can be viewed as "the inability to secure the minimum basic needs for human survival" (Seragedin, 1989 as cited in WB, 2005). This means that there is no bare provision of food to keep oneself alive and to be able to earn his livelihood. Those affected, therefore are unable to satisfy their primary needs and can no longer be able to lead a life that is estimated of human decency.

Moreover, most of applied research attested that in most developing countries like Ethiopia, absolute poverty line is the most relevant and widely used definition of poverty. In these countries absolute poverty lines have been set based on food expenditure necessary to attain some recommended food energy intake (i.e., Usually 2,100 kcal pre day as recommended by WHO, plus some essential non-food requirements (Yohannes, 1996; WB, 2005). Moreover, According to this method, the poor are those who are unable to earn the minimum income which is enough to cover their basic needs, i.e. can not meet minimum nutritional requirements defined by a basic food basket as defined by Sen, 1987 in his "Biological Approach" (WB, 2005). Therefore, in this study the concept of absolute poverty is the working definition.

Relative poverty line

It defines how income and inequality is distributed in a society. It sees poverty as a function of relative deprivation in terms of commodities, defining poor households as those that are unable to attain given commodities that are normal activities for their society (Garza 2001 cited in Saith, 2005b). Relative poverty is said to exist if the satisfaction of the basic needs is insufficient or at inadequate level than that of others (Schubert, 1994). But, this does not imperatively mean that those who are involved, are all necessarily living below a minimum level assuring a life worthy of human dignity , but that their provision with goods and services is relatively worse and that they are disadvantaged to an unacceptable extent because of the distribution structures prevailing within their society (Sen,1987).

The problem of defining relative poverty-line stems from the assumption which states the poverty line to be a constant proportion of the mean, the implication of this assumption is the elasticity of the poverty line and the mean is unity. However there are cases where this might not hold true (Ravallion, 1992).

Subjective Poverty Line

The Subjective poverty line delineated based on the perception of individual or household responses towards to their well-being. The concept of subjective welfare and poverty starts from the premise that people are the best judges of their own lived experience. Hence, the identification of the “poor” and “non-poor” is left to self-perception of the individual concerned. Its measures are therefore derived on the basis of survey responses of individuals to questions designed to request their opinions about their welfare (Saith, 2005a).

Moreover, recognizing poverty lines as essentially subjective judgment people make on the basis of socially acceptable standards of living in their own society, this is the rationale behind the notion of subjective poverty-line. Two approaches are commonly employed to evaluate individual perception of welfare, and based on that to define poverty. One of the approaches defines poverty on the basis of individual responses to what is called “the minimum income question and the other on the basis of the “income evaluation question” (Kapteyn et al., 1985 cited in Mekonen, 1999b).

2.2.4. Setting poverty line

According to the WB (2005) the most commonly procedures/methodologies for setting the poverty line are the cost of basic need (CBN) and food energy intake (FEI) approach.

Cost of Basic Need (CBN) Approach

The approach defined poverty line as the cost of a bundle of goods considered to be sufficient to meet basic consumption needs (Mekonen, 1999a). To implement this method Ravallion and Badin (1994) suggests two procedures: first determining the food consumption bundle just adequate to meet the required food energy requirements. Secondly adding to this cost an allowance for non-food needs. The food consumed is then valued at the prevailing price to obtain the food poverty line. The allowance for basic non-food consumption is again added on the consumption pattern of the poor.

One approach developed by Oshansky (1993) in Mekonen, 1999a to set a basic non-food consumption, assumes that household follow two stage budgeting strategy i.e. households would first allocate their budget to food consumption and then to non-food items. Based on this assumption the total poverty line is obtained by dividing the food poverty line by average food budget share of households that are in neighborhood of the food poverty line. An alternative approach, suggested by Ravallion and Badin 1994 is to estimate the Engel curve for food expenditure by regressing the food budget share on the logarithm of total expenditure. However, from applied research and various scholars such application of Engle curve in determination of non-food expenditure results in much higher food share than is warranted by the data and subsequently in underestimation of the total poverty line (Abbi,2005, Mekonen, 1999a).

Moreover, the Cost of basic need (CBN) approach is more convenient, reliable, and widely used in most developing countries like Ethiopia (MoFED, 2006; Tesfaye, 2004; WB, 2005).

Food Energy in Take (FEI) Approach

The basic needs approach outlined above require information on the price of the goods and services that the poor consume. In this method, there are a number of ways of estimating the

total expenditure needed to arrive at the stipulated food energy intake. The common procedure is to run a regression of cost of a basket of commodities consumed by each household over the calorie equivalence or the food energy implied from the basket of goods. Then, to proceed to calculate how much it would cost to buy a basket of commodities that would be considered as sufficient. The energy intake is a predetermined value expressed in terms of calorie equivalent or close to the stipulated calorie level and compute a simple average. The FEI method provides automatically the total expenditure implied by the level of food expenditure that provides the stipulated calorie intake, since the latter are dependent variables in the regression equation. Thus, for a specified level of calorie, a corresponding total expenditure is obtained immediately (WB, 2005).

However, this method may result inconsistent estimates when the aim is to make poverty comparisons in rural and urban areas. This is because the stipulated relationship between food energy intake and consumption expenditure will not be the same in rural and urban areas, and will tend to vary due to difference in tastes of the household (e.g. urban tastes in food may differ from rural), change in relative prices of different foods and non food items; the level of activity of household members, and the presence of publicly provided goods (Mekonen, 1999a; WB, 2005). Ravallion and Badin (1994) have compared and contrasted that two methods of constructing poverty lines using the Indonesian data and concluded that the CBN methods offers a consistent and robust poverty profile.

2.2.5. Measuring Poverty/Poverty Induces

The measurement of poverty can be carried out into two major steps, mainly, identification and aggregation. In identification stage, the aim is to distinguish the poor from the non-poor, while in the aggregation stage addresses the question of how we can conglomerate the individual measures of poverty into an amalgamated or composite index that gives a symptomatic characterization of the poverty group. Moreover, like identification stage the aggregation stage is also critical for answering the question of “who the poor are” this is because it’s senseless to distinguish the poor from the non-poor without having deliberation of the extent, depth, as well as the severity of their poverty (Sen, 1987).

Usually, a measurement of poverty is launched when a poverty threshold is decided. Defining a poverty threshold, one can investigate how sensitive is to any shifting of that threshold. In addition, the number of those who fall below poverty line could also be portrayed and a number of aggregate measures of poverty computed. Hence, poverty can be measured in terms of incidence, depth, and severity.

- The incidence of poverty i.e., the ratio of the poor living below the poverty line;
- The intensity of poverty i.e., the extent to which the income of the poor fall below the poverty line; and
- The severity of poverty i.e., the distribution of income among the poor or its degree of inequality (Debarja, 1998; Todaro 2003; WB, 2005).

Head Count Index (P_0)

The head count index denoted by P_0 , and simply measures the percentage of the population living below the poverty level or it shows the proportion of that population which is counted as poor. Mathematically expressed as

$$P_0 = \frac{N_p}{N} \quad \text{or} \quad P_0 = \frac{1}{N} \sum_{i=1}^n I(Y_i < Z), \dots\dots\dots (1)$$

Where N_p is the number of poor and N is the total population or sample of the population. and $I(.)$ is an indicator function that takes on a value of 1 if the bracketed expression is true, and 0 otherwise so if expenditure (y_i) is less than the poverty line (z), the $I(.)$ is equal to 1 and the household would be counted as poor.

Although, the method does only reflect the incidence of poverty i.e., it does estimate that percentage of that population fall below a minimum level of income deemed necessary to purchase a predetermined minimum level of basic needs. However, it fails to express the extent to which the poor are below the poverty threshold (i.e. the severity of poverty). Moreover, it also fails to take into account the distribution of income even among the poor units (i.e. the intensity of poverty).

Poverty Gap Index (P_1)

Poverty gap index shows the extent to which individuals on average falls below the poverty line, and expressed as a percentage of poverty line. Mathematically the index is expressed as,

$$P_1 = \frac{1}{N} \sum_{i=1}^q \frac{(Z - Y_i) I(Y_i < Z)}{Z} \quad \text{or} \quad P_1 = \frac{1}{n} \sum_{i=1}^q \frac{G_i}{Z} \dots\dots\dots (2)$$

Where, G_i is poverty gap, Z is poverty line, Y_i is poor individual

This is simply the average of the poverty gaps expressed as a fraction of the poverty line. It reflects the incidence and intensity of poverty. Therefore, relatively better measure of poverty as compared to head count index. But, the method does not consider the distribution of income among the poor units.

Squared Poverty Gap (P_2) or (“Poverty Severity”) Index

The squared poverty gap index is a simple weighted sum of poverty gaps as a proportion of the poverty line, where the weights are the proportionate poverty gaps themselves. It takes into account inequality among the poor i.e. the severity of poverty.

Mathematically the index explained as;

$$P_2 = \frac{1}{N} \sum_{i=1}^q \frac{(Z - Y_i)^2 I(Y_i < Z)}{Z} \quad P_2 = \frac{1}{N} \sum_{i=1}^q \frac{G_i^2}{Z} \dots\dots\dots (3)$$

Where: G_i is poverty gap, Z is poverty line, Y_i is poor individual

In general, one useful measure that satisfies these three indexes are what was suggested by Foster-Gereer-Thorbecke (FGT), 1984 as cited in WB, 2005. The FGT poverty index could be expressed mathematically in the following equation:

$$P_\alpha = \frac{1}{N} \sum_{i=1}^q \frac{(Z - Y_i)^\alpha I(Y_i < Z)}{Z}, \quad \alpha = 0, 1, 2 \dots\dots\dots (4)$$

Where, α is a measure of the sensitivity of the index to poverty and, z is the poverty line, All the above poverty measures can be derived as a special case of FGT. If we take the parameter $\alpha=0$, then the FGT simply becomes the Head-count ratio, and can, therefore, be expressed as P_0 , reflecting the incidence of poverty and tells us only the proportion that are poor. Alternatively, When $\alpha=1$, the index is the Poverty gap index P_1 , it measures the depth of poverty or simply shows how much on the average the poor fall below the poverty line. Further, the FGT index also has another advantage attributed to its sensitivity to income distribution among the poor population. i.e., the severity of poverty, this is when $\alpha=2$, it will give the poverty severity index P_2 (Debarja, 1998; WB, 2005; Todaro, 2003).

Although the FGT measure provides a well-designed unifying framework for measure of poverty, it leaves unanswered the question of what is the best value of α (WB, 2005). In this paper the measurement of poverty can be calculated using the combination of all the above methods.

2.2. Review of Empirical Literature

2.2.1. Determinant of Poverty in Other Countries

A study on the determinant of poverty in Ghana by Garza (2001) using both discrete and continuous indicators of poverty as dependent variables and estimating a probit model found out that factors like, household size, sex, and educational attainment of the household head found to be important variables in determining the household's welfare. Another study carried out in Kenya on the determinants of poverty using binomial Logit and ordered Logit models in a two stage analysis. In the first stage, the study tried to compute the probability of being in "poor" or "non-poor" group using the binomial Logit models and in the second-stage it is tried to compute the probability of being in "hard-core" using the ordered Logit model. The results of the analysis showed that education, household size, engagement in agricultural activities, which are strongly associated with poverty level are the same for the rural and urban areas. However, the size of the coefficients associated with this regression is largely in rural areas (Alemayehu & Jong, 2001). The most interesting part of their study is that those variables that are important in the binomial Logit model are still important in the ordered Logit model.

According to a study by Goiled & Ghazouni (2001) for Tunisia, the correlates of poverty are, limited transport, household's demographic characteristics, education and health status of household members are important determinants of chronic poverty. It is also, Bruck (2001) compared the determinant of rural and urban poverty in post-war Mozambique by subjecting both the log of consumption expenditure and income as dependent variable to a number of independent variables in the levels regression models. His finding revealed that the determinants of income and consumption are quite similar in the expected negative effects of female-headedness, positive effects of cotton adoption. In addition, both regressions find that

refugee status and maternal education have no effects on household welfare. The largest differences between the regressions are that income is more dependent on assets and village-level variables while consumption is affected by land characteristics and social institutions.

2.2.2. Urbanization and poverty

The growth and expansion of cities has led to significant improvements in living conditions for many people all over the world by facilitating a shift of workers to higher productivity sectors and occupations, facilitating the provision of services to residents, by encouraging the proliferation of businesses and industries and by increasing modernization. In spite of these advantages, however, there are times when cities have become places where the quality of life is deteriorating and opportunities are denied, particularly for the urban poor. These various kinds of deprivations including lack of access to education, health services, adequate security etc are common in urban areas, these problems often lead to social and political instability (Masika, et al., 1997; Tegegn, 2000). In general, all these are the manifestation of urban poverty. Urban people in poverty are those with out sufficient education, secured employment, stable incomes, saving ,proper housing and important net works, they are the people that are vulnerable to changes in demand in the labor market, in prices of basic goods and services in unanticipated natural and human made disasters, and who can not afford adequate housing (Racelis, 2003).

Though the topic of urban poverty has taken attention of many international organizations like WB, IMF, and academicians, policy makers and relevant bodies, the rapidly growing urban population made it difficult for governments' poverty reduction efforts to provide the poor with basic services and other poverty reduction benefits (Racelis, 2003). As a result, urbanization in most parts of the developing world is characterized by poverty. As Masika, et al., (1997) led to the worsening of absolute and relative poverty in urban areas.

When it comes to Ethiopia, the latest report by World Bank in Muzzini (2008) shows that Ethiopia is urbanizing fast, but from a low base compare to urbanization in the world. The growth rate of urbanization in Ethiopia (estimated at 4.4 percent per year), and the level of urbanization is still very low, only 16 percent of the total population is estimated to live in

urban areas as of 2006, compare to 13 percent in 1999. It's on the Ethiopian government a plan for accelerated and sustained development to end poverty (PASDEP) document urban population is expected to reach 22 million people by 2020, based on the 4.4 estimate annual growth rate (MoFED, 2006).

Urban areas in Ethiopia are in a state of expansion without the necessary preconditions and this is paving the way for visible urban poverty. There is, indeed, ample evidence that urban areas are unable to cope with the increasing population, and delivery of services has deteriorated markedly over the years. Access to housing, health, and education services continues to be seriously limited. Basic sanitary conditions are atrocious by any standard. Transportation facility, energy availability and access to job, labor market, skill reproduction, work, entitlements and finance are also at their lowest level (Dessalegh & Aklilu, 2002). The deterioration of housing and housing facilities which includes; unavailability of adequate shelter, poor sanitation, lack of access to safe drinking water, and unavailability of proper toilet facilities also been underscored by the Ethiopian government in its current five year development plan i.e. PASDEP (MoFED, 2004) .

In addition, in the Ethiopian participatory poverty assessment (PPA) report, regarding to housing, 49 percent of the urban residents live in rented houses or rooms; and 78.4 percent live in single or two-room dwellings. Though about 90 percent of households use tap water in urban areas, only 23 percent has their own taps, leaving the rest to use public water taps. Only 75.3 percent of the households in urban areas use electricity as sources of energy for lighting. In relation to source of energy for cooking 65.4 percent use firewood. As for the availability of toilet facilities, close to 20 percent of the urban households go to field or forests to relieve themselves; and 71.4 percent have outhouse facilities. The problem of sanitation has been one of the serious complaints made in the PPA undertaken in 2004 (Ellis & Tassew, 2005).

2.2.3. Poverty Profile in Ethiopia

One of the earlier attempt to assess urban poverty profile in selected urban areas was conducted by Mekonen (1996) using the 1994 Ethiopian urban socio-economic survey. The survey provided, among other things, information on the demographic and consumption behavior of 1500 households in seven major urban areas- Addis Ababa, Awassa, Dissie, Mekelle, Jimma, Bahir Dar, and Dire Dawa. In the study, Food poverty line was obtained in accordance with the food energy intake method, where by total expenditure of food is regressed on calorific consumption (Greer & Thorbecke, 1986). The result of the study suggests that the incidence, depth and severity of poverty are quite high in the studied areas. The highest incidence of poverty was recorded for the city of Awassa, followed by Addis Ababa, Dessie, Mekelle, Jimma, Bahir Dar, and Dire Dawa.

It is also, the determinant and dynamics of urban poverty was analyzed by Mekonen (1999a) using the 1994, 1998 and 1997 round of the Ethiopian urban household survey (EUHS). The measure of welfare used in the study was consumption per adult equivalent while the estimate of the poverty line was obtained following the cost of basic needs approach. Thus, a consumption basket that would meet a minimum energy requirement of 2200 Kcal of energy per adult per day was constructed and its cost calculated at regional specific price to obtain the food poverty line. The food poverty line then scaled up to obtain the poverty line. This was done by dividing the food poverty line by the average food budget shared households in the neighborhood of the poverty line. The analysis in Mekonen (1999a) indicated an increase in poverty between 1994 and 1995 and the decreased from 1995 to 1997. The study also advocated human capital development and family planning programs as instrument to fight against poverty.

