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

**FEATURES OF URBAN POVERTY: THE
CASE OF WOREDA 11, ADDIS ABABA**

ERMIAS HABTE

**ADDIS ABABA
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BY: ERMIAS HABTE

APPROVED BY:

SEYOUNG GEBRE SELASSIE
Advisor

Berhane Tareke
Internal Examiner

Aklilu Kidanu
External Examiner

SIGNATURE

Seyoum

Berhane

Aklilu

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ERMIAS HABTE

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Abstract

Poverty has been regarded as a typical feature of most households in Ethiopia. But the poor constitute significant differences among themselves as poverty itself is more subjective and relative concept. The study attempted to analyse major characteristics of urban poor households by taking an empirical case study of one administrative unit (wereda) from Addis Ababa.

The study tries to assess the various estimates of poverty made particularly after the period of transition. There are no clear indications of declining poverty particularly in urban areas. The need for further study and much greater effort for poverty alleviation is marked by some of the recent studies. This study shares the same views based on the survey results of selected urban households in wereda 11 Addis Ababa.

It is also noted that conscious and deliberate measures of poverty reduction should lie at the centre of any development strategy. However such measure requires knowledge about characteristics and magnitude of the poor. Therefore this paper is an attempt to investigate major characteristics of poverty at a micro scale

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1. INTRODUCTION

It has been a long time since many development strategies have made a shift away from the 'trickle down' approach. The shift has basically aimed at ensuring reduced vulnerability at regional and local levels focusing on inter and intra household level information. The current development strategy of Ethiopia has also recognized poverty and poverty alleviation at the centre of its development policy. However a number of studies indicate that the country is undergoing worsening inequality due to mainly the various economic reform programs that have been undertaken since the period of transition. The adjustment that has been made since the transition period has focused on achieving higher growth (particularly in the agricultural sector) that could ensure reduction in poverty. But the rate of real GDP growth achieved between 1990-97 did not exceed an average of 2.3. (World Bank 1999). The reform measures such as the 'Agricultural Led Development Strategy' faced serious challenges of environmental problems.

The belief that economic policy reform will take responsibility for reducing poverty works in situation where there is equitable distribution. Perhaps the only way of ensuring poverty reduction in development strategy is to bring the poor themselves to take part in the development process. The major challenge in this respect is to find out those sectors in which poverty is more prevalent and to create a forum at the grassroots level in which the poor can both contribute to

and benefit from growth and development. Many writers on the poverty issue both at home and abroad are biased towards the rural sector. However as it is indicated elsewhere in this paper that findings of several studies on the recent poverty situation in Ethiopia indicate that urban poverty is worsening in the last few years. It is also noted that urban poverty is more complicated in nature and characteristics than rural poverty. The latter is usually described as mainly correlated with few factors such as asset ownership, age and sex of household members and proximity to market Trufat (96). But the case with urban poverty involves a number of interrelated factors that contribute to and work against the employment or livelihood potential of households. The factors range from the competence of the urban people in terms of skill education, health etc to the absorptive capacity of the urban economy. This is the major reason that studies of urban poverty at any level cannot claim both exhaustiveness and comprehensiveness in analysis.

This paper intends to raise the issue of poverty in the context of urban Ethiopia by presenting an empirical case study from the oldest and most neglected parts of Addis Ababa commonly known as 'Entoto' or wereda -11. The paper is organized in four major chapters. Chapter one is about the subject methodology and objective of the study. The second chapter discusses theoretical issues pertaining to the concept and measurement of poverty. The third part deals with facts and finding of other studies on the recent poverty situation in Ethiopia. The fourth part presents the empirical case study of the paper followed by issues of poverty alleviation and at the end brief summary and conclusion is given.

1.1. STATEMENT OF THE PROBLEM.

One of the striking features of the spatial distribution of development process in underdeveloped countries is the speed with which urbanization is taking place. This dominant feature is clearly evident in the development dynamics of Ethiopia. Although Ethiopia has been the home of one of the ancient civilization of the world, its socio economic and political basis and physical characteristics have not been able to establish a strong urban culture. Even today Ethiopia represents one of the least urbanized countries of the world with less than 14 percent of its population living in urban areas (CSA 94).

Unlike the experience of the present industrialized countries of the world urbanization in underdeveloped countries, where Ethiopia can be identified with, has been taking place under different physical, social, political and economic conditions. It is taking place in the context of extremely low technology, poor infrastructure meagre economic base and other attributes of underdevelopment. As a result the spatial economic distribution largely revolves around a hyper urbanized primate city surrounded by a vast rural periphery. The reality in present day Ethiopia as well as in the past has been for a steady flow of human and material resources from rural to urban areas. Cities do not give much that would help the development gap between rural and urban areas.

The present internal structure of urban Ethiopia or Addis Ababa in particular demonstrates the fact that its economic base and infrastructure levels are incommensurate with its physical and population size. Additional population

would not only aggravate the already created socio-economic ills such as unemployment, housing infrastructure etc. but would also worsen the least dwindling figures of welfare in the city and the entire nation as well.

Rapid population growth is posing a serious problem to the city. This is due to the fact that as rural poverty increased and as the country-side became increasingly unsuitable for life, people move to cities particularly to Addis Ababa. Addis Ababa, as a capital city is a centre of attraction because of the purportedly varied social and economic opportunities it offered. But in reality Addis Ababa is a city where nearly 40% of the population is said to live with out fulfilling even its basic needs like food (AAA97, Mekonen et al 96). The same sources indicate that unemployment is estimated at 30%, and residential quality is very bad (HABITAT,94). A substantial number of households do not have access to health services. Health services coverage is estimated at 75.0% of the population of the city.

Geographically, there is no clear Zoning as to where the poor live. But there are areas predominantly inhabited by poor people. These areas cover wider part of the old and decaying city which is characterised by high concentration of population, congested, over built, unsanitary and un wholesome neighbourhoods. A study at the multifaceted problems of these areas is beyond the scope of this paper. Instead the paper prefers to take a case study of an area commonly known as 'Entoto' which unlike other poor areas is located at the outskirts of the city. The study area has its own distinct characteristics, it represents a large

number of poor but working people. Thus the study aims at finding answers for the following questions:

- What is the general situation of urban poverty in Ethiopia in the context of Addis Ababa?
- What are the specific characteristics of poverty in the study area.?
- How is poverty distributed among the different groups of the area.?
- What lies ahead for good policies and measures that are to be taken to alleviate poverty?

1.2. Objective and Significance of the study.

The process of urban growth is coupled with sever increase in poverty situation. Addis Ababa is a typical example which illustrates this sever and pervasive situation. The city carries the burden of long term ineffective urban management and non-existing social security system.

The need for addressing poverty is becoming an increasingly urgent need of the country. The report made by World Bank study team (AEOD 92) has indicated. "Unless poverty is addressed urgently and on sustained bases there is the danger that there will be far fewer physical and human resource available in Ethiopia in the future than required to generate and sustain positive development and social progress". The aim of this study is: - to make an inquiry in to the major

characteristics of poverty in Addis Ababa by taking a selected case study in one administrative unit (wereda). The investigation concentrates on the poverty situation at the household level seeking to analyze the following interrelated objectives.

- a) Identify the peculiar characteristics of poverty in Addis Ababa
- b) Understand the intensity of poverty in the study area.
- c) Identify interrelationship among multi-sectoral poverty indicators and examine their implication at the household level of the study area.
- d) Indicate factors that determine policies and programs of poverty alleviation.

1.3. Methodology and Limitation of the study.

The survey method is used in the collection of data. The unit of analysis was the household. Selection of sample kebeles and households was done using two stage random sampling survey techniques (see 4.2)

A questionnaire was prepared and personal face to face interviews were conducted in each household in the sample. Questionnaires were filled by a group of ten individuals six of whom live in wereda 11 and all have completed secondary education. Household heads were preferably chosen as respondents, but in cases where the head is not available, other adult members were interviewed. The sample was selected using random methods. The questionnaire was designed to provide sufficient data for characterisation of poverty at a

household level. In addition interviews with household heads, other informants like Wereda and Kebele officials , members of kebele development committees were interviewed. Moreover information is drawn from a number of previous studies on poverty, published and unpublished books, magazines journals, working papers etc are used as a secondary sources of information.

The analysis runs a simple descriptive statistical analysis of variables. Facts and findings are depicted using simple quantitative techniques such as percentage and ratio analysis. The paper tries to incorporate some qualitative aspects using personal observation and group discussion.

Limitation:

The paper can claim neither exhaustiveness nor comprehensiveness in analysing poverty situation in the study area. The major limitation in this regard is households food consumption quantity data (with-out which discussion about absolute poverty levels is difficult) is not collected in the household survey. The main reason for this is households do not normally keep records of consumption expenditure in value terms let alone in quantity, hence such information will not be reliable.

In general, factors such as time and finance constrained the paper to draw limited information. More over analysis of poverty in a more comprehensive way requires much more deeper knowledge and experience in the sphere.

2. REVIEW OF LITERATURE

Development theories of the 1950's and 60's have all been criticised in that they all overplayed the role of economic growth, particularly increase in per capita GNP as an antidote for the overall problems of underdeveloped countries. But little has been succeeded in either achieving development or even bringing the fine sounding phrases of the day such as 'take off', 'sustained growth', 'the big push', 'balanced growth', 'steady growth', 'critical minimum effort' etc.

The concern for poverty, even though was acknowledged very long ago, its reduction and elimination were deemed achievable only through the beliefs of classical economists that is steady economic growth and hence possible trickle down. This is reflected in most development literature after the 2nd world war that addressed poverty only as a secondary issue. From among a number of writers in 1970's Michael Todaro has briefly explained what he called the three core values of development. His argument among a growing number of other economists and policy makers focused on dethronement of GNP, the elevation of direct attack on wide spread absolute poverty, increasingly inequitable income distribution and rising unemployment. These demanded an introduction of a new dimension in redefining development in terms of the reduction or elimination of poverty, inequality and unemployment with in the context of a growing economy (Todaro 1989)

The emergence of these theoretical issues coupled with some pioneering practices of incorporating poverty issues in national planning such as India, Mahalanobis (1960) have witnessed greatest shift of attention of policy makers and international financial institutions (IMF and World Bank). The shift was directly away from the growth models to a direct concern for poverty alleviation and to policies concerned specifically with distribution or to what was then called the basic needs approach.

