ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

THE CHALLENGES OF FOOD AND CASH TRANSFERS IN ETHIOPIA'S PRODUCTIVE SAFETY NET PROGRAM:

THE CASE OF WACHIGA BUSHA AND HUMBO LARINA KEBELES IN SODO ZURIA WOREDA, WOLAYTA ZONE, SNNPR

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The case of Wachiga Busha and Humbo Larina *Kebeles* in Sodo Zuria *Woreda, Wolayta Zone, SNNPR*

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Title

The Challenges of Food and Cash Transfers in Ethiopia's Productive Safety Net Program: The case of Wachigo BUsha and Humbo Larina Kebeles in Sodo Zuria Woreda, Wolayita Zone SNNPR.

BY

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Tesfaye Tezera

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Acronyms

ADP	-	Area Development Program
ARD	-	Agriculture and Rural Development
CARE	-	Cooperative Association for Relief Everywhere
CIDA	-	Canadian International Development Agency
CRS	-	Catholic Relief Services
CSA	-	Central Statistical Agency
DA	-	Development Agent
DFID	-	Department for International Development
DPPA	-	Disaster Prevention and Preparedness Agency
EC	-	European Commission
EGS	-	Employment Generation Scheme
EU	-	European Union
FAD	-	Food Availability Decline
FAO	-	Food and Agriculture Organization
FD	-	Free Distribution
FDRE	-	Federal Democratic Republic of Ethiopia
FEF	-	Food Entitlement Failure
FFSCB	-	Federal Food Security Coordination Bureau
FFW	-	Food for Work
FGD	-	Focus Group Discussion
FSS	-	Food Security Strategy
HA	-	Hectare
HH	-	Household
IDS	-	Institute of Development Studies
m.a.s.l.	-	Meter above sea level
MoA	-	Ministry of Agriculture
MoFED	-	Ministry of Finance and Economic Development
MPC	-	Marginal Propensity to Consume
NCFS	-	New Coalition for Food Security
NFSP	-	National Food Security Program
NGO	-	Non Governmental Organization

NPDPM	-	National Policy of Disaster Prevention and Management
ODI	-	Overseas Development Institute
OECD	-	Organization for Economic Cooperation and Development
OFSP	-	Other Food Security Program
PA	-	Peasant Association
P.L.	-	Public Law
PANE	-	Poverty Action Network Ethiopia
PIM	-	Program Implementation Manual
PRA	-	Participatory Rural Appraisal
PSNP	-	Productive Safety Net Program
RFSCB	-	Regional Food Security Coordination Bureau
RI	-	Relief International
RRC	-	Relief and Rehabilitation Commission
SNNPR	-	South Nations, Nationalities and Peoples Region
SOFA	-	State of Food and Agriculture
SPSS	-	Statistical Package for Social Scientists
TGE	-	Transitional Government of Ethiopia
UNICEF	-	United Nations International Children's Emergency Fund
USA	-	United States of America
USAID	-	United States Agency for International Development
WFP	-	World Food Program
WFSTF	-	Woreda Food Security Task Force
WTO	-	World Trade Organization
WVE	-	World Vision Ethiopia
WVUS	-	World Vision United States
WZFEDD	-	Wolayta Zone Finance and Economic Development Department

Abstract

This study attempted to look in to the food security situation and the issues surrounding Productive Safety Net Program transfers in two case study Kebeles in Sodo Zuria Woreda, Wolayta Zone, South Nations, Nationalities and Peoples Region (SNNPR). The case study was conducted in Wachiga Busha and Humbo Larina PAs that receive food and cash transfers, respectively. The 'entitlement theory' was used as analytical framework to understand the challenges in cash and food transfers in Safety net programs. A total of 46 household heads (10 percent of the total beneficiary HHs) were selected for the structured interview using stratified random sampling technique. Besides these, separate men and women focus group discussions and key informant interviews were conducted.

Sodo Zuria Woreda, in general, and the case study PAs, in particular, suffer from chronic food insecurity. More than 70 percent of the respondents in each of the two PAs reported to have covered only up to three months of their annual food consumption needs. Crop and livestock production are constrained by a number of factors including small and fragmented holdings, lack of plough oxen, soil degradation and etc.

The PSNP, which was designed as a response to chronic food insecurity, has been active since January 2005 transferring cash and food resources to selected beneficiaries. At the inception of the program, the share of food transfers beneficiaries both at the national and Sodo Zuria Woreda levels were much lower than that of the cash transfers. And, even the policy direction was to further reduce and finally culminate with cash transfers. However, the recent inflationary trends in the country forced the government the other way - to shift from cash to food at least up to 50 percent levels. Though, the Program Implementation Manual laid the responsibility to choose cash and/or food transfers on Woreda Food Security Task Forces, the actual practice has been the Regional Food Security Coordination Bureau making such decisions. It was learned that the type of transfers decisions is delicate and needs thorough analysis of different factors including market situation.

The cash wage rate has been 6 birr per day, which, due to inflation, was going down in value or the bundle of food grains it can command. There is a strong need for flexibility in wage rates based on regular assessments of markets. On the other hand, the food transfer has been more gracious as the ration size was over what is stipulated in the PIM. Almost the entire food transfer beneficiaries have been selling the food to traders and get more money than the cash recipients. Thus, all beneficiaries (both cash and food recipients) prefer food transfers more than cash.

Irrespective of the fact that almost all the food aid is sold in the market, the prices of similar food items produced locally was not depressed. Two probable reasons were: the overall size of food aid has not been large enough to influence prices and the overwhelming majority of the food is sold out of the Woreda. Again two reasons could be mentioned for why the food transfers are being sold. First, the type of food being transferred (especially wheat) is quite different from the one the beneficiaries are accustomed to consuming (maize) and second, the beneficiaries are enticed by the relatively better price they get for sale of the food items. In relation to cost effectiveness, the current study confirms what other researches have concluded, ie. food aid shipped directly from the donor countries is not cost effective.

Therefore, some of the study's recommendations are consideration of family planning program as a component of food security in the target areas, flexibility in the size of transfer, careful selection of basket of food items to synchronize with community food habits and untying of food aid.

CHAPTER ONE
INTRODUCTION

1.1 Background

Ethiopia is a country with a considerable proportion of its people living under food insecurity, exhibited in terms of recurrent food crises and famines. According to United States Agency for International Development, about 44% or an approximate number of 31 million people are food insecure (USAID, 2003). This grim picture is often exacerbated by the recurrent drought that threatens the lives of many people who are already food insecure and vulnerable to disasters. For instance, an average of five million people were declared "at risk" and in need of emergency assistance in the ten years period between 1994 and 2003 (IDS and Indak, 2006). With 21 percent of the population requiring food and other forms of assistance, the 2002-2003 droughts had been the worst that affected large number of people (USAID, 2003).

The dominant form of response to the food insecurity has been emergency food-based interventions. However, a high proportion of households those used to receive emergency food aid were not as such unpredictable victims of drought and famine. They are rather victims of chronic food insecurity caused by agricultural production constraints and poverty and face predictable food deficits even in normal years. The recurrent livelihood shocks, like the drought, only exacerbate the vulnerability status of these people by resulting in a gradual deterioration of their food security status over time that is beyond the annual emergency food aid could remedy. Thus, designing appropriate response measures was found to be critical to break the cycle of drought and food based emergency assistance.

Cognizant of this, the Government of Ethiopia and a joint donor group[1] initiated a Productive Safety Net Program (PSNP) designed to address the basic food needs of food insecure households through multi-year predictable resource transfer rather than the emergency humanitarian aid. The objectives of the PSNP are to provide transfers to the food insecure population in chronically food insecure *Woredas* in a way that prevents asset depletion at the household level and creates assets at the community level (FDRE, 2004).

[1] The joint donor group includes the Canadian International Development Agency (CIDA), the UK Department for International Development (DFID), Development Co-operation Ireland, the European Commission (EC), the US Agency for International Development (USAID), World Food Program (WFP) and the World Bank.

The PSNP, unlike the previous emergency responses, categorized the beneficiaries into two – acutely food insecure and chronically food insecure beneficiaries. The acute food insecure people (unpredictably food insecure) are those who face transitory food deficits because of erratic weather or other livelihood shocks. Such people will continue to receive emergency food aid and other humanitarian assistance when disasters strike and their needs are identified. On the other hand, the chronic food insecure (predictably food insecure) are those who face structural food deficits because of poverty rather than food shocks. These people were transferred from the annual emergency response to be the beneficiaries of the Productive Safety Net Programme. They should receive cash or food transfers – either 'for work' or 'for free' – on a regular basis for a fixed period of five years.

The program is planned to continue up to five years aiming at enabling the beneficiaries 'graduate' out of dependence on external support, except during food crises. For the program, 'graduation' means that the beneficiaries are no longer chronic food insecure and also has the economic resilience to resist falling back into chronic food insecurity in the future (FDRE, 2004).

In divergence from the traditional dependence on large-scale annual food aid imports, both food and cash were used as resource transfers on the PSNP. The Program Implementation Manual (FDRE, 2004) clearly indicates the government's intention to shift the financing of the program from food aid to cash. Cash transfers were considered to have greater advantage over food aid in addressing chronic food insecurity. It is believed that provision of cash transfers rather than food will increase consumption and investment levels thereby stimulating the development of rural markets.

1.2 Statement of the problem

The Productive Safety Net Program (PSNP) has been in operation for over two years since January 2005 (Agridev 2007). Program beneficiaries have been receiving food or cash or a mix of the two depending on what has been decided by each of the *Woredas* or what is available for transfer.

The Program Implementation Manual (PIM) puts certain conditions like availability of food in nearby markets, community preferences and *Woreda* level institutional capacity (in management of cash resources) as the basis for decision on use of either food or cash as transfers. Decision-making on the cash or food requirement for *Kebele*s is laid on the *Woreda* Food Security Task Forces.

Different theoretical and empirical literature show the advantages and disadvantages of the two types of transfers in various contexts. In places where markets function and food is available in nearby areas, cash transfers are considered to be more effective means of helping vulnerable households. On the contrary, food transfers are recommended in places where markets are inefficient, infrastructure is poor and supply of food is scarce. The PSNP acknowledges the interchangeable and at times mixed use of the two forms of transfer under different contexts. The issue is whether the right form of transfer is planned at the right place and time or not.

Though the PIM considers community preferences as one of the criteria on type of transfer decisions, beneficiaries especially the cash recipients in the study area complain about the transfers they receive. Further, it is not clear whether the rest of the criteria are well considered in the decision-making. Hence, this study will examine the overall situation of the transfers in the study area.

1.3 Objectives

1.3.1 General Objective

The general objective of the research is to examine the food security situation and analyze the dilemmas in the choice of the type of transfers in the Productive Safety Net Program in view of community preferences and appropriateness to the prevailing situations in Sodo Zuria *Woreda*.

1.3.2 Specific Objectives

a) Identify the major causes of food insecurity in the study area.
b) Assess the preferences of the Safety Net beneficiaries about the type of transfers and investigate the role of gender in preferences.
c) Examine how the beneficiaries are using the food and cash transfers.

d) Compare and contrast the food and cash transfers in terms of market prices and evaluate the cost-effectiveness of the food transfers.

e) Examine the appropriateness of the transfers to the specific conditions of the study area.

1.4 Research Questions

To accomplish its objectives the research will seek answers to the following questions:

1. What are the major causes of food insecurity in the study area?
2. What do the beneficiaries prefer to receive as a transfer? Why?
3. What food items are being transferred (for food based safety nets)? Is the food transferred being consumed or traded for other purposes or purchase of other staple food items?
4. What is the staple food in the area? Does the food transfer overlap with the staple food item? If not what do people consume and how do they get it?
5. How much cash is paid per day? How much food is transferred per day? How do they compare in terms of market prices and benefits to households?

1.5 Significance of the study

This study looks in to two related issues - the food security situation and the Productive Safety Net Program (specifically the different issues in cash and food transfers) with particular emphasis on the study *Woreda* and case study PAs.

The outcome of the study is expected to make a modest contribution to the understanding of the food insecurity situation in the study area. More importantly, it also surfaces out the different issues involved in the current PSNP transfers and makes recommendations for better program accomplishment. Hence, the study is beneficial to the PSNP decision makers at different levels, especially Region and Woreda. It could also give some insight to NGOs who are working in the study area. Owing to the newness of the program to Ethiopia, at least in its current form, there is no much study conducted on the Safety Net program. Therefore, this study might contribute to the literature on the program under reference.

1.6 Limitations

In spite of the relentless effort put on the research project and the close follow up and advice I got from my advisor, the present research is not without limitations. The first challenge encountered was critical shortage of written materials on the safety net program in Ethiopia. The Productive Safety Net Program is just two years old and there has been no much research conducted on the subject, except a couple of important appraisal reports published by consultants. Thus, it has been a challenge to enrich the review of literature and to synthesize the analysis of the current research with country based research outputs.

Secondly, my attempt to discuss issues of the research with concerned federal level technical people was not as successful. Due to various reasons including deployment of staff to the field, I couldn't get access to the concerned staff of the Federal Food Security Coordination Bureau (FFSCB). Hence, this research didn't include the views of the FFSCB, which would have rather been vital to clarify some issues of concern.

Apart from these, the market price data obtained from concerned institutions in Sodo Zuria *Woreda* did not allow to make any meaningful analysis, as it lacked completeness and continuity. Hence, I was not able to analyze the probable impact of the safety net transfers on market prices.

1.7 Structure of the Paper

This research report is composed of eight chapters. Having the current introductory chapter as a background, chapter two deals with the different methodologies applied in going about the research project. In this chapter, sampling, data collection and analysis methods and processes followed during the course of the research were explained in some detail. Chapter three lays the conceptual framework of the study. Basically, it defines different concepts and treats the two dominant theories that explained the causes of famine and food insecurity, i.e. 'food availability deficit' and 'food entitlement failure'. Chapter four provides a review of literature relevant to the subject of study, including food aid and the cash or food transfers debate. Besides this, it also reviews and comments on Government of Ethiopia's policies and programs related to food security and Productive Safety Net Program. Chapter five presented the background information about the population and the

environment of the study *Woreda* and the two case study *Kebeles*. Chapter six starts with description of the demographic characteristics of the sample households. And then, it analyses the food security situation of the case study areas and explores in to the major causes of food insecurity and coping mechanisms of the study population. Analysis and explanation of the food security situation followed two of the three components of food security - availability of and access to food. Chapter seven is allotted to the analysis of the findings related to the Productive Safety Net Program. Major issues of the chapter include how type of transfers decisions are made, ration size and wage rates determination, community preferences, cost effectiveness of food transfers. Finally, chapter eight provides the summary of the major discussions of the research which will be followed by concluding remarks and recommendations.

CHAPTER TWO
METHODOLOGY

2.1 Sampling

For comparison purposes the study was conducted on two *Kebeles* - Wachiga Busha and Humbo Larina - that are benefiting from food and cash transfers, respectively. The *Kebeles* were selected purposively in consideration of accessibility. After securing the list of the safety net beneficiaries of each *Kebele,* it was categorized in to two groups - public work participants and direct support receivers. Again the two were further categorized by sex of the head of the household to separate the male and female-headed households. Finally, as shown in Table 1, 46 sample households (10% from each category) were selected using a systematic random sampling technique.

Table 1: Sample Households by type of Participation and Sex

Kebele	Type of Transfer	Total Study population	Sample Households				
			Public works		Direct support		Total
			Male	Female	Male	Female	
Humbo Larina	Cash	195	10	5	2	2	19
Wachiga Busha	Food	273	17	3	3	4	27
Total		**468**	**27**	**8**	**5**	**6**	**46**

2.2 Data Collection Method

2.2.1 Primary Data

Primary data was collected through household survey using structured questionnaires on the one hand and PRA tools on the other. These tools enabled the researcher collect both quantitative and qualitative data, respectively.

2.2.1.1 Household Survey

In order to interview the sample households, the researcher selected four DAs as enumerators and provided briefings. Explanations were given on the purpose of the study and each of the questions were read and discussed. The four DAs (two in each PA) went to the houses of each of the sample households and filled the questionnaires that were pre-tested in advance of the data collection. The questionnaire (attached as Annex 2) included queries about the demographic characteristics, food security, safety net participation, preferences on forms of transfers and market issues. Due to transport constraints the researcher was not able to check the completed questionnaires right at the data collection

days, as proposed. However, after receiving them a thorough review was made for consistency and completeness. Except for few questionnaires, which were corrected by the enumerators, there was no much problem of discrepancies.

2.2.1.2 PRA methods

Participatory Rural Appraisal (PRA) is a way of learning from and with community members. Its purpose is to gain an understanding of the complexities of a topic rather than to gather accurate statistics. It is a flexible yet structured method and involves a range of techniques for data collection and analysis.

Apart from the structured questionnaires, the current study has benefited from qualitative data collected using PRA tools. Primarily, the researcher has conducted key informant interviews on the subject of study. Key informants were concerned staffs from Woreda Agriculture and Rural Development Office and World Vision Ethiopia Sodo Area Development Program who are involved in safety net program. Moreover, DAs in each PAs were contacted as key informants.

On the other hand, separate men and women focus group discussions were conducted based on checklists of questions triggering discussion around the subject. During the focus group discussion the researcher has benefited from the assistance of an expert from office of Agriculture who is knowledgeable about the subject matter and can speak the local language. In order to ease the communication, the local language, Wolaytigna, was used for FGDs, which were translated by the field assistant.

In addition, the researcher has observed the market, particularly the grain trades, in Sodo town. Besides observing the market situation, the researcher conducted semi-structured interviews with grain traders about the sources of grain supply, availability of food grains, price trends, impact of safety net transfers on the market etc.

2.2.2 Secondary Data

Published and unpublished documents including project proposals, progress reports, and compiled data were reviewed to get background information about the Productive Safety Net Program and the target *Kebeles*. *Woreda* Office of Agriculture and Rural Development

and World Vision Sodo Zuria ADP have been the primary sources of secondary data and information. Additional inputs were also got from records of DAs in each Kebeles and the socio-economic and demographic information booklet of the Zonal Department of Finance and Economic Development.

2.3 Data Analysis

The survey questionnaire was designed in consideration of compatibility to computer analysis and was appropriately coded. All questions were closed ended with variety of possible responses presented as choices. Effort was made to exhaustively list the possible responses, based on readings of different empirical literature and own experience of the researcher. Data had been entered to and analyzed by statistical software, SPSS, to generate different statistical outputs. Before getting in to in depth analysis of the data, I printed the frequency tables for each variable in order to examine and detect possible outliers and missing values. In few instances where outliers and suspicious values were noted, the raw data in the computer program was compared with the questionnaire and necessary corrections were made.

Analysis of the qualitative data collected through PRA exercises was started at the field level. The information has been summarized and reviewed for consistency checks and completeness. In some cases, I have asked additional questions to further strengthen the knowledge about the subject matter. List of key issues were prepared and the findings were organized according to the list. During the process of data analysis, the researcher attempted to look for patterns, differences, variations, and contradiction. Finally the information collected from the PRA tools were summarized under each key issue or theme. Findings of the PRA has been of paramount importance in explaining different issues in depth that otherwise couldn't have been managed with the structured questionnaires.

CHAPTER THREE
THEORETICAL AND CONCEPTUAL FRAMEWORK

Safety nets have direct relations with food insecurity. Indeed, the former is often presented as one of the short-term measures against the latter, as it meets the immediate consumption needs of food insecure individuals or households. Therefore, it is important to define pertinent concepts (such as food security and food insecurity) and see the differing theories around food insecurity and hunger that will lead us to the core issue of the thesis - the safety net transfers.