Abbi and Andrew (2003) analyzed the status of poverty for selected areas of urban Ethiopia. They conducted their study in the primate city –Addis Ababa and other secondary cities- Bahir Dar, Dire Dawa, Mekelle, Awassa, Jimma, and Dessie. They use total households consumption expenditure as a best proxy for their analysis they found out that during 1994-1997, median consumption expenditure per adult declined for the total sample from 100.46

Ethiopia Birr (ETB) to 73.4 Birr. Their result suggested that there is a household welfare deteriorated in studied urban areas. In general, their study confirm that 40 percent of the case indicated that there is a significant match between the change depicted by the qualitative evidence which shows that the percentage of their income change is close to the percentage on standard of living changes. The study further revealed that the correspondence between the subjective evaluation responses based on income and standard of living opposed to expenditure. Over all, the finding showed that the incidence of urban poverty increased over the studied period.

Tesfaye (2004) also tries to analysis the trend of poverty using panel data between the year 1994 and 2000 collected by Economics department of Addis Ababa University. In the study households were classified on the basis of their socio-economic characteristics and their poverty incidences and the study was conducted in seven urban centers of Ethiopia (Bahir Dar, Dessie, Dire Dawa, Addis Ababa, Jimma, Awassa and Mekelle). The results attest that poverty has generally increased in all studied areas.

Trends of Regional Poverty Incidence: According to available government official document of MoFED 2006 shows that regions which have ranked high in the level of poverty are Tigray, Amhara, Somalie and Benshangul, the two regions (Tigray and Amhara) have also rated high in previous years of 1995/96 and Harari, Addis Ababa, Dire Dawa, these regions have also shown a relatively persistently low levels of poverty in the previous years as well.

In general, the incidence of poverty at national level declined consistently over the periods of (1995/96 to 2004/5) from 46% in 1995/96 to 44% in 1999/00 to 39% in 2004/05. However, the trends of regional poverty incidence over the same periods have shown different pictures. Two regions SNNP and Amhara have registered consistent decline. In other regions, poverty in 1999/00 has increased over 1995/95 before it declined in 2004/5. Tigray, Afar, Oromiya, Benshangul belong to this category. Somale, Dire Dawa and Harar have shown a persistent increase. It is noted above that Harar and Dire Dawa have the lowest poverty head count.

Table 2.1: Regional Trends in Poverty Headcount Index

Regions	1995/96	1999/00	2004/05
Tigray	0.561	0.614	0.485
Afar	0.331	0.560	0.366
Amhara	0.543	0.418	0.401
Oromiya	0.340	0.399	0.370
Somate	0.309	0.379	0.419
Benshangul	0.468	0.540	0.445
SNNP	0.558	0.509	0.382
Harari	0.220	0.258	0.270
Addis Ababa	0.302	0.361	0.325
Dire Dawa	0.295	0.331	0.252
Total	0.455	0.442	0.387

Source: MoFED 2006

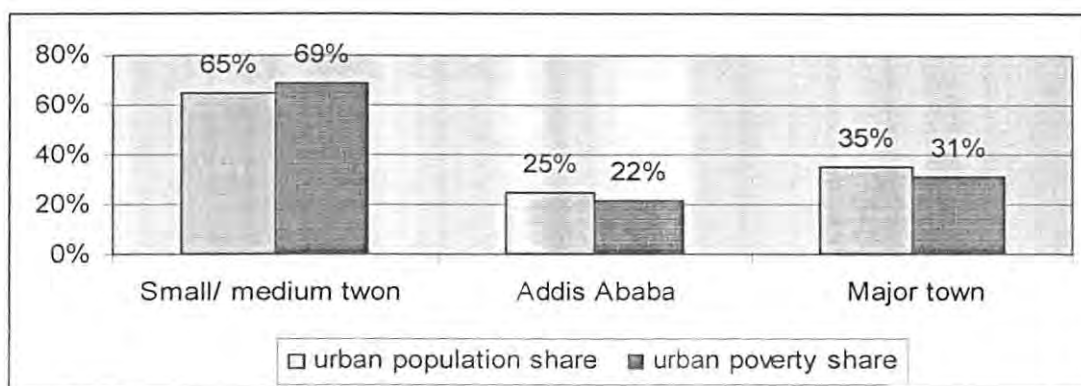
Trends of National Poverty Incidences: urban poverty increased by 4 percentage points (from 33.2 to 36.9 percent) over the period 1995-99, while rural poverty declined by two percentage points (from 47.5 to 45.4 percent) over the same period. While the proportion of poverty that lives in absolute poverty over the period 1999 to 2005 dropped from 44.2 to 38.7 percent. In the same year in rural poverty saw only a significantly reduction (from 45.5 to 39.3 percent) while urban poverty shows a slight declined from 36.9 to 35.1 percent (MoFED, 2006). The 2004 round of nationally representative household survey reported in PASDEP (a plan for accelerated and sustained development to end poverty) also substantiate the view that urban poverty may be more difficult to curb than rural poverty. The report further note that the significant decline in rural poverty over the period 1999 to 2005 attributed to the wide-ranging and multi-faceted pro-poor program that have been implemented in rural areas, such as food security programs and the recent productive safety net programs and among other.

Table 2.2: Poverty Incidence

	Headcount Index			Changes in The Indices		
	1995/00	1999/00	2004/05	1999/00 Over 1995/96	2004/05 Over 1995/96	2004/05 Over 1999/00
National	0.455	0.442	0.387	-2.7	-14.8	-12.4
Rural	0.475	0.454	0.393	-4.4	-17.1	-13.4
Urban	0.332	0.369	0.351	11.1	5.9	-4.7

Source: MoFED, 2006

Urban population and urban poverty distribution by locality in Ethiopia: The World Bank (2008) report tries to compare the distribution of the urban population with the distribution of urban poverty in Ethiopia. Based on these as indicated in figure 2.1, there is a slight higher concentration of urban poverty in small/medium towns than major towns. For example, as explained figure 2.1, 69 percent of the urban poor live in small/ medium towns, compared to 65 percent of the urban population the remaining 31 percent of the urban poor live in major towns, which represent 35 percent of the total population shown in the figure. The incidence of urban poverty is also higher in small/ medium towns (50 percent) than in major towns (41 percent) (Muzzini, 2008).



Source: WB, 2008

Figure 2.1: Urban Population and Urban Poverty Distribution, by Locality

Note: Major towns, defined as towns with more than 100,000 inhabitant, include Mekelle, Gonder, Awassa, Dire Dawa, Addis Ababa, Bahir Dar and Adama. All other towns with population below the threshold are classified as small/ medium towns.

2.2.4. Determinant of urban poverty

The above discussion about poverty profile describes the pattern of poverty, but is not predominantly concerned with explaining its causes. This section devoted to answer the question of what causes poverty. There are different sets of poverty determinants or correlates studies by different scholars for different countries that fall within the domain of economic, social, political and nature spheres. Understanding of the correlates of urban poverty is useful since it helps us to design appropriate policies for poverty reduction in urban areas.

I. Demographic Characteristics

Poverty correlates with different demographic factor such as; age, household size and structure, dependency ratio, gender of the household (WB, 2005).

Household size and poverty: Indicator of household size and structure are important in that they show a possible correlation between the level of poverty and household composition. Household composition, in terms of the household member is quite different for poor and non-poor households. Most studies attests that there is a positive correlation between household size and poverty, for instance, the study by Muzzini (2008) for urban Ethiopia confirmed that poor household tend to live in larger households with an average family size of 6.6 person, as compare to 5.4 person for non-poor households. Likewise, Mekonen (1999b), Tesfaye (2004), Yohannes (1996) and for Ethiopia also reached at similar conclusion that the probabilities of falling into poverty increases as the size of household increases.

Age and poverty: The relation between age of an individual and poverty, studied by various scholars. For instance, Garza (2001) studied determinants of poverty in Cote d'Ivoire by using probit model. He used the data from Cote d'Ivoire living standard survey, which was conducted annually from 1985 to 1988 for analysis. The results of the study attest that, the relationship between age and poverty might not be as such linear as we would expect. Because, incomes would be low at relatively young age, increases at middle age and then decreases again. Therefore, Poverty is relatively high at young ages, decreases during middle age and then increases again at old age. Hence, poverty is relatively high at young ages, decreases during middle age and then increases again at old age. Similarly there are other researchers in different part of the world reached at the same conclusion such as Esubalew (2006) for Debre Markos; Goiled & Ghazouni (2001) for Tunisia. However, other argues that the prevalence of poverty increases at old age. This is because productivity of an individual at old age decreases and individual has few saving to compensate for the decrease of productivity and income. This is, of course, more to be the case in developing countries where saving are too low because of low income (Szekely, 1998 cited in Mekonen, 1999b).

Dependency ratio and poverty: The dependency ratio is calculated as the ratio of the number of family member not in the labor force (whether young or old) to those in the labor force in the household (WB, 2005). This ratio allows one to measure the burden weighing on member of the labor force within the household. Various researchers concluded that high dependency ratio associate with greater poverty incidences. The Study by Esubalew (2006), Yohannes, (1996) also reached at similar conclusion.

Gender of Household head and poverty: It is widely believed that the gender of household head significantly influences poverty. Compare to households headed by men, women are poor. Study by Meron (2002), Shewaye (2002) confirmed that in Ethiopia female-headed households are those who are the most affected and vulnerable groups in experiencing hard core urban poverty. Likewise, Tizita (2001) attests that female-headed households in Addis Ababa are more likely to be in poverty than their male-headed counter parts.

II. Economic characteristics

Apart from income or consumption there are a number of other economic characteristics that correlates with poverty, most notably household employment and the property and other assets they owned by the household (WB,2005).

Income and poverty: Urban poverty could also be determined by the income of individual. In most cases the family depends on the head of the household. The household head, usually, doesn't have the capacity to fulfill the need and interest of the whole family, particularly those families composed of children, youngsters, the old ones, and the extended families. This would have an impact for the family to face vulnerable life. Lack of access to skill development and upgrading of workers have had effect on income of an individual. Since urban life is a function of monetized economy, absence/ presence of income play a direct and great effect on urban poverty (Arne & Negatu, 1996; Esubalew, 2006; Mekonen, 1999b; Tizita, 2001).

Employment and poverty: unemployment has a direct and multiplier effect on the well-being and poverty status of an individual or a household. Study made by Dessalegh & Aklilu (2002) in urban Ethiopia witnessed the problem of unemployment. Their study revealed the depressing vision in that the prospect for economic growth and improvement in the labor market are very poor. In addition, the issue of job insecurity is high in urban Ethiopia. Further, their study revealed that unemployment is a major reason for low-income situation of the majority of the population of Ethiopia. Hence, unemployment individual is more vulnerable to poverty.

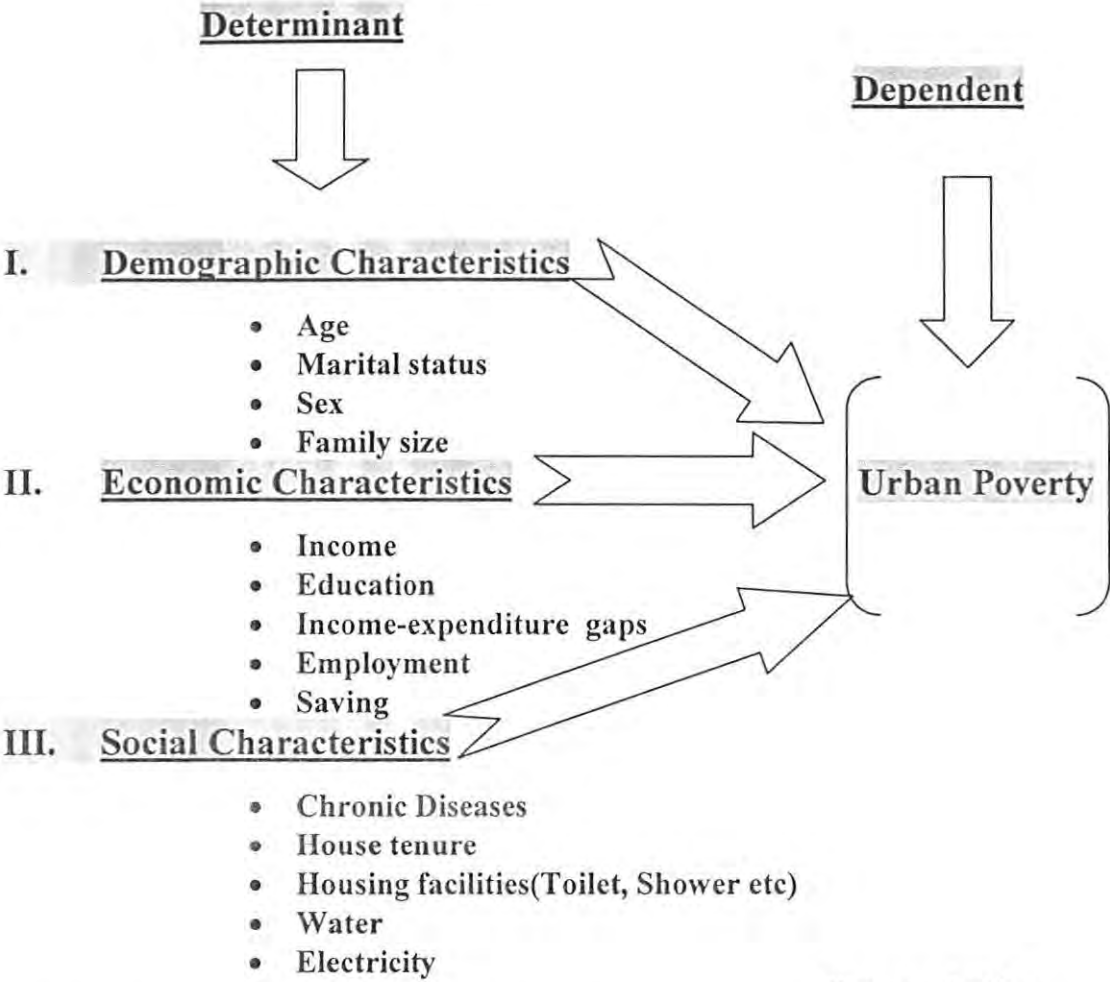
III. Social characteristics

Aside from the demographic and economic indicators, several social indicators are correlated with poverty and household living standards. The most widely used are measures of health, education and housing facilities (WB, 2005).

Health and poverty: Health is one of the a fundamental factors to assess the extent to which urban poverty prevails, simply because in the absence of proper health, the working force be it professional, skilled or trained can not have the capability and opportunity to do jobs effectively and efficiently. Efficiency of workers considerably depends on their health status (Debarja, 1998; Somashekar, 2003).

Education and poverty: Most empirical studies undertaken on poverty concluded that education has a negative impact though the magnitude is different depending in the socio-economic condition in which the study is undertaken. A remarkable correlation between poverty and level of education, is for example, observed in urban Ethiopia Berket & Abebe (2002) cited in Esubalew (2006) the study found out that the percentage of poor significantly declined as the level of education of the household head increase. Another study by Garza (2001) finds out that in Gana education of the household head and spouses all had strong positive influences on the likelihood to become the household non poor. In addition, Cortes (1997) in Yared (2005) for Mexico, Alemayehu and Jong, (2001) for Kenya found that education particularly high school and university level are negatively correlated with poverty.

2.2.5. Conceptual Frame Work



Source: Author

Figure 2.2: Conceptual Frame Work of the Study

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Study Design

People's well-being change over time and hence there is a tendency of moving in and out poverty situation. Accordingly, determinant factors also change over time. Because of this nature of the subject of study, poverty is best studied by having a panel observation in a longitudinal study design. However, often requires taking repeated measurements that have cost and time implications. Hence, it becomes difficult to employ such kind of design in a thesis work like this. However, the best way to do it in a cross sectional study design is to take indicator of welfare that reflect people's past and future situation, like for example, taking consumption expenditure rather than income (Kyereme & Thorbecke, 1991). This study therefore, is primarily designed to undertake a cross-sectional survey of the urban poverty and survival strategies of poor households in Asella town.

3.2. Sampling

3.2.1. Sample size

The research covered six kebeles of the town and a total of 300 respondents were surveyed. The total sample size is determined using the minimum sampling size formula of fowler, 2001 in Esubalew, (2006) as shown below.

$$N = \frac{[Z_{\alpha/2}]^2 P [1-P]}{D^2} = 300$$

Where n = the sample size

$Z_{\alpha/2}$ = the two-tailed critical value of 95 percent confidence interval (1.96)

P= assumed incidence of urban poverty (0.27) in Asella by taking the incidence of urban poverty from the case study of medium towns of Oromiya region in year 2004/05 (OFEDB,2005).

D= marginal error between the sample and population size (0.05).

Further, Grosh & Munoz, 1996 in Kedir, (1997) reveal that other things being equal, sampling error is minimized by increasing sample size as the former is inversely proportional

to the square root of the later. This means that with best sampling design, reducing the error term of a particular sample by half requires quadrupling the numbers to be visited. This relationship can be statistically formulated as:

$$e = \left[\left(\sqrt{\frac{n-1}{N}} \right) \left(\sqrt{p * \frac{1-p}{n}} \right) \right]$$

Where, e is error term

n is the number of households in the sample

N is the total household population

P is the total household population that depicts either 'success'

or 'failure' for selecting a given household. It is usually equal to 50 %

Hence, the sampling error for this study that might arise by interviewing 300 households out of 11,374 households population is 4.4%, which is quite an acceptable level.