A debate over the concern for poverty has brought a bundle of opposing views in the definition, measurement and methodological issues of poverty and poverty analysis.

The tendency of development literature after the Second World War (Friedman 84, Gilbert 92) was to treat the poor as clearly identifiable group as existing below poverty line, poorly housed, unemployed, or marginally employed. But there was always this incidence that the poor in different regions and countries constitute significant variation in characteristics and magnitude. Such variations are inherently wide, as there are variations in 'living standards' of different societies. This tendency for people to live much more complex lives than social analysts often imagine makes it difficult to define poverty and to recognise the poor.

Poverty is defined in a number of ways. One group defines it as lack of something ... lack of such as income, employment, asset, technology, etc and others describe it as an occurrence such as environment and personal (Lipton

and Ravallion 1995). These views constitute one bundle of opposition in the definition of poverty. The former which is most commonly known as the “welfarist approach” measures poverty in terms of availability of material goods and services as an end to the measurement of well-being. The other view which is known as non “welfarist approach”, rests its argument on the belief that material goods and services are not ‘ends’ but are rather only ‘means’ in achieving individual well-being (Sen 1986)

The other most commonly referred opposing view of poverty measurement is known as subjective versus objective perspective. The objective perspective relies on conventional measures such as poverty line and minimum consumption levels/basic needs. Most commonly they use income/consumption level as best proxy for poverty. The subjective or sometimes referred as utility perspective aims at analysing the multi-dimensional facets of poverty as declared by the poor themselves. The core distinction in the two approaches lies in the fact that the objective approach believes income/consumption as a single proxy sufficiently correlated to the many faceted characteristics of poverty while the subjective approach rejects income/consumption measures on the grounds that it promotes a narrow perspective that makes a failure to understand the complex diverse local realities in which the poor live (chambers 95, Desalegn 92). The emergence of the latter approach as relatively recent view has resulted in the development of new poverty assessment methodology that has seemingly provoked trade-offs with the conventional methodology.

2.1 CONCEPTS AND TRADE-OFFS IN POVERTY MEASUREMENT

2.1.1 Concept of Poverty Line:

A considerable body of literature exists on different types or categories of poverty indicators. Much of it is deeply rooted in the conventional approach. However new perspectives about cause and manifestation of poverty that have emerged over the last few decades are seemingly both expanding and counter checking the conventional poverty indicators.

Poverty indicators are drawn from the general context in which poverty is viewed. The most conventional poverty measures rely on objective measures such as indicated earlier (poverty lines, basic need, minimum acceptable standard of living). The acceptable definition of poverty under this context is income or consumption level that can sustain a bare minimum standard of living acceptable in a given society. Such a definition of poverty presupposes the existence of exogenously determined level of income/consumption below which people are believed to be in poverty.

2.1.2 Constructing poverty line:

Poverty line is defined as the cut off living standard level below which an individual is classified as poor (UNDP 96). The calculation of that level, designated as 'cut off living standard' varies across a number of approaches. The welfarist approach as discussed earlier defines poverty line as a minimum cost of achieving certain level of utility. But the implementation of this approach

involves major identification problems, such as determining the level of utility defining poverty and estimating the demand function that could be used for such an approach (Dercon and Krishnan 1996, Abebe Shimelis).

The poverty line concept used in most analysis following Ravallion (1993) dwells on the 'cost of minimum basic needs'. Minimum basic need is referred as a basket comprising a bundle of food and non-food items that are essential to sustain a minimum well-being of an individual. The most difficult task in defining the basic needs and hence the poverty line is the estimation of minimum non-food expenditure. Minimum food expenditure is simply defined as the amount of predetermined calorie-level, which is scientifically required to maintain the human body's metabolic rate at rest (2200 cal/adult WHO). The approach in Ravallion and Bendani (1994) for the estimation of non food share, suggests, if those people whose food consumption is exactly sufficient for basic food requirement are identified then their corresponding non food expenditure /with adjustment for relative price differences and house-hold characteristics/ can be taken as a proxy.

The effort by UNDP to incorporate other indicators of human condition namely the human development indices consisting life expectancy, adult literacy and real per capita income were meant to supplement this gap (UNDP 1990), but a serious weakness in this regard is all these measures are averages hence do not demonstrate the range of situation within an area.

Besides the condemned reductionist view implied by the income/consumption method, it also involves another problem related to the issues of family size and economies of scale in the process of consuming the stated basket of food and non food items. The common practice in this respect is to use adult equivalence rate / to express household members in terms of adult equivalence/ and then to use minimum calorie intake per adult as proposed by WHO (2200 cal/adult equivalence).

A number of other alternative methods are also proposed to construct the poverty line. The first alternative suggests instead of adult equivalent scale, per capita consumption levels can be used. The effect of such a scale is likely to lower the poverty line (minimum consumption level) because household size in number is always larger than adult equivalent rates. The second alternative in various development reports (World Bank, UNDP etc.) is to take a certain proportion such as 2/3 of household mean per capita consumption as a poverty line. Other fixed values such as 1 USD per person per day is also suggested based on comparative studies of different countries (World Bank 94, Ravallion 93)

Given all the limitations and pitfalls, implied by each method, results of any poverty assessment are very sensitive to the type of poverty line employed in the calculation. This calls due attention in choosing the right poverty line. Poverty line as a cut-off living standard level is inherently a relative and subjective concept because the 'minimum living standard' be it in any method discussed earlier varies across individuals, household, societies etc due to a number of factors such as differences in taste, preference, price etc. The most commonly used

categorisation of poverty lines in almost all literature reads as three Viz. Absolute, Relative and Subjective poverty lines.

Absolute poverty line:

It is an income or consumption level that enables an individual to cover the cost of basic needs. More particularly it is the cost of a bundle of food items that are necessary to assure a predetermined energy requirement. The cost of basic non-food requirement can not be pre-determined as 'minimum individual need' in any poverty measurement. It involves some element of subjectivity as discussed earlier. Due to this the common practice in poverty assessment of particularly developing countries is to use the food poverty line as an absolute poverty line (Mekonnen 96, Malawi- Solomon 94 etc).

Relative Poverty Line:

Relative poverty line is a point set at a certain proportion of the mean income of the society or region in question. It can be set at one-half, one-third, or two-third of the mean income. Relative poverty line varies with the level of average income in the study area or region. It involves classification of the population in to different quartiles depending on the proportion or percentage chosen by the researcher. Finally the researcher decides that the population in the last one or two quartiles to be considered as poor and the corresponding cut off income/consumption levels a relative poverty line. The major weakness of this measure is it is highly subjective and obtained results indicate very localised picture which

makes it difficult for inter societal comparison. Another limitation of this measure as argued by Ravallion /1992/, it is not clear whether the method is an indicator of poverty or measurement of income inequality.

Subjective Poverty Line: Unlike the other two, subjective poverty line refers to the perception of individuals about their own situation. The difference between poor and non-poor in this approach depends on the subjective judgement of individuals about what constitutes a socially acceptable minimum standard of living in their own societies. The amount of income/expenditure individuals believe to sustain this minimum standard of living is subjective poverty line. In this approach people are asked what they consider to be basic needs and how much it costs to obtain them. If their income fails to cover this cost they are considered to be poor. This approach, as it is purely an account of an individual's or group's own declaration about their position, it may sometimes be misleading. For instance if an individual with out the means for meeting his basic needs does not consider himself as poor.

The fact that this procedure involves higher degree of subjectivity on the part of the respondents as opposed to the relative poverty concept, which allows much greater room for the investigator makes them two different perspectives of poverty measurement.

2.2. Trade-offs in Poverty Measurement

2.2.1 Conventional Versus Participatory:

The major issues in the conventional poverty measurement are the establishment of poverty line and the choice of single index. The major argument of proponents regarding the establishment of the former rests at using either the food energy or the food share methods. Both methods aim at determining the income or consumption at which the minimum food and non-food requirements are achieved. The strict use of only income/consumption to construct summary measures in poverty situation is subject to a serious criticism by the advocates of the participatory approach. But strong adherents of the conventional approach (Greely 94, Ravallion 92) argue that even though poverty is a multifaceted concept, its manifestation such as lack of service, health, education, under nourishment, poor infrastructure, housing, etc are sufficiently correlated with income and consumption that makes the two variables most appropriate reference points.

The choice of poverty index, becomes the second important issue after the appropriate poverty line is determined. Poverty indices constitute a large body of literature particularly after the 1976 pioneering works of Sen. Most of this indices including Sen's index are said to have difficulties in their practical application. The choice of appropriate index always depends on the purpose of measurement and robustness of data. However three important values that have been most commonly computed after the use of any index are incidence, intensity (gap) and severity of poverty.

The first two are the oldest and the most popular measures of poverty. The incidence or prevalence of poverty, usually referred as the head count ratio (H) is simply the ratio of poor to the total population. The formula in the computation of the three majors is described in various ways in many literatures. The most common ones are described as follows :-

In a population where the structure of income distribution is ranked in ascending order: such that

$$Y_1 \leq Y_2 \leq \dots \leq Y_q \leq Z \leq Y_{q+1} \dots \leq Y_n \dots (1)$$

Where Z is an exogenously determined poverty line and n is total population then H is defined as

$$H = q/n \dots (2)$$

Where q is the number of people with income less than the poverty line Z.

The Poverty intensity or poverty gap index denoted by PG is given as

$$PG = \frac{1}{n} \sum_{i=1}^q \frac{(Z - Y_i)}{Z} \dots (3)$$

or similarly

$$PG = \frac{H (\bar{Z} - \bar{Y}^p)}{\bar{Z}} \dots (4)$$

Where $\bar{Y}^p$ is average income of people below poverty line Z.

Poverty intensity or poverty gap (PG) reflects the extent to which the income of the poor lie below the poverty line. Both indices have problems in practical application or in other words problem of identification, which will be discussed latter on. The head count ratio (H) is insensitive to changes that make poor people poorer or to transfers from the poor to the rich. In other words as argued by Sen (76) it violates both the monotonicity and transfer axioms of poverty analysis.