3.1 Definition of Concepts

The understanding on food security has evolved during the last three decades (Frankenberger and McCaston 1998; Young 1997). In the 1970's food security was mostly equated with adequate supply of food (availability) at national and global levels. During the 1980's, however, it was realized that adequate food availability at the national level did not automatically translate into food security at the individual and household levels (ibid). This is because people might not be able to acquire the food (access) even though it exists nearby or in the market. Therefore, the household food security approach that evolved in the late 1980's, particularly after Amartya Sen's 'entitlement' theory, emphasized both the availability and access to food. Later the health aspect was also included in the sense that whatsoever food available or accessible to a household couldn't guarantee food security unless the households are healthy and the food is prepared and utilized in a healthy and hygienic manner. In line with this, the World Bank defined food security as "access by all people at all times to enough food for an active, healthy life" (World Bank, 1986, 1).

On the contrary, food insecurity indicates a situation in which individuals have neither physical nor economic access to the nourishment they need (Reutlinger 1987 cited in Degefa 2002). Generally, there are three types of food insecurity in the literature ie. chronic, seasonal and transitory. *Chronic food insecurity* is inadequate access to sufficient foods on a continuous basis that is caused by poverty and lack of coping mechanisms. The second one is *seasonal food insecurity* that is defined as inadequate access to sufficient foods on a cyclical or seasonal basis; a typical example is seasonal shortfall of production to cover annual consumption. The third variant is *transitory food insecurity* that indicates a

situation where there is inadequate access to food for a temporary period as a result of a crisis like drought, floods, etc.

3.2 Theoretical Framework

The most dominant theories that have shaped understanding on food insecurity and famines derive from Malthus's 'Essay on Population' (1798) and Amartya Sen's 'entitlement theory'. Malthus's work implied that acute food insecurity or hunger and famines are exclusively caused by decline in supply of food per head, due to outgrowing of population over food supply. On the other hand, even though, he doesn't rule out the possibility of famine in times of food supply deficits, Sen demonstrated that famines often had occurred due to entitlement failures or one's inability to command (access) enough food even when adequate food is available in the market.

This chapter expounds the two prominent theories (food availability deficits and food entitlement failures) that provide the conceptual framework for the food or cash transfers in a situation of food shortage.

3.2.1 Food Insecurity as Food Availability Deficits

Thomas R. Malthus in his 'Essay on Population' argued that population is growing at a faster rate than food production and unless population growth is checked human beings will suffer from widespread starvation and death. His argument paints food insecurity as a matter of aggregate insufficiency of food to feed a population. In other words, food insecurity and famines were seen from the point of view of deficits in the food balance sheets of a country or region. This thinking influenced the explanation and understanding of food insecurity for long time and provided the basis for the "food availability decline" (FAD) theories of famine (Barret and Maxwell, 2005).

Such thinking was even reflected in the World Food Conference of 1974 in that the central concern of the conference was focused on food supply, national food self sufficiency and world food stocks or import stabilization schemes (Maxwell, S. 1996). The UN's (1975) definition of food security was in line with the FAD theories. Food security was defined as:

> *Availability at all times of adequate world supplies of basic food-stuffs ... to sustain a steady expansion of food consumption... and to offset fluctuations in production and prices (UN, 1975).*

Thus, the immediate and the natural explanations of hunger and famine was decline in food basket of a country or region. Theories that blame food availability deficits for shortage of food and hunger suggest food aid as an instrument to fill food supply gap. Hence, food aid, for long time, was considered to be the standard response to food crisis, without any further analysis of other alternatives.

3.2.2 Food Insecurity as 'Entitlement' Failure

Amartya Sen contested the long-standing view of considering food security mainly as an issue of supply. According to Sen, the key problem (not the only one) leading to famine is lack of access to food, rather than failures in food supply (Sen, 1981). In his book entitled *'Poverty and Famines: An Essay on Entitlement and Deprivation'*, Sen came up with the 'entitlement' theory arguing that famines/starvation are not necessarily caused by decline in overall food availability. Rather, it is a result of 'entitlement' failure or people's inability to acquire enough food. He defines 'entitlement' as a set of different alternative commodity bundles one can legally acquire. Famines (and other forms of severe food insecurity) can occur even when food availability have remained high and undiminished. So, according to Sen, an adequate food supply is necessary but not sufficient condition to prevent hunger and food insecurity.

Sen's theory of entitlement had based on his analysis of the food production and availability data in different countries (like Ethiopia, India and Bangladesh) during times of famine. For nearly all his case studies, he claimed that the overall food supply within the countries was sufficient to support the respective populations for the period in question. Groups or communities became vulnerable to under-nutrition only because they lacked access and purchasing power. In his studies of the Bangladesh famine of 1974, for example, Sen found out that the areas most severely affected had, in fact, enjoyed the highest availability of food in that year, compared to other areas. However, at the same time, some sections of the communities in these areas typically experienced a major decline in purchasing power due to loss of work and an increase in food prices as traders

predicted shortages. In such cases, famine is caused not so much by a decline in the food available, but in people's access to it – what Sen terms 'entitlement'.

Furthermore, the Bengal (India) famine of 1943, according to Sen, was not caused by decline in food availability; rather it was resulted from a rapid, sharp rise in rice prices. As prices skyrocketed trade entitlements failed leaving those dependent on purchase of rice to hunger and starvation. A rise in prices or a fall in wages or employment that reduces real incomes of the poor or a reduction in publicly provided services could also cause a reduction in entitlements and lower nutrient intake. Even though the entitlement theory emphasizes the demand side of the problem, it also takes food output shortfalls (supply side) in to consideration.

Sen, in his famous book published in 1981, identified four types of entitlement relations in a market economy:

> *Trade-based entitlement* - one is entitled to own what one obtains by trading something one owns with a willing party (or with a willing set of parties). For instance, when workers earn wages in the labor market with which they can buy food in commodity markets, thereby effectively trading labor power for food. Trade-based entitlements depend fundamentally on relative prices.
>
> *Production-based entitlement* - one is entitled to own what one produces by using one's own resources, or resources hired from willing parties meeting the agreed conditions of trade. Production-based entitlements depend on a number of factors including on the efficiency of production technologies and on biophysical phenomena beyond a food producer's control, such as rainfall, temperature, soil conditions and insects.
>
> *Own-labor entitlement* - one is entitled to one's own labor power, and thus to the goods one buys through the money generated from selling his labor and the outputs of one's labor employed in production.
>
> *Inheritance and transfer entitlement* - one is entitled to own what is willingly given to one by another who legitimately owns it, possibly to take effect after the

latter's death (if so specified by the owner) as well as transfers by the state such as social security or pensions.

The policy implication of Sen's 'entitlement' theory is worth mentioning. Indeed, deficit in overall supply of food necessarily implies that some people are getting hungry. Nevertheless, even when food supply is plenty there can be acutely food insecure people due to 'entitlement failures'. When the production, own labor, trade and transfer entitlements of a certain group of people could not enable them to acquire adequate food then they surely go hungry, in spite of the fact that there is plenty of food in the market. Hence, acute food insecurity may not necessarily imply lesser availability of food and therefore it can't justify food aid interventions as an automatic response. If there is enough supply of food in the surrounding areas then cash transfers could be the most appropriate intervention that improves the trade or exchange entitlements of the affected people.

While acknowledging some of the criticisms against its empirical foundations, I found the 'Food Entitlement Failure' theory to be more relevant to the situation in Ethiopia. A number of researchers disagree with Sen's assessment of the cause of the Ethiopian Famine of 1973-74 and questioned the applicability of the theory (Degefa, 2005; Getnet, 2002). Yet, to the Ethiopian situation where droughts often occur in pocket areas of the country while food is available in nearby areas and even in the markets of the drought stricken areas, the issue is not supply rather it is lack of purchasing power to buy food to bridge the shortfalls in production failures. If the affected people have money to buy food, then the traders could have made the food easily available, especially for the accessible places, looking for the returns. Thus, the FEF theory presents cash transfers as a viable intervention in times when food is available in the country or region. Even in situations of national or regional food production shortfalls, the theory gives room for food aid interventions. Therefore, it provides a comprehensive framework to understand and respond to food crisis.

CHAPTER FOUR

REVIEW OF LITERATURE AND RELEVANT POLICIES AND PROGRAMS

In order to contextualize the study, this chapter deals with review of different writings that are pertinent to the subject of study and review of relevant policies and programs of the government of FDRE. Under the review of literature sub-section different concepts were defined and explained together with the presentation of debates on cash and food transfers. Apart from this, the latter part of the chapter elaborates and comments on the Government of Ethiopia's policies, strategies and programs related to disaster management, food aid, food security and transfers.

4.1 Review of Literature

4.1.1 Definition and Rationale of Social Safety Net

The World Bank (www.worldbank.org) classifies safety nets into formal and informal ones. Informal safety nets are cash and food transfers as well as labor exchanges between households, which are common in many countries including Ethiopia. For the sake of this thesis, however, we dwell up on the formal safety nets that are primarily state initiated and run. Such formal social safety nets are defined as social assistance programs in the form of cash or in kind transfers to the poor, with or without a work requirement (Smith and Subbarao, 2003). Sometimes, social safety net is analogously defined in terms of the safety nets in a circus. The safety net in a circus catches actors when they fall during on stage performance and prevents injury or death. Similarly, social safety nets protect people from the catastrophic consequences of sudden income or consumption failures due to, for example, drought (Devereux, 2002).

Though risks are part of everyday life to every human being, the poor and other vulnerable groups, such as the elderly and disabled, often disproportionately suffer from the impacts of the risks, such as drought, loss of jobs, inflation, etc. As compared to the better off, the poor could face more immediate and life-threatening challenges from smaller shocks on their income and livelihoods and might be forced to adopt negative coping mechanisms. For instance, lost income may force them to sell their productive assets such as land, livestock or tools. Moreover, they may withdraw their children from school and send them

to work or eat less. These drastic measures may help families survive from day-to-day, but they will make it much harder for these families to escape poverty in the future (The World Bank, 2006). Therefore, safety nets are necessary to protect the livelihoods of the poor from further deterioration.

4.1.2 Food Aid as Safety Net

Food aid, often, serves as safety net to the low-income food deficit countries, including Ethiopia. Food-based safety net is one among many different safety net programs. It is often designed to ensure livelihoods (for example, through the provision of public works employment paid in food), increase purchasing power (through the provision of food stamps, coupons, or vouchers) and relieve deprivation (through the direct provision of food to households or individuals) (Beatrice and Jennifer, 2002).

4.1.2.1 Overview of International Food Aid

Barrett and Maxwell (2005) defined food aid as the "international sourcing of concessional resources in the form of or for the provision of food." From the definition we understand that food aid indicates flow of resources across borders of countries and it is based on concessions that often take the form of grants. Resources for food aid are provided either as cash earmarked for the purchase of food or as in-kind transfers. For much of the past, food aid has been provided mainly in kind. In recent years, however, food aid provision modality has been undergoing changes. Many donor countries have began to provide cash aid instead of in-kind food aid. For instance, almost the entire aid from the US is in kind and originating and shipped from its territory, while the EU mainly provides cash to relief and development agencies, which is then used to purchase food in developing countries (Bread for the World Institute, 2006).

Historically, the US is known to have shipped massive amount of resources including food aid to Europe under the Marshall Plan following World War II. However, modern era of food aid is said to have begun in 1954 when the US passed Public Law 480, which linked US farm policy to food aid through the disposal of grain surpluses (Sarah, 2004; Clapp, 2004). In the 1950's, Canada was also following a similar pattern in formalizing food aid as a way to expand its trade and reduce the burdensome grain surpluses (Hopkins, 1987).

Besides this, some international NGOs were interested to end famine overseas by using the food for relief. Thus, surplus disposal and foreign trade expansion through creation of agricultural export markets, on the one hand, and humanitarian relief objectives, on the other, lead to institutionalization of food aid (ibid).

In the literature (for example, Oxfam, 2005; OECD, 2005), food aid is commonly understood in its three forms. These three major types of food aid are program, project, and emergency food aid.

- *Program food aid* is a direct government-to-government transfer of food, typically from a rich country to the government of a recipient country, for sale in the market. The cash generated from such programs will be owned and managed by the recipient country government. Most US program food aid is sold to recipient countries through concessional financing or export credit guarantees.

  The USA is nearly the only country that sells 'food aid' to recipient countries; other donors give it in grant form. The USA, likewise, is the only donor country to make significant use of export credits in connection with food aid; this essentially means extending loans to countries to buy food aid. Reductions in export credits are squarely on the Table at the WTO agriculture negotiations as they are considered export subsidies.
- *Project food aid* is normally a donation in support of specific projects related to promoting agricultural or economic development, nutrition, and food security. Unlike the program food aid, project food aid, in most cases, is administered by NGOs or the World Food Program (WFP). In fact, some recipient governments also administer project food aid. Examples of project food aid include food for work, school feeding, and mother-child nutrition centers. There is also some monetization of project food aid especially by NGOs, to cover project related expenses.
- *Emergency food aid* is food aid delivered in response to crisis, such as war or famine. Most commonly, emergency food aid is administered by the WFP or by NGOs, or by both in co-operation. Emergency food aid consists of the

distribution of general food rations and selective feeding programmes to nutritionally vulnerable groups.

Though the major donors of food in the world remained to be few, the list of major recipients, in volume terms, have changed overtime. As indicated in Table 2, Ethiopia, since the 1980s, has growingly become the major recipient of food aid in the world. For instance, in the year 2000 Ethiopia ranked second in volume of food receipt. In the same year, it received a higher volume of aid than countries like Bangladesh that has higher population sizes than Ethiopia, indicating a greater size of food aid per capita.

Table 2: Ten leading food aid recipients (in gross volume terms) by year

Rank	1960	1970	1980	1990	2000
1	India	India	Egypt	Egypt	North Korea
2	Poland	South Korea	Bangladesh	Bangladesh	Ethiopia
3	Egypt	Indonesia	South Korea	Ethiopia	Bangladesh
4	Pakistan	Pakistan	India	Poland	Kenya
5	Brazil	Israel	Indonesia	Jordan	Russia
6	Israel	Turkey	Somalia	Sudan	Morocco
7	South Korea	Vietnam	Pakistan	Romania	Indonesia
8	Uruguay	Brazil	Portugal	Mozambique	Afghanistan
9	Turkey	Tunisia	Tanzania	Peru	Eritrea
10	Yugoslavia	Morocco	Ethiopia	Tunisia	Angola

Source: Extracted from FAO Stat and USDA data in Barrett and Maxwell, 2005.

4.1.2.2 Overview of Food Aid in Ethiopia

Food aid was initiated and sustained because of hunger and famine caused by different natural and/or man-made disasters. Hence, to look at the history of food aid in Ethiopia it is logical to review the famines in the country's past. Pankhurst (1985) as cited in Degefa (2005) states that 250 B.C. was the earliest time recorded for famine to have occurred in Ethiopia. It was, however, the great famine of 1888-1892 that was the first to be extensively narrated and documented by different writers. Other notable famine occurrences were the 1972-74 famines in Wollo and Hararghe, 1983-84 famine and 2002-03 famine (Degefa, 2005). Though these were the widely known famines that affected a

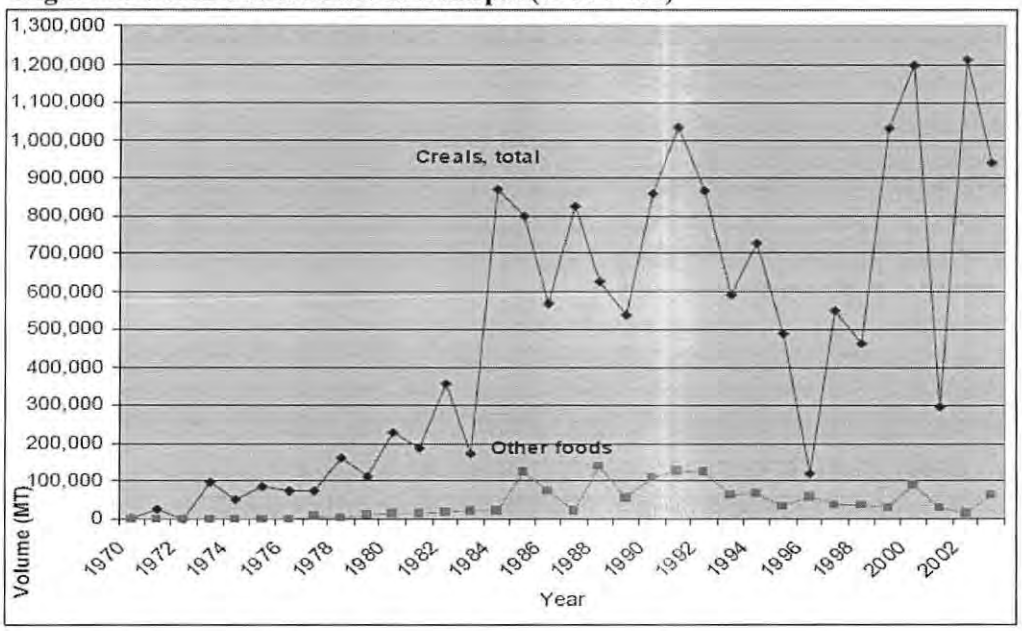
considerably high number of people, there have been droughts and food shortages almost every year in between.

Although famines are not a 20th century phenomena in Ethiopia, it is after the 1972/73 famines that food aid came to be a remarkable experience in the country's history (PANE, 2006). By the time, the Imperial Regime was slow to acknowledge the problem even if the international community, especially through UNICEF and NGOs having field offices in the country, was responding in food aid (ibid). Then in May 1973 a group of NGOs formed the Christian Relief Committee (currently called Christian Relief and Development Association). Its role was to coordinate famine relief projects and food aid from foreign donors. The Relief and Rehabilitation Commission (RRC), established by the Derg Regime in June 1974, was the first government institution mandated to manage and facilitate relief activities in the country. It served as a contact between the government and aid agencies. After undergoing several restructuring, the RRC is now reestablished as the Disaster Prevention and Preparedness Agency (DPPA).

Since 1976, the agency has developed an early warning system that monitors certain indicators that can provide information about impending and actual emergencies (DPPC website). When the indicators point to an imminent food crisis then the agency makes appeals to the international donors for assistance. The standard response for the appeals has been delivery of food aid. Due to the cyclical occurrence of drought and famine that necessitated continued appeals by the government, Ethiopia has long become one of the biggest food aid destinations in the world (Barrett and Maxwell, 2003).

A number of donor countries, especially the United States and European Union have been pumping in hundreds of thousands tonnage of food aid every year. According to Jayne et al. (2002) and WFP (2004) in James Levinsohn and Margaret McMillan, "Food aid reached 15% of annual cereal production in 2003 and typically represents between 5 to 15 percent of total annual cereal production." Figure 1 shows how the cereals imported as food aid continued to grow in size over the years to exceed a million metric tonnes.

Figure 1: Volume of food aid to Ethiopia (1970-2004)



Source: FAO in PANE (2006).

Such a massive amount of food aid has been utilized in two major forms - free distribution (FD) and food for work (FFW). The free distribution is normally considered to be an emergency distribution that transfers food aid without any conditions. On the other hand, the FFW modality requires the beneficiaries to contribute labor for community development activities such as construction of roads, terraces, and dams. More often, the FFW programs take a multi-year development assistance form. Still there has been another emergency program called 'Employment Generation Scheme', which is more or less similar to the FFW program. However, the EGS is emergency oriented while FFW is development oriented.