3.2.2. Sample Frame and Sampling Techniques

Though an effort was made, the researcher could not trace official or unpublished documents of the town which can tell how the socio-economic profiles of each kebeles differ from and resemble to each other. The list of households recoded by the *Kebele* officials was used as sampling frame. A representative sample population was obtained based on a three-stage sampling technique. At first stage randomly out of 14 kebeles of the town 6 kebeles were selected for this study. In the second stage, the specific kebeles were identified purposively based on spatial consideration; Kebele 03 & 04 are taken from the core areas, Kebele 06 & 07 are taken from mid way between the two, and Kebele 11 & 12 are taken from peripheral part of the town. In the third stage, households were randomly selected from each Kebele based on sampling frames prepared from the housing registry available at the Kebele administration offices. To be more precise systematic sampling was employed and (every 20th household) were selected. In each of the surveyed kebeles selection of the first household was made by simple random sampling. As Table 3.1 show the numbers of households selected from each sample kebeles were determined in proportion to the respective total household size in each kebeles.

Total 3.1: Household Size of Surveyed Kebeles

Surveyed Kebeles	Arada (Kebele 03/04)		Hanquo (Kebele 06/07)		Halela (Kebele 11/12)		Total
	Kebele 03	Kebele 04	Kebele 06	Kebele 07	Kebele 11	Kebele 12	
Total Households	2,173	2,786	1,741	1,973	1,285	1,416	11,374
Sample Households	57	74	46	52	34	37	300
Total	131		98		71		300

Source: Respective Kebele Roaster and Own Computation, 2009

3.3. Data Source, Data Type and Method of Data Collection

The data for the study were collected from both primary and secondary sources. Primary data was obtained from household heads through structured questionnaires. The structured questionnaires were asked to the heads of the households. They were interviewed about the demographic characteristics (age, sex, marital status, family size, employment, assets, income, expenditure, saving, water, health, electricity, house tenure, vulnerability, survival, and coping strategies.

Secondary data were obtained from published and unpublished documents which includes; Government statistical reports, books, previous working literatures, journals, and various government offices in Asella town. This information was used to give background information and partially in identifying problems that characterize poverty and its survival, and coping strategies of poor households in the town.

Regarding the data type, this study employed both qualitative and quantitative data types. The qualitative data was collected from responses from structured questionnaires that could not be quantified numerically. The quantitative data was used to obtain various information about; demographic composition, income and expenditure, and survival and coping strategies of poor households which could be quantified numerically.

3.4. Methods of Data Analysis

Analysis of data was made using different descriptive and statistical tools. Responses obtained from the open-ended questions were edited, categorized and coded. These and the pre-coded responses were fed into computer and analyzed using Statistical Package for Social Scientists (SPSS version 15). The different descriptive statistics (like charts, table, means, percentages, and ratio) and statistical techniques such as chi-square tests and Logit model were used. The chi-square test was run to see if there is any systematic association between poor and non-poor household for some categorical variables.

Moreover, a logistic model was fit to determine the factor affecting the poverty most. The model was used to estimate the probability of poor households that takes either 1 ($Y=1$) for poor households or 0 ($Y=0$) for non-poor households.

3.5. Methodology

3.5.1. Method of Poverty Analysis

In measuring welfare at household level, consumption based measures rather than income are used. Aggregate household consumption expenditure is obtained by adding reporting household expenditure on food and non-food items. The definition of consumption is quite comprehensive as it incorporates all food and non-food items consumed by households. Aggregate household consumption expenditure is converted into a per adult equivalent measure to adjust for household size and composition. The adult equivalent conversion codes used are consistent with those used in Dercon and Krishanan (1998) (see annex B Table 1c). The factors used vary by age and gender, capturing the different consumption needs within a household. After identifying the size of the household in terms of number of adult equivalents, total consumption to the household is divided by the number of adult equivalent to get consumption per adult equivalent.

Absolute poverty line is delineated for the town following the cost of basic need (CBN) approach. The basket of food items that particularly represent the poor calculated for all cereal growing urban areas of Ethiopia is adopted from (Mekonen, 1999a), which is the minimum food basket that gives 2200 Kcal per adult per month. It's the minimum calorie

intake suggested by WHO, which is required for an adult to perform daily duties (see Annex B, Table 1a & b). Then, to get the food poverty line the basket of food item is valued at local prices of Asella town market. To account for non-food expenditure Oshansky method in Mekonen, (1999a) was followed. The method assumes that the total poverty line is obtained by dividing the food poverty lines by average food budget share of households that are in the neighborhood of the food poverty line.

3.5.2. Model Specification

In order to explore the correlates of urban poverty with various poverty variables logistic regression model was employed as opposed to probit model, the difference between these two models is that the former uses logistic while the later uses normal distribution. Logit model also concentrate data in the tails. Moreover, in most urban poverty studies binary Logit model have been used like those conducted by (Abbi, 1997; Esubalew, 2006; Tesfaye, 2004) in different part of urban Ethiopia. In addition, as opposed to other models, Logit model is simple and accommodates qualitative (categorical or discrete) responses (Gujarati, 1995). Hence, this research has adopted the Logit model.

In this study, urban poverty is the dependent variable being the dichotomous variable of whether the household is poor (1) or not poor (0). The explanatory variable considered in the analysis are demographic (sex, age, marital status, family size of household heads) educational level, health, income, water, and house tenure.

The Logit Regression model is specified following the Gardson (2008) and Gujarati (1995) stated the logistic prediction equation as:

$$Z = \ln(\text{odds}(\text{event})) = \ln(\text{prob}(\text{event})/\text{prob}(\text{nonevent})) = \ln(\text{prob}(\text{event})/[1 - \text{prob}(\text{event})]) \\ = B_0 + B_1X_1 + B_2X_2 + \dots + B_nX_n \quad \text{----- (1)}$$

Where B_0 is the constant and there are 'n' independent (X) variables with $B_1, B_2, \dots B_n$ coefficient used to predict the log odds, and prob represents probability.

To simplify the procedure, let $Z = B_0 + B_1X_1$, for one independent variable X.

(a) If X_1 is binary (0, 1) variable, then $Z = X_0$ (that is constant for the '0' group on X_1 and equals the constant plus the coefficient for the '1' group.

(b) If continuous variable Z equals constant plus the B coefficient times the value of X_1 .

Hence for single independent model the probability of household head being poor, $\text{prob}(\text{poor})$, can be rewritten as:

$$\text{Prob}(\text{poor}) = \frac{e^{(B_0+B_1X_1)}}{1+ e^{(B_0+B_1X_1)}} \text{-----}(2)$$

Then dividing equation (2) by $e^{B_0+B_1X_1}$, $\text{Prob}(\text{poor}) = \frac{1}{1+ e^{(B_0+B_1X_1)}}$ ---(3)

For more than one independent variable, the model can be generalized as:

$$\text{Prob}(\text{poor}) = \frac{e^Z}{1+ e^Z} \text{-----}(4)$$

Dividing equation (4) by numerator, $\text{Prob}(\text{poor}) = \frac{1}{1+ e^{-Z}}$ -----(5)

Once equation (1) is computed, it is applied to compute the probability of poor, $\text{Prob}(\text{poor})$, by inserting the Z values in (5)

Since it is easier (Gardson, 2008) to think of odds rather than log odds the odds ratio can be written as follows from equation (1)

$$\text{Prob}(\text{poor})/ \text{prob}(\text{non-poor}) = e^{B_0 + B_1X_1 + B_2X_2 + \dots + B_nX_n} \text{-----}(6)$$

The logistic coefficient is the change in the log odds associated with a one unit change in the independent variable. The e raised to the power of B (odds ratio), written as Exp (B) in SPSS output, is the factor by which the odds change when the i^{th} independent variable increases by one unit. The coefficients vary between plus and minus infinity, with 0 indicating the given explanatory variable does not affect the Logit; and positive or negative B coefficients indicate the explanatory variable increases or decreases the Logit of the dependent.

Definition of Hypothesized Variables

The relationship between the dependent and independent variables were drawn from literature review, which indicate the factor that most affect the prevalence of poverty in the Asella town. Therefore, based on the literature review the following explanatory variables were hypothesized.

- **Gender of Household Head**

It is widely argued that the gender of household head significantly influence urban poverty. Therefore, in this study it is hypothesized that the probabilities of the household to be poor is high if the head is female and it takes the value of 1 if the head is female, 0 otherwise.

- **Household Family Size**

Various empirical studies attest that there is a positive correlation between household size and poverty. The household with large number of family members tend to be poorer than

household with less family members. In this study it is hypothesized that as the size of the household increases the more the probabilities of falling into the poor category than those with lesser family size. Hence, large family size is positively associated with poverty.

- **Age of Household Head**

People of productive age group are believed to earn more income than the unproductive ones. However, this may not be the case in developing countries where there is high unemployment among the productive section of the society, in this study it is hypothesized that household heads in the age range of 31-60 are the productive ones whereby the probabilities of getting income is higher. The rest of household heads, which are found in the age range of 18-30 and above 60, are assumed to experience poverty more than the other section of the society. It's hypothesized that household heads with age ranges of 18-31 and more than 60 take the value of 1, 0 otherwise (31-60 age range).

- **Household Head Marital Status**

In this study it is hypothesized that household headed by married individual are supposed to be larger in family size. Large families in developed countries mean large labor force which in turn reduces the incidence of poverty. But in developing countries the reverse in most cases holds true in that larger households are associated with high incidence of poverty because many of the labor force are unemployed. Therefore, if the head of the household is married, it takes the value of 1, 0 otherwise.

- **Educational level of the household head**

Various scholars argue that educational attainment of the household head has negatively correlates with poverty. In this study it is hypothesized that as the educational attainment of household head increases the probabilities of the household head to become poor decreases. To explain for the highest educational level attained, the research hypothesized, if the household head highest educational level is greater than elementary school it takes the value of 1, 0 otherwise.

- **Household Health Condition**

The status of health condition in a family member is one of the fundamental factors to assess urban poverty. If the head of the household or its members gets sick with major chronic diseases it's highly likely that the family faces poverty. Lack of proper health in a family member will adversely affect the productivities of the household head. In this study,

therefore, it is hypothesized that if the household member suffered from major chronic diseases the household is higher the probabilities of falling into poverty and it take the value of 1, 0 otherwise.

- **Household Head Income**

Economic theory supports the view that household with a relatively better income will lead a decent life and hence reduces incidence of poverty. Therefore in this study it's hypothesized that as the income of the household head increases the probabilities of household head to become poor decreases and vice versa. It is expected that household income affect urban poverty negatively.

- **Household house Tenure**

House ownership has become a critical parameter of urban dwellers and assumed to play significant roles in the incidence of poverty. In this study it's assumed that the probabilities of households to fall into poverty decreases as the household head have their own houses and increases if they don't have. Therefore, it's hypothesized that households without their own house are poor and it take the value of 1, 0 otherwise.

- **Household Water Service**

This refers to the type of water service the household has. It's hypothesized in this study that the probability for a household to be poor is low if the household head have their own private tap water in their compound. Those who don't have private tap water in their compound takes the value of 1, 0 otherwise.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Poverty Analysis: Determination of Poverty Line in Asella Town

As has already been discussed in the literature review, current theories on poverty have distinguished between the absolute, relative and subjective poverty line. This implies the choice of the most suitable concept of poverty is needed. From past experience and applied research in most of the developing countries, including Ethiopia, it's clear that the most suitable and widely recognized concept of poverty is attributable to that of the absolute poverty notion. Accordingly, the working concept of poverty in this study refers to the absolute poverty line which is emphasized by the WB as the inability to reach a minimal standard of living (WB, 1990a).

Absolute poverty line definition requires demarcating the standard of living. In this respect, household's consumption expenditure is preferred to income as indicator of household's well-being in Asella town for reasons mentioned in the literature review. Thus, to distinguish between the poor and non-poor, it is important to draw a specific standard of consumption which must be achieved if an individual is not to be classified as poor. This standard of consumption is, then referred to as poverty line as a close approximation for the standard of living.

In determination of absolute poverty line in Asella town, because of its robustness, the CBN approach of absolute poverty line determination is preferred for this study than FEI approach. In this method, to determine an absolute poverty line that covers minimum basic needs of food items and also allows for the qualification of non-food items the following procedures are followed;

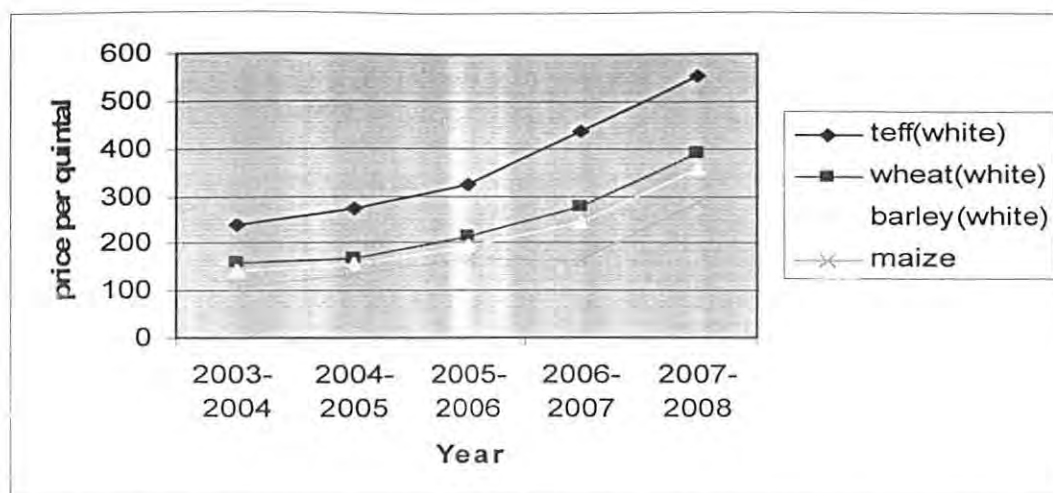
1. Since poverty lines are essentially tools to allow comparison of welfare across households and regions, constructing a diet for the poor, which is identical for all households in urban area is needed. For this study, the minimum food basket that gives 2200 Kcal per adult per month (which is the minimum calorie suggested by WHO required for adult to perform daily duties) is developed for cereal grown urban areas of

Ethiopia by Mekonen (1999a). This research adopted the food basket that gives 2200 Kcal per adult per month for Asella town (see Annex B: Table 1a & b). Then, the basket of food item is valued at local prices collected concurrently with the household survey at Asella town. The food poverty line for the town is determined by using the following equation:

$$Z_f = PF$$

Where Z_f the food poverty line, P is commodity price vector and F is the food basket common in people diets. Accordingly, the food poverty line (Z_f) for Asella town is found to be 125.52 Birr per adult per month, which is equivalent to 1506.28 Birr per adult per year (see Annex B: Table 2).

The food poverty line for Asella is higher than the national food poverty line of Birr 647.81 per adult per year determined by MoFED (2006) for the year 2004/05 based on a basket of food items that give 2200 Kcal per adult per year using at 2004/05 of national average retail price of goods and services. This divergence could be associated with the current rampant inflation prevailing in the country and particularly in Asella town during the research time (March, 2009). This fact can be substantiated by the central statistics authority's (CSA) annual average retail prices index of some selected cereal crops in Asella market for the last five years. On average the prices of all selected cereal crops drastically increased over the last 5 years in the town. Hence, such consistent increment in price of cereal crops will definitely inflate the food poverty line. Therefore, the food poverty line is higher than the national average food poverty line.



Source: Computed from CSA each year annual average retail price of cereal crops documents.

Figure 4.1: Annual Average Retail Price of Selected Cereal Crops in Asella market

2. Since the poor cannot be expected to live from food alone, incorporating values to the non-food consumption is needed. Therefore, the food-poverty line should be augmented to make a modest allowance and adjustment for other needs. In this research the Oshansky method in Mekonen (1999a) which, assumes that the total poverty line is obtained by dividing the food poverty lines by average food budget share of households that are in the neighborhood of the food poverty line. Accordingly, the people of Asella town devote 66.3% of their total consumption expenditure to food items and 33.7% of their income is dedicated to non-food commodities like clothing, shelter, education and health services etc. based on these, the total poverty line for the Asella is 2271.86 Birr per adult per year. The Figure is also far above the national mean per capital consumption expenditure calculated for urban areas, which is Birr 1075.03 per year in 2004/05 (MoFED, 2006).

4.1.1. Incidence, Magnitude, and Depth of poverty in Asella

Once households are classified into different welfare group based on the absolute poverty line constructed above, one can also drive the various measures of poverty such as its incidence, depth and severity for the town using the following formulas.