The poverty gap (intensity) index is also accused of being insensitive to the distribution of income among the poor. Its mere dependence on the average income of the poor makes it unable to capture the severity of poverty. In fact the poverty gap index measures the extent of poverty or how much poor are the poor (i.e. the relative gap of the mean income of the poor from poverty line) hence it satisfy the monotonicity axiom but violates the transfer axiom. 1

The third value, poverty severity, mentioned earlier is derived from the most popular index known as the FGT index (named after Foster, Geer and Thorbeck 1984, who originally suggested). This index gives decomposable measures of P_{α} given by the formula (Foster et al 1984)

$$P^{\alpha} = \frac{1}{n} \sum_{i=1}^q \frac{(Z - Y_i)^{\alpha}}{Z^{\alpha}} \dots\dots\dots (3)$$

Where Y_i is real income/consumption

Z poverty line

n No. of total population (sample size)

q No. of poor people

α Measure of inequality

Value of α imply the weight given to the poorest of the poor. If $\alpha = 0$, P_o is reduced to the head count ratio and if $\alpha = 1$, it reduces to the average income gap or PG and if we increase the weight on α then it shows more concern to the poorest of the poor. The third value of α , which is known as the FGT P2, measures the severity of poverty or the distribution of income among the poor. Therefore this measure satisfies both axioms mentioned earlier.

Even though the two major issues of conventional approach namely constructing the poverty line and the choice of appropriate index are made, there are always unavoidable uncertainties particularly with the respect to poverty line. First even in the case of applying absolute poverty line the food calorie requirement varies from individual to individual depending on activities, climate etc. Second the share of non-food consumption is even more relative and subjective concept that it varies between individuals and societies. Third, inter-regional poverty line comparison is impossible due to differences in prices. These all summed with the major problems of poverty indices discussed earlier, makes the conventional approach as one hardly qualifying as sufficient poverty analysis methodology.

The participatory approach on the other hand rejects the absolute importance of the two variables to explain the whole situation of poverty. The approach aims at collecting information consulting with local people to express their own conception of poverty. The major argument of the proponents (chambers 95) underlines the importance of allowing individuals to set their own criteria of well-being that best correlates to their situation. The approach intends to capture the complex diverse local realities by using more qualitative measures such as cause of crises in coping mechanism of the poor, various dimensions of vulnerability, relational problems, intra household relations- gendered dimension of poverty, etc. Technically, this approach as opposed to the conventional approach, do not rely on sample survey rather the common technique is direct observation and consultation with the affected people.

2.2.3 Identification versus Aggregation

The three key questions in the measurement of poverty, be it in any of the methodologies, are :-

- 1- How to assess individual well-being?
- 2- At what level of measured well-being do we say individual is not poor?
- 3- How do we aggregate measures of poverty?

The concept of the first two questions is who are the poor and how poor are they which is commonly referred as identification problem. The third question is concerned about how much poverty is there in the study area, which is referred

as the aggregation problem. Both identification and aggregation are equally needed to analyse poverty situations. The problem involving either clearly identifying the poor or aggregating the general level of poverty depends on the type of methodology used for the study.

Seen in the light of these two problems the conventional and participatory methods have their own merits to tackle one of the problems. Either of the approaches in their extreme form have their own problems for example the conventional approach may not give sufficient information in the identification of the poor in cases where incomes fluctuates, cultural problems overplay the occurrence of poverty, where there are untapped transfers and subsidies etc. But if the poor are already identified the income/consumption approach provides a well researched summary measures of aggregation. The participatory approach on the other hand seems to contribute more to the identification of the poor. The relatively multidimensional and complex use of variables in the approach makes it difficult to aggregate poor people's priorities that are generated through the use of participatory methods.

Finally, if best method of poverty analysis is overcoming the two key problems Viz. identification and aggregation, then both approaches are important. The weakness of the conventional approach in identifying the poor would be complemented by the participatory techniques and the latter's weakness in aggregating identified poverty results would be complemented by the use of income/consumption measures.

3. POVERTY SITUATION IN ETHIOPIA

Recent estimates of poverty indicate that Ethiopia is one of the poorest nations on earth. Social and welfare indicators of the country are the worst even by African standards. With per capita income of USD115 (WB 1999) Ethiopia is ranked 170 out of 175. According to UNDP (98), the human development index (HDI) for Ethiopia is one of the least 0.244 compared to HDI of 0.380 for sub Saharan Africa. Health and Education welfare indicators are indeed depressing infant mortality is about 110/1000 live birth, morbidity 212 person /1000 and nearly 40% of children under five show symptoms of malnutrition, only 45% of the population has access to health services, primary school enrolment ratio may not be higher than 21% (UNDP 98).

The trend in the poverty situation of Ethiopia, particularly after the transition period is thoroughly analysed by different groups and organisations (both domestic and international). Reports of such national level assessment are most of the time believed to be sensitive to differences in measurement, methodologies and coverage let alone ideological affiliations. Empirical evidences of studies by government (MEDAC WMU, 1997, 1999), international organisations World Bank (1992, 1997) and individual academicians (Stefen Dercon and Parmila Krishnan 1998, Mekonnen et al 1996) indicates the use of varying measurements and methodologies and hence different results. However all that have been commonly said after conducting these studies is that poverty is high everywhere in the country with more concentration in rural areas (MEDAC 1999, Decron and Krishnan 1998), the trend in poverty situation is less promising

in urban areas compared to the rural areas (WB 1997) and both urban and rural areas have shown little change in poverty due to a worsening of the level of inequality in the Economy (Abebe Shimellis).

Results of various studies (See table 3.1 below) shows that poverty in Ethiopia is predominantly studied through conventional methods (setting poverty line and indices such as the head count ratio, poverty gap and poverty severity)

As indicated in the table below the head count ratio or simply the percentage of poor people in the total population is estimated to be all-greater than 38% in the last 10 years. The various institutions, agencies and individuals have used different approaches to determine the poverty line. The least estimate 38% is made by using the minimum food energy requirement as a poverty line for urban areas. The other estimates particularly those with national coverage have well over 45% of the population to be designated as poor. As mentioned earlier the difference in the coverage and methodology of researching parties do not allow direct comparison of figures and neither can we say much about the trend in the poverty situation of Ethiopia. The recent study made by the government MEDac (1999) based on the 1995/96 CSA data, allows analysis of welfare situation only in a specific point of time. The need for analysing the trend of poverty situation can only be fulfilled using longitudinal panel data such as the one used by Darcon & Krishan and Mekonnen et al.

Table 3.1 Poverty Estimates of Ethiopia in the last 10 years

Researching Institute	Year	Coverage	Prevalence of poverty (the head count ratio)
IGAAD	1989/90	National census	60
IFPRI	1991	"	67
World Bank	1992	"	50
MOPED	1992	"	51.7
Dercon & Krishnan	1994	Rural household survey of selected 15 sites	49
Mekonnen	1995	Urban household survey of selected 8 towns	38.9
Mekonnen, et al	1994	"	40.9
	1995	"	42.9
	1997	"	38.7
MEDac *	1999	National census	45

Source:- *The social dimension of adjustment in Ethiopia MOPED 92 and Proceeding of the fifth annual conference in the Ethiopian Economy 1996*

**MEDac 99 study is based on CSA 1995/96 data*

Studies on the poverty trend shows different results for rural and urban areas. For instance comparison of rural poverty in two periods 1989 and 94 by Dercon and Krishnan has shown a decline in the head count ratio from 61.2 to 40%. On the other hand a comparison of urban poverty in the recent years 1994-97 made by Mekonnen et al (1998) and latter by Abebe indicates that poverty has an increasing trend in Ethiopia. The argument of the later study among other things, stresses on the responsiveness of poverty situation to growth in GDP and per capita consumption. According to this studies poverty reduction is less responsive to real GDP growth in Ethiopia, which has led them to the conclusion that poverty situation did not changed (not to say increased) over the studied five years period (1994 –97). A further reasoning by these studies (see table 3.2) indicated that the increase in per capita consumption did not bring a proportional decrease in poverty mainly due to worsening of income inequality in the economy.

Table3.2 Change in mean income, Inequality and poverty for the period between 1994 and 1997.

	Change in real per capita income consumption	Change in Gini coefficient	Change in the head count ratio
Rural	2.87	7.12	8.8
Urban	13.40	4.21	6.11
National	4.40	8.13	8.77

Source: Abebe Shimellis poverty measurement profile and policy in Ethiopia.

The increase in the average per capita consumption of urban households is significantly high (13.40%) in the given period but the corresponding change in poverty is only 6.11% which is even lower than the figure for rural Ethiopia. These studies have also computed the responsiveness of poverty to economic growth or specifically to increase in GDP which is calculated to be 0.78 (that implies a one percent increase in per capita GDP would lead to 0.78 percent decline in poverty). Results of these kind provide a lesson that economic growth alone is not promising to guarantee alleviation of poverty in any reasonable period and show that there is a need for further distribution of income.

The 1999 government report has made both national and desegregated estimates of poverty. The national estimate indicates 45% of the population in the country are absolutely poor. At regional level poverty is highest in Tigray, Amhara, and Southern regions. At further desegregated level, North and South Omo, Derashe, Konso, East and West Gojam, Agew Awi, North Wello and Waghamra zone re-identified as having highest poverty levels.

3.1. THE RURAL-URBAN DIMENSION OF POVERTY

It has been stated in many studies that poverty is more pronounced in rural than urban Ethiopia. The 1999 government report has indicated that the rural area has much higher poverty with 47.5% of its population in absolute poverty compared to urban areas with 33.2% of poverty incidence (MEDaC 1999). Other welfare indicators that are used in the report also provide the pervasiveness of poverty in the rural area. Literacy levels and school enrolment ratios are

consistently higher in urban areas compared to rural areas. Availability of safe water and sanitation facility is much worse in rural areas 54% of the population being dependent on river/lake as a major source of water, while the figure is 18.5% for urban areas. The percentage of population who used public tap in rural areas was only 4% compared to 54% in urban areas. The report on sanitation revealed that in urban areas 56.4% of the population used pit latrines while 40.9% used field/forest for toilet. In rural areas 95.8% used field/forest and only 3.5% uses pit latrine as a toilet.