Currently, with the advent of the PSNP the rules of play have changed. Distinction have now been made between assistance to chronically vulnerable groups and emergency affected groups, which were somewhat addressed together in the past. The former benefit from the PSNP either thorough participation in public works (which was used to be called FFW) or for free. On the other hand, the latter's needs are addressed through the annual emergency response based on assessment of needs.

4.1.3 Debate on food (In-kind) or Cash transfers

The issues and debates relating to in kind (food) or cash aid can be observed at two levels - international and local. At the international level, there is an ongoing debate whether

donors should provide the recipient countries with in kind (food) aid procured in the donating countries or cash for local and regional purchase of food. On the other hand, at the local level, the choice between food and cash transfers to beneficiaries during emergencies and/or development programs has been a matter of debate and research. The review of literature, here under, deals with issues and debates related to the latter, i.e transfers to beneficiaries at the local level. International level issues are briefly discussed under section 3.1.4.

Different writers have extensively discussed the relative benefits of in kind and cash transfers in different contexts. Many researchers emphasized the importance of one over the other and took positions on the type of transfers. Apart from these, most researchers and development practitioners seem to agree on certain conditions upon which the decision to choose either cash or food as a transfer should base.

4.1.3.1 Arguments in favour of Food Based Transfers

There are a number of justifications forwarded in favor of food transfers, one of which is the potential of food to lead to self-targeting. Beatrice and Jennifer (2002) argued that food has the potential to be self-targeting, especially if the foods provided through the transfer are inferior goods, whereas the same does not hold for cash. Hence, the potential for effective targeting of the right beneficiaries is said to increase with food-based transfers. Unlike food, cash is of value to anybody and the probability of targeting inefficiency and corruption is higher.

It is also argued that food based transfers have greater impact on food related outcomes, such as child calorie consumption and health care utilization (Brown and Gentilini, 2006). Indeed this assertion is based on an implicit assumption that the food transfers are consumed at home. In relation to this, some empirical studies (ex Ninno and Dorosh, 2005; IDS and INDAK, 2006) indicated that the marginal propensity to consume (MPC) food in food transfers is significantly higher than the MPC food in cash transfers. Moreover, it is stated that food assistance programmes are often the only way of making nutritionally balanced (e.g., micronutrient-fortified) foods accessible to poor people.

Another argument for providing food is that it is not subject to inflation to the same extent as cash. Providing food prevents the erosion of benefits due to inflation, particularly due to rise in prices of food items. It is further argued that in places where markets are not efficient, cash transfer would result in rise of food prices so much so that the value of the transfers is significantly reduced. Such problems will also affect the non-beneficiaries through eroding their ability to access food (Beatrice and Jennifer, 2002).

In circumstances where food is scarce and the supply response is limited (that is, if the market is disrupted so that food is not available even if people have cash to buy it), the value of cash is limited. In such cases, increasing effective demand (through injecting cash aid) only raises food prices locally without increasing consumption (Webb and von Braun, 1994). Thus, food transfers have higher payoffs than cash transfers.

4.1.3.2 Arguments in favour of Cash based Transfers

The rationale for a cash-based response derives from Amartya Sen's work on entitlement theory. If famine is caused partly by a decline in entitlement, it follows that an economic response through cash transfers, aimed at boosting purchasing power and increasing food entitlement, can be an appropriate, and perhaps preferable, alternative to general food distribution. Injecting cash into a market increases demand, which, in turn, can generate supply.

Sen's entitlement approach emphasizes the links between poverty and famine, with the implication that protecting people's purchasing power might mitigate famine. Income transfer is a direct way of doing this. The theory of entitlements is now widely accepted. For instance, based on its experiences in cash transfers, Oxfam International (2005) states that direct cash transfers allow people to buy food and other items for their immediate needs and to prioritize their own needs and expenditures. After the trauma caused by the disaster, cash transfers will help restore the dignity of the survivors. Oxfam further argues that cash transfers increases the beneficiaries' sense of control over their own lives, rather than maintaining their status as 'assisted beneficiaries' of relief agencies or government-organized welfare services.

Proponents of cash transfers downplay the widely talked about concern about misuse of cash as compared to food. For instance, empirical research outcomes were less supportive of the fears surrounding cash transfers, such as increased risk of insecurity, gambling, purchase of illicit items or domestic violence (Peppiatt, et.al, 2001; Oxfam, 2005). Beneficiaries of cash for work programs used the cash earned primarily for food purchase, with other expenditure on repayment of loans, school (books/fees/uniforms), clothes, livestock and agricultural inputs.

Though his analysis takes an economy wide approach, Gelan (2006) conclude that cash transfers are preferable on the grounds of efficiency gains and hence welfare improvements for recipient households. He argues that households would be able to purchase greater quantities of food from domestic markets with the money pledged by donor countries rather than transporting food grains from the donating countries.

4.1.3.3 Choice of Transfers Based on Conditions

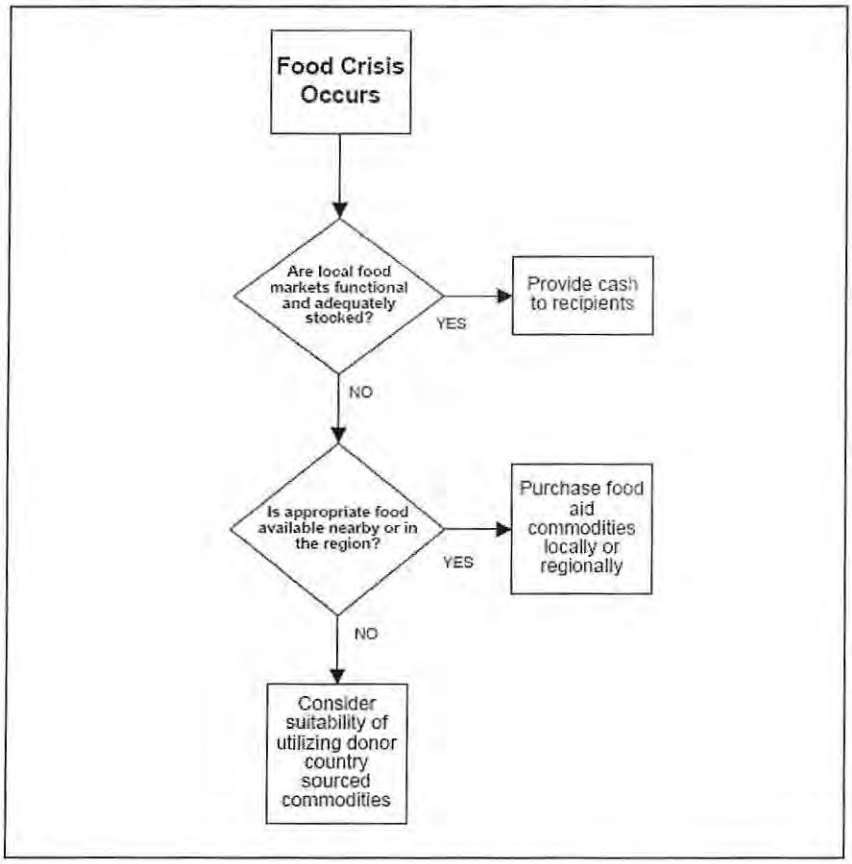
In spite of the differing arguments for and against cash and food transfers, it seems that there is a kind of consensus among many researchers and practitioners on certain conditions upon which the choice among the two has to be based. There is a good deal of literature (Barret and Maxwell 2005; FAO 2006; Gentilini 2007) recommending the interchangeable use of cash and food transfers based on specific circumstances in and around the target areas. For instance, Ugo Gentilini (2007:8-16) summarized the factors that need to be taken into account in selecting the appropriate form of transfer. The factors, he presented, include programme objectives, market conditions, transfer effectiveness and efficiency, level of administrative capacity, robustness of delivery mechanisms and beneficiary preferences.

Program Objectives: Gentilini argues that assessment of efficiency and effectiveness of the transfers is only possible when the objectives of the programs are clearly defined in the first place. So defining the program objectives plays an indispensable role in the choice of transfers. In the words of Gentilini, '... the comparative impact of cash and food transfers on food consumption and nutrition need only be assessed if transfers were intended to pursue food consumption and nutrition objectives'.

Market Assessment: though imperfect (especially in low income countries such as Ethiopia) the market plays significant role in enabling millions of people to access food. Both cash and food transfer programs have the potential to distort markets, either through depressing or inflating market prices. Cash transfers, for instance, could cause inflation in places where food is in short supply, market linkages are poor and supply response is weak. Food distribution can also lead to market distortion in times when people who would normally have had the purchasing power to buy it on the market receive it directly, thus causing market demand to fall (Barrett, 2002 in Gentilini, 2007).

Hence, the selection of food and/or cash as a transfer should take into account whether food markets function or not, and that utmost attention should be paid to careful market monitoring and assessment. Barrett and Maxwell (2005) illustrated this point in a "Decision Tree" presented in Figure 2.

Figure 2: Barret and Maxwell Decision Tree



Source: Barret and Maxwell (2005) in Gentilini (2007)

Cost effectiveness and efficiency: Gentilini cautions against cost effectiveness comparisons between cash and food especially in contexts that do not allow the use of one

or the other as a transfer. In his own words, for instance, "in the most remote areas banking systems may not be in place, and security risks may be too high for transporting and distributing cash". Therefore, food might be the appropriate option for such areas. And, hence, the importance of cost effectiveness comparisons in such instances is limited.

Many comparative studies show that when the conditions are in place for cash delivery, transferring cash is less costly than distributing food, given the transport and logistics cost involved in the latter (Farrington, Harvey and Slater, 2005; Levine and Chastre, 2004).

Administrative Capacity: more often the issue of administrative capacity is raised in relation to cash transfers. While there could be a number of ways for cash transfers, the main modalities are banking systems, money transfer companies and direct delivery. In places where there are no banks and distributing cash to beneficiaries involves extensive travel, the risk of theft is higher. In relation to this, the Productive Safety Net Program considers administrative capacity, especially presence of financial institutions, as on of the criteria for cash or food transfer decisions. Thus, food transfers might better serve the transfer objective.

Beneficiary Preferences: according to Gentilini (2007), beneficiary preferences are context specific and thus not easily generalized. But, he pointed out three factors with which people's preferences can be disaggregated. These factors are space, time and gender.

People residing in places more distant from main markets tend to prefer food transfers while those nearby prefer cash as it is easier to spend it on the desired goods (Devereux, 2006 in Gentilini, 2007). With respect to time, households more often opt for cash transfers when plenty of food is available at home and in the market, particularly right before and during harvesting season. On the contrary, food transfers are preferred during the period when household grain stocks have depleted and grain must be purchased from the market (Adams and Kebede, 2005 in Gentilini, 2007). Besides these, different researchers (for example Devereux, 2002) point out that intra household cash management practices and cultural habits, in which the men squander money, make women more likely to prefer food transfers.

When we come to Ethiopia's PSNP, it is designed in consideration of most of the above factors. It embraces both cash and food as transfers based on certain criteria, including availability of food in nearby areas, administrative capacity for cash handling, community preferences and etc, for choosing among the two. The future direction for the transfers was, however, stated as a shift towards full cash transfers (FDRE, 2004).

4.1.4 Current Trends in Food Aid

In recent years, food aid related issues have attracted the attention of different actors including scholars, NGOs, UN Agencies, WTO and Governments. Food aid, sourced at the donor countries, has been criticized a lot on grounds of efficiency and effectiveness. Cash aid has been forwarded as an efficient alternative to food aid with some conditions.

Apparently in response to the recommendations of differing researches, most of the major donors, with the exception of the US, have begun to move away from "tied" aid[2], in favor of providing more flexible cash. European donor countries have started to untie food aid in the 1980s, allowing developing country purchases (Clay 2006a, 7). The EU embraced local and regional purchase of food aid in 1996, despite the fact that most of its food aid originated from its member countries by then. In 2001, the Development Assistance Committee of the OECD moved to recommend untying all kinds of official development assistance to the poorest countries.

The other major shift towards untying food aid happened in 2004 and 2005 when major food exporters as Australia, Canada, Denmark, and France moved to further untie their food aid (Toppen, 2006). However, the US, the world's first major supplier of food aid, still continues to provide its entire food aid in kind and is insisting to go further with it. In fact the US government seems to be divided on the issue of untying food aid. For instance, the Congress rejected the Bush Administration's proposal (in 2006 and 2007 budget) to use 25 percent (about $300 million) of P.L. 480 Title II[3] budget for overseas purchases for emergencies (Gelan, 2006; Toppen, 2006). It is perhaps such move towards untied aid that

[2] *'Tied aid'* is a term used to refer to the food aid given under stringent conditions like procurement of food from the donating country, restricting shipping and transporting companies and others, set by the donor countries.
[3] Title II refers to the main U.S. food for international relief and development budget.

enabled Ethiopia's PSNP access donor funds in cash except for USAID and WFP who provide in kind aid.

In the December 2005 WTO ministerial meeting in Hong Kong, the EU raised food aid as an agenda item arguing that it is serving as an export subsidy (Bread for the World 2006, 17). As the rest of the donors have started untying their food aid, the blame has been pointed at the US that opted to stick to its traditional food aid provision modality. The issue has not been resolved yet.

On the NGOs front, Oxfam is the first to take position and strongly advocate for local and regional sourcing of food aid or cash based food aid. The other major NGOs, especially those that run massive food aid programs, stayed out of the argument for a while. But, recently CARE has made its position clear by supporting the shift of in kind aid towards local and regional purchases (CARE-USA 2005, 3). Now several U.S. NGOs advocate for the shift (Toppen J. 2006). On the contrary, other major NGOs including World Vision argue that supporting the shift amounts to agreeing on a cut on the volume of food aid. So they advocate for additional funding to the local and regional procurement of food aid, while maintaining the in kind aid.

Furthermore, FAO's State of Food and Agriculture (SOFA) 2006 exclusively focused on the link between food aid and food security. FAO called for reforms on food aid modalities and strongly recommended for cash aid unless the circumstances dictate the in kind food aid (FAO 2006).

4.2 Review of Relevant Policies, Strategies and Programs

Ethiopia, as a major recipient of food aid, has been exerting efforts to utilize the aid to support its developmental objectives, particularly food security goals. Policy measures are the first to mention in this regard. This chapter will review the major policies, strategies and programs designed to integrate relief and development.

4.2.1 National Policy of Disaster Prevention and Management

The Transitional Government of Ethiopia (1993) issued the National Policy on Disaster Prevention and Management (NPDPM) aimed at linking relief assistances to disaster

prevention and sustainable development. It envisaged ensuring adequate incomes to disaster affected people to cover food and other basic needs in a way that promotes self reliance, safeguards human dignity, preserves assets for speedy recovery, makes best use of natural resource endowments and contributes to elimination of the root causes of disaster vulnerability. It also underlined the importance of integrating disaster prevention programs in all development endeavors. The basic principles of the policy (TGE, 1993) were:

a. Community participation in all phases of relief projects,
b. Giving priority to most needy areas based on careful assessment of situations,
c. Clearly define focal points for actions at different levels and empowering the centers of coordination,
d. No free distribution of relief aid to able-bodied affected population.

Relief aid was determined to be transferred in two forms - as wages to participation in employment generation schemes (EGS) and gratuitous relief. About 80 percent of relief beneficiaries are assumed to be able-bodied adults who are required to contribute labor to planned community development activities before receiving the relief aid. Those who are aged, infirm, disabled including pregnant women, young children, etc (that are assumed to account for 20 percent of total affected population) are eligible for gratuitous relief or free aid. So the policy sets the basis for distribution of relief aid as 80 percent EGS and 20 percent free distribution. EGS activities include development and maintenance of public infrastructures, environmental protection structures like soil and water conservation that were intended to link relief with development. For over a decade, since 1993, this policy has been guiding relief aid in Ethiopia.

Though delivering food aid through EGS appeared to be a good way of synchronizing relief and development, practically, it was not as effective in development as it was in relief. Due to lack of awareness on participatory planning techniques and the short planning cycle under the emergency framework, quality of outputs on public works has generally been low. Especially the short time allotted to planning that emanated from the nature of the program itself didn't allow for developing long-term strategies to manage food aid more effectively. Moreover, post project follow up was almost inexistent and maintenance was inadequate. In general, community structures constructed (such as soil

and water conservation) did not lead to any tangible output in terms of sustainable development.

4.2.2 Food Security Strategy (FSS)

The food security strategy was first prepared in 1996 and later revised in 2002. Within the National Agricultural and Rural Development Strategies, the FSS was designed to address both the supply and demand sides of the food equation (FDRE, 2002). In other words, it gives due attention to both boosting availability of food and enhancing the entitlements or commands of the people on the same.

The revised strategy rests on three pillars: increasing the availability of food through domestic (own) production, ensuring access to food for food deficit households; and strengthening emergency response capabilities (FDRE, 2002). In relation to increasing availability of food, due attention was given to raising agricultural production in both moisture stress and adequate moisture areas. Recommended measures include strengthening agricultural research and extension, water harvesting, use of appropriate technology, conservation of natural resources and etc. On the other hand, in order to ensure access to food, the government committed itself to promoting micro and small enterprises, improving the food marketing system, promoting off-farm income activities and etc.

Unlike the original strategy, the revised one has given due attention to the chronically food insecure moisture deficit and pastoral areas (FDRE 2002). Some of the additional departure areas and improvements from the 1996 FSS were a clear focus on environmental rehabilitation, considering biological measures as a source of income generation for food insecure households, inclusion of water harvesting and the introduction of high value crops, livestock and agro-forestry as key intervention areas.

4.2.3 The New Coalition for Food Security

The 'New Coalition for Food Security' was formed as a result of a series of high-level consultation conducted in mid 2003 among the government, bilateral and multilateral donors and NGOs. It has proved to be the first partnership against food insecurity that aimed to turn around the problem in a matter of three to five years (NCFS 2003). In order

to alleviate this challenge the coalition has committed itself to support and run a food security program with various interventions.

The National Food Security Program (NFSP) has three components - the Productive Safety Net Program (PSNP), other food security programmes and Resettlement. The safety net component is aimed at bridging household food gaps, thereby alleviating distress asset sales and creating community assets for sustainable development. On the other hand, other food security interventions are meant to enable households accumulate assets so much so that they could graduate out of chronic food insecurity. The last one is a resettlement component aimed at resettling chronically food insecure households from highly degraded areas into lowlands to gain access to more fertile land.

4.2.3.1 Productive Safety Net Programme (PSNP)

Chronic food insecurity is endemic in Ethiopia, for which emergency food aid has remained to be the standard response for long time. Based on the Government of Ethiopia's decision and agreement from major donors to shift from annual emergency aid to multi-year predictable assistance, the productive safety net program (PSNP) was launched in 2005.

The PSNP, at its inception, was set to reach 5 to 6 million chronically food insecure people in 262 chronically food insecure woredas in eight regions (Tigray, Amhara, Oromiya, SNNPR, Harari, Diredawa, Afar, and Somali). The number of the target people for each region and Woredas was decided at the national level based on DPPA's historical figures for food aid recipients. However, these figures have to be converted to names of people who are eligible for the support through an administrative and community targeting methods at PA levels. It is a typical top down approach. It would have been better, I believe, if the setting of the numbers of the target beneficiaries started from the PA level by screening eligible beneficiaries using some standard criteria.

The PSNP has two components - labor-intensive public works and direct support. Those households who have able bodied adults participate in public works to build community assets such as conservation of soil and water, construction and maintenance of schools, health posts etc, before receiving the transfers. Households who are labor poor (the aged,

disabled, chronically ill and etc) are exempt from public works requirements and shall receive direct transfers.