1 Head Count:
$$P_o = \frac{N_p}{N} \quad \text{or} \quad P_o = \frac{1}{N} \sum_{i=1}^n I(Y_i < Z),$$

Where N_p is the total number of poor, N is sample of the households and

I(.) is an indicator function that takes a value of 1 if the bracketed expression is true, and 0 otherwise so if expenditure (Y_i) is less than the poverty line (Z), then I(.) is equal to 1 and the household would be counted as poor.

2 Poverty Gap:

$$P_1 = \frac{1}{N} \sum_{i=1}^q \frac{(Z - Y_i) I(Y_i < Z)}{Z} \quad \text{or} \quad P_1 = \frac{1}{n} \sum_{i=1}^q \frac{G_i}{Z}$$

Where: G_i is poverty gap

Z is poverty line,

Y_i is consumption for the ith person's household

3 Severity Gap:
$$P_2 = \frac{1}{N} \sum_{i=1}^q \frac{(Z - Y_i)^2 I(Y_i < Z)}{Z} \quad P_2 = \frac{1}{N} \sum_{i=1}^q \frac{G_i^2}{Z}$$

Table 4.1: Incidence (P₀), Depth (P₁) and Severity (P₂) of urban poverty in Asella Town 2009

Poverty Indexes	Total Poverty Line (Z1)	Food Poverty Line (Z0)
P ₀	69 %	63.1%
P ₁	32.8%	27.5%
P ₂	17.8%	14.8%

Source: Survey result, 2009

The above calculation attests that about 69 percent of the people of Asella lived under poverty line (P₀), with on average 33 percent shortfall (p₁) to reach poverty line and severity level (p₂) of the town found to be 18 percent. On the basis of the food poverty line, the poverty head count index , depth and intensity of poverty in Asella town are 63%, 28% and 15% respectively. However, the indicated head count index for the town is far above the national average for urban areas, which was 35 percent in urban Ethiopia in 2004/05 (MoFED, 2006).

4.1.2. Profile of Poverty in Studied Kebeles

A total of 300 household heads were surveyed in six kebeles (03, 04, 06, 07, 11, and 12) of the town and the results of the study shows the following.

Table 4.2: Profile of Poverty Based on Surveyed Kebeles

Poverty Level of the Households		Surveyed Kebeles			Total
		Arada 03/04	Hanquo 06/07	Halela 11/12	
Above PL	HHs	32 (24.4%)	36 (36.7%)	25 (35.2%)	93 (31.0%)
Below PL	HHs	99 (75.6%)	62 (63.3%)	46 (64.8%)	207 (69.0%)
Total	HHs	131 (100.0%)	98 (100.0%)	71 (100.0%)	300 (100.0%)

Source: Survey result, 2009

Proportion to population size 131, 98, and 71 households were drawn from Kebele 03/04 (Arada), 06/07 (Hanquo), and 11/12 (Halela), respectively. The study founds out that 93 (31%) households of the total population are above poverty line and 207 (69%) households are below poverty line. The incidence of poverty in each Kebeles shows that there are 99 (75.6%), 62 (63.3%), and 46 (64.8%) households who live below poverty line, and 32 (24.4%), 36 (36.7%), and 25 (35.2%) households who live above poverty in kebeles 03/04, 06/07 and 11/12 respectively.

The result of the study shows that in Kebele 03/04, which is the core of the city, the number of households who live below the poverty line is more than three times to that of those who live above poverty line. While in Kebele 06/07 and Kebele 11/12 there are relatively less poor households which indicate that there is one household below the poverty line for nearly every 2 non-poor households, respectively. Hence, the incidence of poverty in the town decreases as one move from the core to the peripheral. This might be due to, Kebele 03/04 is composed on relatively poor households who run their daily meager life by preparing and selling the local drink (i.e. *Tella, Arekea*), and Preparing and selling food (i.e. *Enjera, Ambasha*). Beside, these kebeles situated in a market and/or business centers where there are relatively few residents with their own houses and most dwellers are house renters and primarily engaged in small business activities.

4.2. Demographic Characteristics and Poverty

4.2.1. Sex of household heads

Various scholars in the literature attest that the prevalence of poverty is high in female-headed households compared to male-headed ones, this is partially because women have lower education access than men do. Therefore, they are paid less salaries. Besides, there is discrimination in labor market against women. In general, women are deprived in exercising their opportunities compared to men in many respects.

In this study, 123 female-headed households were included in the survey, the finding show that about 86% of the total female-headed households fall below poverty line. While from a total of 177 male-headed households, about 57% of male-headed households fall below poverty line.

Table 4.3: Poverty Profile Based on Sex

Poverty Level of the HHs		Head ship		Total
		Male Headed	Female Headed	
Above PL	HHs	76 (42.9%)	17 (13.8%)	93 (31.0%)
Below PL	HHs	101 (57.1%)	106 (86.2%)	207 (69.0%)
Total	HHs	177 (100.0%)	123 (100.0%)	300 (100.0%)

Source: Survey result, 2009

* Significant at 1% confidence interval.

A rough observation of Table 4.3 makes one aware that the number of the male-headed households who are in non-poor category is much higher in absolute terms than those of female-head ones. In contrast, from those households who are in poor category the proportions of female-headed households slightly higher than male-headed households, however, this is not a strong reason to conclude that female-headed households are more likely to be poor than male-headed households.

A better comparison would be to see the ratio of poverty sharing between the two sexes. In the above poverty line category there are nearly 4.5 male-headed households for each female-

headed household ones. On the other hand in the below poverty line category almost there is one male-headed household for each female-headed household. This shows that the incidence of poverty is higher in female-headed household than among male-headed households. This finding is inline with various studies conducted in different part of Ethiopia. For example, study by (Meron, 2002; Shewaye, 2002; Tizita, 2001) confirmed that female-headed households are those who are the most affected and vulnerable groups in experiencing hard core urban poverty.

Moreover, the probability that a household will be poor when headed by female is significant at 99 percent confidence interval ($\chi^2=3.452$, $p<0.1$). This implies that there is statistically significant association between poor household head and female headed household. Therefore, person having female-headed household are more vulnerable to incidence of poverty in Asella town than those of having a male headed households.

Further, an attempt was made to see if there was a difference between the income of household headed by females and males. The study reveals that relatively female-headed households get lower monthly income compared to household headed by males. For example, as shown in Table 4.4 compared to 34% of male-headed households about 66% of female-headed households earn extremely lower income per month (i.e. below 300 Birr per month). In contrast, about 86% of male headed-household earn above 1501 Birr per month compare to 14% of female-headed household.

Table 4.4: Monthly Income Category of Households by Sex

Head ship	Average income earned from all sources of income per month?				
	Extremely lower income (below 300)	Lower income (301-700)	Middle income (701-1500)	Upper income (above 1501)	Total
Male head	45 (34.1%)	35 (66.0%)	49 (83.1%)	48 (85.7%)	177 (59.0%)
Female-headed	87 (65.9%)	18 (34%)	10 (16.9%)	8 (14.3%)	123 (41.0%)
Total	132 (100.0%)	53 (100.0%)	59 (100.0%)	56 (100.0%)	300 (100.0%)

Source: Survey result, 2009

Moreover, as it is shown in Annex C: Table 5, more than half of the total female-headed household depend for their daily livelihoods on small business activities and earn relatively lower income per month compared to other activities, this activities includes: casual worker and on account worker/ self-employed (i.e. preparing local drink (i.e. *Arekea, Tella*), Preparing and Selling foods (i.e. *Enjera* and *Ambasha*), Petty Trade (i.e. *Gulit*), collection and sell of fuel-wood, dress making, and pottery). One can conclude from this, in Asella town female-headed households earn relatively lower income because they primarily depend on small business activities to earn their livelihood compare to household of which headed by male, therefore they are more vulnerable to poverty.

4.2.2. Age of household heads

Various scholars argue that the prevalence of poverty increases at old age. This is because productivity of an individual at old age decreases and individual has few saving to compensate for the decrease of productivity and income. This is, of course, more to be the case in developing countries where saving are too low because of low income. Hence, most likely at old age an individual become dependent. However, other argues that old age is correlated with higher productivity and hence impact welfare positively. A third view note that neither of the above two argument is correct. This is because the relationship between age and poverty might not be as such linear as we would expect. Because, incomes would be low at relatively young age, increases at middle age and then decreases again. Therefore, according to these theories we would expect to find that poverty is relatively high at young ages, decreases during middle age and then increases again at old age (Garza, 2001; Szekely, 1998 cited in Mekonen, 1999b).

In Asella, Age of household head was not found significant in linear terms. Similarly, there are other findings by various authors in different part of the world though their methodology differs (for instance; Esubalew, 2006 for Debre Markos; Goiled & Ghazouni, 2001 for Tunisia).

In this research age of the households classified into 18-30, 31-40, 41-60, above 61 the result of the study is indicated in Table 4.5. Accordingly, higher prevalence of poverty 77.4% and

71.2% is seen in the age range of 18 to 30 and above 60, respectively. While low prevalence of poverty 64.5% and 69.7% is seen in the age ranges of 31 to 40 and 41 to 60, respectively. Moreover, the relationship between age of household-head and poverty is not statistically significant at any of confidence interval.

Table 4.5 : Poverty Profile based on Age

Poverty Level of the HHs		Age of the respondent				Total
		18 to 30	31 to 40	41 to 60	Above 60	
Above PL	HHs	72 (22.6%)	27 (30.3%)	38 (35.5%)	21 (28.8%)	93 (31.0%)
Below PL	HHs	24 (77.4%)	62 (69.7%)	69 (64.5%)	52 (71.2%)	207 (69.0%)
Total	HHs	31 (100.0%)	89 (100.0%)	107 (100.0%)	73 (100.0%)	300 (100.0%)

Source: Survey result, 2009

4.2.3. Marital status of household heads

Various empirical literatures argues that the probabilities of being poor increases when an individual marries. This is due to when people get married household size will increase as new children are born and expenditure of the household increases and this in turn leads to searching for mechanisms of fulfilling additional needs and necessities for the family. On the other hand, other scholars support the view that when individual get married the probabilities of being poor decreases, because there would be more labor force in the households. This is, of course, more to be the case in developed countries where there is ample employment opportunities (Grootaert (1997) in Garza (2001)).

Table 4.6: Profile of Poverty Based On Marital Status

Poverty Level of the HHs		Marital status of the household head?					Total
		Never Married	Married	Separated	Divorced	Widowed	
Above PL	HHs	25 (38.5%)	51 (43.2%)	7 (25.0%)	7 (12.7%)	3 (8.8%)	93 (31.0%)
Below PL	HHs	40 (61.5%)	67 (56.8%)	21 (75.0%)	48 (87.3%)	31 (91.2%)	207 (69.0%)
Total	HHs	65 (100.0%)	118 (100.0%)	28 (100.0%)	55 (100.0%)	34 (100.0%)	300 (100.0%)

Source: Survey result, 2009

The result of the study in Asella town reveals that there is no much difference of the rate of falling into poverty between currently married and never married household heads. This can be seen from the Table 4.6 that as one moves from those who never married to married household head in both above and below poverty line category, the percentage difference is about 5%. On the contrary, the chance of households to fall into poverty increases in all the currently single but once married household heads (separated, Divorced, and widowed). A possible explanation for this is that, in these households there might be lacks of a household member who is capable of supporting the household to meet their basic needs. Hence, marital status of household head is therefore, an important determinant factor of poverty in Asella town.

4.2.4 Household size

Most studies attests that there is a positive correlation between large household size and poverty (such as Mekonen, 1999b; Muzzini 2008; Tesfaye, 2004; Yohannes 1996) in line with these studies, the survey result, in Asella reveal that as the size of the household increases, the incidence of poverty increase in the same fashion as well. For example as shown in Table 4.7, the proportion of poverty experience in household size of 5-6 and above 7 is about 69% and 79% households, respectively. On the contrary, households with small family sizes experience less poverty. Cross checking the results from the survey gives that households' sizes of 1-2 and 3-4 experiences the least 62.1% and 63.4%. Therefore, as the size of households increases, keeping other things constant, the proportionate incidence of poverty increases in the same fashion as well in Asella town.

Table 4.7: Profile of Poverty Based on Size of the Households

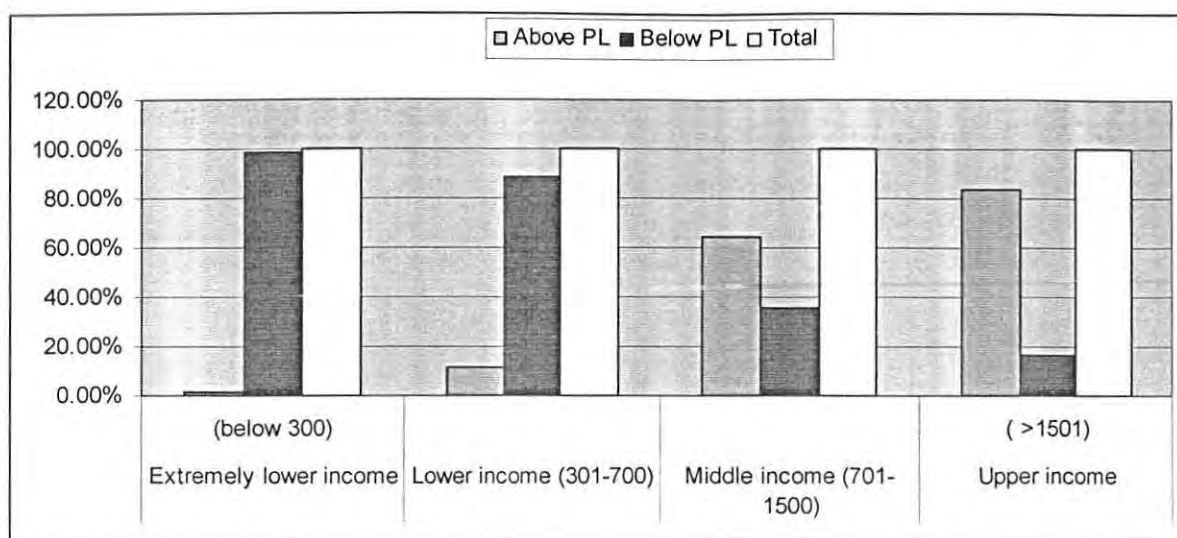
Poverty Level of the HHs		Size of the household				Total
		1 to 2	3 to 4	5 to 6	Above 7	
Above PL	HHs	11 (37.9%)	41 (36.5%)	28 (31.1%)	13 (20.9%)	93 (31.0%)
Below PL	HHs	18 (62.1%)	71 (63.4%)	62 (68.9%)	49 (79.0%)	207 (69.0%)
Total	HHs	29 (100.0%)	112 (100.0%)	90 (100.0%)	62 (100.0%)	300 (100.0%)

Source: Survey result, 2009

4.3. Income of household heads

In poverty correlates analysis, holding other variables constant, there is no need to debate that income directly or indirectly dictates the well/ bad being of an individual. To examine whether the incomes of households per month in Birr correlates with poverty, the monthly income of households was divided as follows; below 100, 101-200, 201-300, 301-500, 501-700, 701-1000, 1001-1500, 1501-2000, 2001-2500, and above 2501. From this data, almost all of the household heads who earn monthly income of less than 100 or between 101-200 and 201-300 Birr are falls in below poverty line, which is found to be, 11 (100%), 69 (100%) and 52 (96.2%) households, respectively. In contrast, the more the percentage of household above monthly income of 500 Birr in the households, the higher the probabilities of moving out of poverty. Therefore, income is negatively related to poverty. Which means that as the monthly income of household head increases the probabilities of falling into poverty decreases and vice versa (Annex C: Table 1). This finding is inline with other finding (such as Arne & Negatu, 1996; Esubalew, 2006; Mekonen, 1999b; Tizita, 2001).

In addition, as Table 4.8 based on prior research out put the income of the household also categorized into; Upper Income (more than 1500 Birr), Middle Income (701-1500), Lower Income (301-700), and Extremely Lower Income (below 300). Based on these classification the total number of households in the survey was found to be 9 (16.1%), 21 (35.6%), 47 (88.7%). 130 (98.5%) as Upper, Middle, Lower, and Extremely Low Income earners household heads respectively.



Source: Survey result, 2009

Figure 4.2: Distribution of Households by Monthly Income

The result in fig 4.2 shows as one goes from upper income earner to extremely lower income earners, the probabilities of falling into poverty increases consistently, similarly for households in non-poor category as one goes from upper income earner to extremely lower income earners, the probabilities of falling into poverty decreases. Therefore, the monthly income of the household head has significant impact on the well-being of households in Asella town.

