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Household Food Economy Analysis
'*Woina Dega*', South Wollo

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Undertaken by Save the Children Fund (UK)

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- 15% of annual household food requirements in a 'normal' year, unless migratory labour is further expanded. This reflects the facts that households in this area generally have less ability to switch expenditure to food (because they are poorer) and that local opportunities to expand income are minimal. Although the latter is also true in the 'woina dega near dega', 'poor' and 'less poor' households do have a greater ability to switch expenditure to food: therefore, in 'normal' years they do not need relief food to prevent hunger. This has implications for how relief could be geographically targeted within the area.

- Given the relative scarcity of labour within 'very poor' households, and their requirement for food (or money to purchase food) at regular intervals, a number of changes to EGS programmes would greatly assist their participation: full pay for half days of work, promt payment, flexibility in terms of the number of days worked, clear payment rates, and advance information on the timing of schemes and the quantity of food households can expect so that they can plan ahead.

- With the exception of the 'very poor', most households without oxen do not face a labour constraint. The team was repeatedly told that there is excess labour in the area and requests for local income-generation schemes were regularly made at village level. 'Poor' households do not cultivate their own land and perform only a small amount of agricultural labour for others (implying that agricultural production by the 'better off' would not be greatly disturbed by their participation in EGS). Therefore, they should have time to work on EGS, even during the cultivation season, provided the rate of pay is greater than the other activities they would normally be engaged in outside agriculture at this time (which it currently is). 'Less poor' households would face more of a trade off between own cultivation and work on EGS. Ideally for this group, the timing of EGS would not coincide with the cultivation season.

- Relief definitely acts as a disincentive to migration, in the sense that men from 'poor' or 'less poor' households would have to migrate for longer periods if smaller quantities of food aid were provided, if they wanted to maintain their current standards of living, given the lack of local opportunities for generating income. Therefore, in terms of a policy towards the provision of smaller or larger quantities of relief food in 'normal' years, the net benefits of discouraging migration (temporary or permanent) through the provision of relief food must be weighed against encouraging people to remain in an area which cannot sustain the numbers of people which now live there.

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General Introduction

Household food economy analysis has been developed by SCF-UK as a method for assessing food security and food needs. This assessment, of mid-highland (*woina dega*) areas of South Wollo, was undertaken for SCF's Institutional Support to the DPPC Project (ISP). The purpose was to provide background or contextual information on how people are living in this area, in order for ISP to plan future projects linked to food security (including Employment Generation Schemes (EGS)). The questions of interest were: how do 'poor', 'middle' and 'better off' households obtain food and cash income and what are the differences in their patterns of expenditure? In other words, how do different types of rural households meet their basic needs given the local economic context? How vital is relief, and what would happen if relief levels, or mechanisms for distribution, were changed?

Apart from the specific requirements of the ISP project, SCF-UK is generally interested in obtaining contextual (or baseline) information on the food economies of different areas in Ethiopia. The basic premise of this work is that a solid understanding of rural livelihoods is essential to the analysis and interpretation of food security monitoring information, such as crop assessment results. Therefore, while this report does not provide an assessment of the current situation in the *woina dega* areas of South Wollo, the general understanding of rural livelihoods that it provides should be useful in interpreting monitoring indicators as they become available.[1]

See map next page

Introduction to the Area Studied

The study focussed on Makdella *woreda*, where the ISP is piloting its work, and on Sayint, a neighbouring *woreda*. Each of these *woredas* can be divided up geographically according to the three main altitude bands: above 2500m is the *dega*, between 1600 and 2500m is the *woina dega*, and between 1300 and 1600m is the *kolla*. This distinction by altitude is not absolute, however, and for the purpose of this report *woina dega* has been defined according to cropping pattern.[2] Unlike the *dega* and *kolla* areas, where just a few crops dominate, in the *woina dega* all the regional types of crop are grown.

The area relies largely on the kremt rains and meher harvest (October-December), although if the belg rains are sufficient a small quantity of earlier crops, such as sorghum or barley, is often planted. Levels of crop production in the area are low and falling, due to small and unexpandable land holdings, poor soils and increasingly erratic rain patterns. Large quantities of grain are imported from outside, while livestock, butter and lentils are exported.

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[1] In fact, in most areas visited the current situation is similar to the 'normal' or 'moderate' year presented in this report. In a few areas, the year seemed to be 'moderate-to-bad' (i.e. slightly worse than presented here).