The PSNP transfers cash and/or food to chronically food insecure households to prevent asset depletion at the household level and create assets at the community level. The program implementation manual (PIM) provides different factors to be considered before making decision to use cash or food as a transfer (see Table 3).

Table 3: Factors to Consider when Choosing Cash and/or Food as Payment/Benefit

Transfer	Factors to Consider
Cash	• Near food surplus areas (in same or neighbouring *Woreda*) • Availability of active food markets • Preferences of the community • Cash management capacity (presence of finance officers, cashiers, safes, transport, security at *Woreda* level).
Food	• Preferences of the community • Absence of food markets near food insecure *Kebeles* • Lack of experience in cash management and better food management capacity

Source: Productive Safety Net Program Implementation Manual.

4.2.3.2 Other Food Security Programme (OFSP)

A number of food security interventions were brought together in OFSP aimed at building household assets. It was recognized that the PSNP that protects household assets from depletion and builds community assets, couldn't lead to food security apart from protecting the lives of the target households from further deterioration. To be able to ensure food security other food security interventions are required in integration with the PSNP. In fact, the PSNP was designed with the assumption that other food security interventions will also be undertaken targeting the same PSNP beneficiaries. It was stated that only when the two programs are implemented in an integrated manner that the beneficiaries will 'graduate' out of food insecurity and dropped from the list of beneficiaries. 'Graduation' is a term used in the PSNP to indicate the situation where the beneficiaries are enabled to ensure food security and no more need to be supported by the Safety Net transfers.

In OFSP, a number of interventions were planned that are aimed at household level. According to the Program Implementation Manual (FDRE 2004), these interventions include extension for increasing productivity of cropping systems and livestock, credit, expansion of irrigation infrastructure, development of water resources and small-scale water-harvesting mechanisms, and diversification of on-farm and off-farm income.

The program has been in operation side by side with the PSNP. However, a recent study (ODI, IDL group and Indak 2006) conducted by consultants commissioned by DFID has surfaced out critical problems in the program implementation. Some of their findings are:

- Poor quality of planning (not evidence-based and weaker community participation)
- Low coverage of beneficiaries (not all PSNP beneficiaries are targeted with OFSP). Only a limited number of poor households get the chance to be participants in the programme.
- Program rigidity (households are not involved in identification of appropriate packages). Often, packages are inappropriate for households, especially poor households. They are based on narrow agro-ecological zones and do not include support for non-agricultural activities.

4.2.3.3 Resettlement Programme

The Government of Ethiopia launched the resettlement program in 2003 aimed at resettling 440,000 chronically food insecure households (or 2.2 million people) to enable them attain food security through accessing fertile land for cultivation (NCFS 2003). The resettlement program is planned for four regions: Tigray, Oromia, Amhara, and Southern Nations, Nationalities, and Peoples Region (SNNPR). The program provides resettlers with land, and plans to establish basic infrastructure (health services, water supply, primary schools, roads, etc.) in and around the resettlement sites to meet minimum standards of service. So far, over 180,000 households have been resettled in more than 100 villages (Gebre 2005).

Despite the fact that it is one of the three components of the FSP, the resettlement program has got least support from the partnering bilateral and multilateral donors. Reluctance of donors to get involved in the resettlement program was discussed in different writings (Gebre 2005; Refugees International 2004; Marchione and Novick 2003). For instance,

Gebre explained that donors did not commit themselves to support the resettlement program, even though they seem to be considering it in principle. Refraining from supporting the resettlement process, though, many donors have expressed their willingness to support emergency needs in resettlement sites (RI 2004). However, according to Gebre, so far, it was USAID alone (among the major donors) that intervened in the resettlement areas in monitoring and provision of emergency assistance through WFP and UNICEF.

The predecessor of the current resettlement program was the one known for its coerciveness and the massive damage inflicted up on people (both resettlers and host) and the physical environment. It was implemented during the mid 1980's as part of the Derg Regime's response to the 1984 famine. The current program has got an opportunity of learning from the previous unsuccessful program. However, findings of different studies (Forum for Social Studies website) on the current program indicate the contrary. Even though the Government claims to have taken all precautionary measures, the Resettlement program is widely criticized for its negative impact on the social relationships and livelihoods of both the resettlers and host communities, environment of the recipient areas and etc. In the majority of the resettlement sites, the program was hastily implemented without detailed feasibility studies that resulted in mismatch between supply and demand for land and other social services. For instance, as the demand often surpasses the supply, some of the above studies state, the promised provision of 2 ha of land per household was not materialized in many cases. Besides, the much talked about deforestation has also been intensified.

In relation to the resettlement program, I believe that one should separate the issues relating to relevance of the program and that of implementation. Most of the criticisms raised on the program seem to relate to the management of the program rather than the relevance of it. Some of the issues around the current resettlement program include poor planning, weaker feasibility studies, lack of proper participation of both host and resettling communities, shortage of social services, scale and timeframe of the program and etc. Hence, if the program is implemented with consideration of the above issues and appreciation of the complexities of such undertaking, the human and environmental cost of the program might be reduced while at the same time the benefits are maximized.

CHAPTER FIVE
SODO ZURIA WOREDA AND STUDY KEBELES

This chapter is devoted to introducing the study *Woreda* and the two case study *Kebeles*. Location of the study area in relation to the region and the country is depicted using maps and narratives. Necessary background information regarding topography, demographic characteristics of the people and their livelihood activities were briefly discussed.

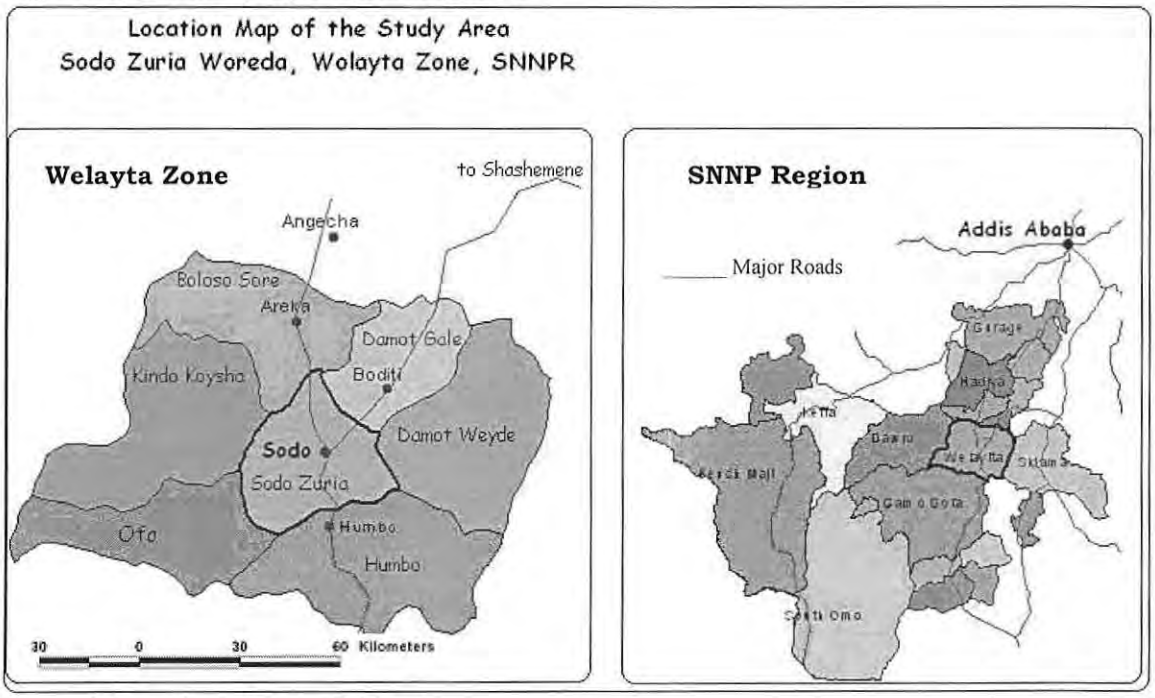
5.1 Sodo Zuria *Woreda*

5.1.1 Location and Administrative Structures

The study was conducted in two case study PAs (Wachiga Busha and Humbo Larina) found in Sodo zuria *Woreda*, Wolayta Zone, SNNP Region. The Zonal and at the same time the Sodo zuria *Woreda* capital, Soddo town, is located at a distance of 390 km to the south of Addis Ababa on the main road to Arbaminch and 160 km south-west of the Regional Capital, Awassa. Sodo zuria *Woreda* is found at the heart of Wolayta zone surrounded by the other six *Woredas* in the zone. It lies roughly between $6^{0}72'$ to $6^{0}99'$ north latitude and $37^{0}61$ to $37^{0}88'$ east longitude (see Figure 3).

The *Woreda* oversees 35 *Kebeles* including Sodo town. Under each *Kebele* administration there are sub-PAs locally called *'ketena'* and also task forces (*mengistawi budin*).

Figure 3: Location Map of the Study Area



Source: Adapted from DPPA Arcview data.

5.1.2 Topography and Agro-ecology

According to Welayta Zone Finance and Economic Development Department (WZFEDD 2005), the topography of the *Woreda* is dominated by midland that accounts for 98% of the total area, and the remaining 2% is highland with rugged mountains and undulating slopes. Damot Mountain is the highest peak (over 2800 m.a.s.l) in the *Woreda* and all the highland *Kebeles* are located around it. Besides, the mountain is considered as the water source to the springs of the surrounding areas. DAs' records show that Altitude of the *Woreda* falls in the range of 1750 to 3000 m.a.s.l. The average annual rainfall of Soddo Zuria *woreda* is 1200 mm per annum (WVUS 2005), while the daily temperature varies from 15^0C to 30^0C.

There are two agricultural production seasons - *meher* (long rainy season) and *belg* (short rainy season). The *meher* rains start in June and extends up to mid September, while the *belg* rainy season lasts from March to May. *Belg* season contributes the highest share to the annual crop production and is the most important cropping season in the livelihoods of the people. According to the Woreda Office of Agriculture, belg crop production accounts for 55 and 62 percent of annual production in the highland and midland areas, respectively.

5.1.3 Demographic Features

The total population of Sodo zuria *Woreda* is estimated at 297,576 (CSA 2006), out of which 79% and 21% are residing in rural and urban areas, respectively. With its total area of 481.25 km^2, the *Woreda* has one of the highest population densities in the country (618.3 persons/km^2). The average family size is nearly seven persons per household. Youth constitute the majority in the population strata that forms a pyramid like structure with the steadily declining number of people as the age category goes up. This has resulted in a higher dependency ratio[4] (91.5%), which is over the average for the country ie. 84.3 in 2006. A dependency ratio of 91.5 percent means, for every 100 working age people there are about 92 economically dependent people that have no income. As a result of the higher population density in the *Woreda*, the average landholding size per household is less than 0.6 ha.

According to WVE Sodo Zuria ADP, the *Woreda* is predominantly inhabited by the *Wolaita* ethnic group, accounting for 96% of the total population and the remaining 4% is comprised of *Gamo, Gofa, Guraghe* and other ethnic groups. A similar source states that Orthodox Christianity is the dominant religion representing 52% of the population followed by Protestantism (43.1%), Catholicism (2.4%) and Islam (1.6%).

5.1.4 Livelihood Activities

Sodo zuria *Woreda* is predominantly rural, and hence the people are heavily dependent on agriculture. The major occupation and livelihood activity is rain-fed mixed farming, whereby crop production is combined with animal husbandry. Although landholdings are generally small, farmers grow a variety of crops in the two seasons. Maize is the major crop produced for food and cash in the midland while the major crops grown in the highland are wheat and barely. A significant number of farmers also produce Haricot bean. Whereas the mid-landers depend on '*Enset*' (false banana) and sweet potato, the highlanders lean on Irish Potato for subsistence. Cassava, taro and other root crops are also produced in small quantity. Major cash crops are coffee, teff and *enset*.

Livestock rearing, though constrained by critical shortage of grazing land, supplements the crop production. According to the *Woreda* Office of Agriculture, the livestock population

[4] (Total) dependency ratio is calculated by dividing the number of children aged 0-14 plus people aged 65 years and older by the total number of people aged 15-64 years (working age) multiplied by 100.

in the *Woreda* is estimated at 170,637 heads. Since feed is in short supply, livestock owners often have to hand-feed their animals with crop residues and fodder bought in the market. Better-off and middle income households get the greater part of their annual cash earnings from livestock and butter sales, including fattened oxen for the festival meat markets as far as Addis Ababa. This category of farmers commonly contract poorer households to keep and fatten some of their stock. In return the poor households receive shares from the sales of the fattened animals. The local name for such deal is *'tihwa'*. Apart from these, sale of woodlots of trees, particularly eucalyptus, is also supplementary means of household income.

Income from off-farm activities is the second most important source of livelihood in the *Woreda*. Trading plays an important role in generating off-farm income. There are weekly and daily (small) markets where a range of agricultural and other industrial outputs are traded. Sale of labor both within the *Woreda* and in the form of seasonal migration to other areas mainly state farms is the major off-farm income source. Apart from this, pottery, weaving, tannery and blacksmith generate income to some households.

Since the agricultural activities are constrained by different inter related problems including critical shortage of cultivable landholdings, soil degradation and shortage of grazing land, the *Woreda* has been considered to be one of the chronically food insecure in the country. For instance, World Vision Ethiopia (2005) estimates that 16 percent of the Woreda population (about 40,000 people) has required food assistance for the three years prior to 2005.

5.2 Study Kebeles

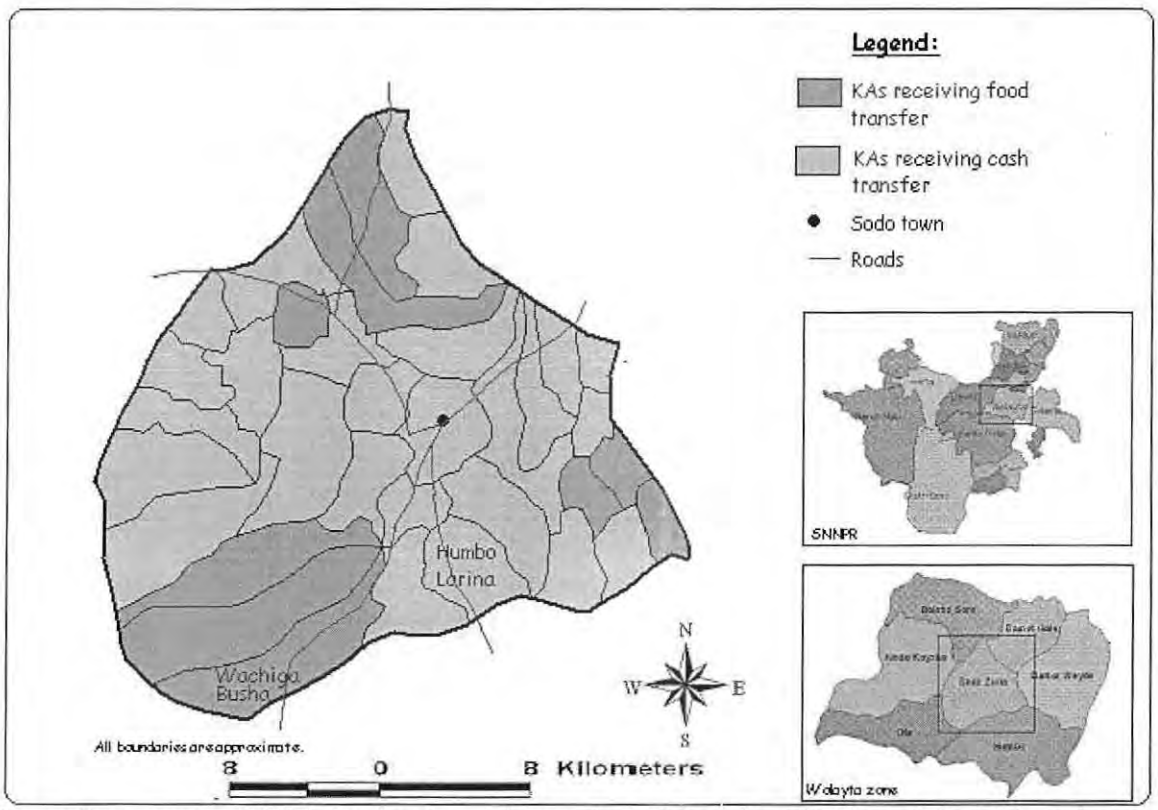
5.2.1 Wachiga Busha PA

Wachiga Busha PA is located at the southern part of Sodo zuria Woreda at a distance of 19 kms from Sodo town (see Figure 4 below). According to the Wolayta Zone Finance and Economic Development Department, it has a total population of 6,797 in 2006 (projected from 1994 census). Annual rainfall ranges between 300 and 900 mm while the altitude is between 1500-1800 m.a.s.l. The landscape is characterized by flat lands and sloppy hills and the area fall within dry midland agro-ecology.

The major crops grown using the bi-modal rainfall are Maize, Sweet Potato, Yam and Irish Potato in the *Belg* season and *Teff*, Cassava and Harricot Bean in the *Meher* season. Teff is the major cash crop generating the highest cash income for the farmers, while Sweet potato and Maize, in order of their appearance, are the first two major consumption items in the area.

From the key informant interviews, it was learned that the PA was known for chronic food insecurity due to the recurrent drought and food shortages in the previous years, especially since the 1984 drought. The WVE Sodo Zuria ADP records show that the PA has been part of the safety net program with 273 households participating as beneficiaries, receiving food transfers. Out of the total beneficiary households 204 are public work participants while 69 are direct support recipients.

Figure 4: Map of Case Study PAs (Wachiga Busha and Humbo Larina)



Source: Base map from DPPA Arcview data and approximate delineation of PA boundaries by the author.

5.2.2 Humbo Larina PA

The second PA included in the study is Humbo Larina that is found at a distance of about 7 kms to the south of Sodo town on the main road to Arbaminch. It covers an area of 1,233 ha and has a total projected population of 3,398 in 2006 (WZFEDD 2005). Under the PA administration, there are 4 sub-PAs (locally called *'ketena'*) and 12 *'mengistawi budin'* (task forces).

Development Agents' (DAs') records show that altitude of the PA ranges between 1750 and 1850 m.a.s.l and it is categorized in the dry midland agro-ecology. Three fourth of the land area is flat while the rest is a rugged topography. Key informants reported that the PA suffers from failure of rainfall besides land fragmentation and other related constraints. They concluded that having normal harvesting season has almost become a once in three year's phenomenon in recent years.

CHAPTER SIX

DEMOGRAPHIC CHARACTERISTICS AND FOOD SECURITY SITUATION OF THE RESPONDENTS

Analysis and discussion of findings of the study begins with this chapter on demographic characteristics and food security situation of the respondents. It starts with presentation of the demographic characteristics of the survey respondents, including age, sex, household size, marital and educational status and occupation. Alongside this, the food security situation of the study PAs is discussed with particular focus on availability and access to food. Major causes of food insecurity and coping mechanisms of the study population were also identified and discussed.

6.1 Demographic Characteristics

The ages of the respondents, as illustrated in Table 4, ranged from 15 to 85 and the median[5] age was 37.5 years. Closer look at the age distribution revealed that most of the respondents were below the age of 35 and there are fewer old age respondents that are mostly direct support beneficiaries. There is only one household headed by a child of age 15, due to death of both parents. Number of family members in the respondent households ranged from 2 to 11. The average household size was five.