Table 4.8: Monthly Income Category of the Households

Poverty Level of the HHs		Income category of the households				Total
		Extremely lower income (below 300)	Lower income (301-700)	Middle income (701-1500)	Upper income (>1501)	
Above PL	HHs	2 (1.5%)	6 (11.3%)	38 (64.4%)	47 (83.9%)	93 (31.0%)
Below PL	HHs	130 (98.5%)	47 (88.7%)	21 (35.6%)	9 (16.1%)	207 (69.0%)
Total	HHs	132 (100.0%)	53 (100.0%)	59 (100.0%)	56 (100.0%)	300 (100.0%)

Source: Survey result, 2009

During the survey households were also asked the following question “Is there a change in your monthly income during the last three years?”. Most of their response is that they have not seen any meaningful income change. In fact many consider that their living condition is worsening throughout the time and that their income stagnated for the last three years. However, they are struggling to make ends meet by getting involved in various kind of activities, which will be discussed in great detail in the subsequent section (survival strategies sub-section). In addition, the fast raising cost of living for the country in general and in particular to Asella town affects households’ monthly budget negatively. Hence, the monthly expenditure of most of the households by far exceeds their monthly income. For example, about 282 (94%) of the total households responded that change in expenditure on basic needs like food, clothe, health, education etc. increased very much over the last three years consistently (refer Annex C: Table 2).

Further, various literature argues that the monthly income–expenditure gap of households does not only give insight into how the incidence of poverty but also provides clues as to how they fill expenditure gaps if they really exist. To this end, households were asked to tell whether their monthly income could cover their monthly expenditures. Accordingly, 80.3 % responded that their monthly income did not cover their monthly expenditures. Some 19.7% asserted that their monthly income could cover their monthly expenditure. From those households who are non-poor households 64.4% and 22.8% households responded Yes and No, respectively. Similarly 35.6% and 77.2% households replied Yes and No in poor category, respectively. Therefore, absence of income-expenditure gap in one’s household does not necessarily guarantee one to join or move out of poverty. Moreover, the monthly income gap ratio reveals that it has significant in explaining the prevalence of poverty in Asella Town ($\chi^2=4.869$, $p<0.05$). This implies that there is statistically significant association between poor household head and monthly income-expenditure gaps.

Table 4.9: Poverty Profile based on Income-Expenditure Gap

Poverty Level of the HHs		Did your monthly income cover your monthly expenditure?		Total
		Yes	No	
Above PL	HHs	38 (64.4%)	55 (22.8%)	93 (31.0%)
Below PL	HHs	21 (35.6%)	186 (77.2%)	207(69.0%)
Total	HHs	59 (100.0%)	241 (100.0%)	300 (100.0%)

Source: Survey result, 2009

*** Significant at 5% confidence interval*

4.4. Saving status of household heads

Another way of looking at the well-being of households is to assess their saving status. In this ground household heads were asked to tell whether they save income or not. Accordingly, 35 % of the total household heads save a certain proportion of their income per month and 65 % of the household heads, which is a large proportion, could not save even a small amount.

Table 4.10: Profile of Poverty Based on saving status of households

Poverty Level of the HHs		Did your household save income per month?		Total
		Yes	No	
Above PL	HHs	68 (65.4%)	25 (12.8%)	93 (31.0%)
Below PL	HHs	36 (34.6%)	171 (87.2%)	207 (69.0%)
Total	HHs	104 (100.0%)	196 (100.0%)	300 (100.0%)

Source: Survey result, 2009

*** Significant at 5% confidence interval*

Moreover, disaggregating the households into the above and below poverty line from those who live above poverty line, there are 65.4% and 12.8% households responded Yes and No respectively. Whereas in the case of below-poverty category there are 34.6% and 87.2% households responded Yes and No, respectively. One can clearly see from this result, the

majority of poor households (87.2%) did not save income per month. The Chi-square tests confirmed that the saving status of household head is significant in explaining the prevalence of poverty in the town ($\chi^2=4.372$, $p<0.05$). This means that there is statistically significant difference between poor and non-poor household head with regard to monthly saving.

Further, Households were also asked “why not the households save part of their income per month” and three alternatives were suggested; lack of sufficient income, transfer to other duties, and other if any. As shown in Table 4.11 from a total of 196 households who does not save income per month, most of the households (90.8%) did not save on account of lack of sufficient income, and 7.7% households transfer their income to other duties, and only few of the households (1.5%) did not save income because of other reasons (i.e. to run their own business and low interest rate in the bank).

Moreover, about 89% of the household who do not save income because of lack of sufficient income falls below poverty line. Therefore, one can conclude from these, households of non-savers, because of lack of income faced poverty more compare to the households who provided other reasons. The study result obtained that the saving status of the household heads has significant impact on the prevalence of poverty in Asella town.

Table 4.11: Reasons for not to save Part of Income

Poverty level of the household		Reasons for not to save part of income?			Total
		Lack of sufficient income	Transfer to other duties	Others	
Above PL	HHs	20 (12.2%)	2 (13.3%)	3 (100.0%)	25 (12.8%)
Below PL	HHs	158 (88.8%)	13 (86.7%)	0 (.0%)	171 (87.2%)
Total	HHs	178 (100.0%)	15 (100.0%)	3 (100.0%)	196 (100.0%)

Source: Survey result, 2009

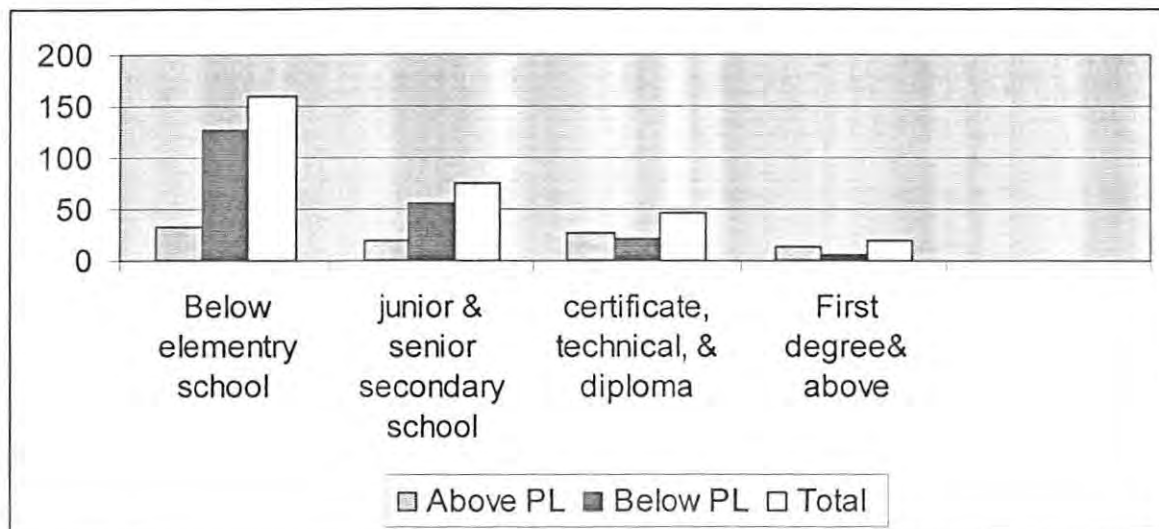
4.5. Educational status of household heads

In most literature, it's widely argued that the educational attainment of the household heads has significantly influences on household poverty. For example study by Alemayehu & Jong (2001); Cortes (1997) in Yared (2005) found that education is negatively correlated with poverty in Kenya and Mexico, respectively. Education particularly high school and university level is found to be the most important factor that is associated with poverty. Lack of education is a factor that accounts for a highest probability of being poor.

The survey result in Asella town reveals that household heads highest educational level has a significant impact on the well-being of households. In this study the educational level of household head is categorized into the following groups; never any school, can read and write, Elementary School (1-6), Junior Secondary School (7-8), Senior Secondary School (9-12), Technical/Vocational/ certificate, College diploma, first degree, and post graduate. Based on this category, the number and percentage share of household heads who had attend diploma and those who never attend any school ranks the first and last 17 (62.9%) and 4 (13.3%) in above poverty line category, respectively. From below poverty category however, the number and percentage share of those households at elementary school and post graduate rank the first and last 58 (78.4%) and zero, respectively. Therefore, it is clear that the percentage of poor households significantly declines as the educational level of household heads increases. For example, about 53 % of the total household heads were with low educational qualification (elementary school and below) and 42% of the 159 household heads in this category live in poverty trap. On the contrary, 6.3 % of the household heads have attained first degree and above. Only 26% of the 19 household heads in this category are under poverty line (refer Annex C: Table 3).

Moreover, not only for the purpose of brief description, but also for further analysis the educational level of household heads are categorized into four categories; below Elementary School, Junior and Senior Secondary School, Certificate/ Technical or Vocational and Diploma, and First Degree and above. Based on these category, as has been shown in the Fig. 4.3, about 159 (53%) of the total household heads attended below elementary school and 75 (25%) of households attends junior and senior secondary school, 47 (16%) of households

attend certificate/ vocational and diploma, and 19(6.3 %) of households attend first degree and above. Thus, except for those who have better education status, most households fall into the poverty trap. From those who fall below poverty line, 126 (79%) of the household head attended below elementary school, and 5 (19%) of the household heads attended First degree & above, respectively. Therefore, it is clear that even if education is not a necessary guaranty to escape the poverty trap, in relative terms educated household heads have a better probabilities to live out of the poverty trap compare to less educated household heads.



Source: Survey result, 2009

Figure 4.3: Profile of Poverty Based On Educational Level

An attempt was made to examine the possible reason for “why a large number of employed household heads couldn’t escape from being poor”, hence, employed household heads were further interviewed about their main occupation. Based on these, more than one third of the total household heads (138) employed in casual worker, own account worker / self-employed, and other small business activities. These activities have less potential to earn adequate income which fulfills all the basic needs to their family members. Hence, 91% out of 138 household head in this category falls below poverty line. The rest 90 household head employed in public sector of which 57% of them falls below poverty line, and 13 household head employed in private business of which only 5 of them falls below poverty line. In addition, most of these households do not have additional source of income apart from their main occupation.

Moreover, the income earning capacity of main occupation is assessed by cross tabulating the income of the household heads per month with those households who is currently employed. The result shows that, about 45% of employed household heads earn less than 700 Birr per month. Hence, employment by itself is not a necessary guaranty to move out of poverty trap, rather the income earning capacity of the main activity matters most. In this study, only those who engaged in their own private business and some government workers have moved away from poverty. However, majority of all of casual worker, and self-employed household heads, and household heads who engaged in small business activities fall under poverty line. (Annex C: Table 4).

4.7. Health

Health is the first and single most factor for the well/bad being of individuals. With out proper health life would be difficult. To this end, household heads were asked whether any member of households suffered from major chronic disease or not over the last 12 months prior to this survey.

Table 4.13: Poverty Profile Based on Major Chronic Health Problem

Poverty Level of the HHs		Have any of your household members faced major chronic health problem during the last 12 month?		Total
		Yes	No	
Above PL	HHs	11 (12.6%)	82 (35.2%)	93 (31.0%)
Below PL	HHs	76 (87.4%)	131 (64.8%)	207 (69.0%)
Total	HHs	87 (100%)	233 (100%)	300 (100%)

Source: Survey result, 2009

* Significant at 1% confidence interval

As the Table 4.13 shows, about 87 household heads responded that they suffered from major chronic health disease, and 87% fall below poverty line. while 233 household heads claims that they did not suffered from major chronic diseases in their families and relatively lower proportion of households falls below poverty line 64.8 %. The finding of this study revealed that major chronic diseases incidence in a family member has significant impact on the well-being of households. This result is in consistent with Somashekar (2003).

Moreover, the chi-square statistics shows that chronic health problem is statistically significant in explaining the prevalence of poverty ($\chi^2=13.608$, $p<0.01$). This means that there is statistically significant difference between poor and non poor household regarding to the incidence of chronic diseases in family members.

Further, the degree of illness was examined for those households who suffer from major chronic disease (as very critical, critical, moderate and, simple). Based on these, out of 85 (2

missed) household heads who suffer from chronic diseases, 36 (42.3%), while the rest 22 (25.9%), 19 (22.4%), and 8 (9.4%) of households suffered from critical, moderate, simple diseases.

Table 4.14: Profile of Poverty Based on Degree of Illness

Poverty Level of the HHs		If "Yes" what is the degree of illness?				Total
		Very critical	Critical	Moderate	Simple	
Above PL	HHs	5 (13.9%)	3 (13.6%)	3 (15.7%)	0 (.0%)	11 (12.9%)
Below PL	HHs	31 (86.1%)	19 (86.4%)	16 (84.2%)	8 (100%)	74 (87.1%)
Total	HHs	36 (100.0%)	22 (100.0%)	19 (100.0%)	8 (100.0%)	85 (100.0%)

Source: Survey result, 2009

4.8. Housing and Housing Facilities

The housing tenure is one of a good indicator of the level of well-being, as Table 4.15 shows the probability of being poor and non-poor in the context of housing tenure. In relative term tenure security decreases the probability of being poor, where as it increases the probability of being non-poor. Of all the surveyed households, only 101 (33.6%) live in their own houses for which they don't pay any mortgage. 54 (18%) households live in their own houses but pay monthly mortgage. The rest 64 (21.4%) and 81 (27%) live in rented houses from private and kebeles, respectively.

Table 4.15: Poverty Profile Based on Housing Tenure

Poverty Level of the HHs		Who are the owner/ tenure of the housing unit?				Total
		Owned house	Rented from private	Own house but paying mortgage (<i>kuteba bet</i>)	Rented from Kebele	
Above PL	HHs	55 (54.5%)	8 (12.5%)	14 (25.9%)	16 (19.8%)	93 (31.0%)
Below PL	HHs	46 (45.5%)	56 (87.5%)	40 (74.1%)	65 (80.2%)	207 (69.0%)
Total	HHs	101 (100.0%)	64 (100.0%)	54 (100.0%)	81 (100.0%)	300 (100.0%)

Source: Survey result, 2009

From the same table, it is clear that, in relative terms compare to household head who live in their own house 45.5%, large proportion of households who dwell in rented, own house but paying mortgage (*kuteba bet*), and Kebele homes fall under poor category 87.5%, 74.1% and 80.2% households, respectively. Hence, housing tenure status is found to be one of the important factors for a household to be fall in poverty or not.

A part from type of tenure there are different housing variables that help to indicate the well-being of households. The average number of rooms in each housing unit is for instance one of the indicators that help us to assess the well-being of households. The result of the survey in Table 4.16, indicate that more than 143 (48%) of the total households dwell in rooms that have two or less rooms, and most of households in this category fall below poverty line. While, 99 (33%) and 35 (11.7%) of the total households dwell in house that have three and four rooms, respectively, and the rest 23 (7.7%) of households live in a house that have more than five rooms.

As it can be noted from Table 4.16, it is clear that the number of households who live below poverty line increases with increasing the number of rooms per household head. For instance, from the total household head who live in five and above rooms, only 26.1% out of 23 live in below poverty line. In contrast, from the total household head who live in single room, almost 90% out of 54 household heads live in below poverty line. Hence, the number of rooms per household is a revealing feature of well-being in Asella town.

Table 4.16: Number of Room per Household Unit

Poverty Level of the HHs		How many rooms does this house have?					Total
		One	Two	Three	Four	Five & Above	
Above PL	HHs	6 (11.1%)	8 (8.9%)	42 (42.4%)	20 (57.1%)	17 (73.9%)	93 (31.0%)
Below PL	HHs	48 (88.9%)	81 (91.1%)	57 (57.6%)	15 (42.9%)	6 (26.1%)	207 (69.0%)
Total	HHs	54 (100.0%)	89 (100.0%)	99 (100.0%)	35 (100.0%)	23 (100.0%)	300 (100.0%)

Source: Survey result, 2009

Another feature that helps to understand the living condition of a household is to assess the construction materials of the house. As can be noted from the Table 4.17 construction materials of most houses are of poor quality. For instance, from the total number of houses 268 (89.3%) are constructed from wood and mud, 17 (5.7%) from stone, and 15 (5%) are constructed from blocket. Therefore, the construction materials of the housing unit exhibit a revealing feature of poverty in the town.

It is understood from the literature that those households living in house made from stone and cement or blocks are relatively considered as to be economically better-off than those who are living in house made from wood or mud. This means that 268 of the households in Asella are living less comfortably because they live in structure made from wood and mud and most of these households (70.5%) live in below poverty category. But, living in structure made from stone and blocket does not necessarily mean a household is in better living condition. For example, from those households living in structures made from blocket houses most of them are poor, which accounts (80%).

Table 4.17: Main Construction materials of the House

Poverty Level of the HHs		What are the main construction materials of the house you live in?			Total
		Wood & mud	Block	Stone	
Above PL	HHs	79 (29.5%)	3 (20.0%)	11 (64.7%)	93 (31.0%)
Below PL	HHs	189 (70.5%)	12 (80.0%)	6 (35.3%)	207 (69.0%)
Total	HHs	268 (100.0%)	15 (100.0%)	17 (100.0%)	300 (100.0%)

Source: Survey result, 2009

Moreover, sanitation as measured by type of toilet facility is another important consideration to assess the well-being of households. As it shown in Table 4.18, of the survey households 145 (48.3%) have shared toilet (pit), 120 (40%) households have private toilet (pit), and 31 (10.3%) of the households are with-out any kind of toilet facilities. The study found out that the availability of many shared toilet in addition with those who have no toilet could be one of the possible reason for poor environmental sanitation and personal hygienic in the studied kebeles, and this might be the causes of various contaminated diseases in the studied kebeles. Moreover, the toilet facility, which is employed as proxy for health condition of a household,

is found to be one of the indicators of well-being in the Asella town.