Another report “comparison of poverty in rural and urban Ethiopia” by Stefen Darcon and Mekonnen Tadesse (1997) has indicated that differences in poverty between urban and rural areas are on average very small, even though especially some rural areas are found to be extremely poor. The study used sample household data from eight selected towns and 15 rural sites. It has estimated the various poverty measures using minimum food energy requirement (uniform throughout all the sites) as a poverty line (see table 3).

Table 3.3 poverty measurement using minimum food energy as a poverty line

	Head Count	Poverty Gap	Poverty Severity
Urban (average)	0.32	0.13	0.07
Rural (Average)	0.30	0.11	0.06

Source; Dercon and Mekonnen 1997.

Even though the use of single poverty line across all sites could have an effect of understating urban poverty (where prices are relatively higher) the above three measures of poverty indicate that on average there are no significant differences in urban and rural areas. However others also argued that urban areas experience higher poverty due to relatively higher inequality in income distribution. One of such studies (Zenasilasie, 2000) using the 1995/96 CSA data, has indicated that in urban areas the richest 20% of the people consume 69.5% of the aggregate consumption expenditure while the poorest 20% consume only 2.1% of the aggregate consumption expenditure. In rural areas where inequality is relatively better the richest 20% consume 44.3% of the aggregate consumption expenditure while the poorest 20% consume only 3.8%.

Trends in rural and urban poverty are analysed more or less similarly in different studies. Darcon and Krishnan (1998) have already shown that rural poverty has significantly declined between the period 1989 to 1994. This is further strengthened by 1997 World Bank participatory study that confirmed a declining poverty trend in rural Ethiopia. Trends in urban poverty in recent years however is not consistent as indicated in table 3.3, successive poverty measure 1994-97 (by Mekonnen et al) do not clearly show a decrease in poverty. The 1997 participatory poverty assessment (PPA), has also indicated that trends in urban areas are less encouraging, mainly due to general reasons described by community such as unemployment, increasing food price, increased insecurity

and rising crime (See summary of poverty features in Ethiopia based on the 1997 PPA.

Table 3.4 A summary of poverty features in Ethiopia based on the 1997 participatory study

	Urban areas	Rural areas
Recent trend in poverty situation	Mixed, largely increasing	largely declining
Indicators of well being	having occupation	possession of livestock and land
proxy poverty indicators	purchase of ready made 'enjera'	being dependent on wage labour, landlessness, female HEADED HHS
Factors for improvement in well being	no improvement in urban well being	favourable term of trade, good rainfall, rising real wage return to off farm activities and land leasing
Factors for declining well being	rising unemployment, increased insecurity and crime, rising food prices	rainfall variability, declining land fertility, distance from roads and markets.

Source: PPA, 1997.

Poverty profile based on household panel data of eight major towns for the period of 1994-97 by Mekonnen, Bereket and Abebe (1998) can also be summarized as follows.

- In urban Ethiopia the sex of the household head has significant contribution to the incidence of poverty.

- The age structure indicates that poverty is more pronounced among the people aged above 40. An explanation for this could be that older people are likely to have bigger family size than younger family heads. This is also reflected in the marital status where single family heads have very low incidence of poverty.
- Poverty was quite high among widowed and separated family heads, married and divorced family heads have comparable levels of poverty.
- Strong correlation between poverty levels and education is observed in most urban areas. The percentage of poor people significantly declines as the level of education of the head of the household increases.
- Poverty appears to be moderate to the self employed compared to other occupations. Across employment contours, the prevalence of poverty is high among casual labourers (100%), female headed households engaged in domestic activities (66.7%) while it is lower for public sector employees (23.1%) and civil service (9.1%).
- The movement in to and out of poverty is also described as 15.7% moved out of poverty while 13.6% fall into poverty between 1994-97 period.

3.2 A GLIMPSE AT ADDIS ABABA

Conventional poverty studies most of the time concentrated on higher levels of aggregation such as national and regional levels. Undertaking such studies at town/city level has been constrained by unavailability of relevant household data. Available studies for Addis Ababa in this respect are quite few in number (for example MOPED 1992, World Bank 92, 97, Solomon Gebre 93). The household panel data collected by the department of Economics Addis Ababa University has recently provoked interest of researchers to undertake study on the trend and situation of poverty in few urban centres where Addis Ababa is the one. Based on the findings of Mekonnen et al (98), 42 percent of the population in Addis Ababa lives below the designated absolute poverty level in 1994 and this rate increased by 8% in 1997. On the other hand the 1999 government report based on the 1995/96 data indicated that per capita income of Addis Ababa is the highest (USD 209) compared to the national average which is USD 167. Possible explanation for the high prevalence of poverty in Addis could be relatively higher food price and the use of high price calorie sources due to change in preference and taste.

The high prevalence of poverty in Addis Ababa is also witnessed in Dercon and Mekonnen study "A comparison of poverty in rural and urban Ethiopia" (1997). The study compared Addis Ababa with other towns and rural areas using different poverty lines (see table 4).

Table 3.5 The head count index using separate and single basket.

	Separate Basket	Single Basket
Addis Ababa	0.47	0.38
Other towns	0.29	0.23
Rural areas	0.31	0.30
Ethiopia	0.32	0.30

Source : Dercon and Mekonnen

Single and separate basket here refers to the type of poverty lines used in the study.

*Single basket :— refers to the use of uniform poverty line calculated based on the assumption that consumption pattern is similar all over the study area.

*Separate basket :- refers to poverty line calculated based on specific consumption pattern and price of food items in the study area.

The use of single basket implies that the cost of meeting minimum consumption diet is assumed to be equal every where in the country. Although for sure prices are higher in Addis Ababa than the areas supplying cereals to urban centres, the implied estimate of 38 percent poverty prevalence in Addis Ababa is still quite higher.

Variations in poverty within the sub-district level of Addis Ababa is significantly marked. The city proper comprises residence areas that have different socio-economic characteristics. Looking at the kebeles and different pockets of the

city, one may describe it as population comprising samples from all over the country. The intention in this study is to look at one of such samples which in most features is different from the cities average condition.

4. EMPIRICAL CASE

4.1. OVERVIEW OF WEREDA -11

Wereda -11 is located at the northern outskirts of the city under the foot of 'Entoto' mountains. According to wereda-11 council, it is 32 square kilometers in size comprising 15 kebeles and has a total population of 112,339 at the end of 1998. The population figure reported by the Wereda is closer with other estimates, for instance based on CSA 1994 and assuming annual growth rate of 3.8%, the wereda population would be 112,104 in 1999. Based on this figure the wereda has a population density of 3503.25 persons per square kilometer. This is probably one of the least density compared to 9300 person /sq k.m density for Addis Ababa.

Livelihood conditions in the werda are dominated by hand-crafts activity. It is known to be the home of artisans mainly weavers and potters. Wereda council sources indicate that in some of the kebeles (such as 19 and 23) more than two-third of the population lives on weaving. Weaving is predominantly men's activity while pottery is exclusively women's activity. Civil servants, petty traders and private business owners constitute 14.2%, 41.6% and 4.2% of the economically active population respectively.

The ethnic composition of the wereda is as follows: Amhara 53.58% followed by SNNP-26.43% (that is predominantly Gamo people). Oromo 14.6%, Tigre 3.8% and other 1.84%. The wereda is distinctly characterized by seasonal inflow of people from the south. The migrants are most of the time job seekers who want to be engaged in weaving activities during the slack agricultural season. Urban social and related amenities are scant. Most of the Wereda lack transportation facilities.

There are a total of 9 schools in the wereda of which 5 are government, 2 private and 2 public.

4.1.1. Source and nature of data.

The data used in this study is collected from sample households in wereda-11 Addis Ababa. The sample population is obtained on the basis of two stages simple random sampling procedure. At the first stage out of 15 kebeles in the wereda a sample of five were chosen. And from these kebeles in the second stage 265 households representing approximately 3.0% of the total number of households were randomly drawn. This sample size was then distributed to all kebeles in proportion to the population (see table 4.2.1 below)

Table 4.2.1 Percentage and numerical distribution of sample households by kebele.

Sample kebeles	No of household	% share	sample households
01	1500	17.54	47
05	780	9.11	24
10	651	7.62	20
19	1008	11.78	31
23	4615	53.95	143
Total	8554	100	265

Source computed Wereda-11 Council records.

In order to select the sample households from each kebele, the recent record of each kebele was used as a sampling frame and finally households were picked using systematic sampling technique, that is select house holds from the list of household number at fixed interval. Out of this 265 responses two were found problematic and discarded during data entry.

The data mainly consists of information on some socio-economic variables such as household composition, education, income, expenditure, employment and other welfare indicators.

4.2. Poverty Levels

Poverty levels are determined using numerous welfare/well-being indicators. These indicators include the various social and economic variables such as income, expenditure, health, education, housing etc. A number of other statistical relationships can also be established among each and every indicators. However this by itself does not give a definition of poverty unless the population is divided into poor and non poor categories using a poverty line that transforms the various indicators into definitions of poverty.

The three poverty levels that are commonly used in most literature are absolute, relative and subjective poverty levels. The conventional definition of the poor under the absolute poverty concept refers to those who subsist below a level of income that can sustain a bare 'minimum standard of living'/absolute poverty line/. The determination of this minimum standard of living or absolute poverty line requires information on quantity and value of food and non food consumption by households. However, the sample data used in this study do not have information on quantity of food consumed by households mainly because of two reasons. First it is inherently understood that households of the kind in Wereda-11 do not keep records of consumption (both financial and quantity). Secondly the interviews were limited only to one visit per household due to time and financial constraint. The other problem is the response rate to the question asked about food and non food expenditure (in monetary terms only) is only 42%. In addition it is argued by several writers that the absolute poverty concept

has major limitations. As noted by Yohannes Kinfu (96) and many others the procedure is more of measuring food poverty but in reality attaining a certain level of calorie is not the sole motive for human behaviour even for the most poor.

4.3 Identifying the Poor in Wereda-11 Using Relative and Subjective Poverty Concepts

The alternatives that are used in this study are the relative and subjective poverty levels. Relative poverty as discussed earlier in chapter 2 refers to the relative deprivation of income groups compared to other groups. The common practice in literature to define the poor under this concept is to take those people whose mean annual income falls below two-third of the average per capita income as poor. Accordingly based on the sample households data collected in Wereda 11 average per capita income is ETB750.35 with significant variation in quintile groups (see table 4.3.1) and the corresponding relative poverty line is calculated to be ETB 500.23 per annum.