Table 4: Ages and Household sizes of Respondents

	N	Minimum	Maximum	Mode	Median	Mean	Std. Deviation
Age	46	15	85	30	37.5	43.54	15.759
Household size	46	2	11	5	5	5.07	1.756

Source: Household survey

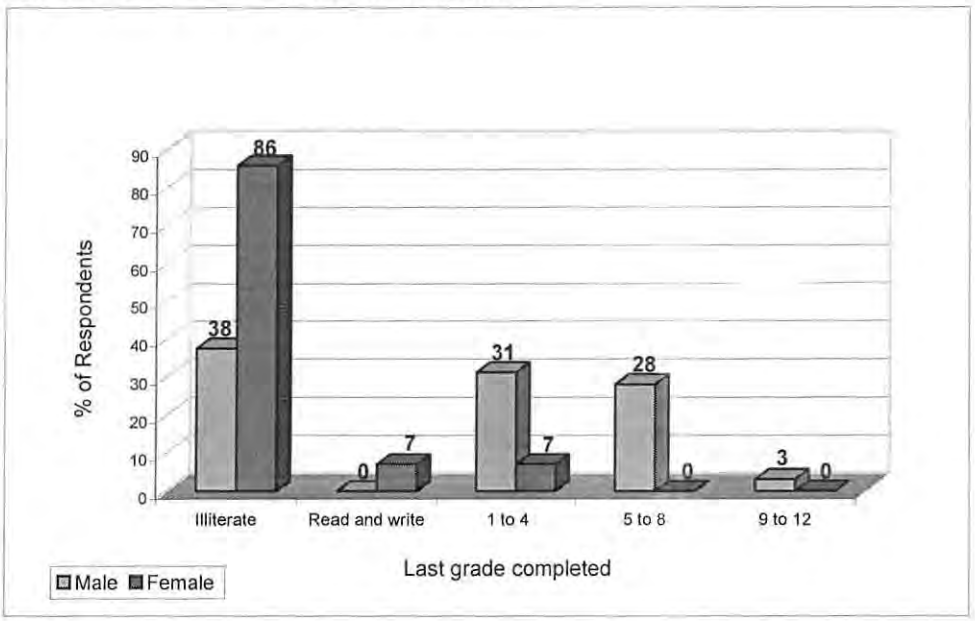
The majority (70%) of the respondent heads of households were male, while the female constitute 30%. At the time of the interview, 63 percent of the respondents were married while 30 percent were widowed. The rest are equally shared between separated, divorced and never married at all. A gender disaggregated view of the marital status of the respondents' shows that the entire female heads of households were widows, except for two - one married to a mentally unstable man and the other separated from her husband. The

[5] Since the age distribution is skewed (not normally distributed), the median explains the central value of the ages of the respondents better than the average.

fact that almost the entire female heads of households were widows indicates how they are intentionally targeted by the program. Apparently, the targeting of safety net beneficiaries, especially the direct support, seems to have adhered to the vulnerability criteria (one of which is being a widow) set in the PIM.

All the respondents were Christians and belong to the Wolayta ethnic group. Within the Christian denomination 89 percent are affiliated with Protestantism and 11 percent with Orthodox. At the time of the survey, about 96 percent of them reported to have engaged in agriculture as a primary occupation. In fact, the overwhelming majority of those engaged in agriculture doesn't have any other secondary occupation. Only 13 percent reported daily labor as a secondary occupation.

Figure 5: Educational Status of Respondents



With regards to educational status, the majority of the women respondents (86 percent) were illiterate while the corresponding figure for the male was only 38 percent (Figure 5). The maximum level of education the women respondents reported to have reached is first cycle primary education or grades one to four. Even that level of education is farfetched to most women as only seven percent of them did attend the first primary education. In contrast to this, the men respondents were able to attend up to secondary school. The proportions of men respondents that have attended first cycle primary education, second cycle primary education and secondary education are 31%, 28% and 3%, respectively. It appears that women in the study areas didn't get equal chance to education with men.

6.2 Food Security Situation

In order to understand the study area's food security situation, one has to first deal with the three components of food security - availability, access and utilization of food. In what follows, the situation of the study area is explained in view of the components mentioned above. Nevertheless, due to limitations in information on health issues, the utilization component is not discussed in this study.

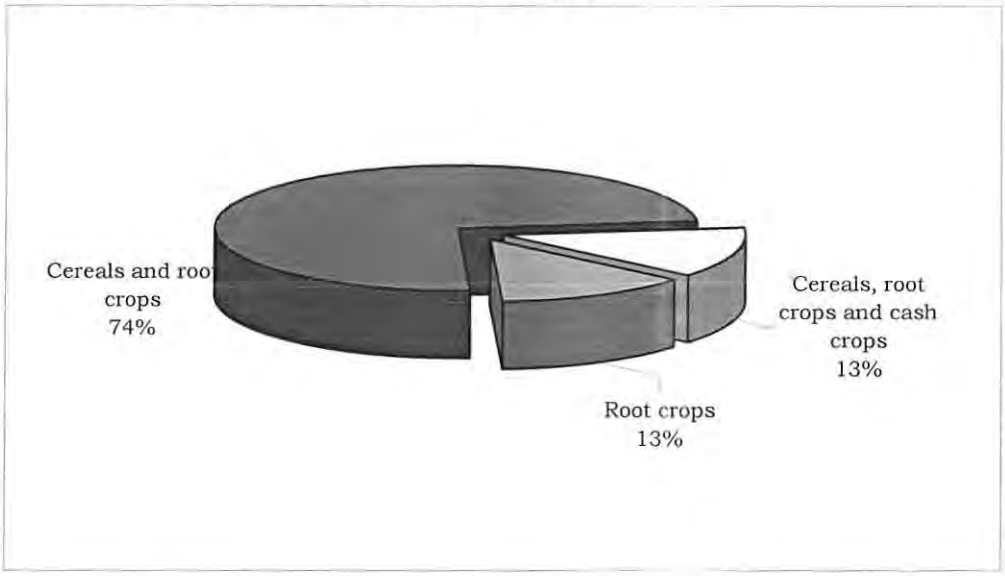
6.2.1 Availability of Food

Under normal circumstances, a subsistence agricultural community, like that of the study PAs, gets its food through own crop and livestock production. In what follows we will look into the crop and livestock production in the two case study PAs.

6.2.1.1 Crop Production

With the exception of the very small engagement in cash crop production, the case study *Kebeles,* by and large, are limited to production of food crops for subsistence. As depicted in Figure 6 below, nearly three fourth of the respondents (74%) grow cereals like Maize, *Teff*, Harricot Bean and Sorghum and a variety of root crops such as Sweet Potato, Taro, Yam, Cassava and Irish Potato for household consumption. Only few (13%) households engage in cash crop, particularly Coffee, production besides the food crops, whereas a similar percentage of the sample households grow root crops only, mainly due to shortage of landholdings. The DA's reported that in spite of the favorable climatic conditions for Coffee production, the actual number of people and size of land allotted for its production is very minimal. It was also learned that Maize and Sweet Potato are the widely produced and commonly consumed crops while *Teff* is produced as a cash crop, which is mostly consumed in the towns.

Figure 6: Crops grown during the last two years



Even though all of the respondents do engage in crop production of some sort, they don't produce enough for their annual needs. Indeed, the entire households interviewed reported that their agricultural production is not enough to cover their consumption requirements.

Table 5: Number of Months Production covered HH Consumption by Kebele
% Within Kebele

Kebele	Number of months production covered HH consumption		Total
	< 3 months	3 - 6 months	
Humbo Larina	78.9%	21.1%	100.0%
Wachiga Busha	70.4%	29.6%	100.0%

Source: Household survey

As may be observed from Table 5, the food production of the respondents do not last more than six months. For instance, in Humbo Larina, a PA receiving cash transfers, 79 percent of the respondents were only able to cover a maximum of three months of household food consumption. The rest (21%) are able to produce food crops that could suffice for three to six months of their annual food needs. Similarly, about 70% of the sample households in Wachiga Busha PA (receiving food transfer) cover up to three months of consumption needs, while the 30% can go up to three to six months.

6.2.1.2 Livestock Production

In the study areas livestock production is the second most important source of income and

food next to crop production. The Sodo Zuria Woreda Office of Agriculture estimates that livestock and livestock products contribute about 15 percent for the annual cash income of the *Kebeles* in the midland agro-ecology that includes both the case study PAs. Out of the total income from livestock, by far the largest amount (80 percent) is generated from cattle through cattle fattening and selling livestock products.

According to survey results, around 85 percent of the respondent households have some livestock of either their own or shared with others. Nevertheless, the number of animals each respondent owns is insignificant; most of them own one or two shoats or few chickens. Hence, livestock production is not as such the main source of livelihood for the respondent households. Though it plays a significant role in the overall economy and livelihoods of the study areas, in general, its significance is much lower to the poorer members of the community to which most of the respondents belong.

This is even much more evident in the critical shortage of plough oxen. For instance, only 13 percent have single oxen while the rest (87 percent) have no oxen at all. Apart from this, not a single respondent claimed to own a pair of oxen.

6.2.2 Access to Food

Access to food for those who do not produce or not produce enough is possible through purchase from the market, and thus directly correlated with cash income and purchasing power. Basically, off-farm employment is the most important source of income for such people to generate cash income.

However, off farm employment opportunities in the study *Kebeles* are very slim. Only 30 percent of the respondents participate in off farm income activities, particularly daily labor. Lack of skills and business know-how are the major limiting factors that prohibit the community members from engaging in diversified off farm activities as a supplementary income source.

6.2.4 Major Causes of Food Insecurity

Undoubtedly, the study areas suffer from chronic food insecurity. As explained in section 6.2.1.1, the maximum number of months the respondents could cover consumption from

own-production is only six. The survey results show that small and fragmented land holdings, lack of plough oxen and loss of soil fertility are, respectively, cited as the first three major causes of food insecurity in the areas. Similar results were found from the focus group discussions.

6.2.4.1 Small and Fragmented landholdings

Land holdings are critical factors of production determining the type and size of crops produced and availability of pasture land that in turn determines number of livestock reared (Degefa 2002). Thus, landholding sizes play a central role in farm households' food security.

All the respondents of the survey in the present work reported to have some arable land. However, as illustrated in Table 6, the size of land per household is generally smaller. Nearly 60 percent of the households have landholding sizes of less than 0.25 ha. It was only one household that reported to have a landholding size between 0.75 and 1 ha.

Table 6: Size of Land Owned

Size of landholding per household	Number of Respondents	Percent
Less than 0.25 ha	27	58.7
Between 0.26 and 0.5 ha	11	23.9
Between 0.51 and 0.75 ha	7	15.2
Between 0.76 and 1.0 ha	1	2.2
Total	46	100.0

Source: Household survey

During the focus group discussions in both PAs, it was noted that the study areas are characterized by very small and highly fragmented landholdings that emanated from the higher density of population. Landholdings continually dwindle both in size (due to redistribution among family members) and quality (due to continuous cultivation leading to soil nutrient mining and erosion). Children share the holdings of their families as they get to adulthood; otherwise they migrate out to other areas. Therefore, average land holding sizes have been steadily going down. All secondary information sources also confirm such findings. For instance, the Woreda Office of Agriculture estimates the average landholdings of Sodo Zuria Woreda to be 0.5 ha.

Furthermore, the population pressure forced farmers to cultivate marginal lands including sloppy areas that was cited as one of major causes of flooding and erosion. Key informants reported that crop rotation and fallowing has become difficult to practice. Due to shortage of grazing land crop residues became major animal feed and animal manure important source of fuel, resulting in declining soil fertility. Declining size and quality of landholdings has, thus, been the major cause of lower crop production and productivity in the study area. As some studies (Chinsinga 2005) indicate it also has positive correlation with vulnerability and poverty.

In the study PAs, it was learned that, those who have smaller and poor quality (marginal) landholdings are often the poorest members of the community. Women headed households in the study areas tend to have smaller plots of land besides the obvious labor constraints they face. For instance, the cross tabulation (in Table 7) of sex of household heads with size of land holdings shows that the majority (about 79 percent) of the female-headed households, in contrast to 50 percent of the male, have landholding sizes less than 0.25 ha. Those who own between a quarter to half hectares of land among the male heads of households was 31 percent while it was only 7 percent among the female heads of households.

Table 7: Cross-tabulation of Sex and Size of Land Owned

Sex		Size of Land Owned				Total
		Less than 0.25 ha	Between 0.26 and 0.5 ha	Between 0.51 and 0.75 ha	Between 0.76 and 1.0 ha	
Male	Number	16	10	5	1	32
	% within Sex	50.0%	31.3%	15.6%	3.1%	100.0%
Female	Number	11	1	2	0	14
	% within Sex	78.6%	7.1%	14.3%	.0%	100.0%
Total	Number	27	11	7	1	46
	%	58.7%	23.9%	15.2%	2.2%	100.0%

Source: Household survey.

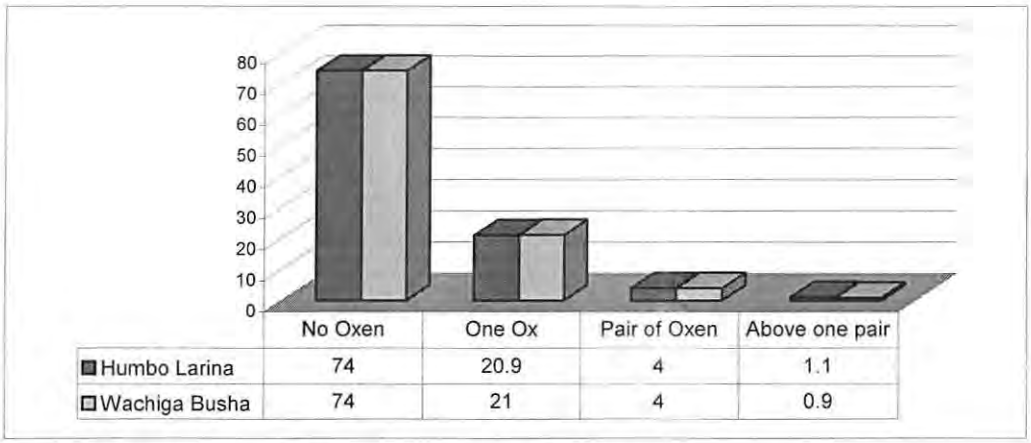
On average, the women headed households have lesser landholdings than their male counterparts and, in the context of agriculture-based livelihoods, are vulnerable to food shortages.

6.2.4.2 Shortage of Plough Oxen

Besides shortage of land, the majority of the respondents do not have plough oxen, except few (13 %) who have reported to own single oxen. This is in line with the secondary data

collected from the archives of the Woreda Office of Agriculture and Rural Development. According to the Office, about three out of four of the farm households in both study PAs do not have plough oxen at all (see Figure 7). The proportion of those who have one ox is 21 percent for each of the PAs.

Figure 7: Possession of Oxen by percent of Households in the Study Areas



	No Oxen	One Ox	Pair of Oxen	Above one pair
Humbo Larina	74	20.9	4	1.1
Wachiga Busha	74	21	4	0.9

Source: Sodo Zuria Woreda Office of Agriculture & Rural Development.

Therefore, they are not able to adequately plough their meager landholdings. According to focus group discussions, those who have no oxen, too often, have to rent from others, but only after the owners have completed ploughing their own plots. But, by then, the ploughing season might have passed or got late. On top of this, the recurrent failure of rainfall makes life even harder for the subsistent farmers in the study areas.

Hence, small and fragmented landholdings, lack of plough oxen, soil nutrient depletion and lack of off farm income opportunities, in a predominantly agricultural society, sustained and exacerbated the food insecurity situation.

6.2.5 Coping Mechanisms

In times of food shortage, households always take a range of measures, beginning with less to more severe ones, to cope with the crisis. The coping mechanisms depend on the severity of the problem and the resilience capacity of each household. Herbinger (1998:3) explains:

> *Household strategies to cope with food shortages range from less severe means such as short-term dietary changes, depletion of stores, acquiring of loans for consumption purposes and sales of non-productive assets (e.g., jewellery), to very severe mechanisms such as dramatically reduced food consumption and energy expenditure, disposal of productive assets and (distress) migration.*

In between the extreme coping measures households take different measures to withstand the food shortages they face.

In the study area, the communities, normally, cope with the deficits in food production through a number of mechanisms that have evolved through time. Currently, safety net payments and daily labor come as first and second major coping mechanisms the people in the study area, particularly the safety net participants, employ to bridge the gaps in their annual food budgets. As much as 83% of the households cited safety net transfers as their first coping mechanism indicating the communities' strong reliance on the safety net program. Daily labor is the second coping mechanism widely practiced in the areas. In times of food shortages, especially prior to the safety net program, the men engage in daily labor in nearby towns, farmlands of rich farmers or migrate to state farms out of the *Woreda*. Women, on their part, work for better off families in *enset* processing and other household chores mainly to receive in kind payment. When the communities face severe food shortages even children would get employed as herders for rich families, besides selling of productive assets and eating wild foods.

In the last couple of years, however, there was no mention of abnormal coping mechanisms like selling of productive assets, eating wild foods, etc. It was found out from the focus group discussions that the communities were relieved of such measures since the start of the safety net program. For instance, one of the key informants explained that even the number of people working on the farmlands of the better off farmers as daily laborers has significantly decreased since the inception of the safety net program. Indeed the majority of the current safety net beneficiaries were receiving food aid before the introduction of the safety net. But, in the words of the focus group participants, the previous food aid was not predictable and often can't be relied upon. One may receive the aid for a year as an emergency response and may pass the next year without any assistance. The safety net,

however, is designed as a multi year program that makes a predictable transfer to eligible beneficiaries for successive years.

6.3 Summary

The study population is more youthful in that most of the respondents were below the age of 35. Average household size was 5. The majority of the respondents were male (70%) and the rest (30%) were female heads of households. All belong to the Wolayta ethnic group. With regards to education, most women are either illiterate or attended lower grades while the majority of the men had joined schools and significant number of them has even reached to secondary school levels.

Sodo Zuria *Woreda*, particularly the study *Kebeles* suffer from chronic food insecurity. Crop production is highly constrained by a host of problems including small and fragmented landholdings, shortage of plough oxen, soil degradation, etc. Hence, crop production falls far short of consumption requirements of the people. It is only a maximum of six months that the respondents cover consumption from own production. Besides this, livestock production does not play a significant role in the livelihoods of the respondents who are the poorest members of the community. There are also limited off-farm employment opportunities, in turn limiting the off-farm income and the ability to purchase food from the markets.

CHAPTER SEVEN
THE PRODUCTIVE SAFETY NET PROGRAM AND TRANSFERS

7.1 PSNP Participation

Nationwide, the PSNP was initially set to target about 5 million people based on DPPA's historical figures for emergency assistance from the previous three years (FDRE, 2004). According to the Food Security Coordination Bureau (2006), the program targeted about 4.8 million people in 2005 that has risen to about 7.2 million in 2006 (see Table 8). Apparently, the PSNP beneficiary numbers was underestimated initially.

Table 8: 2005 and 2006 PSNP *Woredas* and Beneficiaries

Region	2005		2006	
	No. of Woredas	No. of Beneficiaries	No. of Woredas	No. of Beneficiaries
Amhara	52	2,000,000	52	2,519,529
Oromia	51	1,102,022	62	1,378,876
SNNPR	57	760,461	58	1,298,981
Tigray	30	911,451	31	1,453,707
Dire Dawa	1	48,275	1	52,614
Harar	1	16,196	1	16,136
Afar	0	0	29	472,229
Somali	0	0	0	0
Total	**192**	**4,838,405**	**234**	**7,192,072**

Source: FSCB 2006.