Table 4.18: Toilet Facilities

Poverty Level of the HHs		Toilet Facility				Total
		No Toilet	Private (Pit)	Shared (Pit)	Other	
Above PL	HHs	11 (35.5%)	64 (35.5%)	18 (12.4%)	0 (.0%)	93 (31.0%)
Below PL	HHs	20 (65.5%)	56 (46.7%)	127 (87.5%)	4 (100.0%)	207 (69.0%)
Total	HHs	31 (100.0%)	120 (100.0%)	145 (100.0%)	4 (100.0%)	300 (100.0%)

Source: Survey result, 2009

Similarly, sanitation can also be assessed based on the availability of bathing facilities. The result of the survey shows in Table 4.19 that 271 (90.3%) of total households are without bathing room. Disaggregating the data into poor and non-poor households about 70 (25.8 %) and 201 (74.1%) households have not bathing facilities respectively. According to various literature the availabilities of poor bathing appears to be strongly related to tenure type, household income and other related factors. Moreover, poor sanitation is the main factor in explaining the low living standards of the households. Therefore, poor sanitation facilities in the study area explain the poor living conditions of the households in study area. The coefficients of toilet and shower facilities are used as proxy for the status of health condition of households, both of these variables were found to be an important indicator of well-being in the town.

Table 4.19: Bathing Facilities

Poverty Level of the HHs		Bathing/ shower facility			Total
		None	Private shower	Shared shower	
Above PL	HHs	70 (25.8%)	19 (76.0%)	4 (100.0%)	93 (31.0%)
Below PL	HHs	201 (74.1%)	6 (24.0%)	0 (.0%)	207 (69.0%)
Total	HHs	271 (100.0%)	25 (100.0%)	4 (100.0%)	300 (100.0%)

Source: Survey result, 2009

The provision of adequate pure water is very critical for urban dwellers with out which life would be very difficult. To this end, the provision of water supply for the town is in better condition. As it shown on Table 4.20, almost one third of the household heads 190 (63,4%) uses water from their own tap. while the rest 55 (18.3%), 37 (12.3%), 18 (6%) of the household heads uses water from public tap (*bonno*), Tap in compound (shared), and Tap in compound (private) as the main sources for domestic propose, respectively.

Table 4.20: Poverty Profile Based on Main Source of Water

Poverty Level of the HHs		Main Source of drinking water?				Total
		Own Tap	Public Tap (<i>Bonno</i>)	Tap in compound (shared)	Tap in compound (Private)	
Above PL	HHs	51 (26.8%)	20 (36.4%)	19 (51.4%)	3 (16.7%)	93 (31.0%)
Below PL	HHs	140 (73.2%)	34 (61.8%)	18 (48.6%)	15 (83.3%)	207 (69.0%)
Total	HHS	190 (100.0%)	55 (100.0%)	37 (100.0%)	18 (100.0%)	300 (100.0%)

Source: Survey result, 2009

From the same Table, from those households who live above poverty line, about 51 (26.8%) have their own private tap, 20 (36.4%) have use water from public tap (i.e. *Bonno*), 19 (51.4%) use from shared tap in their compound, and the rest 3 (16.7%) use water from private tap. However, from households of poor category it's also obtained that the larger number of the households 140 (73.3%) have their own tap, 34 (61.8%), 18 (48.6%), and 15 (83.3%) of households access water from public tap (*Bonno*), tap in compound (shared), and tap in compound (private). One can conclude from this although close to one third of the households have their own piped water system in their house they did not escaped from being in poverty. Hence, having piped water or not does not have significant effect on poverty in Asella town.

Concerning electric facilities, the town is relatively in a better condition. As it shown in Table 24, about 82% of total households use electricity as main source of light, and more than half of the total households have their own private mater. However, in spite of the fact that it's an urban area there are few households who still use kerosene lampa and other means as source of light. This might be due to some kebeles like Halela Kebele 11/12 are situated in

the peripheral part of the town, and yet the basic infrastructure facilities like electricity, water, telephone have not that much well-developed.

Table 4.21: Main Source of Light

Poverty Level of the HHs		Main source of light?				Total
		Electricity meter (private)	Electricity meter (shared)	Kerosene (lamp)	Others	
Above PL	HHs	70 (40.9%)	11 (14.5%)	5 (13.9%)	7 (41.2%)	93 (31.0%)
Below PL	HHs	101 (59.1%)	65 (85.6%)	31 (86.1%)	10 (58.8%)	207 (69.0%)
Total	HHs	171 (100.0%)	76 (100.0%)	36 (100.0%)	17 (100.0%)	300 (100.0%)

Source: Survey result, 2009

From the same Table, it is clear that, in relative terms compare to household head who own its private electric meter 59.1%, large proportion of households who use electric services on share, kerosene (lampa), other source of energy fall under poor category 85.6%, 86.1% and 58.8% households, respectively. Hence, source of light is found to be important factors for a household to be fall in poverty or not.

In general, the housing condition of studied kebeles attests that about one third of the total households are living in their own houses but they did not escape from being poor. Most of the houses were constructed from poor quality materials i.e. wood and mud. In addition, poor housing facilities which are typical characteristics of the studied areas explain the low living status of households.

4.9. Result of Logit Model

In forgoing sections, descriptive statistics were used to discuss the relationship of some explanatory variables with poverty. The descriptive statistics of the explanatory variables have shown some relationship with urban poverty, and ch-square test for some categorical explanatory variables shows significant difference between the poor and non-poor household head.

In this section, the Logit model was also used to substantiate the descriptive statistics with some major selected explanatory variables. The model tries to estimate and identify statistically significant variables that mostly affect urban poverty in Asella town. A number of factors were assumed to affect the welfare of household head. However, the result of the analysis revealed that only the following coefficient; sex, family size, income, chronic diseases incidence, and educational level of household head are significantly different from zero either at 1%, 5% or 10% of significance.

Table 4.22: Logit Model Result for the Determinant of Urban Poverty in Asella Town.

<i>Explanatory variables</i>	<i>B</i>	<i>S.E.</i>	<i>Wald</i>	<i>Sig.</i>	<i>Exp(B)</i>
Age	1.240	0.49	6.243	0.112	3.457
Sex	1.479	0.496	8.903	0.062***	4.387
Family size	0.122	0.050	6.069	0.014**	1.130
Marital status	- 0.948	0.582	2.650	0.104	0.388
Education	-1.479	0.496	8.903	0.032**	4.387
Income	- 2.979	1.081	7.595	0.001*	0.051
Health	1.987	0.542	13.449	0.079***	7.290
Tenure Security	1.490	0.487	9.353	0.117	3.322
Water	1.201	0.547	4.826	0.228	3.322
Constant	-8.730	3.051	8.185	0.004	0.000
Case Prediction	Overall cases		Poor Households		Non-Poor Households
	90.3%		94.5%		92.6%

*Significant 1% **Significant 5% *** Significant at 10%

From the classification of Table 4.22 result, it is found that 92.6% and 94.5% of the non-poor and the poor households respectively are correctly predicted by the model. From the total sample households, about 90.3% of them are correctly predicted by the model, which is good estimation for cross-sectional data.

As indicated in logistic model estimate, the coefficient for sex of household head is significant different from zero at 10% level of significance. It means that keeping all other variables constant, as the household head increases by one female-household head, the odds or exp (B) of the household to fall into poverty increase by a factor of 4.387. In terms of probability, this means that as the head of the household increases by one female-headed household the probability that the household to fall into poverty increases by 48%. This is as expected, more than half of Female-headed household as discussed in the descriptive statistics part engaged in small business activities and about 66% of them earn extremely lower income (i.e. below 300 Birr per month) compare to 34% male-headed household. The result is consistent with the finding of Shewaye (2002), Meron (2002), Tizita (2001) in that female-headed households are those who are most affected and vulnerable group in experiencing hard core poverty.

Another variable which significantly influences urban poverty in Asella town is family size (sig.5%). It means that keeping all other variables constant, as the household family size increases, the odds or exp (B) of the household to fall into poverty increases by a factor of 1.130. In terms of probability, this means that as family size increases by one unit, the probability that a household to fall into poverty increases by 12%. The result also goes in line with descriptive statistics in that there is a positive relationship between the large family size and poverty. This result matched with the model result of Muzzini (2008) that large family size is significantly to affect the well-being of household in urban Ethiopia. Likewise, Esubalew (2006), Mekonen (1999b), Tesfaye (2004), and Yohannes (1996) for urban center of Ethiopia, also reached at similar conclusion that the probabilities of the household to being in poverty increases with increases family size.

The model estimate confirms that the income of household is negatively and significantly affected urban poverty at 1% level of significance. This means that as the income of

household head increases by one Birr, the odds or exp (B) of the household to become poor decreases by a factor of 0.051. In terms of probabilities this means that as the monthly income of household head increases by one Birr the probabilities of the household head falling into poverty decreases by 98%. This is also as expected, as described under the descriptive statistics part the monthly income of household head is negatively related to poverty. On average about 61% of the total households earn below 700 Birr per month and most of them (95% out of 185) falls below absolute poverty line. In contrast, as the income of household head increases (above 701 Birr per month) the probabilities of household head to become poor decreases consistently. The result is consistent with the finding of Arne & Negatu (1996), Esubalew (2006), and Mekonen (1999b) at their respective research area.

The same model estimate shows that higher educational attainments of household head is significant (Sig.5%) and influence the well-being negatively. As the educational level of household head increases (i.e. higher than elementary school) the odds or exp (B) of the household to fall into poverty decreases by a factor of 4.387, it means that as the educational attainment of household head increases (i.e. Above elementary school) the probabilities of falling into poverty decreases by 48%. This is also, as expected because as indicated in descriptive analyses, more than half of the total household heads have low educational qualification (less than or equal to elementary school) and most of these household earn extremely lower income i.e. below 300 per month, and majority of them (79%) falls into poverty trap. This result is consistency with the model result of Alemayehu & Jong (2001), Corlets (1997) in Yared (2005). All of the above result confirmed that education is negatively correlated with poverty. In fact for Alemayehu & Jong and Corlets education particularly a high school and higher level education are found to be the most important factor that is associated with poverty.

In the model, the Status of health condition in a household member is one of the determinants of urban poverty. As indicated in the model estimate, the major chronic diseases incidence significant at 10%. This means that, keeping all other thing constant, as the household's member who suffer from major chronic disease increases by one household head, the odds or exp (B) of the household to fall into poverty increases by a factor of 7.290. In terms of

probability, this means that as the member of the household head who suffer from chronic diseases increases by one household head, the probability of the household to fall into poverty increases by 98%. This finding is consistent with Somashekar, (2003) in that absence of proper health in the family member adversely affects the well-being of households.

4.10. Survival Strategies of Poor Households

The existence of poverty conditions has brought about an emergence of quite a number of complex adjustment mechanisms that capacitate households to escape or sustain the impact of poverty. As has been revealed in this study, the monthly expenditure of the poor household heads exceeds their monthly income by 90%. In what follows, I will try to trace the coping and survival mechanisms and/or strategies adopted/ applied by poor households to close the gap between their fixed incomes and ever rising expenditure on basic needs. For examples, in the survey households were asked the trend of the current monthly expenditure on basic needs like food, clothing, education, and health etc, as compared to the last 3 years (as decreases, increased, and unchanged) and most of poor households (94.6% out of total poor households) responded that their monthly expenditure increased very much consistently over the last three years (Annex C: Table 2).

In this particular study, coping and survival strategies refer to the ordinary mechanisms people pursue to mobilize resources to handle difficult situations. This is because as long as there is a deficit, people find themselves forced to persuade a possible alternatives to match expenditure or to reduce expenditure (i.e. consumption) according to the level of their income. Therefore, the concept of coping and survival practices in this study refers to the way the poor increase their earnings in order to realize the minimum standard of living. To cope with poverty, the poor households' uses a variety of quite complex mechanisms. In the following sub-section, the various survival and coping strategies of poor households in Asella town are discussed.

4.10.1. Group Solidarity Strategies

Group solidarity strategies are the joint response of certain groups (household members) within the context of their social networks to combat poverty (Ahmend, 2002). This type of response reflects the social solidarity and the process of integration among society. As long as there is a deficit in the household budget, it's always confronted by burden-sharing. Most of the household members, if not all, respond quickly to find strategies options to relief that budget and access to different means and resources. The group solidarity strategies, includes; external support mechanism and increase in number of income earners from family members.

External Support Mechanisms

Not only do permanent resident of the poor households contribute to it's budget, but also friends and relatives working inside and abroad contribute in a form of substantial transfers and remittances. Remittances, in particular, represent a majority component in the poor household budget. In addition, rural relatives are also considered as one of the way of survival mechanism for most of poor households who dwellers in the town and they contribute in kind including; wheat, barley, vegetables, maize, *Teff*, and others.

Table 4.23: External Support Mechanisms for poor households

	Do you receive any support from relatives/friends/ children?		Total
	Yes	No	
Number of poor households	137	70	207
% of the total	66.2	33.8	100.00

Source: Survey result, 2009

In the survey, those who opt to such strategy responded that the severity of the problem has pushed them to borrow money from friends, relatives even some of them sold their personal possession and send their children to Arab countries. However, as most writers argue such external support may encourage dependency as a means of survival among poor households that are receiving family support. In addition, the dependency on transfers and remittances seem to threaten the sustainability of household's budget to meet the basic requirement since they are irregular and affected by other factors.

Increasing Number of Income Earners

Increasing the number of income earners from the family member is the principal and vital resort at times of stress. In this regard, in Table 4.26, about 29% of poor household responded that they increased the number of income earners from their family as a strategy in order to secure their living.

As indicated in Table 4.24, more than half of the total poor households 116 (56%) send their children to any kind of work that bring them money, and school age children engaged in various informal activities, which includes; selling of local drink, magazine, cigarettes, plastic bags, vegetables, shoe cleaning, and bagging. Women on the other hand engaged with various activities such as handicraft (i.e. dress making, pottery), make and sale of local drink (i.e. *Tella* and *Arekea*), collect and sale of fuel-wood, Petty Trade (i.e. *Gulit*), sale of food (i.e. *Enjera*, *Dabo*), and other activities of that kind to survive and secure their families from poverty. For example, the result in Table 4.25 show that about 94.4%, 50%, 27%, and 7.6% of poor households wife engaged with making and sale of local drink, sell of food, handicraft, and other similar activities including; petty trade/ *Gulit*/, Collect and sale of fuel-wood.

Table 4.24: Family Participation in Productive Activities

	Yes	No	Total
1. Did the house wife participate in any productive activity out of home?	52 (85.1%)	15 (14.9%)	67 (100%)
2. Are the family children involved in any productive activities?	116 (56%)	91 (44%)	207 (100%)

Source: Survey result, 2009

In addition to the above activities, about 18 % of the wife of poor households engaged with various in-door activities which includes; domestic animal rearing, selling milk & milk product, and other similar tasks.

Table 4.25: Type of Work the wife of poor households engaged

If the house wife work what type of work?	Number of poor households wife from total	% of poor household wife engaged
• Handicraft	28	27
• Making and sale of food	46	50
• Making and sale of local drink	120	94.4
• Others activities	8	7.6
Total	202	179

Source: Survey result, 2009

Note: The total percentage is not equal to 100% since households are engaged in more than one type of activities.

4.10.2. Disposal of Possessions

The main problems of the poor households are the shortage of real liquid money to meet their basic expenditure. Because, they earn lower monthly income (for instance, as explained in Table 4.8, about 63% of all the poor household head earn 300 Birr or less per month), which could not matches family needs. Hence, monthly income for most can only sustain the family for only few days. To bridge the gap, people resort to borrowing from friends and relatives. As shown in the Table 4.26, 52.9 % of the poor households interviewed have asserted that they resort to borrowing and that they are permanently in debt. When this borrowing accumulates over time, people dispose their household's domestic assets for the purpose of dept repayment and need for cash.

Table 4.26: Survival and Coping Strategies of poor households

Mechanisms	Frequency	Percentage
• Borrowing	147	52.9
• Disposal of possession	45	16.2
• Sale of assets	72	25.9
• Rent of property	42	5.1
• Transfer, remittance	180	64.8
• Renting part of house	40	14.4
• Cut-back consumption	198	71.2
• Increase number of income earners	81	29.1

Source: Survey result, 2009

Note: The total percentage is not equal to 100% since households are engaged in more than one type of strategies.

The result of the study also attests that Sale of personal assets has become an important survival strategy for most of poor households (25.9%) in the Asella town. In the town the

exchange of second-hand assets are held in one corner of the local market, In this market old clothes, furniture, electronics, scrap assets, doors, windows, and chairs... etc are, therefore, sold these item are also getting a good marker since the buyers themselves can not afford new ones. The poor households are engaged with selling domestic possession and assets as indicated in the table 4.27.

Table 4.27: Disposal of Possession by Type

Type Of Possession	% Total Households	% Engaged households
• House/ land	7.7	10.3
• Electronics	28.5	44.4
• Gold	19.4	32.1
• Furniture	15.7	23.6
• Old clothes	17.7	29.1
• Scraps	9.6	11.2
• Others	1.4	2.5
• Total	100.00	153.2

Source: Survey result, 2009

Note: The total percentage is not equal to 100% since households are engaged in more than one type of sale.