The per capita income used in the calculation of poverty line is characterized by high level of inequality seen in different quintile groups. According to table 4.3.1 below the richest 25% of the sample population earn 64.62 percent of the income while the poorest 25% earn only 7.90 percent of the aggregate income in Wereda 11.

Table 4.3.1 Per Capita Income and Percentage Distribution of Income by Quintile Groups

	Quintile Groups				Wereda 11
	1	2	3	4	
Per capita income	211	408.35	763.20	1728.10	750.35
%	4.90	12.21	18.27	64.62	100

Source: Own survey wereda 11, 2000

The drawing of poverty line using expenditure not income is preferred in different studies. But in this study income is used because of poor response to questions pertaining to expenditure.

SUBJECTIVE POVERTY

The decision to use the concept of subjective poverty is based on survey responses of individuals about their own situation. Individual respondents were asked to categorize themselves to three possible pre-codded well being groups namely poor, medium, and rich based on their consumption or income. Only 2.3 percent considered themselves as rich while 36 percent considered themselves to be middle range and 63.7 considered themselves to be poor. This approach is based on the belief that local people are best judges of what constitutes socially acceptable standard of living in their society and how much they need to earn for meeting that end.

In this approach too, if all the households are categorised in three welfare groups it is possible to draw poverty line using the average per capita income of the group 'poor' as a proxy. Accordingly ETB800.60 (annual per capita income of group poor) is considered as subjective poverty line of Wereda 11.

After identifying any of these poverty lines it is possible to compute the three well known summery measures of poverty (viz. The headcount ratio, poverty gap and poverty severity) using the FGT index discussed in the earlier chapter.

Using the formula

$$P^{\infty} = \frac{1}{n} \sum_{i=1}^q \frac{(Z - Y_i)^{\infty}}{Z^{\infty}}$$

Where Y_i - is income of i^{th} household

n - total population

q - no of poor people

z - poverty line

Using the relative poverty line ETB 500.23 as the value for z and changing the value of ∞ to 0, 1 and 2, the above formula gives estimates of prevalence, intensity (gap) and severity of poverty in Wereda 11. The prevalence of poverty (the head count ratio) in the Wereda is calculated to be 0.69 that means 69 percent of the population in Wereda 11 lives below the stated poverty line. The

poverty gap index which indicates the percentage short fall of mean income from poverty line is calculated to be 0.26 (26%) and the poverty severity or the level of inequality among the poor 0.09 (9%).

Results of the summary measures are very sensitive to the type of poverty line used in the calculation (See table 4.2 below). For purposes of comparison it is also possible to calculate poverty using subjective poverty line and other poverty line concepts suggested in many studies. If we take two of such poverty lines, one is commonly referred as 'extreme' poverty line, instead of keeping the poverty line at two-third of the per capita income, it takes one-third, that in our case is ETB250.12. The other poverty line suggested by international organisations, World bank, Koffe Anan (99), Ravallion (93) etc is one USD per person per day (using official exchange rate of 8.15 for the month of February when the survey was conducted) the poverty line would be ETB 2974.75.

Table 4.3.2 The prevalence of poverty in wereda -11 based on different poverty lines.

	Poverty line	The head count ratio
Relative poverty (as below 2/3 of per capita income)	500.35	69
Extreme poverty (as below 1/3 of per capita income)	250.12	43
Subjective poverty	800.60	78
Poverty (as below \$1 per person per day)	2974.75	97.8

Source: own survey wereda -11 ,2000

The prevalence of poverty decreases to 43% when we decrease the poverty line from two-third to one-third of the mean income. Subjective poverty line (ETB800.60) yields higher percentage of the poor 78% implying that more people prefer to be categorised as poor when asked about their situation. The \$1 per person per day is extremely high compared to the per capita income of the Wereda which is only ETB 750.35, hence the corresponding percentage of people earning below this poverty line are 97.8 only 2.2% are reported to have escaped poverty based on this calculation.

Based on the two poverty line concepts discussed earlier different socio economic groups of households in Wereda 11 are described from table 4.3.4 - 4.3.7.

Table 4.3.4 distribution of poverty in wereda -11 based on Marital status, household type and family size.

Socio Economic Characteristics	Relative		Subjective		
	Poor %	Non Poor %	Poor %	Medium %	Rich %
Marital Status of HHH.					
Married	68.4	31.6	80.0	18.2	1.8
Single	21.3	78.7	39.2	60.0	0.8
Widowed	81.2	18.8	88.6	11.4	-
Divorced	72.9	27.1	87.3	12.7	-
NK	74.4	25.6	77.1	22.9	-
Household Type					
Male Headed	68.6	31.4	71.0	26.4	2.6
Female Headed	69.8	30.2	85.2	14.8	-
Family Size					
1	14.9	85.1	18.1	81.9	-
2 - 5	34.4	65.6	46.9	50.5	2.6
6 - 10	73.6	26.4	81.3	18.7	-
10+	75.2	24.8	87.2	12.8	-

Source: Own survey wereda -11 ,20000

It is interesting to note that poverty in Wereda 11 is more pronounced among widowed household heads followed by divorced and married household heads. Poverty is very low among single households 21.3%, and 39.4% seen in both relative and subjective terms respectively.

The gender dimension of poverty is not evident in Wereda 11. The female-headed households are only slightly poorer than their male counterparts seen in relative poverty level. But the subjective /self declared/ well-being indicator shows higher incidence of poverty 85.2% among female headed households

compared to 71% of the male headed households. The reason for this could be the general belief among many societies that female headedness by itself feels much helpless and vulnerable to poverty.

The incidence of poverty among different family size groups in table 4.3.4 shows that poverty is directly related with family size. The incidence of poverty in both relative and subjective terms is very high (75.2% and 87.2%) among households who have more than ten members. This positive association between household size and poverty is not consistently true when we see it in relation to income levels as indicated in table 4.5.1. discussed in the next part. Rather it shows that high income groups tend to have higher family size compared to low income groups.

Table 4.3.5 Distribution of poverty in wereda -11 based on age and income of household heads.

Socio Economic Characteristics	Relative		Subjective		
	Poor %	Non Poor %	Poor %	Medium %	Rich %
Age of Household Head					
18-25	42.4	57.6	39.4	60.6	-
26-40	38.9	61.1	47.9	50.8	1.3
41-55	69.1	30.9	81.2	17.5	1.3
55+	72.0	28.0	80.2	19.8	-
Groups (based on income)					
1 st	6.2	93.8	21.3	70.2	8.5
2 nd	72.4	27.6	46.2	49.5	4.3
3 rd	97.2	2.8	56.3	42.8	0.9
4 th	100	0	89.2	10.8	-

Source: Own survey wereda -11 ,20000

The age distribution of poverty seems to overrule the common logic that cumulative wealth increases as one gets older. The result in table 4.3.5 shows inverse relationship between age of family heads and well-being of households. Higher prevalence of poverty 72% and 80.2% in the age group of 55 and above could be understood in the case public sector employees (because one gets retired at the age of 55). But those who are in the age group of 41-55 are still highly poorer with 69.1% and 81.2% poverty prevalence. Plausible explanations for this is to look at the dominant occupation of sample households that indicates significant number (62.9%) of family heads in the Wereda are categorised as unskilled workers, artisans or informal businessmen (whose earning is directly related to the physical labour that could deteriorate as one gets older). The other

explanation as discovered in other studies, Mekonnen et al (98) family heads at higher age are likely to have higher family size that reduces per capita share of members.

Table 4.3.5 also indicates that the lowest 25% of the sample households (in terms of cumulative expenditure) are entirely (100%) poor while the top 25% of the households in the 1st quintile group have only 6.2% of their members in poverty. The subjective poverty measure in this regard shows significant variation from the relative measure 21.3% of the people in the top quintile claimed to be in poverty implying that there is a tendency of considering oneself as poor with in the people of high income/consumption group. Note that calculation about expenditure based quintile groups is done based on households for whom data is available.

Table: 4.3.6 Distributions of poverty in wereda-11 based on education and occupation type of household heads.

Socio Economic Characteristics	Relative		Subjective		
	Poor %	Non Poor %	Poor %	Medium %	Rich %
Education of Household Heads					
Illiterate	19.6	80.4	39.2	60.8	-
Read and Write	21.4	78.6	46.3	53.7	-
Grade 1 – 8	43.2	56.8	69.4	30.0	0.6
Grade 9 - 12	45.7	54.3	68.9	28.7	2.4
Collage+	3.1	96.9	4.2	94.6	1.2
Occupation of Head of Household					
Unskilled Laborer	89.2	10.8	100	-	-
Civil Servant	29.0	71.0	41.6	55.2	3.2
Craftsman	74.8	25.2	79.3	20.7	-
Own Business	76.3	23.7	72.0	21.6	6.4
Unemployed	77.9	22.1	81.3	18.7	-
Others	75.2	24.8	88.1	11.9	-

Source: Own survey wereda -11,20000

There seems to be a positive relationship between the level of education attained by household heads and incidence of poverty. For those who have attained college level education, only 3.1% or 4.2% of their members appear to be poor in relative and subjective terms. The poverty level among those who have completed high school and junior secondary school appears to be roughly comparable and significantly higher than the rest of the groups. What appears most unexpected in this survey is incidence of poverty is quite less only 19.6%

and 39.2% among the illiterate next to those who have attended college level education.

Poverty is sharp (89.2% and 100%) with unskilled labour occupation group followed by craftsman 74.8% and 79.3%. The main source of income in this group ranges across various forms of menial jobs. Typical job of such nature for female heads is fuel wood (dry eucalyptus leaf) collection from the nearby 'Entoto' forest. Another typical low paying job in the craftsman occupation category is that of weaving (particularly those who are employed by owners of looms). Poverty is low with civil servants (29.0%) and 41.6%. But private business owners (most of whom are characterised by petty trade activity and meagre income) and the unemployed have comparably higher level of poverty.