Within the overall target, the PIM had determined the initial beneficiary figure for Sodo Zuria Woreda to be 22,652. According to the Sodo Zuria Woreda Food Security Desk, however, the total population participating and benefiting from the safety net program has reached 30,890 (14,865 male and 16,025 female) in 2006 from 22,652 at the inception of the program in 2005. This indicates that about 10 percent of the total Woreda population is targeted with the program. Nevertheless, those concerned with the program at the Woreda level, especially the Food Security Desk, believe that the current beneficiary numbers are still smaller than the prevailing eligible population, which they estimate to be over 60,000. They blame resource constraints to limit the beneficiary numbers to the current levels.

Out of the total safety net beneficiaries in Sodo Zuria, about a quarter (7,872 people) receives food transfers while three-quarters (23,018 people) receive cash transfers. The food transfer is handled by World Vision Ethiopia, Sodo Area Development Program (ADP) supported by USAID, while the government runs the cash transfers.

With regards to the study PAs, the households registered in payroll in 2006 were 273 in Wachiga Busha and 195 in Humbo Larina (see Table 9). The respective total beneficiaries in Wachiga Busha (food based) and Humbo Larina (cash based) in 2006 had been 860 and 600, accounting for about 12 and 18 percent of their total populations. When we compare the payroll registered household heads with the total number of beneficiaries, on average, one household head receives food or cash transfers on behalf of 3 family members.

Table 9: Payroll registered Beneficiary Households in 2006

PA	Public Works		Direct Support		Total
	Male	Female	Male	Female	
Wachiga Busha	158	46	32	37	273
Humbo Larina	97	51	18	29	195
Total	**255**	**97**	**50**	**66**	**468**

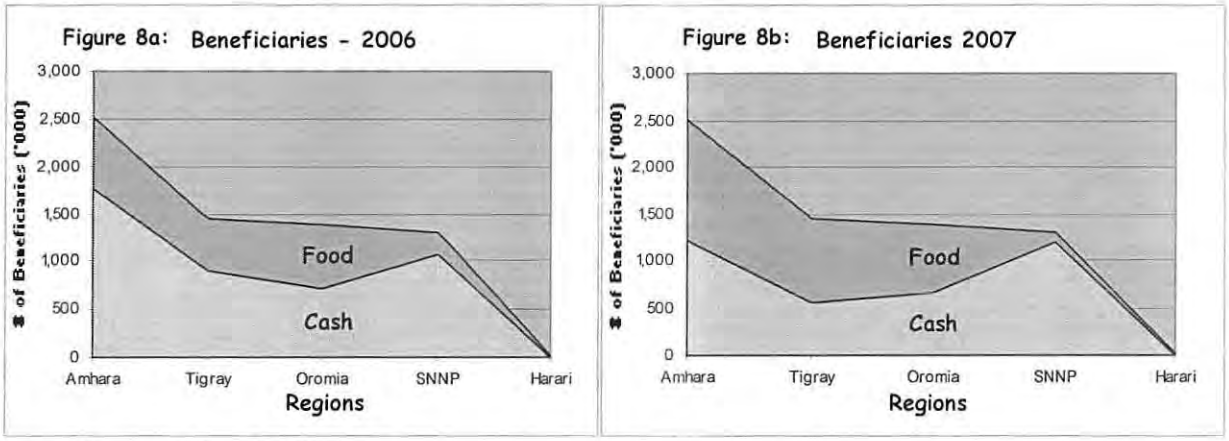
Source: Woreda Food Security Desk and WVE Sodo Zuria ADP.

As illustrated in Table 9 above, the number of male-headed households in public works component of the program is much higher than the female-headed households, whereas the direct opposite of this is observed in the direct support component. The reason behind the higher number of male participants in the public works is rather straightforward. It is because the majority of the eligible beneficiaries are members of families of married households and it is usually the men who participate in the program on behalf of their family members. Further, since the public works programs are labor intensive, it is mainly the men that participate. On the other hand, the female headed households, as is the case most of the time, are labor constrained that contributes to their eligibility for the direct transfers. Hence the number of female-headed households in the direct transfers in both PAs is higher.

7.2 Shares of Cash and Food Transfers

The MoFED financial disbursement reports imply that the total national beneficiary figure of 2007 will be the same with that of 2006. However, the share of beneficiaries targeted with food and cash has considerably changed within the two years under reference. Figure 8 shows the relative share of beneficiaries receiving food and cash in five regions (Oromia, Amhara, SNNPR, Tigray and Harari). The number of food transfer beneficiaries depicted in figure 8a (2006) is greater than the one in figure 8b (2007).

Figure 8: Cash and Food Recipient Beneficiaries of the PSNP in Five Regions



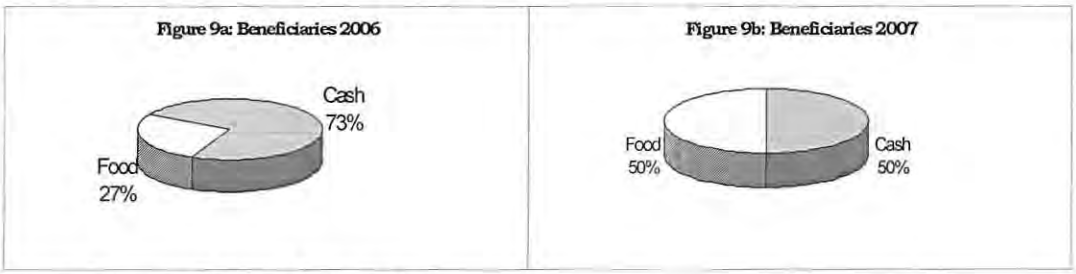
Source: Computed from MoFED data.

When we look at the details, the number of people receiving food transfers in 2007 has increased by 38 percent from 2006 level, while the number of cash recipients decreased by 19 percent (see Annex 1 for details). As the total number of beneficiaries remained the same in the two years, the increase in food recipients was a result of shift from cash to food transfers. Presumably, the shift towards more food transfers in the place of cash might have been triggered by the escalation of general price level since 2005 in the country as a whole. Agridev (2007) also seem to explain the shift away from cash transfers as a response to the unfavourable market conditions in recent years.

As regards to the study area, the share of beneficiaries of the two forms of transfers in the Sodo Zuria *Woreda* has shown significant change within the two years (2006-2007). As illustrated in Figure 9a and 9b, the proportion of cash recipient beneficiaries have decreased from 73% to 50% while the food recipients increased from 27 to 50 percent. Obviously this shift is consistent with the trends observed at the national level. Nevertheless, such trends are not consistent with the Government of Ethiopia's intention to

shift away from food to cash, as explicitly stated in the PSNP Program Implementation Manual.

Figure 9: Sodo Zuria Woreda Beneficiaries in 2006 and 2007



Source: Computed from MoFED data.

7.3 Type of Transfer Decision

The Safety net program implementation manual (FDRE, 2004) states that the decision on what (cash or food) to transfer to the beneficiaries rests on the respective Woreda Food Security Task Forces (WFSTF). As the following statements from the PIM imply, such decisions follow a bottom up approach, with the exception of possible adjustments to reconcile with resource availability.

> *The Woreda FSTF makes a request for specific types of resources (cash and/or food as the means of transfers to households), for each kebele considered chronically food insecure, to the Regional Food Security Steering Committee. The Regional Food Security Steering Committee will then reconcile these requests with resource availability from the federal allocation and allocate resources to each woreda. After approval by the Regional Council, the overall request for resources will be sent to the Federal level as part of the Regional Safety Net budget plan. (PSNP, PIM, 2004:47)*

The actual practice in Sodo Zuria Woreda with regards to type of transfers is said to be different from what is stipulated in the PIM. According to the Sodo Zuria Woreda Office of Agriculture and Rural Development, it was the Regional Food Security Bureau that allocated the proportion of food and cash to be distributed to beneficiaries in the Woreda. At the inception of the program the respective share of food and cash for the Woreda was determined to be 33 and 67 percent. In the beginning it was not clear whether the percent indicate the relative share of cash and food each household is supposed to get or the share of target households that would receive either of the two. In the mean time, it was decided

that 33 percent of the total eligible beneficiaries would be targeted with food while 67 percent with cash. This whole process did not begin at the Woreda level. Rather, it was the Regional Food Security Coordination Bureau (RFSCB) that initiated and made the decision to allocate the share of cash and food for transfers.

In relation to this, the role of the *Woreda* was limited to identifying *Kebeles* for cash and food transfers within the limit provided from the RFSCB.

7.4 Determination of size or amount of transfer

The size of food and cash transfers was determined at the federal level and is uniform for all regions. In relation to this, the PIM states, "It is assumed that 6 birr will buy the daily requirement of 3 kg of grain per working day. Pulses and oil may be included, within the total of 6 birr, depending on the price of grain at the time."(PIM, 2004:45). It appears that the PIM has inflexibly equated 6 birr with 3 kgs of grain (probably wheat) that it presents as a daily requirement. Further it gives room for inclusion of other items (pulses and oil) as a transfer, but until the value of the transfer reaches 6 birr. In other words, if the value of the 3 kgs of grain is less than 6 birr, then pulses and oil could be added until the total value adds up to six birr.

This proposition has inherent weakness of sticking to the assumed money value of the required grain. The value of money or the amount of goods and services it commands do normally vary over time and space. Obviously the amount of grain the six birr can buy differs at different places and times. So it is impractical to set a fixed amount of money to command a given amount of food grain across the board and time.

Empirical evidences from Sodo Zuria *Woreda* indicate that currently 6 birr can't buy 3 kgs of wheat. The price of local wheat at the time of survey at Sodo market was 2.40 birr/kg. At this rate 3 kgs of wheat costs 7.20 birr, which is higher than the wage rate of 6 birr. Thus direct application of the provisions of the PIM on the wage rate could lead to decreasing the food ration from 3 kgs down to 2.5 kgs, because it limits the value of the food ration at six birr.

7.4.1 Food Ration size

Prior to initiation of the Safety net program, the customary food ration for the food for work and gratuitous relief programs in the country (that were in line with WFP/MoA standard) were 3 kgs of wheat and 120 grams of oil. That was enough food to supply a household of six people with 1,800 calories per day (Humphrey 1998). According to World Vision Sodo Zuria ADP, however, the monthly food ration for the current food based safety net program in the Wachiga Busha PA is 15 Kg. of wheat, 1.5 Kg of Peas and 0.5 liters of cooking oil per month (for a five days/month participation). This means an eligible beneficiary gets a daily ration of 3 kgs of wheat, 300 grams of Peas and 100 grams of oil, which provides about 2100 calories per day for each member of a family of six[6]. Apparently it meets the internationally accepted standard energy requirements and is enough to meet the food needs of the beneficiaries adequately.

As a rule one person can only benefit from the program for a maximum of five days a month and six months a year that adds up to 30 days a year. The daily ration for one beneficiary, as explained above, can meet nutritional needs of six people for a day or one persons needs for six days. Hence, a single eligible safety net participant (from 30 days/year participation) gets enough food to cover his/her full six months nutritional needs.

In relation to the food ration, it was noted both from the survey and focus group discussions that the majority of the beneficiaries do not know the exact size of their daily or monthly ration. Most of the respondents look for other literate members of the community to answer about the size of the transfers. This might be due to the different sizes and varieties food items involved in the transfers that make it difficult to comprehend for predominantly illiterate and poor households. Nevertheless, such gaps could open doors to corrupt distributors to misappropriate the portions of food shares of the beneficiaries. On similar instances, researchers recommended providing clear information to recipients on the size of their entitlements so that the process could be more transparent (Devereux *et al.*, 2005).

[6] Calculated based on Catholic Relief Services (CRS) ration calculation that presents the calorie contents of the food items as follows:

100 gram of Bulger wheat = 350 calories
100 gram of Peas = 335 calories
100 gram of oil = 885 calories

7.4.2 Wage Rate

The wage rate in the study area is set at 6 birr, following the national safety net guideline. Though the initial assumption was to enable the beneficiaries buy 3 kgs of grain (wheat), at current levels of market prices in the study area, this is simply impossible. Hence, beneficiaries complain about the wage rate, especially when they compare it with the food transfers. During the time of the survey, for instance, the price, the food based safety net beneficiaries receive for sale of wheat, peas and cooking oil in birr was 2.40/kg, 3.00/kg and 8.75/liter, respectively. Based on these prices and the size of the monthly ration, a family of six people receiving food transfers gets a sum of 269.25 birr per month from sale of its food share, while a similar family of six from the cash transfers gets only 180.00 birr per month. Hence, the food recipients get 50 percent more cash as compared to the cash recipients.

Since one of the principal objectives of the program is to meet the food needs of the beneficiaries, the researcher believes that the complaints of the cash transfer beneficiaries seem reasonable. As prices have soared in recent years, the fixed wage rate based on prior year assumptions didn't serve its purpose. When asked as to how much cash payment is fair in their contexts, the focus group discussants mentioned a minimum of 10 birr.

7.5 Food Ration and Community Food Habits

One of the criticisms against food aid has been its effect on tastes and food habits of the recipients. It was widely believed that food aid, especially that is relatively inappropriate to local uses, tend to change the tastes and preferences of the people from their local accustomed food to the foreign one (Barret and Maxwell 2006; Lieberson 1997; OECD 2005). Nevertheless, findings of the current study didn't support the above.

It was clear from background study of the areas that the staple foods of the communities are cereals (particularly maize), root crops (such as sweet potato, Irish potato and cassava) and Perennials like *Enset*. Both household surveys and participatory appraisals confirmed the communities' reliance on the above crops for food. On the other hand, the basket of food that is being transferred includes wheat, peas and cooking oil. Apparently, there is a contrast between the accustomed types of food and the food being transferred by the safety net program. However, the survey findings show that the community food habits and tastes

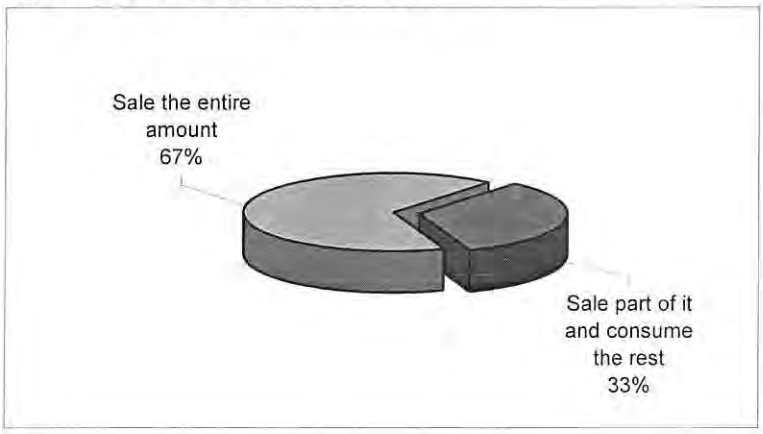
didn't change due to the safety net food transfer. The Wachiga Busha PA safety net beneficiaries, who receive food transfers, do consume maize and root crops in spite of the transfers.

We can mention a couple of reasons that could perhaps explain why the beneficiaries do not consume the food they receive. Firstly, the price of wheat, peas and oil in the market is higher enough to entice the farmers for sale than consumption. One can sell the wheat for better price and buy maize at a lesser price for household consumption. Secondly, the beneficiaries do not have any burden of transporting the food to market places, as the selling takes place at the very site they receive them. Thirdly, the food being transferred is not in the traditional food menus of the communities. It is exotic to the culture and food habits. So, the food based safety net beneficiaries seem to be making the optimal decision by selling the food aid for cash to buy the food they are accustomed to, with relatively lesser price. At the end of the day, they would be able to save some money and at the same time maintain their food habits.

7.6 Utilization of food and cash Transfers

Two third of the respondents reported to have sold the entire food commodities they received in the past, while one third of them sold a portion of it and consumed the rest (See figure 10). Surprisingly, there was no household that claimed to have consumed the entire amount of the food transfer. This is in contrary to the findings of the IDS and Indak (2006) national level study that claimed about 88 percent of the food recipients do consume the entire amount at home.

Figure 10: Uses of Food Transfers



Source: Survey results.

While the survey outcomes indicate that the beneficiaries are selling out the highest magnitude of the food, the focus group discussion has taken it even far by revealing that almost the entire amount of the food is being sold. My attempt to verify this information through asking the same question to different groups of people didn't come up with different responses. Rather, in confirmation of the wider selling of the food aid, one key informant reported that about six to seven truckloads of food aid commodities are transported out of the *Woreda* during distribution days. Ironically, key informants added that the very trucks that bring in food to World Vision distribution sites, after a while, get back loading the same food for the traders, who buy them right on the distribution spot.

Nevertheless, World Vision, in compliance with the regulations of the US government, claims that they don't distribute the food while the packages are intact. Before distribution to beneficiaries, the officer in charge of the Safety net program at Sodo ADP explained, the sacks will be untied and the cans containing cooking oil will be pierced or hit. This is the standard requirement of the donor aimed at discouraging or preventing the sale of food aid commodities. Surprisingly, such measures didn't hinder the sale of food aid. According to key informants, the only effect, for instance, the piercing of the oilcans brought about is price reduction during sale. During observation of market situation, the researcher visited shops that sell the aid oil only to see some of the cans marginally obliterated.

Though nearly all of the food recipients were willingly selling the food in pursuit of cash, some in the women focus group discussion have complained that the distribution mechanism of the food is forcing them to sell it to the traders. Since the food is distributed to the beneficiaries in groups it has been difficult to sort out individual shares when one wants to take the food home while many want to sell it. Thus, they reported, everybody's shares will be sold in spite of individual interests of the group members and they get cash in return. They have also stated that some amount of cash is deducted from each group member to be paid to the person coordinating the group receipt and sale of the food.

In relation to the distribution modality, WVE Sodo Zuria ADP agrees with the beneficiaries in that distributing the food on individual basis is the most preferred way of distribution. However, they are concerned with the logistical difficulties the individual distribution brings about. Since the bagged and packaged food commodities are not easily

divisible to individual shares of the beneficiaries, it is a very demanding task in terms of distribution time and number of distributors. So, they think, it is not efficient to do so and will continue with the current distribution for teams rather than individuals.

With regards to use of cash generated from sale of food transfers, the major spending items reported were purchase of productive assets (including sheep and goats), clothes and payment for school materials and health expenses (Table 10). Although a portion of the cash is spent on other food items, paradoxically, it was not reported to be the major expenditure item. It was only 11 percent of the respondents who spend the major portion of the cash on food items. The focus group discussants, on the other hand, included spending on festivities mainly *Meskel,* tax and debt repayment in the list of expenditure items.

Table 10: Major Uses of Cash Generated from Sale of Transferred Food

Major spending items	Percent
Buy other food items	11.1
Buy productive assets	37.0
Buy clothes for family	22.2
Cover health and school expenses	18.5
Other	11.1
Total	100.0

Source: Survey Results.

There were no much difference in the spending trends between the food recipients and the cash recipients. Receivers of cash transfers (in Humbo Larina PA) also cited purchase of sheep, goats and calves as the first major spending item. Focus group discussants in the PA under reference reported that they join *ekub*[7] with their fellow safety net participants, so that they could save some money to be able to invest on productive assets and animals.

7.7 Impact of the food aid on Market Prices

One of the criticisms against food aid, since Nobel laureate Theodore Schultz, is that it creates disincentives to local production of food through depressing market prices.