4.10.3. Readjustment Strategies

To reduce vulnerability and risk of falling into the poverty trap in the case of economic hardship, people readjust through change in utilization patterns of their assets and in their consumption behavior; readjustment strategies are sometimes self-generated and preventive in nature, especially in the case of utilization of assets and/or property change in utilization of assets include rent of house, part of house, and rent of property, and change in consumption pattern includes direct cut-back on consumption.

New Forms of Assets Utilization

In this strategy family members live in part of their house and they either share, if it's rented, to reduce cost or rent part of their house in case of ownership as source of extra income. The result of the survey in Table 4.25 shows that about (14.4%) of poor households rent part of their houses. This often forces member of the household to be confined to one or two room at most, there by exacerbating the problem of overcrowding, and affect health condition of households' members. For example, as explained in Table 4.16 form the total poor households 129 (62.3%) live in a house of one or two rooms.

In addition, some families also have opted to live in the border area of the town by renting their houses that are located in center or medium part of the town. This behavior is mainly for making use of the difference in rent. Similarly, families that do not own house also behave in the same way by moving from a higher rent residential to cheaper residential areas to save in rent.

Cutting-Back on Consumption

In this strategy, people either reduce the quality, or quantity, both of their food tables, usually Ethiopian consumption norms is used to being as three meals a day. Now according to the survey result, more than half of the total poor households (53%) eat two meals a day. In addition, the same food items may be repeated in more than one meal and for several days. This is asserted by (64.3%) of respondents who attributed deterioration of food tables both in quality and quantity in their meals.

Table 4.28: The Number of Meals Taken per Day

	Number of Meals in take per day?					Total
	One	Two	Three	Four	No regular meal time	
Poor households	21	109	67	5	5	207
% of total	10.1%	52.7%	32.4%	2.4%	2.4%	100%

Source: Survey result, 2009

The result of the study shows that most of poor-households responded that the quality of their meals reduced because the price of cereal crops in general and the price of *Teff* drastically increased in particular. This forced most poor households to substitute *Teff* with other cereal crop including; wheat, sorghum, and maize. In addition in extreme cases these households eat very cheap food item produced from maize *i.e. summa*.

Table 4.29: Forms of Deterioration of Poor Households food table

Type of deterioration	Number of poor households	% of households out of engaged
• Quality	47	25.00
• Quantity	20	10.70
• Both	120	64.30
Total	187	100.00

Source: Survey result, 2009

CHAPTER FIVE

SUMMARY, CONCLUSION AND POLICY IMPLICATION

5.1. Summary

The objective of the study was to assess the level and status of poverty, to identify determinants of urban poverty, and survival strategies of poor households in Asella town. Both primary and secondary data sources were used to carry out the study. A total of 300 household heads were systematically selected and the study was undertaken in six Kebele; 03, 04, 06, 07, 11, and 12 of the town.

In this study different analytical techniques were applied including descriptive and statistical techniques like chi-square test and Logit model. In the description part analysis was made by making use of SPSS-15 version. Chi-square test was run to see if there is systematic association between poor and non-poor household for some categorical variables.

In the identification of the poor from the non-poor the research used the CBN approach. Based on this approach, the study found out that about 69 percent of the total sampled households falls below poverty line, with on average 33 percent short fall to reach poverty line, and severity level of the town found to be 18 percent. On the basis of the food poverty line, the head count index, depth and severity of poverty in Asella town are 63%, 27% and 15%, respectively. These finding provides adequate evidence to draw inferences about the prevalence of hard core poverty in the town.

In the study various variables, which were hypothesized to account for the incidence of poverty in the town were selected and analyzed. These were sex, age, family size, marital status, income, education, employment, health, and Social services like water source, house tenure, and energy utilization. The main essence of these quantitative descriptions is to provide a qualitative description of the coping and survival practices applied by poor households in the Asella town.

The major findings of the research are summarized below:

- The food poverty line for Asella is found to be 125.52 Birr per adult per month, which is equivalent to 1506.28 Birr per adult per year. The total poverty line for the town is 2271.86 Birr per adult per year. Both of the above result is quite higher than the average national food poverty line and total poverty line for urban Ethiopia (MoFED, 2006). This difference could be attributed to the current rampant inflation in the country in general and Asella town in particular. Besides, the time gap of research could also another factor.
- There is inverse relationship between monthly income of household head and incidence of poverty. The percentage of poor households significantly declines as the monthly income of household heads increases. For example, majority of the household heads (130) whose monthly income of less than Birr 300 falls below poverty line and hardly any one of these household head live in out of poverty trap. On the contrary, only (30) household heads whose monthly income of above 700 Birr falls below poverty line and most of household head (95) live out of poverty trap. In addition, 80% of the household head monthly expenditure exceeds their monthly income and most of them 77.2% out of 241 households live in below poverty line. Moreover, 65% of the household head did not save income per month, and 87.2% out of 171 households are live in below poverty line.
- About 91% of the total sampled households were employed and yet most of them couldn't escape poverty. This is because the return they get form being employed is not sufficient enough to have effect on their livelihood. Besides, most of employed households couldn't have additional source of income apart from their main occupations.
- Marital status is the other correlate of the well-being of households. The result of the study in Asella town reveals that there is no much difference of the rate of falling into poverty between currently married and never married household heads. In contrast, the probabilities of being poor increase in all single household heads who have been married before (separated, divorced, and widowed). This is because, in these households there might be lack of household member who is capable of supporting the household member to meet their needs.

- Female-headed households are most affected and vulnerable in experiencing hard core urban poverty in Asella town. This is partially because, more than half of the total female-headed household in the town depend for their daily livelihoods on small business activities. These activities have less potential to earn adequate incomes to bring change in their livelihoods.
- Age of household head was not found to have significant in linear relationship with the probabilities of being poor. In fact, the relationship between age of the households and poverty was not statistically significant.
- The size of the household member is positively related to poverty in Asella town. As the size of household member increases, keeping other things constant, the proportion of poor households increases and vice versa.
- There is inverse relationship between educational attainment of household heads and incidence of poverty. The percentage of poor households significantly declines as the educational level of household heads increases. For example, about 53 percent of the total household heads were with low educational qualification (elementary school and below) and 42% of the 159 household head in this category live in poverty trap. On the contrary, 6.3 percent of the household heads have attained first degree and above. Only 26% of the 19 household heads in this category are under poverty line.
- The status of health condition of the household member is one of the indicators of poverty. At least one member of the 87 (22% of the total sample households) households has suffered from a chronic disease in the 12 months prior to this survey. Of these about half (42%) have suffered from very critical diseases. Of the households whose members have suffered chronic illness, the overwhelming majority (87%) are from the poor category.
- Housing tenure status is found to be one of the important factors for a household to be fall in poverty or not. In relative term tenure security decreases the probability of being poor, where as it increases the probability of being non-poor.
- There is a critical housing facilities problem in the studied area. Almost 90% of houses were constructed from poor quality materials. 47% of the total households dwell in just two or less-roomed houses. 10.3% of the total households don't have access to toilet

facilities; 37% don't have private tap; 90.3% live without shower facilities; and 12% use kerosene lamp as source of light.

- About 64% of the total poor household heads earn less than or equal to 300 Birr per month. As a result, monthly expenditure of most of the poor households (90%) exceeds their monthly income. To fill the gap, poor household heads in the studied kebeles are practicing various survival or/and coping mechanisms. These mechanisms; remittance, rural relative support, engagement of family members in various informal activities, selling of personal possessions, selling of household assets, renting out property, leasing part of their dwellings to others, moving from higher rent residential to cheaper residential areas, taking loans from friends or/and relatives, sending children to abroad, reduce the quality and quantity of food tables, and reducing number of meals intake per day.
- Also, Correlates of urban poverty in Asella are determined by estimating Logistic model to complement the descriptive part. As presented under the results and discussion part, variables like sex of household head, family size, income, chronic disease incidence, and educational level of household head found to be significant correlates of urban poverty of the area either at 1%, 5% and 10% level of significance, respectively. On the other hand, variables like age, marital status, tenure security, source of water were found to be statistically insignificant at any of the above level of confidence.
- The result of the model showed that there is strong negative relation between educational level of household head and poverty in the town. Put differently, household heads with lower educational qualification (equal to or less than elementary school) are more likely to fall into poverty than those with higher educational qualification (greater than elementary school).
- Similarly, household head's level of income has a strong negative correlation with poverty. This means that as the income of household head increases the probabilities of the household head falling into poverty decreases and vice versa.
- The findings also confirmed the fact that female-headed households experience urban poverty more than male headed ones. Similarly, major chronic diseases incidence in the household increases the chances of the households to fall into poverty than those

households whose member didn't suffer from chronic diseases in the 12 months prior to the survey.

5.2. Conclusion and Policy Implication

The result of the poverty estimates in this study clearly indicates that, poverty is quite high among the surveyed households: 69% by the head count ratio, 33% by poverty gap, and 18% by the severity index. This calls for serious attention from government, policy makers, NGOs, CBOs, and other concerned bodies who work for the growth and development of the town.

On the basis of the above findings, the following conclusion and policy implications of the study stand out.

- The educational attainment of the head of the household is found to be the most important factor that is associated with poverty. Lack of education is the important factor that is associated with poverty. Thus, promotion of education is central in addressing problems of absolute poverty in the long run. Such a strategy should include significant emphasis to female education. This is because, the majority of the poor households are headed by females. Thus, educating more females will significantly reduce poverty in the town. This can be captured along different lines such as reduction in family sizes since educated women have less tendency of having too many children. In this regard, the recently introduced private college in the town and upgrading with expansion of the existing government college in the town to university level (like recently up grading of Asella Agricultural Colleges to Adama University Agricultural Colleges) would play significant role and therefore should be given much emphasis. This is because students who were able to learn but incapable of joining higher government institution have the opportunity to further pursue their academic pursuit.
- Emphasis should be given to female-headed households in the poverty reduction strategy of the town. As indicated above, education is a factor in point here. Expansion of micro finance institutions is another important method of addressing this issue. Particularly, for those female-headed household who primary engaged in small businesses activities.

- Food poverty line for Asella town was found to be higher than the national food poverty line because of higher price for food items prevailing in the study area, which in turn escalates the cost of living. This makes urban dwellers unable to afford food items. In particular poor households are severely affected by high escalation of food prices in the studied area. Food accounts for substantial proportion (about 66.3%) of the consumption expenditure of the poor and dominates the estimated poverty line. This suggests that grain price stabilization policies could have a strong impact in protecting the welfare of the poor. Hence, it's good to organize the community member into consumer's cooperatives so as to help them get consumer commodities at reasonable prices.
- Income of the household, as it was expected, correlated negatively and affected poverty significantly. Thus, ways of diversifying the means of increasing income should be introduced. To this end, both the community members and the government should have the joint effort and responsibility to find possible panaceas. One ways of doing this is through expanding the entrepreneurship skill of the local communities. Moreover, expansion of Micro and Small Scale Enterprises through strengthening the existing Micro Finance Institution in the town could be used as one instrument.
- In general, the problem of poverty in the town can be reduced to a significant level so long as there are joint efforts in the identification of the causes and consequences of poverty in the town. This calls for coordinated commitment from the government, NGOs and CBOs, researches, the poor themselves, and other stakeholders.
- This research is cross-sectional which can tell a result of one time survey. However, People's well-being change over time and hence there is a tendency of moving in and out of poverty situation over time. If a longitudinal survey is undertaken, the result would reflect a better measure of poverty and the survival strategies of poor households in the town.

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ANNEX A

Annex A: Table1: Teachers Qualification, Student -Teacher and Student-Classroom Ratios, 2008

School Cycle	No. of Qualified Teachers	No. of Students	Student – Teacher			No of Class rooms	Student - Classroom		
			Existing	Standard	Gap		Existing	Standard	Gap
KG	88	1340	16:1	1:40	+14	75	18:1	40:1	+22
1-4	169	5833	35:1	1:40	+5	110	53:1	1:40	-13
5-8	200	6643	34:1	1:40-50	+6	136	49:1	1:50	+1
9-10	81	7026	87:1	1:40-50	-47	110	64:1	1:40	-24
11-12	60	1598	27:1	1:40-50	+13	34	47:1	1:40	-7

Source: Asella Town Administration Education Office, 2008

Annex: A Table 2: Distribution of Health Institutions by Type, Ownership and bed /population ratio

No	Type of Health Institution	Population	Health Institution by ownership					Institution/Pop			Bed	Bed/pop		
			Gov't	NGO	Private	FBO	Total	Existing	Standard	Gap		Existing	Standard	Gap
1	Hospital	2,000,000	1	-	1*	-	2	1: 2,000,000	1: 250,000-1,000,000	-	204	1:9,804	1:3000	463
2	Health Center	74,268	1	-	-	-	1	1:74,268	1: 25,000	4	15	1:4,951	1:3000	26
4	Health Post	74,268	1	-	-	-	1	1:74,268	1:5,000-7,000	7				
5	Clinic		8	2	11	2	23	-	1: 10000	-	-	-	-	-
6	Pharmacy		2	-	5	-	7	-	-	-	-	-	-	-
7	Drug Vendor		-	-	2	-	2	-	-	-	-	-	-	-
Total			12	2	19	2	35							

Source: Asella Town Health Office, 2008

ANNEX B

Annex B: Table 1a: Food Basket That Gives 2200 Kcal per Adult per Month for cereal grown Urban Center in Ethiopia

<i>No</i>	<i>Food item</i>	<i>Quantity</i>
A	Cereals (in kg)	
1	• Teff	8.82
2	• Barley	0.39
3	• Wheat	2.42
4	• Maize	2.5
5	• Sorghum	2.5
B	Pulses	
1	• Lintels	0.39
2	• Hors beans	0.23
3	• Cow beans	0.23
4	• Shiro	0.94
C	Vegetables	
1	• Gomen	0.39
2	• Potato	0.94
3	• Onion	0.96
D	Other food items (kg or l)	
1	• Milk	0.39
2	• Bread	0.94
3	• Edible Oil	0.47
4	• Enjera	1.64
5	• Sugar	0.23
6	• Coffee	0.23
7	• Salt	0.62
8	• Berber	.032

Source: Mekonen, 1999a

Annex B: Table 1b: Calorie Consumption and Expenditure Share of Major Food Items at the Poverty Line

	Calorie contribution (%)	Expenditure share (%)
Cereals and cereals products	81	61
Pulses and pulses products	9	9
Other food	10	20
Total	100	100

Source: Mekonen, 1999a

Annex B: Table 1c

Nutrition Based Adult Equivalent Conversion Factors

Age	Male	Female
<1	0.33	0.33
1-2	0.46	0.46
2-3	0.54	0.54
3-5	0.62	0.62
5-7	0.74	0.70
7-10	0.84	0.72
10-12	0.88	0.78
12-14	0.96	0.84
14-16	1.06	0.86
16-18	1.14	0.86
18-30	1.04	0.80
30-60	1.0	0.82
60 and above	0.84	0.74

Source: Dercon and Krishnan, 1996

Annex B: Table 2

**Food Poverty Line/ Cost of Minimum Food Basket That Gives 2200 K Cal per Month for
Asella Town**

<i>No</i>	<i>Food item</i>	<i>Quantity Or F</i>	<i>Unit price (in Birr) Or P</i>	<i>Total cost (in Birr)</i>
A	Cereals (in kg)			
1	• Teff	8.82	5.87	51.7734
2	• Barley	0.39	2.96	1.1544
3	• Wheat	2.42	4.29	10.3818
4	• Maize	2.5	2.9	7.25
5	• Sorghum	2.5	3.33	8.325
B	Pulses			
1	• Lintels	0.39	4.5	1.755
2	• Hors beans	0.23	4.35	1.0005
3	• Cow beans	0.23	4.5	1.035
4	• Shiro	0.92	9.0	8.16
C	Vegetables			
1	• Gomen	0.39	2.53	0.9867
2	• Potato	0.94	3.5	3.29
3	• Onion	0.96	4.91	4.7136
D	Other food items (kg or l)			
1	• Milk	0.39	3.5	1.365
2	• Bread	0.94	0.85	0.799
3	• Oil	0.47	21.5	10.105
4	• Enjera	1.64	1.1	1.804
5	• Sugar	0.23	8.5	1.955
6	• Coffee	0.23	20	4.6
7	• Salt	0.62	1.5	0.93
8	• Berber	.032	2.50	0.08
	Food Poverty Line per adult per month (Zf)			125.5234
	Food Poverty Line per adult per year			1,506.281