Table 4.3.7 Distribution of poverty in wereda -11 based on religion and ethnic composition of households

Socio Economic Characteristics	Relative		Subjective		
	Poor %	Non Poor %	Poor %	Medium %	Rich %
Religion					
Orthodox	41.1	58.9	75.7	19.7	4.6
Muslim	14.3	85.7	69.3	30.7	-
Protestant	73.5	26.5	76.0	21.6	2.4
Others	25.2	74.8	29.2	70.8	-
Ethnic Group					
Amhara	60.4	39.6	62.0	34.4	3.6
Gamo	72.3	27.7	81.4	16.4	2.2
Tigre	16.1	83.9	38.8	61.2	-
Oromo	49.8	50.2	44.0	51.7	4.3
Others	58.2	41.8	69.5	30.5	-

Source: own survey in wereda -11 ,20000

In table 4.3.7 the religion and ethnic dimensions of poverty are described. Accordingly there appears to be no significant difference in poverty levels among the religion groups except for the Protestant group which seems to have higher number of its population 73.5% and 76% in poverty.

Poverty across five major ethnic groups (including 'others') is roughly fairly distributed except the Gamo people who are found to be the poorest with 73.2% and 82.4% of its members in poverty. The remaining ethnic group have relatively comparable level of poverty with higher figure for Amhara. It should be noted that the Gamo people are the second largest with in the sample next to the Amhara .

4.4. Poverty analysis of Wereda 8-11 by other indicators.

4.4.1 Food Share

Apart from the traditional absolute and relative measures of poverty one commonly known indicator of absolute poverty is the food consumption pattern of households based on the Engles Law. The law relates the proportion of total household consumption expenditure spent on food to the total consumption expenditure. It states that household consumption expenditure spent on food decreases when the household income goes up. It means that the proportion of household consumption expenditure on food decreases when the household welfare improves.

**Table 4.4.1 The Food Share of Households Consumption Expenditure
in Woreda - 11**

Income Groups	Family Ave. HH Size	Mean Annual Expenditure/Household				
		No HH	Food	Non Food	Total	Food Share (%)
<1,000	6.56	11	858.66	581.10	1,439.76	64.00
10001-2000	7.16	13	1,119.80	896.20	2,016.00	55.50
2001-3000	7.18	10	1,593.85	1,609.40	3,203.25	49.70
3001-4000	7.41	14	2,195.88	1,770.31	3,966.19	55.30
4001-5000	6.00	21	2,301.33	2,095.90	4,397.23	52.30
5001-6000	6.30	26	2,532.30	3,135.20	5,667.50	44.60
6001+	7.30	16	5,027.91	6,710.67	11,738.57	42.80
Total	6.73	111	15,629.73	16,798.78	32,428.50	50.74

Source: Own survey of Woreda 11, 2000

Table 4.4.1 above illustrates the percentage share of household's food expenditure in different income groups. The food share of household's consumption budget appears to be inversely proportional to their income. The low-income group earning less than ETB 1000 spend nearly two-third of their consumption budget on food. The trend is that of decreasing for higher income groups except that it sharply increase (55.3%) for those who earn between ETB 3001-4000 and then goes down again. The increase in food share for this group could be because of the relatively higher family size (7.1) compared to the other income groups. The relationship between income and family size in this particular case also do not provide proof to the common logic that family size is positively correlated to poverty (if high income is considered as higher welfare). The

weighted food share of household's consumption budget for all income groups is a little more than half of their income. This figure is at most less than 20% for developed countries. The national figure also indicates that the food share of total consumption budget for the general urban and that of Addis Ababa are even less than this 47.08% and 46.2% respectively (CSA 1995/96). But it should be noted that the above data is computed based on only those households for whom food and non-food expenditure data is available. It should also be noted that higher income group such as those earning 5001-6000 over represents those people who gave information on food and non-food consumption (26 households) that has made the weighted result lower than it could actually be. Another interesting note from table 4.4.1 above is that the lower two income groups spend more than what they earn (for instance the lower income group spends 43.9% more than what they can earn at maximum that is ETB 1000) that implies income is usually under reported by the very poor.

4.4.2 Occupation and other selected well-being indicators.

Table 4.4.2 Selected Well-being Indicators Among Major Occupation Categories of Woreda - 11 Sample Households

Occupation Category	No. HH	Family Size	Per capita Income	Mean annual expenditure per capita	% Who completed High School	% Whose Income increase over the last 5 Years	% Whose Income decrease over the last 5 years	% whose income remained unchanged over the last 5 years
Unskilled Laborer	48	6.02	391.6	386	6.1	1.7	7.2	91.1
Civil Servant	59	6.43	1211.2	731.1	26.8	34.2	11.8	54
Craftsman	65	6.71	816.7	739.1	2.6	19.6	18.4	62
Own Business	52	5.92	586.5	526.1	9.2	8.2	10.2	81.6
Others	39	6.08	602.6	478.6	10.8	11.2	4.5	84.3
Total *	263	6.27	750.35	612.2	11.18	16.1	11.19	72.6

Source: Own survey of Woreda 11, 2000

*Results indicate weighted averages based on respective response of households

- Civil servants category refers to employee of any organization (government NGO or private)
- Unskilled labourers are those involved in physical labour activity and paid on daily basis
- Craftsman mainly includes weavers, potters and other related activities
- Own business includes all small and petty trade activities
- Others' includes pensioners, those who live on remittance, beggars etc.

The table above indicates the differences among occupation groups with a respect to some key indicators of well-being. Per capita income and expenditure is typically low for the 'unskilled laborers' category followed by those who own

businesses and 'others' category. The education level of household heads is very low (only 11.8%) completed high school for all occupation categories. It is exceptionally low with the craftsman occupation category (only 2.6%).

The last three columns of the table are meant to imply the welfare trend of occupation groups over the last five years. Percentage responses for the three questions are no different with results of the other indicators. Least percentage of "laborers" and those who run business claimed to have their income increased over the last five years. The majority of households (72.6%) declared that their earning remained unchanged in the stated period. From the overall picture of the indicators it looks evident that the laborers and those who run businesses (small and petty traders) are the most vulnerable to poverty.

4.4.3 Income and other selected well-being indicators.

Table 4.4.3 Selected Well-being Indicators Among Income Groups of Woreda – 11 Sample Households

Income Groups	No. of HH	*Rate of Unemployment	% of HH living in Kebele Houses	Average No. of persons per room	% of HH living in one room	% of HH buying water from neighbor	% of HHS do not own or share pit latrine	Average No. of meals per day
<1000	34	28.3	66.72	3.21	62.41	67.9	91.47	2.42
1000-2000	52	29.4	69.43	3.20	48.63	66.71	91.32	2.58
2001-3000	43	29.3	65.86	2.91	25.21	60.98	88.65	2.64
3001-4000	32	27.6	78.12	3.12	32.39	54.67	70.53	2.67
4001-5000	35	31.2	71.5	2.8	18.71	49.32	66.27	2.78
5001-6000	39	29.3	60.82	2.42	18.63	37.62	51.58	2.76
6000+	28	29.7	62.42	1.7	9.12	41.4	50.96	2.87
total	263	29.5	67.8	2.8	31.97	55.08	74.85	2.66

Source: Own survey of Woreda 11, 2000

* Rate of unemployed here is calculated as the ratio of unemployed people to the economically active population

Table 4.4.3 above presents comparable percentage of unemployment among families of different income group. The other indicators show the state of over crowding, residential characteristics and availability of basic amenities. It is common for the poor to live in low rent kebele houses or private rented houses but the figure in table 4.4.3 shows that the kebele houses are predominantly

occupied by middle income group. It is believed that higher percentage of low-income group lives as 'Debals' paying higher rent to the individuals who originally rented the houses from kebele. High number of persons living in one-room witnesses the overcrowded nature of living condition in the wereda. (See 2.80 in one room for all income groups) United Nations recommendation (UN 86) says less than one person per room is under occupied 1-2.2 person per room is adequate more than that is overcrowded.

Quality of dwelling units pertaining to facilities such as toilet and water is a serious problem among all income groups. The data show that 74.85% of households share toilet (pit latrine) or do not have it at all. This figure rises up to 91.47% among the low-income groups. Piped water in general is a serious constraint in the area.

4.4.4 Unemployment

Table 4.4.4 Percentage Distribution of the Unemployed by Age and education Groups

Age groups	% Unemployed	% Under-employed
16-25 years	44.6	28.4
26-35	38.2	31.2
36-45	10.1	36.3
46-55	7.1	4.1
Total	100	100
Education Level		
Illiterate	17.6	39.8
Primary education	23.2	37.3
High School	59.2	22.9
College +	-	-
Total	100	100

Source: Own survey of Woreda 11, 2000

* Students and housewives are considered as fully employed in the analysis

Unemployed here are defined as people who are in the economically active age group

(16-64 years of age) but are not involved in any income generating activity. Underemployed:- are defined as those economically active people but are only partially employed in one or more income earning activity.

Percentage distribution of unemployed persons in wereda -11 by different age groups, depicted in table 4.4.4 shows young population between 16 and 35 years of age constitute above 80% of the unemployed labor force in the Wereda. The chances of obtaining part time job (which is considered as under employment in this particular situation) is better (36% for the middle age group 36-45 years of age) compared to 28.4% for the younger age group of (16-25 years.).

Employment or lack of it is a major determinant of well-being in urban areas. Most studies have singled out employment as the most powerful indicators of poverty in urban areas (world bank 95).

Problems of unemployment particularly educated unemployment and young age unemployment are typically prevalent in most urban centers of developing countries.

The same analysis for the four education categories indicate that unemployment is more prevalent (59.2%) among those who have reached or completed high school level education. Partial employment (that include) all form of casual work) are also better secured by the illiterate and those who have attended only primary level education. The short terms implication of these is the need for skill up grading education than academic as far as employment is concerned.

5. PERCEPTIONS OF POVERTY IN WEREDA 11:–

SUMMARY OF THE FINDINGS FROM FOCUS GROUP DISCUSSIONS:

A group discussion was held with 25 individuals from the five kebles considered in the survey. The composition of participants was eight women and seventeen men. The venue was provided by keble- 23 administrations and Daughters of Charity Urban Development project (an NGO currently operating in keble- 23). Discussion was focused on the particular characteristics of poverty in the locality. Participants described poverty in a number of ways. Some of them strongly believed poverty is a predestined fate of some individuals or groups that one cannot escape by his own effort. Others said poverty is the result of unproductive attitude such as laziness, jealousy, lack of good leadership, unfavorable government policy etc. Asked about what constitutes major characteristics of poverty in their locality the participants forwarded list of some poverty features that sounds typical to poor households in their area. Results of unstructured questioner filled by wereda and kebele officials (including members of both development committees) revealed strikingly similar view about the characteristics of general poverty in the area. Accordingly the following major characters are identified as typical of poor households in the study area.