[7] *Ekub* is the common indigenous form of saving and credit arrangement between people who built trust among them. In *ekub*, the members commit themselves to make a certain amount of saving in a regular manner, which they bring together to be given to a member in each collection period until every member gets its share.

Though, some empirical studies, for instance Abdulai et.al (2005), contested it, the disincentive hypothesis is still widely narrated.

When we come to the current study, regardless of the fact that the food aid commodities have been sold, the market prices of the local food items in the study area didn't go down. The traders reported that they didn't notice any change in prices of food commodities as a result of the food aid. At least two reasons could probably explain why. First, the number of food aid recipients in the *Woreda* is very much smaller than the cash recipients and thus the volume of food aid is not large enough to influence prices as compared to the cash distributed in parallel. For instance, in 2006 nearly three fourth of the beneficiaries were getting cash while one fourth received food. Second, according to key informants, nearly all the food aid wheat sold by the beneficiaries is transported out of the Woreda and goes up to Awassa and Dilla. The type of wheat distributed is said to be suitable for biscuit production and the wheat is finally destined to the biscuit factories located in the above towns. Though such claims need to be verified, the researcher didn't come across a significant amount of food aid wheat in Sodo market, which seems to confirm the claims of the key informants. The overwhelming majority of the traders do not have stock of aid wheat, except few who have it in smaller magnitudes. It was learned from the traders that the consumers do not prefer the aid wheat that is red in color as compared to the local one, which is white. Moreover the price of the former is higher than the latter.

Though this study didn't come across price dumping resulted from food aid, there is a clear concern about inflationary trends in the *Woreda* that most respondents think to have begun with the PSNP. Detailed study needs to be done, in this regard, to check the impact of the transfers (particularly the cash transfers) on the general price levels in the *Woreda* and the country as a whole.

7.8 Community Preferences

In relation to community preferences, the entire food recipients are happy about the type of transfer they are receiving and prefer to continue to get food transfers in the future (see Table 11). In contrast to this, about 90 percent of the cash transfer beneficiaries reported that they are not happy with the type of transfer they are receiving and prefer to receive

food transfers, instead. In general, almost the entire PSNP beneficiaries both in food and cash transfer PAs prefer food as a transfer.

Table 11: Happiness about the Type of Transfers Received

Type of Transfer Currently Receiving	Happy about the Type of Transfer?					
	Yes		No		Total	
	#	%	#	%	#	%
Food	27	100	0	0	27	100
Cash	2	10.5	17	89.5	19	100

Source: Household survey

The national level study on the PSNP transfers by IDS and Indak (2006) also came up with similar trends in community preferences. The study revealed that just over half of the respondents preferred food to cash or mix of the two. Similarly, findings of an evaluation conducted by Agridev (2007) on the USAID assisted Productive Safety Net Program *Woredas* pointed out the beneficiaries' interest in food transfers.

On being asked as to why they choose food transfers, the majority of the respondents cited the fact that the food brings more cash than the direct cash transfer. Unanimously, the cash recipients in the current study complained about the steadily decreasing value of money due to the price escalation. In recent years the general price levels in the country, especially prices of food crops, have risen to unprecedented levels. Overtime, the amount of food the cash recipients can buy from the market with the safety net cash is decreasing. On the contrary, the value of the food is not affected by inflation. In fact its value in terms of money increases.

Further the researcher asked what the preference might be if the market value of the food and the cash transfers were made equal. Surprisingly, 89 percent still opted for food transfers whereas 4 and 7 percent, respectively, preferred cash only and a mix of cash and food transfers. Similar results were found during the focus group discussions and a reason provided to such preference was that they are afraid of inflation.

Here, it is worth mentioning that the widely accepted theoretical view (for instance, Beatrice and Jennifer 2002) that food transfers lead to self-targeting didn't hold true in the case of Wachiga Busha PA, where food is transferred. Rather due to the high market value

of the food commodities, many better off community members have also been attracted. Perhaps the self-targeting theory might hold if the transferred food item is of lesser value (such as maize) as compared to what is being transferred and falls within the traditional food menus of the society.

Apart from these, the survey findings revealed that there is no correlation between gender and preferences for either cash or food transfer. As illustrated in Table 12, the correlation coefficient is as low as 0.091 and the probability of insignificance is about 55%, which indicates that there is no relationship between the sex of the respondents and their preferences.

Table 12: Correlation between Sex of Respondent and Preference

		Sex of Respondent	Type of transfer preferred
Sex of respondent	Pearson Correlation	1	.091
	Sig. (2-tailed)	.	.549
	N	46	46
Type of transfer preferred	Pearson Correlation	.091	1
	Sig. (2-tailed)	.549	.
	N	46	46

Source: Survey data.

7.9 Cost Effectiveness of the Food Transfers

Delivering food aid that originates from overseas involves shipment, transport, and warehousing costs over and above the value of the commodities at the origin. Since the US Government donates the food commodities being transferred in the study area, lots of expenses are incurred in the course of purchase of the food at the US market and its distribution in the target PAs. For instance, as indicated in Table 13, the estimated price of a quintal of wheat at the US market (in 2005) was 155 birr. Shipment (from US port to Djibouti port) and transport (from Djibouti to Sodo town) of the quintal of wheat costs 142 and 86 birr, respectively. In sum, availing a quintal of food aid wheat at Sodo town costs the US government 383 birr. Excluding the cost of warehousing, management, leakages, distribution and secondary transport to distribution sites, which could be considerable, the cost of food aid wheat exceeds the price of the local one by 60%. In fact the lion's share of the cost of food aid wheat (60%) is spent not on the purchase of food but on shipping and

transport (see Table 13 below). This is clearly cost ineffective. Even USAID itself considers a food aid commodity as cost effective when the cost of providing that commodity to a recipient is lower than the cost of the commodity in the local market (USAID 2006).

Table 13: Comparison of Cost/Price of Food Commodities (in Birr/Qt)

Commodity	Cost of Food Aid (in Birr/Qt)				Price at which beneficiaries sell food aid	Price of Local food
	Price at US Market	Shipping cost	Transport cost	Total Com and FRT		
Wheat in Qt	155	142	86	383	240	240
Peas in Qt	262	142	86	490	300	450
Veg. Oil in liter	7.06	1.42	0.86	9.34	8.75	16

Source: World Vision Ethiopia, Developmental Relief Proposal and Survey results.

Note: 1. Cost of food aid is calculated based on WVE's planning figures and it doesn't include cost of warehousing, management, distribution and transporting to distribution sites (in other words it is cost of food aid at primary warehouse in Sodo town).

2. The local cost of food is abnormally high the past couple of year. Thus, under normal circumstances, the price difference between the food aid and the local one could be higher than what is shown in the Table.

This finding is consistent with Oxfam's (2005) assertion that "the inefficiency of sending food over long distances, often with restrictive procurement and shipping requirements, means that funds are spent on bureaucracy, process, and shipping rather than on the food and its distribution."

Further, Oxfam, in its briefing paper of March 2005, also came up with similar trends in the Canadian food aid to Ethiopia. It explains, "In August 2004, for example, the price of local wheat in Nazaret, Ethiopia was C$248 per tonne. The price in Montreal was virtually the same: C$253 per tonne. But to deliver Canadian wheat to Nazaret cost an additional C$172 for each tonne." (Oxfam 2005:13).

As explained in the prior sections, the beneficiaries are selling nearly the entire amount of food aid. For instance, the price the beneficiaries were getting for a sale of a quintal of food aid wheat at the time of survey was 240 birr, which is about 63 percent of the cost the US Government incurred on it. This means the beneficiaries are able to repatriate only 63 cents from each Birr sent to them from the US in the form of food aid.

7.10 Summary

Due to the prevailing chronic food insecurity, the study *Kebeles* were reasonably included in the Productive Safety Net Program. Initially, the number of program beneficiaries was underestimated both at the national level and in the study *Woreda.* For instance, in response to the continued request by the Woreda, the beneficiary numbers in Sodo Zuria has risen by 36 percent between 2005 and 2006.

Cash transfers was considered to be more beneficial to the program participants and the economy as a whole; and the government of FDRE clearly indicated its intent to gradually shift away from food to cash transfers. The number of food recipients in the first year was much lower than the cash recipients. But following the inflationary trends in the country, the number of food transfer beneficiaries has now been raised to account 50 percent of the total. According to the PIM, it was supposed to be the WFSTF that shall make decisions on whether to use cash and/or food as a transfer. However, it was the RFSTF that determined the share of cash and food resources for the study area.

The cash wage rate and food rations distributed to the beneficiaries in Humbo Larina and Wachiga Busha PAs, respectively, are in sharp contrast. While the former stick to 6 birr as per the PIM's guidance, the latter is a bit relaxed to go over what is proposed. Currently, WVE's food transfer in the study area is 3 kgs of wheat, 300 grams of Peas and 100 grams of cooking oil per day, whose market value is much higher than 6 birr. As a matter of fact, the package of food ration is not consistent with what the beneficiaries are accustomed to eating. Hence, due to this and the luring market prices, almost all food recipients sell their entire share of food transfers. Market prices of similar and other food items, however, did not show any down ward movement as a result of the sales of food aid.

The food being transferred in the study area is imported from the US. Thus, owing to the shipping, transport and handling expenses, its total cost at the destination is very high. For instance, as much as 60% of the cost of food aid wheat at Sodo town is spent on shipping and transport. Moreover, the overall cost of the wheat is much higher than the cost of its local counterpart. In a nutshell, donor country sourced food aid is not cost effective and should be reserved as last resort, which shall be considered after other alternative sources (local and regional purchases) have been found unfeasible.

CHAPTER EIGHT
SUMMARY, CONCLUSION AND RECOMMENDATIONS

8.1 Summary

Ethiopia has been suffering from recurrent drought and famine for decades now. The conventional response for such crisis has been emergency food aid, usually based on annual appeals. However, the majority of the relief beneficiaries do face continuous food shortages and do not produce enough to sustain their lives even in normal cropping seasons. Thus, it has become clear that the unfavorable climatic conditions that often result in droughts are not the sole or even the root causes of food insecurity for such people. The food crisis, though exacerbated by the droughts, is understood to be caused by intricate problems associated with poverty. Such chronic food insecurity is unlikely to be well addressed using emergency aid.

Hence, the Government of Ethiopia in collaboration with the joint donor group launched the Productive Safety Net Program to provide cash and/or food transfers to an estimated number of 5 million chronically food insecure people. These people, who were annually receiving food aid on emergency basis, were transferred to the PSNP which is programmed in a multi-year and predictable manner. Therefore, the beneficiaries will receive a predictable resource up to the program period with the objective of 'graduating' them out of chronic food insecurity.

The objective of this thesis was to look in to the food security situation and the dilemmas involved in the choice between food and cash transfers in the PSNP, based on a case study in two *Kebeles* in Sodo Zuria *Woreda*, Wolayta Zone, SNNP Region. The theoretical foundation for the food and cash transfers in responding to food shortages emanates from the 'Food Availability Deficit' (FAD) and 'Food Entitlement Failure' (FEF) theories. FAD theory is known to have dominated thinking on the issue of food insecurity and famine at least since Thomas R. Malthus, whose work is credited to have inspired the formalization of the theory. On the other hand, Amartya Sen is the pioneer for the FEF theory with the 'entitlement failure' argument in his 1981 book entitled 'Poverty and Famine'. Sen argues that food insecurity is not necessarily caused by decline in availability of food; rather it is resulted from 'food entitlement failure' or one's inability to command enough food from the

four kinds of entitlements - production, trade, labor and transfer. While FAD theory considers food insecurity as a supply failure, FED theory mainly understands it as demand failure. By implication the response to food insecurity and famines in the former is food aid while cash aid comes as an alternative in the latter. In the current research, I chose to adopt the Food entitlement decline thinking as it allows the interchangeable use of cash and food transfers depending on circumstances on the ground.

It is important to see Ethiopia's Productive Safety Net Program within the larger context of social safety nets at the global level. Social safety nets (the formal ones) are defined as social assistance programs in the form of cash or in kind transfers to the poor, with or without a work requirement. Unlike cash, in-kind transfers can take different forms. But the most common form of in-kind transfer in least developed countries is food. There are three forms of food aid - program, project and emergency food aid. Ethiopia, due to the recurrent occurrence of droughts and famine, has been the leading recipient of large volumes of food aid during the recent decades.

There is a continuing debate whether food or cash is the best form of transfer in both emergency and development programs. Some argue for food transfers listing its merits over cash while others try to justify why they think cash is superior. Major arguments for food include its potential in allowing self-targeting (due to 'inferior' quality of food), its effectiveness in meeting nutritional objectives and its immunity to inflation. On the other hand, cash is praised for giving the beneficiaries to make their own spending decisions and enabling them to have sense of control on their own lives. The multiplier effect the cash transfers create in the local economy is also considered to be important. However, there seems to be a consensus among different researchers and practitioners that there is a need for the interchangeable use of both cash and food depending on different factors, including the objective of the transfers, administrative capacity and market supply and prices.

The current study used both qualitative and quantitative methodologies to collect data from the two case study PAs (one each from a cash and food based safety net). A total of 46 (10% of the total safety net participants) sample households were surveyed using structured questionnaire. Key informant interviews and focus group discussions were also conducted.

Both of the case study *Kebeles* were considered chronically food insecure that justified their inclusion in the PSNP. The findings of the current study did not come up with any different results. Food deficits are common with most of the study population not able to cover more than 3 months of their annual food needs. Small and fragmented landholdings, shortage of plough oxen and soil nutrient depletion have been mentioned as the major causes of the food insecurity. Many respondents cited participation in the safety net program and engagement in daily labor as the primary coping mechanisms.

At the start of the PSNP, the beneficiary numbers was underestimated, which was raised up in the second year. The beneficiary coverage of food transfers was also lower than that of the cash. Recently, owing to the inflation in the country, there is a trend to shift from cash to food that raised the share of beneficiaries targeted with food to 50 percent both at the national and the study *Woreda* level. Nevertheless, the contrast between the amount of cash and size of food transfers in the study areas is wide. At present, food transfer beneficiaries do benefit more whereas the cash recipients struggle with the price hikes. Obviously, therefore, the entire study population prefers food transfers.

Although nearly the entire food transfers have been sold by the beneficiaries, there was no indication of price depression for local food in the market. There are no differences in the way the cash is used in the cash and food based safety net *Kebeles*, as both reported to have spent it on purchase of live animals, productive assets and other food items.

The cost effectiveness of the food aid imported as in kind from the donor country (US) is questionable. Much is spent on shipping and transport than on the commodity itself. Thus, it calls for revisiting of the food aid modality especially the country from where the food aid items shall be purchased.

8.2 Conclusions

8.2.1 Food Security

By any measure the study *Kebeles* are chronically food insecure. Food crop and livestock production did not enable the communities attain food self sufficiency. Evidently, there is a gap between the food production and food requirements of the study population. Moreover, due to the limited off-farm income employment opportunities, the cash income they

generate out of engagement outside of agriculture is very minimal. Hence, lack of sufficient food production coupled with meager income from off-farm employment constrained both the availability of and access to food for the study population. As a result, they have been more and more reliant on the annual food aid distributions.

It would be simplistic to ascribe the food insecurity of the study area to one or few causes. Naturally, a host of interrelated demographic, social, environmental and economic problems were involved. Nevertheless, major issues mentioned both by the sample households and focus groups were small and fragmented landholdings, lack of plough oxen and soil nutrient depletion. The fast growth of population in the already densely populated area has resulted in diminishing of landholdings, the critical factor of production in agriculture. Critical shortage of arable land obliged the cultivation of sloppy areas that aggravated soil erosion and made fallowing practices unfeasible. Given the traditional farming practices and lack of technological progress, the level of production has strong correlation with availability of a reasonable size of fertile land. Thus, the over population lead to diminished landholdings, which in turn happened to be the major cause of the lower crop production in the area.

8.2.2 Safety Net

The safety net beneficiary numbers, initially determined to be 5 million at national level, was an underestimation. Right from the start of the program, there were complaints about the quotas assigned to each *Woredas,* including Sodo Zuria, the study area. However, the figures were decided at the national level based on average number of emergency aid recipients from DPPA.

In spite of its policy direction to gradually shift away from food to cash transfers, the alarming inflationary trends in the country forced the government to raise the share of food by downsizing the cash transfers. Thus, it is evident that the choice between cash and food as a transfer shall base on studies of relevant factors in a context specific manner, contrary to making a country wide policy decision to adopt one or the other. However, the current practice in the choice of food or cash in the study area does not reflect any such study was made before decisions on the type of transfer were made.

The guidance on the size of transfers in food and cash, provided in the PIM, is contentious. It takes a constant amount of cash (6 birr) as a daily wage or cash transfer and determines the value of food ration to be equated with it. As the amount of food grain a six birr can buy fluctuates over time, it is impractical to equate it with a fixed amount of grain, like 3 kgs of grain assumed in the PIM. In the study area, the food ration size didn't follow the PIM, as its value is clearly above the cash equivalent it is supposed to be equated with. Thus, the food recipients do benefit a lot more than the direct cash recipients.

Food habits and tastes of the beneficiary community were not affected. Probably lured by the higher cash value it fetches during sell and due to the fact that the food transfers are not in the traditional food menus of the community, almost the entire food transfers have been sold to merchants, right after distribution. Though marginal, the food distribution which is conducted for work groups rather than individual beneficiaries have also contributed to the sell of the food aid. Such distribution mechanisms do facilitate the imposition of the will of the majority on individuals who have different interests. In this case, those who want to take the food home are obliged to sell it when the majority of the group members want to sell. Nonetheless, both the cash generated from food sales and direct cash distribution seems to have been used for productive purposes. The survey and focus group discussions alike did not come up with squandering of cash unproductively.

Sale of food aid by beneficiaries did not depress prices of food items in the local market. Rather food prices (for that matter the general price level) in the study area have been rising steadily while food has been transferred to beneficiaries. It seems that the volume of food transfer is by far smaller as compared to the cash transfer and was not significant enough to influence prices. Apart from this, the fact that the lion's share of the food was being sold out of the *Woreda* could be the other reason why prices were not depressed.

Almost the entire study population, irrespective of the sex of the household head, prefer food over cash transfers, not due to its nutritional value but for the higher cash return it brings during sale.

The cost of availing food aid commodities procured from the donor countries, in this case from the US, is much higher than purchasing the same food items from the local market. Such donor country sourced in-kind aid is not cost effective, by any measure. So, in order

to maximize the use of the food aid budget allocated for the program, one has to make sure that the required food items are made available with lesser cost from local or other nearby developing country sources, before getting in to donor country sourcing.

8.3 Recommendations

Based on the analysis of the study, the following recommendations were forwarded.

- The dependency ratio in Sodo Zuria *Woreda* is already higher than the country's average and yet the size of population is increasing. Such fast growing population and the associated pressure on land resources has the potential to compromise or nullify any success in food security initiatives and even the overall development of the study area. Unless some sort of concerted effort is made to control the growth of population, it is less likely to achieve food security in the long run. There are family planning services being undertaken currently. However, the services are far from satisfactory due to supply constraints and lack of awareness. In addition to this, the FP is not viewed as an important contributor to food security. Thus it is important to consider the FP as part and parcel of the food security program and vigorously work on different interventions directed at reducing population growth.
- As land is a critically scarce resource in the study area, the development actors including the government, NGOs and local communities shall follow strategies such as intensification and diversification of income sources. There is very little room for increasing agricultural production through extensive use of land. Hence, appropriate measures should be taken to promote activities and technologies that yield greater outputs in a given plots of land. Moreover, due emphasis shall be given to activities that help diversify income sources, especially off-farm employment activities. Harnessing all available potentials, in this regard, reduces pressure on land and contributes to food security.
- The lesson one can learn from the current experience of the PSNP is that it is just not recommendable to make a choice between cash and food as a policy direction. Rather the decision to use food or cash shall depend on contextual study and analysis of different factors (such as markets, administrative capacity, beneficiary preferences, cost effectiveness and efficiency and program objectives) in each *Woreda* and Region as well as the cumulative effects of decisions in different parts of Regions and the country as a whole. In order to make better analysis of each Woredas conditions and

examine cumulative effects, such analysis and decision has to be conducted at the Regional level, not at Woreda levels as the PIM recommends.