Source: Price Data Collected from Asella Weekly Saturday

ANNEX C

Annex C: Table 1: Income of Households

Poverty level of the household		Average income earned from all sources/ per month										Total
		Below 100	101- 200	201 -300	301 - 500	501 - 700	701 - 1000	1001 - 1500	1501 - 2000	2001-2500	Above 2501	
Above PL	HHs	0 (.0%)	0 (.0%)	2 (3.8%)	3 (17.7%)	3 (8.6%)	22 (71.0%)	16 (5.7.1%)	12 (100.0%)	15 (75.0%)	20 (83.3%)	93 (31.0%)
Below PL	HHs	11 (100.0%)	69 (100.0%)	50 (96.2%)	15 (83.3%)	32 (91.4%)	9 (29%)	12 (42.9%)	0 (.0%)	5 (25.0%)	4 (16.7%)	207 (69.0%)
Total	HHs	11 (100.0%)	69 (100.0%)	52 (100.0%)	18 (100.0%)	35 (100.0%)	31 (100.0%)	28 (100.0%)	12 (100.0%)	20 (100.0%)	24 (100.0%)	300 (100.0%)

Source: Survey Result, 2009

Annex C: Table 2 Price Change on Basic Need over the Last 3 Years

Poverty Level of the HHs		How do you see change in price of expenditure of basic need (food, clothing, health, education etc) over the last 3 years?			Total
		Decreased	Increased	Unchanged	
Above PL	HHs	4 (66.7%)	86 (30.5%)	3 (25%)	93 (31.0%)
Below PL	HHs	2 (33.3%)	196 (69.5%)	9 (75%)	207 (69.0%)
Total	HHs	6 (100.0%)	282 100.0%	12 (100.0%)	300 (100.0%)

Source: Survey Result, 2009

Annex C Table 5: Employment based on household Head ship

Head ship		What is your main occupation?							Total
		private business	public sector employee	private sector employee	casual workers	own account worker /self-employed	other small business activities	others	
Male	HHs	42 (77.7%)	59 (65.5%)	13 (100.0%)	24 (41.4%)	14 (25.0%)	21 (87.5%)	4 (80.0%)	177 (59.0%)
Female	HHs	12 (22.2%)	31 (43.5%)	0 (0.0%)	34 (58.6%)	42 (75.0%)	3 (12.5%)	1 (20.0%)	123 (41.0%)
Total	HHs	54 (100.0%)	90 (100.0%)	13 (100.0%)	58 (100.0%)	56 (100.0%)	24 (100.0%)	5 (100.0%)	300 (100.0%)

Source: Survey Result, 2009



Addis Ababa University
School of Graduate Studies
Institute of Regional and Local Development Studies
(IRLDS)

Questionnaire Designed for Household Survey

General information to be filled by enumerator

Interview number _____

Kebele _____

Date _____ 2009

House Number _____

Dear participant

I am a graduate student at Addis Ababa University, Institute of Regional and Local development Studies, and currently working a research on *a Survival Strategies of Poor Households in Asella town*. The major objectives of this study are: to identify the proportion of poor households in the town, and to identify the major determinant of urban poverty, and to assess the survival and coping strategy of poor households, and to give recommendations for further policy measures. Therefore, I would like to invite you to the study. All the information provided are very essential to the outcome of the study. In addition, the information you provided will be treated confidentially and will not be used for any other purpose other than the above objectives.

Thank you in advance for giving me your precious time.

Sisay Debebe kaba

I. Basic Household Characteristics

Ser. No	List of household members	Age	Sex 1 M 2 F	Relation to head of the h.h. Code (A)	Marital Status: Code(B)	Religion: Code(C)	Education: Code (D)	Employment status Code (E)
01								
02								
03								
04								
05								
06								
07								
08								
09								
10								
11								
12								
13								
14								

Code (A)

1. Head
2. Husband
3. Son/daughter
4. Other relative
5. Servant/guard
6. Other, specify

Code (B)

1. Never Married Single
2. Married
3. Separated
4. Divorced
5. Widowed

Code(C)

1. Orthodox
2. Muslim
3. Catholic
4. Protestant
5. None
6. Other (specify)

Code (D)

1. Never any schooling
2. Can read & write
3. Elementary school
4. Junior Secondary school
5. Senior Secondary school
6. Certificate/Tech./ Vocational.
7. College Diploma
8. First Degree
9. Post graduate

Code (E)

1. Employed
2. Own account worker
3. Unpaid family worker
4. Unemployed
5. Pensioner

2. Number of children 6 years and above, if any?

i. going to school: Male _____ Female _____

ii. Not going to school: Male _____ Female _____

3. If "children not going go school" what is the reason?

- | | |
|-------------------------------|---------------------------------|
| 1. Service not available | 2. To assist in household work |
| 3. Can not afford to send all | 4. Don't want to send to school |
| 5. Its not important | 6. The children are disabled |
| 7. Other (specify) _____ | |

II. Economic Characteristics

A. Household Income

I.D.	Major source of income Code(A)	On average how much money do you earn/receive from all of your income sources (in Birr)? Code (B)	Have you any other source of income apart from the main? 1. Yes 2. No	Does your household income cover your expenditure? 1. Yes 2. No	Is there a change in your monthly income for the last 3 years? 1. Yes 2. No	
			If "Yes" from where did you get? Code (C)	If "No" how do you fill monthly income and expenditure gap? Code (D)	How much was in Birr 2005	How much was in Birr currently _____
1						
2						
3						
4						
5						
6						
7						
8						
9						

Code (A)

1. Wage/ salaries
2. Own business
3. Farming
4. Pension
5. Support from relative
6. Rent part of house
7. Support from Government
8. Support from NGOs
9. Other (specify)

Code (D)

1. Own business
2. House rent
3. Farming
4. Other (specify)

Code (B)

1. Below 100
2. 100-200
3. 201-300
4. 301- 500
5. 501-700
6. 701-1000
7. 1001-1500
8. 1501-2000
9. 2001-2500
10. 2501 and above

Code (E)

1. Borrowing
2. Disposal of possession
3. Sale of assets
4. Rent of property
5. Renting part of house
6. Transfers, Remittance and Donations
7. Cut-back consumption
8. Increase number of income earners

Code(C)

1. Wage/Salary
2. Own business/formal
3. Own business/informal
4. Rent of structures (house, etc.)
5. Rent of vehicles/equipment
6. Pension
7. Child support
8. Support relatives/gifts, remittances/
9. Investment/ interest
10. Other (specify)

II. Economic Characteristics

A. Household Income

I.D.	Major source of income Code(A)	On average how much money do you earn/receive from all of your income sources (in Birr)? Code (B)	Have you any other source of income apart from the main? 1. Yes 2. No	Does your household income cover your expenditure? 1. Yes 2. No	Is there a change in your monthly income for the last 3 years? 1. Yes 2. No	
			If "Yes" from where did you get? Code (C)	If "No" how do you fill monthly income and expenditure gap? Code (D)	If "Yes"	
					How much was in Birr 2005	How much was in Birr currently
1						
2						
3						
4						
5						
6						
7						
8						
9						

Code (A)

1. Wage/ salaries
2. Own business
3. Farming
4. Pension
5. Support from relative
6. Rent part of house
7. Support from Government
8. Support from NGOs
9. Other (specify)

Code (D)

1. Own business
2. House rent
3. Farming
4. Other (specify)

Code (B)

1. Below 100
2. 100-200
3. 201-300
4. 301- 500
5. 501-700
6. 701-1000
7. 1001-1500
8. 1501-2000
9. 2001-2500
10. 2501 and above

Code (E)

1. Borrowing
2. Disposal of possession
3. Sale of assets
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5. Renting part of house
6. Transfers, Remittance and Donations
7. Cut-back consumption
8. Increase number of income earners

Code(C)

1. Wage/Salary
2. Own business/formal
3. Own business/informal
4. Rent of structures (house, etc.)
5. Rent of vehicles/equipment
6. Pension
7. Child support
8. Support relatives/gifts, remittances/
9. Investment/ interest
10. Other (specify)

5. Does your household save per month? 1. Yes 2. No
6. If "Yes", how much does your family save per month? _____ Birr
7. If "Nothing", why? 1. Lack of sufficient income 2. Transfer to other duties
3. Other (specify) _____
8. In your opinion is the household income sufficient to make the family's ends meet?
1. More than sufficient 2. Highly insufficient or too little
3. Sufficient 4. Insufficient

B. Expenditure /Consumption

9. How much is household monthly expenditure on average for food (in Birr) last month?
1. Below 200 2. 201-300 3. 301-500 4. 501-600
5. 601-900 6. 901-1200 7. 1200 and above

Food Expenditure

10. Quantify the following food items with the appropriate unit of measurement.

Ser. NO	Food/ Drink items in their respective measurements	How much kilograms (Kg) or liters are purchased per month (on average)?	
		Amount(in Kg/ liter)	Expenditure(in Birr Per month)
1	Wheat(Kg)		
2	Teff (Kg)		
3	Sorghum(Kg)		
4	Maize(Kg)		
5	Barley(Kg)		
6	Potato(Kg)		
7	Onion (Kg)		
8	Beans &Peas(Kg)		
9	Lentil(Kg)		
10	Hors beans(Kg)		
11	Cow beans(Kg)		
12	Shiro(kg)		
13	Gomen (kg)		
14	Berbera (kg)		
15	Meat(kg)		
16	Milk(lit)		
17	Bread (number/day)		
18	Edible Oil(lit)		
19	Enjera (number/day)		
20	Sugar (kg)		
21	Coffee (kg)		
22	Salt (kg)		
23	Tela (lit)		

12. On the average in a day how many meals did your household consumed?
 1. 1 2. 2 3. 3 4. 4 5. No regular meal time
13. Did any member of your household eat his /her meal out of the house last week, if so how many meals were eaten out of the house? _____ meals
14. Are there any household members who have had their meals out of house at least once in days of last week? 1. Yes 2. No
15. If "Yes" i. How many individuals? _____
 ii. How much the household spend on average for them (in birr)? _____
16. Have you consumed any food from your own harvest? 1. Yes 2. No
17. If "Yes" quantify the consumption from owns stack in the last seven days? _____
18. If there was any person in your house who is not a regular member of the households during the last seven days? i. How many members? _____
 ii. How much you spend on average for them? _____
19. How do you see that the current prices of good and service as compared the prices before 12 month?

No	Prices of Good and service	1. Decreased	2. Some what Increased	3. Increased very much	4. No change
1	Price of Food				
2	Price of House rent				
3	Price of Clothe				
4	Price of Fuel wood				
5	Price of Gasoline				
6	Price of Medicine				
7	Price of Transport services				

Non-food expenditure

20. Estimate the amount of money spent per month/per annum for the following non-food item (in Birr) either for this month or year?

Ser. No	Non-food item		Total expenditure per month (Birr)
<i>For Question 1-16(Money spend per month)</i>			
1	Housing	Rent	
		Loan repayment	
2	Water bill		
3	Electric bill		
4	Telephone bill		
5	Energy sources	Fuel wood, charcoal	
		kerosene	

6	Loan payment(capital and interest)		
7	Education(school fee, pen, pencil etc)		
8	Transport		
9	Domestic service (guard, servant salary etc)		
10	Personal care expenditure		
11	Ceremonial expense		
12	Entertainment (cinema, recreation etc)		
13	Tax and contribution		
14	Saving	Iqqub	
		Ider	
		Bank deposit,	
15	Other (specify) _____		
For Question 16-18(<i>Money spend per annum</i>)			
16	<i>Clothes</i>		
17	<i>Shoes</i>		
18	<i>Health</i>		

21. Do these household permanently support individuals of other households over the past twelve month? 1. Yes 2. No

22. If "Yes " i) How many individuals? _____

ii) How much you spend on average for them? _____

23. Of the following food item which ones does your family frequently consume?

1. *Enjera* with *Shiro* 2. *Enjera* with *meat* products 3. Bread with *shiro*
4. Spaghetti / Macaroni 5. Vegetables 6. Other (specify) _____

C. Family Ownership of Asset?

24. Quantify the following asset if you have in Birr:

No	Type of asset	Yes	No	VALU IN Birr	Source:				
					1.Purchas ed	2.Inher ited	3.Donation	4.Borrow ing	Other
1	House								
2	<i>Soffa/ Fotte</i>								
3	Refrigerator								
4	Television								
5	Tape recorder								
6	Radio								
7	Stove								
8	Milk cow								
9	Other (specify) _____								
-									

D. Employment/ Occupation

25. What is your main occupation?

- | | |
|--------------------------------------|------------------------------------|
| 1. Private business | 2. Public sector employee |
| 3. Private sector employee | 4. Casual workers |
| 5. Own account worker/ self-employed | 6. Other small business activities |
| 7. Other (specify) _____ | |

26. If "Own account worker or Self-employed". Which types are you engaged?

- | | |
|--|--------------------------|
| 1. Petty-Trade/ <i>Gulit</i> | 2. Trade |
| 3. Metal/ Wood Work | 4. Hotel service |
| 5. Preparation and Sale of Local Drink | 6. Sale of food |
| 7. Handicraft (Pottery etc.) | 8. Other (specify) _____ |

III. Social Characteristics

A. Health

27. Have any of your household members suffered from any disability or major chronic health problems during the last 12 month? 1. Yes 2. No

28. If "Yes" what is the Degree of illness?

1. Very critical 2. Critical 3. Moderate 4. Simple

29. What kind of disabilities do they suffer from? _____

30. Have you visited any hospital or clinic?

- | | |
|---|---|
| 1. Government (Hospital, Health Center) | 2. Private Clinic (Hospital, Health Center) |
| 3. Traditional medicine | 4. Other (specify) _____ |

31. If "Government", why do you prefer?

- | | |
|---|---------------------------------|
| 1. Because it has lower charge | 2. Because of its good facility |
| 3. Because of its qualified professionals | 4. Other (specify) _____ |

32. If "Private", why do you prefer?

- | | |
|---------------------------------------|---------------------------------|
| 1. Better treatment | 2. Because of its good facility |
| 3. Because of qualified professionals | 4. Other (specify) _____ |

33. If "Traditional", why do you prefer?

- | | |
|---------------------|---|
| 1. Low charge | 2. Cure better than scientific medicine |
| 3. Better follow up | 4. Other (specify) _____ |

34. So far, to what extent does the town health service provided attention in solving health problem? 1. a lot attention in solving health problem

- | | |
|----------------------------------|------------------------------------|
| 2. Some attention to the problem | 3. Little attention to the problem |
| 4. No attention at all | 5. No comment at all |

B. Housing

35. Who is the Owner/Tenure of the housing unit?

1. Owned by yourself
2. Rented from private
3. Rented from *Kebele*
4. Other (specify) _____

36. If owned, was it:

1. Purchased
2. Donated
3. Own built
4. Inherited
5. Other (specify) _____

37. How many rooms does this house have?

1. One
2. Two
3. Three
4. Four
5. More than five

38. If "Rented from private", how much do you pay monthly? _____ Birr

39. What are the main construction materials of the house you live in?

1. Wood with mud
2. Block
3. Stone
4. Other (specify) _____

40. Concerning your family's housing which of the following is true?

1. It is less than adequate for my family's need
2. It is adequate for my family's need
3. It is more than adequate for my family's need

c. Social Service Indicators

41. Source of drinking water:

1. Own Tap inside the house
2. Tap in compound, public / *bonno*
3. Tap in compound shared
4. Outside compound, private

42. Main Source of light:

1. Electricity (Meter private)
2. Electricity (Meter shared)
3. Kerosene lamp
4. Other (specify) _____

43. Kitchen:

1. No kitchen
2. Shared kitchen (Traditional)
3. Shared kitchen (modern kitchen)
4. Private kitchen (modern kitchen)
5. Private kitchen (Traditional kitchen)
5. Other (specify) _____

44. Toilet facility:

1. No Toilet
2. Private (Pit)
3. Shared (Pit)
4. Other (specify) _____

45. Bathing /Shower facility:

1. None
2. Shower (Private)

62. If you sell Possession, is it?

1. House or Land 2. Electronics 3. Gold
4. Furniture 5. Clothes 6. Scraps 7. Other (specify) _____

63. What do you say about general standard of living of today compare to that of the previous three year? 1. Improved 2. The same 3. Deteriorated

64. Has your food table deteriorated? 1. Yes 2. No

65. If "Yes", how? 1. Quality 2. Quantity 3. Both

66. Does the house wife productive work out of home? 1. Yes 2. No

67. If "Yes", what type? 1. Handicraft 2. Making and sale of food
3. Making and sale of local drink i.e. *Tella, Katikalla etc.* 4. Other (specify) _____

68. Does she practice any productive domestic activity (in-door) 1. Yes 2. No

69. Are the family children involved in any productive activity?

1. During the holiday 2. After school day
3. Others 4 Not Applicable

70. If they work what type of work?

- i. _____
ii. _____

71. How do you view that child work, is it a?

1. A conviction 2. An economic necessity
3. Others 4. Not applicable

72. How do you view the wife work, is it a?

1. A conviction 2. An economic necessity
3. Others 4. Not applicable

73. Do you receive any support from relatives/friends/ children?

1. Yes 2. No

74. If "Yes", state which? _____

75. If "Yes", what is the type of support?

1. Kind 2. Cash 3. Both

76. What are the most important daily difficulties you experience? (Please, rank)

1. Housing (___) 2. Food provision (___)
3. Clothing (___) 4. Education (___)
5. Medication (___) 6. Transportation (___)