- Have usually disabled household heads.
- Do not have sustainable source of income.
- Do not have and/or cannot access capital to start up any business venture.
- Member's particularly the mother generates income from such activities like fuel wood collection and street vending.
- The heads are not educated.
- Cannot afford to send their children to school and medical centers when sick.
- Usually have large family size.
- They live in crowded situation, houses lacking latrine, kitchen etc.

5.1 Characteristics of Poor Families:

5.1.1 Household headship:

These include views that large family size creates additional burden on resource poor households that binds them to remain under poverty. The issue of female headedness (which is not vividly investigated in the survey) is raised as typical cause of poverty particularly in cases where the husband is dead or disabled.

5.1.2 Poor education and slack of marketable skills:

Many of them agreed that lack of competence in terms of education skill and physical fitness is the underlying cause for unemployment in the area. The kebeles are poorly endowed with health and education facilities. Health related problems are highly associated with residential characteristics dilapidated housing, overcrowding lack of clean water etc.

5.1.3 Economic features:

Lack of occupation and dependable source of income is highly expressed among every group. Income sources are said to be generally lacking or not regular in most poor households. This is particularly true among weavers (whose market is seasonal and highly affected by tense competition)

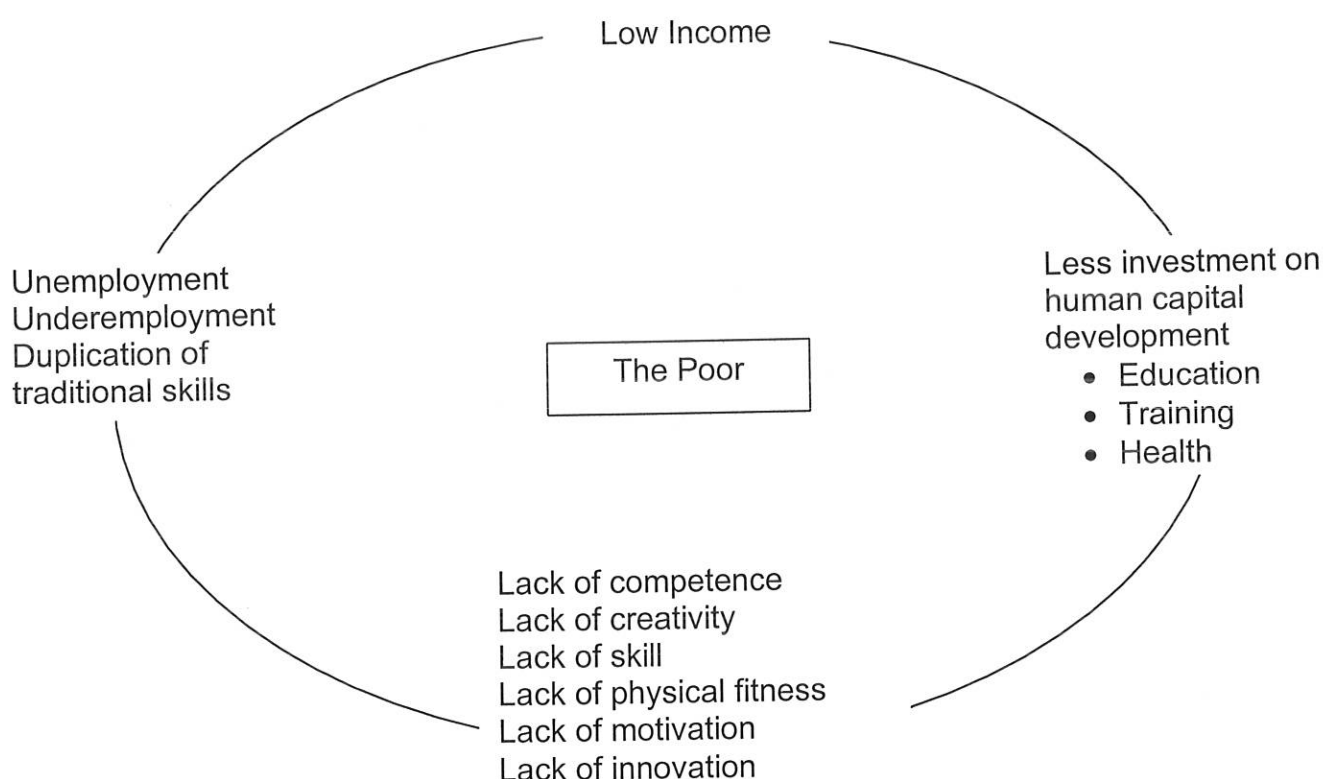
5.1.4 Psychological features:

Are those expressed as attitudinal barriers for development accepting poverty as a predestination and lack of motivation also represent barriers against poverty alleviation.

5.2 The vicious circle of poverty in wereda-11

Vicious circle is a situation where there are a number of factors reinforcing each other keeping the net effect with -in their circle. The factors of poverty in wereda - 11 are so highly interrelated that chances are far fetched to get out of poverty.

Schematic presentation of the vicious circle



As expressed in the group discussion and interviews with local leaders, the factors working against the welfare of the poor are more or less similar with the above schematic presentation. Children born in families living in this circle have remote chance of escaping poverty. The probability of these children getting proper education or inheriting capital is as remote as the question of alleviating

poverty itself. It is at this junction that the need for deliberate and conscious intervention in one or many of these factors is without question a vital need.

6. CONSTRAINTS OF POVERTY ALLEVIATION

Poverty alleviation at a local level is constrained by a number of factors among which the following four are most important not in order of priority.

- a) **Lack of knowledge about the poor:-** The poor do not have always similar feature. There are chronically poor people because of natural reasons such as old age and permanent disability. Such households may remain poor under almost all circumstances. But there are also active and potentially productive poor who only lack resources.
- b) Poverty can sometimes be due to demographic reasons in situation where there is high age dependency ratio (in population where children under 16 and old people above 64 constitute higher percentage).
- c) Poverty can have gender perspective. Poverty could also disproportionately affect one or two occupation groups. Any intervention should therefore have knowledge about what distinct characteristics does poverty constitute in a specific locality. Such knowledge is lacking at local level be it kebele, wereda or even zonal levels. Responsibility of streamlining local development is given to volunteer committee members most of whom do not have

the orientation and expertise needed to analyze situations of poverty.

6.1 Why Poverty Alleviation Efforts are difficult:

6.1.1. Lack of Resource

Resource is obviously lacking on the part of the government to redress poverty and income inequality given the intensity and depth of the current problem. However the problem is not only finance when it comes to the case of wereda and kebeles. A total of ETB three million is annually allocated to every wereda by Addis Ababa city administration. The budget is basically to be allotted for infrastructure development and maintenance. The utilization of fund by individual kebeles is based on fund matching capacity (which is 10% of total cost) of kebel's through community contribution. But wereda office record indicates that none of the kebeles fully utilize this fund mainly due to lack of capacity to raise the 10% matching fund. External source of funds is becoming fairly promising these days. Recently the concern for poverty is becoming a major preoccupation of foreign funded non-governmental organizations.

6.1.2. Lack of coordinating role

Local development is an interplay of different actors, the government, the private sector, the NGOs and the general public. A body of coordinating unit is obviously required to streamline activities. Wereda and kebele offices are by no means capable of doing this given the existing institutional and technical capacity.

Institutional capacity at wereda and kebele level is severely deficient. The officials are preoccupied by daily administrative routines. They have short-term vision due to high staff turn over at both levels. Most of these officials are not educated, they lack awareness about development issues and practices and most sadly, they are also unaware that they have capacity limitation to plan and coordinate local development.

6.1.3. Lack of Facilitating Role

Distinct from coordinating existing activities. There is a need to create all the necessary ground for further resource mobilization. This role is required to induce additional resource in to the locality by availing the basic infrastructure and networking facility.

7. SUMMARY AND CONCLUSION

Poverty situation is studied at different levels. The most common approach in Ethiopia is at a macro level, which is suitable to exercise analysis of interregional comparison and the dynamics of poverty. The issue of urban poverty has been hitherto hidden until very recently. The way it has been used in many studies was only to make comparison with rural areas so that the case of the latter could yield higher result. However recent studies (World Bank 92, Mekonen et al 96, World Bank 97) have discovered that urban poverty is picking momentum. These studies have all focused on the growing problem of urban poverty mainly as interplay between growing urban population and limited resources such as social services, infrastructure, investment etc. Many of these problems that build up to macro level originate or felt most strongly at a micro level. The intention of this study was also to take this issue down to local level and see how problems grow from the very beginning.

The findings of the study indicate that urban households are very poor, the majority of them, in the study area consider themselves to live in poverty. This is found to be true as the following results of the survey indicates.

- High prevalence of poverty estimated at 69% and 78% in relative and subjective terms respectively.
- Nearly 30% unemployment

- low percapita income estimated at ETB 750.35 with significantly inequitable distribution that is indicated as the richest 25% earn 64.62% of the total income while the poorest 25% earn only 4.90% of the weredas total income.
- Majority of households makes their living from low paying occupations. Working as daily laborers, Petty traders and hand crafts (using archaic technology)
- High average family size 6.27 implying higher age dependency ratio.
- Overcrowded and wretched residential characteristics where more than 31% of the households live in single room houses, 55% do not have water facility and more than 74% share or do not have latrine.
- Education and other well-being indicators reveal least figures

The implication of these findings is that urban poverty at a local level is not a simple correlate of two or three factors. There are a number of interrelated factors affecting the well being of urban households. The hard economic factors such as employment and income are determined by the level of education and in turn income determines whether or not people will have reasonable access to health services, housing and good nutrition, etc.

In general most of the stated features including figures about the prevalence, depth and intensity of poverty in the wereda could have been higher if those people who are homeless, ex-soldiers and displaced were considered in the survey. For instance, there are a lot of retrenched former army members and displaced people in Kebele 23 and 19 who were not included in the study.