- The cash and food transfers shall be made flexible, so that when one type of transfer is considered to be inappropriate along the line, the other could be replaced.
- If the objective of the food transfers in the study areas is to enable the beneficiaries get access to nutritionally balanced food, then the selection of grain for transfers shall take the food habits in to consideration. For instance, maize is the most widely consumed cereal in the study area, while the PSNP transfers wheat besides other items. Therefore, the food ration, as much as possible, has to be reconciled with the traditional food menus of the beneficiaries. In relation to this, the well considered calorie requirements in the current food ration has to be maintained.
- The cash wage rate shall be made flexible to be able to adjust it to prevailing market prices of food. Hence, periodic review of wage rate shall be undertaken and necessary adjustments have to be made as required.
- Food rations in the study area have been distributed for work teams rather individual beneficiaries. This has become a source of grievance for some members (especially the female headed households) who reported to have been overwhelmed by group decisions on whether to sale the food or take it home for consumption. Usually those who want to take the food home were not able to do so due to the pressure from other members to sell the entire share of the group and distribute cash among them. Further more, the individual members are charged a certain amount of money by the group facilitators, who are mostly literate members of the community. In order to avoid the legitimate grievances of the beneficiaries, the distribution of food ration has to be made on individual basis rather than on work teams.
- In order for the food transfers to be cost effective the procurement of food aid has to be flexible enough to accommodate possible low cost purchases locally or other countries in the region. Donor country (in this case US) sourcing of food aid has to be reserved for times when food is not adequately available in the country or other countries in the region. Otherwise much of the current food aid budget allocated by the donor is spent on shipment, transport and related costs rather than on the food itself. 'Untying' of food aid widens the opportunities for cost effectiveness and has a multiplier effect in the economy of the country by stimulating different economic sectors like trade, transport and etc.

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Annex 1: PSNP Beneficiaries and Cash Budget (2006)

Five Regions Summary

Ser No	Regions	Beneficiaries No.		Allocated cash Budget (including contingency)	Cash disbursed to Regions
		Receiving Cash	Receiving food		
1	Amhara	1,769,480	750,049	505,380,547	381,097,098
2	Tigray	905,359	548,348	260,056,362	188,882,926
3	Oromia	712,398	666,478	220,270,171	143,776,759
4	SNNP	1,059,529	239,452	307,258,919	286,343,974
5	Harari	8,068	8,068	2,221,927	1,811,304
	Total	**4,454,834**	**2,212,395**	**1,295,187,926**	**1,001,912,061**

Source: Ministry of Finance and Economic Development
Note: The Table do not show food disbursement.

SNNPR

Ser No	Name of Woredas	No. of Beneficiaries			Allocated budget (birr)
		Total	Cash Receiving	Food Receiving*	
1	A/Wondo	23,490	23,490	0	5,549,513
2	Alaba	32,176	32,176	0	7,601,580
3	Amaro	22,235	22,235	0	5,253,019
4	Angecha	17,820	17,820	0	4,209,975
5	Arbminch Zuria	17,141	0	17,141	-
6	Aroresa	10,095	0	10,095	-
7	Awassa Zuria	20,700	10,350	10,350	2,445,188
8	Badawacho	35,332	35,332	0	8,347,185
9	Benesa	15,668	0	15,668	-
10	Boloso Sore	52,209	52,209	0	12,334,376
11	Bonke	16,161	16,161	0	3,818,036
12	Boreda	16,569	12,427	4,142	2,935,879
13	Boricha	39,760	19,880	19,880	4,696,650
14	Burji	22,901	22,901	0	5,410,361
15	Chencha	11,255	11,255	0	2,658,994
16	Dale	23,550	23,550	0	5,563,688
17	Dalocha	26,444	26,444	0	6,247,395
18	Damote Gale	42,102	42,102	0	9,946,598
19	Damote Wiude	32,572	32,572	0	7,695,135
20	Dara	12,291	12,291	0	2,903,749
21	Daramalo	12,838	12,838	0	3,032,978
22	Derashe	20,673	0	20,673	-
23	Dita	9,381	9,381	0	2,216,261

Ser No	Name of Woredas	No. of Beneficiaries			Allocated budget (birr)
		Total	Cash Receiving	Food Receiving*	
24	Duna	10,913	0	10,913	-
25	Gena Bossa	10,394	0	10,394	-
26	Gibe	11,935	11,935	0	2,819,644
27	Gofa Zuria	32,000	32,000	0	7,560,000
28	Hammer	21,581	0	21,581	-
29	Hulla	9,133	0	9,133	-
30	Humbo	41,729	29,638	12,091	7,001,978
31	Kachabira	22,305	22,305	0	5,269,556
32	Kedida Gambela	23,486	23,486	0	5,548,568
33	Kemba	23,086	23,086	0	5,454,068
34	Kindo Koysha	37,500	37,500	0	8,859,375
35	Kocherie	15,371	15,371	0	3,611,399
36	Konso	73,490	35,939	37,551	8,490,589
37	Kucha	27,264	27,264	0	6,441,120
38	Kuraz	18,583	0	18,583	-
39	Lanfaro	23,914	23,914	0	5,649,683
40	Lemmu	19,450	19,450	0	4,595,063
41	Lomma	14,145	14,145	0	3,341,756
42	Maji/Bench	7,681	7,681	0	1,814,636
43	Mareko	21,256	21,256	0	5,021,730
44	Meskan	23,605	23,605	0	5,576,681
45	Mirab Abaya	26,769	13,384	13,385	3,161,970
46	Misha	12,364	12,364	0	2,920,995
47	Ofa	27,301	27,301	0	6,449,861
48	Omo Sheleko	29,111	29,111	0	6,877,474
49	Sankura	14,098	14,098	0	3,330,653
50	Selti	19,841	19,841	0	4,687,436
51	Shashigo	19,487	19,487	0	4,603,804
52	Shebedino	12,340	12,340	0	2,915,325
53	Sodo Zuria	29,536	21,664	7,872	5,118,120
54	Soro	17,929	17,929	0	4,235,726
55	Uba D/Tsehay	16,404	16,404	0	3,875,445
56	Wonago	20,943	20,943	0	4,947,784
57	Yirga cheffe	10,314	10,314	0	2,436,683
58	Zala	20,360	20,360	0	4,810,050
	Total	**1,298,981**	**1,059,529**	**239,452**	**124,775,994**

Source: Ministry of Finance and Economic Development

* Food receiving column is the author's calculation from MoFED data.

Annex 2: Survey Questionnaire

Productive Safety net Program SNNPR, Wolayta Zone, Sodo Zuria Woreda

A: General Information

A1. Kebele _____

A2. Village / locality _____

A3. Household ID. _____

Part B: Background Information on the Respondent

Name of Head of HH and Members	**Relation to HH head** 1=HH head 2=Spouse 3=Male child 4=Female child 5=Relative 6=Other specify_____	**Sex** 1=Male 2=Female	**Age** Years	**Religion** 1=Protestant 2=Orthodox 3=Catholic 4=Moslem 5=Traditional 6=Other specify_____	**Ethnicity** 1=Wolayta 2=Gamo 3=Gofa 4=Dorze 5=Amara 6=Oromo 7=Gurage 8=Other specify _____	**Educational status** 1=Illiterate 2=Read & write 3=1-4 4=5-8 5=9-12 6=Above 12	**Marital Status** 1=Married 2=Widowed 3=Never married 4=Divorced 5=Separated	**Occupation** (Two answers possible) 0=None 1=Agriculture 2=Trading 3=Daily labor 4=Blacksmith 5=Pottery 6=Civil servant 7=Other specify	
B1	**B2**	**B3**	**B4**	**B5**	**B6**	**B7**	**B8**	**B9a**	**B9b**

Part C: General Food Security Issues

C1. Do you have arable land? ☐

1. Yes
2. No

C2. If no to C1, why not? ☐

1. I haven't inherited from my parents.
2. I was not living around for some time.
3. There is no vacant land in the area
4. I am young and no land redistribution was made recently
5. Other (specify)
99. Do not know

C3. If no to C1, do you rent someone's land? ☐

1. Yes
2. No

C4. If yes to C3, what is type of agreement? ☐

1. Share the produce equally
2. $1/4^{th}$ to the landowner and $3/4^{th}$ to the renter
3. $1/3^{rd}$ to the landowner and $2/3^{rd}$ to the renter
4. $1/4^{th}$ to the renter and $3/4^{th}$ to the landowner
5. $1/3^{rd}$ to the renter and $2/3^{rd}$ to the landowner
6. Other (specify) _____

C5. If yes to C1, what is the size of your land? ☐

1. Less than 0.25 ha
2. Between 0.25 and 0.5 ha
3. Between 0.5 and 0.75 ha
4. Between 0.75 and 1.0 ha
5. Between 1.0 and 2.0 ha
6. Greater than 2.0 ha

C6. Do you cultivate all of your arable landholdings? ☐
1. Yes 2. No

C7. If no to C4, what is the reason? ☐

1. Shortage of labor
2. Lack of oxen
3. Other (specify)_____

C8. If no to C4, what do you do with the land you can't cultivate? ☐

1. Rent it out
2. Share crop it
3. Leave it uncultivated
4. Let other people cultivate it for free
5. Other (specify) _____

C9. If you cultivated your land, what did you grow during the last two years? ☐

1. Cereals (maize, wheat, barley, etc)
2. Root crops (S.potato, Cassava, enset etc)
3. Cash crops (Coffee, Teff, Ginger)
4. 1 and 2
5. 1, 2 and 3
6. 2 and 3

C10. Was your last year's food production enough for household consumption for the year? ☐

1. Yes
2. No

C11. If no to C10, for how many months does your production cover household consumption? ☐

1. Less than three months
2. Three to six months
3. Six to nine months
4. Nine to eleven months

C12. If no to C10, how did you cope (fill the gap)?

C6a. First coping mechanism ☐

C6b. Second coping mechanism ☐

1. Safety net payments
2. Sale of household assets
3. Daily labor
4. Migration
5. Reduce consumption frequency
6. Consume lower quality food items
7. Help from family members
8. Others (specify)_____

C13. Do you have animals? ☐

1. Yes 2. No

C14. If you have animals, how many?

Type of Animal	**Number**	
	Own	**Shared**
C14a	**C14b**	**C14c**
Oxen		
Cow		
Bull		
Heifer		
Calve		
Goat		
Sheep		
Donkey		
Horse		
Mule		
Chicken		

Beehives		

C15. Do you participate in Off-farm income activities? ☐

1. Yes
2. No

C16. What are your major sources of cash income?

C16a. First major source ☐
C16b. Second major source ☐

1. Sale of livestock
2. Sale of livestock products (milk, butter, etc)
3. Sale of agricultural produce
4. Sale of local drinks (*Areke, Tella, Borde*, etc)
5. Casual labor
6. Other (specify)_____

C17. What do you think are the major causes of food insecurity in your area?

C17a. First major cause ☐
C17b. Second major cause ☐
C17c. Third major cause ☐

1. Land fragmentation
2. Lack of access to improved technologies
3. Loss of soil fertility
4. Prevalence of human diseases
5. Lack of plough oxen
6. Prevalence of livestock diseases
7. Failure of rainfall
8. Lack of off-farm income opportunities
9. Lack of skill
10. Other (specify)_____
99. Do not know

Part D: Safety Net Payment

D1. Have you ever participated in the Safety Net Program? ☐
1. Yes 2. No

D2. If you have participated in Safety net, what was the type of your participation? ☐
1. Participate in public works
2. Receive free transfer

D3. If yes to D1, when did you start to participate in the program? ☐
1. Two years ago
2. A year ago
3. Six months to one year ago
4. Below six months ago

D4. On average for how many days in a month do you participate or benefit from the program? _____

D5. If you have participated in the Safety net program, what did you receive as a payment? ☐
1. Food

2. Cash
3. Mix of food and cash

D6. If you received food, what were the food items? ☐

1. Wheat only
2. Wheat and cooking oil
3. Wheat, cooking oil and peas
4. Maize only
5. Maize and cooking oil
6. Others (specify)

D7. What is the amount of your daily food ration/ payment?

D5a. Wheat (in Kg)	
D5b. Cooking oil (in liters)	
D5c. Peas (in kg)	
D5d. Maize (in kg)	
D5e. Others (specify)	

D8. If your payment was in cash, what was the daily payment in birr? _____

D9. If you are receiving food, what do you often do with it? ☐

1. Sale the entire amount
2. Sale half of it and consume the rest
3. Exchange for other food items
4. Other (specify)_____

D10. If you have sold food in the past, what did you buy with the money you got? ☐

1. Other food items
2. Buy productive assets (oxen, tools etc)
3. Clothes for family
4. Paid for services (health, school etc
5. Pay taxes
6. Other (specify)_____

D11. What was the highest price you received for food items you sold last year?

1. Wheat (birr/ kg)	
2. Oil (birr/ liter)	
3. Peas (birr/ kg)	
4. Maize (birr/kg)	

D12. What was the lowest price you got for food items you sold last year?

1. Wheat (birr/ kg)	
2. Oil (birr/ liter)	
3. Peas (birr/ kg)	
4. Maize (birr/kg)	

D13. If you are selling the food you get from the safety net, where do you sell it? ☐

1. Right at the distribution site
2. Taking it to the nearest market
3. Traders come to my home to buy
4. To consumers in my neighborhood
5. Other (specify)_____

Part E: Community Preferences

E1. Are you satisfied with the type of transfer you get? ☐

1. Yes
2. No

E2. If no to D7, what do you prefer as a payment in the safety net program? ☐

1. Food only
2. Cash only
3. Food and cash mixed

E3. If your preference is food, what are the reasons?

E3a. First reason ☐
E3b. Second reason ☐
E3c. Third reason ☐

1. Food generates more cash value in the market.
2. Food can be consumed at home
3. It gives us more nutritional value
4. Because women has more control on food than cash
5. Not affected by market price
6. Other (specify)_____

E4. If your preference is food, which season of the year do you prefer it most? ☐

1. During the harvest season
2. All year round
3. During the hungry months
4. Other (specify)_____

E5. If you prefer cash, what are the reasons?

E3a. First reason
E3b. Second reason
E3c. Third reason

1. Cash gives the freedom of choice
2. Easy to collect
3. Helps to cover expenses on non-food household needs
4. To cover for services (school uniform, clinic, etc)
5. Other (specify)_____

E6. When do you prefer cash?

1. During the harvest season
2. All year round
3. During the hungry months
4. Other (specify)_____

E7. If the preference is a mix of food and cash, what are the reasons?

1. I want to consume the food and use cash for other needs
2. Market prices are not favorable
3. Other (specify)_____

E8. What are the staple food items in your area?

1. Maize and root crops
2. Wheat and root crops
3. Root crops only
4. Maize only
5. Wheat only
6. Other (specify)_____

E9. Is the type of food transfer the one you consume at home (staple food)?
1. Yes 2. No

E10. If not, do you want a different type of grain as a transfer?
1. Yes 2. No

E11. If yes to E10, what type of grain do you want as a transfer?

1. Maize
2. Sorghum
3. Barley
4. Wheat
5. Others (specify)

Part F: Market

F1. What is the nearest market to your kebele? _____

F2. How much time does it take you to travel (one way) to the market from your place? ☐

1. Thirty minutes or less
2. Thirty minutes to one hour
3. An hour to hour and half
4. Hour and half to two hours
5. More than two hours

F3. How do you rate availability of food items in the market? ☐

1. Plentiful all the time
2. Scarce all the time
3. Sometimes plentiful other times scarce

F4. Is the major source of food grains to your market within the Woreda? ☐

1. Yes 2. No

Annex 3: Checklist for Focus Group Discussion

(Separate men and women groups)

I. FOOD INSECURITY ISSUES

1. What do you understand by food security/ insecurity? What are the characteristics of a food insecure/ food secure community?
2. Does your kebele face food shortages? How often?
3. If yes, what do you think are the major reasons for food insecurity?
4. What are the foods commonly eaten in the community during the dry season?
5. Can you rank these foods according to their frequency of consumption?
6. How does the diet change during the rainy season and why? (Add or subtract foods from the list. Rank the foods again)
7. What coping strategies are being employed by the community and households to withstand food insecurity?

II. SAFETY NET

1. Is your kebele part of the safety net program?
2. What is being transferred as a payment to participation in public works and free distribution? Cash, food or mixed?
3. What do you think about the type of transfer?
4. Is your preference different from the current type of transfer? Why?
5. What do you think are the advantages of cash transfer?
6. What do you think are the disadvantages of cash transfer?
7. What do you think are the advantages of food transfer?
8. What do you think are the disadvantages of food transfer?
9. What did the food based safety net beneficiaries do with the food they received?
10. If they are selling it, at what price are they selling? Who is buying and where?
11. What are they spending the money on?
12. What did the cash based safety net beneficiaries do with the cash they received?
13. Where is the nearest market to your area? What are being traded in the market?
14. Is food available in the market? How is the volume? Is it scarce or plentiful?
15. Where is the source of the food to your market? Is it within the Woreda or out?

Annex 4: Checklist for Key informant Interviews

Grain traders

1. How long have you been working in this market as a grain trader?
2. What commodities do you sell in this market, and why?
3. Where do you buy your supplies to sell in this market?
4. Where is the major source of grain for the market?
5. Are the prices of food grains sTable or do they change from season to season and from year to year?
6. If prices vary over time, why?
7. Are there many grain traders in the market or just few?
8. Do you get food grains from your sources in uninterrupted and regular manner? If not what do you think is the reason?
9. Have you heard about the government Safety Net Programme?
10. If yes, what changes have you observed in the local economic transactions following the start of the Safety Net programme? Eg.
    - Do local people seem to have more cash?
    - Do you notice food aid grain in the market? How large is it?
    - Has there been a large amount of food aid or food-for-work in the local area, so that people are buying less food than usual?
    - Did food prices in this market rise after the Safety Net programme started?)

Woreda Food Security Desk

1. How many Kebeles are there in the woreda? How many are food insecure?
2. What do you think is the major cause of food insecurity? What are the major coping mechanisms?
3. When did the Safety Net Program start in your Woreda?
4. How many Kebeles are targeted? How many in cash and food?
5. How many safety net beneficiaries are there? In cash and food?
6. What was the basis for decision to categorize food and cash based kebeles? Who makes such decisions?
7. Are you satisfied with the type of transfers? What do you want to see changed?

8. What do the beneficiaries want – food or cash? What do you think is the best type of transfer to the beneficiaries? Why?
9. What is the daily ration in food? What is the daily cash payment? Do you think it is enough? If not, what do you suggest?
10. Is the food being transferred sold in the market? What is your opinion on the sale of safety net food?
11. What are the advantages and disadvantages of food and cash transfers?

Declaration

I, the undersigned, declare that the thesis is my original work, has not been presented for a degree in any other university and that all sources of material used for the thesis have been duly acknowledged.

Declared by:

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