An attempt has been made to relate urban poverty with different household socio-economic characteristics viz. Household size, marital status, age, sex, income, occupation, education, religion, ethnicity etc of household heads. Accordingly it has been found out that the vast majority of the poor households are characterized by large household size, widowed and divorced household heads and those in old age. More over large share of poor households are headed by those persons with low level of education, and those households which are headed by the unemployed, retired, physically disabled and those who depend mainly on informal occupation were found to be the poorest.

In most recent studies of poverty, availability of basic urban amenities including housing and associated services have been given the same importance as food and non food expenditure. The results of this study have also confirmed that great majority of the dwelling units of the poor are characterized by a very low standard, pertaining to the state of over crowdedness, lack of facilities such as toilet, kitchen, water and other social services.

As pointed out in the famous phrases of the former World Bank Director, poverty anywhere is a problem everywhere Macnamara (82).

Effects of poverty are not confined only to a specific households or a specific locality but it has an effect on the economic development of the country as a whole.

Therefore poor households must be targeted by any poverty reduction strategy and policies aimed at reducing poverty should give priority or much emphasis to

those house holds with large household size and those headed by widowed divorced, older persons, and less educated individuals. It also should give much attention to those poor households headed by the unemployed, informal workers, retired, those engaged in archaic traditional crafts activity and casual laborers.

An examination of such characteristics of poverty leads to a conclusion that poverty is becoming chronic in the area. It is indicated that poverty has demographic, economic and other sectoral dimensions. Therefore any effort of poverty reduction should concentrate on these dimensions, but should necessarily be conscious of what specific features are there in the poverty profile of the locality.

At higher policy level much of the current poverty measures need to be intensified at a larger scale. The current steps in urban poverty alleviations that are being taken both by government and non-governmental organizations are very encouraging in terms of magnitude in implementation. But most of such activities particularly by NGO's are highly fragmented and have little macro impact. There is still a recurring need for much larger resource mobilization and highly synchronized activities among all parties.

The interlink between poverty and education level attained by households imply tremendous potential of improvement in poverty situation by investing on human capital development. Projects targeting at providing health and education service to the most needy are highly required. At higher education levels such as with those young people attained high school level education there is shear need for skill creating vocational training. Moreover due attention should be given to the

provision of accessible capital market for the development of medium and small-scale enterprises. Apart from the existing NGO sponsored income-generating schemes. Government should directly involve launching the various safety net schemes labour-intensive public work program and Implementation of permanent income generating projects providing job opportunities for the unemployed and marginal employed labor force.

Thus poverty alleviation / reduction programs should come as part of the general development process and should always be aware of the specific local issues pertaining to the characteristics and dynamics of poverty.

Another important factor affecting the efficacy of poverty alleviation efforts is the lack of effective local leadership. In many of the poor neighborhoods such capable leadership does not exist. Another important factor is that resources made available to such neighborhoods are neither adequate nor fairly distributed. Local government bodies are responsible to mobilize internal resources there by creating conducive ground for an inflow of external resources but such capacity is seriously lacking at both wereda and kebele levels. An area of great emphasis in the future should therefore be strengthening capacity at local level.

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Urban Poverty in Woreda 11

Questionnaire for Households

A. Identification

Name of Enumerator _____ Date _____

1. Name of Head of Household _____
2. Woreda 3. Kebele 4. House Number
5. Age 6. Sex 0 = Male 1 = Female
7. Marital Status: 8. Ethnic Group 9. Religion
- 0 = Single 1 = Christian
- 1 = Married 2 = Moslem
- 3 = Widowed 3 = Protestant
- 4 = Divorced 4 = Others

B. Household Profile

10. Age Educational level and Employment status of members of the household

Household Member	Age	Male			Female		
		Grade if enrolled in School	Highest grade if not enrolled	Employment Status	Grade if enrolled in School	Highest grade if not enrolled	Employment Status
= Head							
= Spouse							

Education Code

Enter highest grade completed (01-12)
 13-16=College grade completed
 00=Illiterate

Employment

0= Unemployed 3= Self-employed
 1= Employed part time 4= Disabled
 2= Employed full time

11. What is the reason for your school-age children not attending school? ☐

0= Service not available

1= Cannot afford to send all

2= It is not important

3. To assist in household work

4. Do not want to send daughters to school

12. Who is the main breadwinner in the household? (Use code number in Q. 10)

13. Labour category of household/s breadwinner 0=skilled labour

1=unskilled labour

14. Main occupation of the household's breadwinner

- 1=Civil Servant
 2=Private sector employee
 3=Business proprietorship
 4=Petty trade (informal sector)
 5=Craftsmanship
 6=Other

C. Migration information

15. Was the household in the city 10 years ago?

- Yes - 1
 No - 2

16. Is there any one in the household who moved here in the last 10 years?

- Yes - 1
 No - 2

17. List all members of the household who moved here in the last 10 years?

Household Members	Year member moved here	Where did member live before (a)	Main activity prior to leaving place of origin (b)	The main reason for moving here (c)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

- (a)
 Residence before migration
 Another part of this city 1
 Rural area near this city 2
 Other urban area 3
 Other rural area 4
 Other 5
 Specify

- (b)
 Main activity prior to leaving place of origin
 Civil servant private sector employee 1
 Private sector employee 2
 Business Owner 3
 Petty trade 4
 Craftsmanship 5
 Unemployed 6
 Student 7
 Farmer 8
 Other 9
 Specify

- (c)
 Main reason for moving here
 Look for job 1
 Demobilized soldier 2
 Search for self education 3
 Search for children education 4
 Famine 5
 Family transfer 6
 Find spouse 7
 Follow other relatives 8
 Other 9
 Specify

D. Household Residential Characteristics

[illegible]

26. Indicate, in order of importance, the two most important energy sources for the family? Most important Second most important

0= Kubet 1= Fuel wood 2= Charcoal 3= Kerosene 4= Electricity 5= Other

D. Food Characteristics

(27) Average No. of meal per day	(28) Typical meal consists of	(29) Cereal used for Injera or Kita (often)	(30) Feeding distinction (among HH members)	(31) Consumption Frequency of livestock products	(32) Consumption frequency of fruits	(33) Consumption non- Ethiopian food (at the house)
0= Once 1= Twice 2= Three times 3= More than three times 	0= <i>Injera</i> with pepper 1= <i>Injera Beshiro</i> 2= <i>Injera besiga wot</i> 3= <i>Dabo or kita</i> 4= No typical meal 	0= Teff 1= Teff mixed with sorghum or maize 2= Sorghum 3= Maize 4= Barley 5= Wheat 6= Wheat and another 	0= No distinction 1= More & better to heal of household 2= More & better to children < 5 years old 3= More & better to all children 	0= Daily 1= 2 to 5 times/week 2= 2 to 3 times/month 3= Once a month 4= Occasionally 5= Holidays only 6= Never 	0= Daily 1= 2 to 5 times/week 2= 2 to 3 times/month 3= Once a month 4= Occasionally 5= Holidays only 6= Never 	0= Daily 1= 2 to 5 times/week 2= 2 to 3 times/month 4= Occasionally 5= Holidays only 6= Never

F. Employment and Income

34. How much income does the household generate in a month or in a year time? and from what sources?

Sources	Amount (Birr)	
	Per Month	Per Annum
0= Salary		
1= Salary of the spouse (wife)		
2= Side line activities		
3= Pension		
4= Remittances		
5= From private business		
6= Income generating activities		
7= House rent		
8= Others		

35. What is the current employment status of household members?

Household members (Code Q. 10)	Main Activity	Time spent on the job per/week	Are there side line activities that generate income Yes - 1 No - 2	If yes how much time is spent on this
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Main Activities

Unemployed

Looking for job but unable to find

00

Student (at school)

01

House wife

02

Unpaid domestic worker

03

Disabled and unable to work

04

Self employed

- Petty trade (informal) 10

- Craftsmanship 11

- Repair 12

- Kiosk 13

- Shop 14

- Others 15

- Specify

Employed

Public sector enterprise

employee 05

Private " " 06

Casual worker 07

Domestic worker 08

Others 09

Specify

G. Expenditure

36. How much does the household spend per month or per annum on the following lines of expense? (of the last month)

Expense	Amount (Birr)	
	Per Month	Per Annum
0= Food		
01= Rent		
02= Utilities		
03= Clothing and footwear		
04= School payment		
05= Health expenditure		
06= Social affairs		
07= Transportation		
08= Personal care expenditures		
09= Entertainment		
10= Transfers to others		
11= Others		

Vulnerability

The respondent to this section should be the household head

63. Has this household ever experienced food shortage? Yes - 1
No - 2 _____ if Yes, Why? _____ if no => end of section 4.5
64. When was the most recent food shortage? Year _____ EC.
65. At the worst time of the most recent food shortage, how many meals did you eat each day? _____
66. Did you cut back quantities served per meal? Yes - 1
No - 2 _____
67. Did you eat any food not usually eaten in a normal year? Yes - 1
No - 2 _____
68. Did you sell any of your most valued possessions in the worst year (for example, jewelry, furniture, etc)? Yes - 1
No - 2 _____
69. What other measures did you take? _____
70. Has this household received food aid in times of food shortage? Yes - 1
No - 2 _____
71. Do you feel that for your household, there is more or less risk of food shortage today than there was five years ago?
More - 1
Less - 2
Same - 3
Shy/ shy not? Describe:

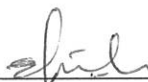
72. Today, are there more/less households in the community (kebele) at risk of food shortage than five years ago? More - 1
Less - 2
Same - 3 _____
73. Describe the type of household that suffered most during the worst times?

74. Describe the type of household that suffered least during the worst times?

75. Did any of your household member migrate during the worst period? Yes - 1
No - 2 _____

DECLARATION

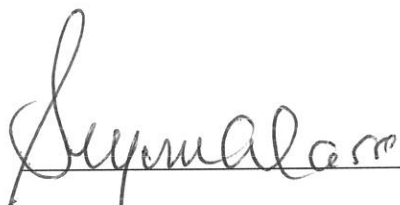
I, the undersigned, declare that this thesis is the original work and has not been presented for a degree in any university, and that all source materials used for the thesis have been dully acknowledged.



Ermais Habte

May, 2000

The thesis has been submitted for examination with my approval as a University Advisor.



Seyoum Gebre Selassie (Prof.)

May, 2000