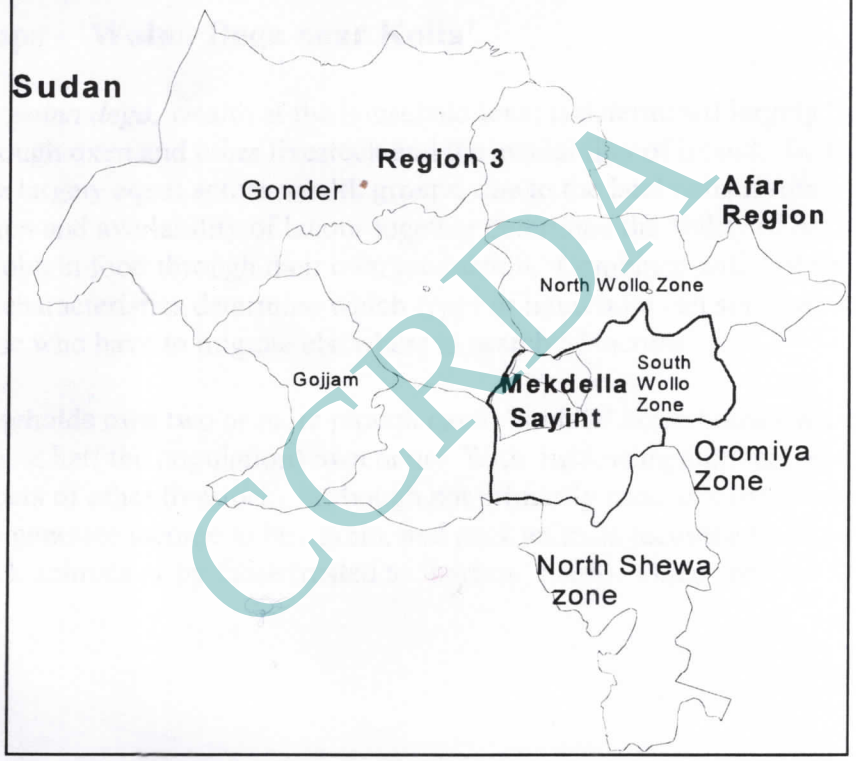
[2] This is how the *woreda* Administration and MoA offices in Makdella differentiate between areas.

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Labour is also exported, with many people, especially men from the poorer wealth groups, typically migrating for about six months of the year during the agricultural off-season. During a year of poor crop production, the period of migration can be much longer, in order not only to earn money to buy food, but also to make the harvested food at home last longer for those remaining behind.

A poor road network in this part of South Wollo means that there is plenty of opportunity for small traders to earn money by moving grain and other commodities by pack animal from one area to another.

The assessment area, in South Wollo Zone, Region 3



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Because of its geographical position between the *dega* and *kolla* areas, the study found that the *woina dega* splits into two different food economy areas[3]: in the area nearer the *dega* (called 'woina dega near dega' in this report), cropping and grazing land and livestock holdings are larger than in the area nearer the *kolla* ('woina dega near kolla'). Another difference between the two areas is that the 'woina dega near dega' areas tend to be closer to the *woreda* administrative centre. This means that activities such as trading and brewing are more closely monitored and controlled in these areas than in the more remote 'woina dega near kolla' areas.

The sections which follow will outline the food economy of the 'woina dega near kolla' area in some detail. Comparisons will then be made with the 'woina dega near dega'. Finally, the last section comments on the contribution of relief to poorer households and the implications for EGS.

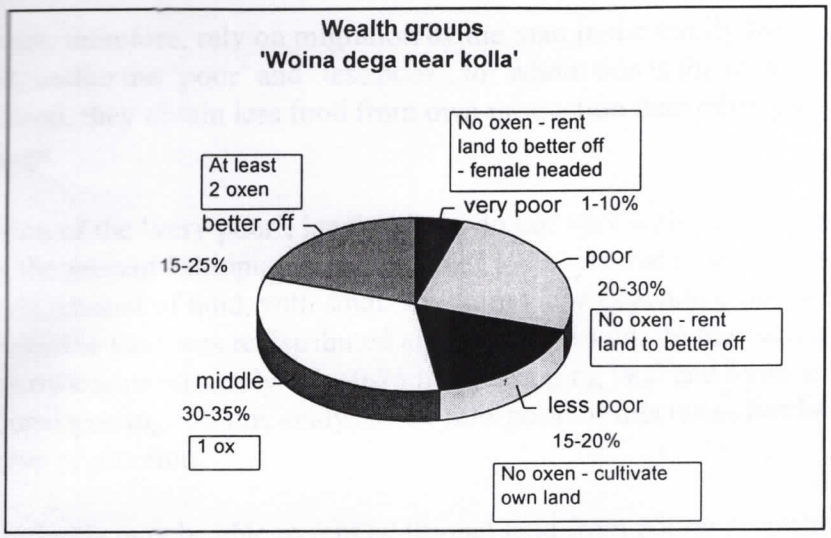
Wealth Groups - 'Woina Dega near Kolla'

Throughout the *woina dega*, wealth at the household level is determined largely by the ownership of plough oxen and other livestock and the availability of labour. In a setting where landholdings are largely equal across wealth groups, due to the land redistribution in 1991, ownership of oxen and availability of labour together determine the ability of households to cultivate and to obtain food through their own production. Combined with holdings of other livestock, these characteristics determine which types of household can survive within the *woina dega* versus those who have to migrate elsewhere in search of income.

'Better-off' households own two or more plough oxen, 'middle' households own one, and poor households (almost half the population) own none. With increasing numbers of oxen come increasing numbers of other livestock. Although not primarily used as a food source, livestock sales are used to generate income to buy grain, and pack animals facilitate trade (either by the owner of the pack animals or by those trusted to 'borrow' them). Oxen are vital for ploughing.

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[3] A 'food economy area' is normally a geographical area within which most households share similar methods of obtaining food and income and are at risk to similar events.



Typical Livestock Holdings by Wealth Group 'Woina Dega near Kolla'

	Oxen	*Cows*	*Sheep**	*Pack animals*
Better off	2	2	5-10	1-2
Middle	1	1	2-5	0-1
Less poor	0	0	0-5 **	0
Poor	0	0	0	0
Very poor	0	0	0	0

* Goats are not common in this area.
** Only one-third of the group own any sheep.

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The large group of households without oxen or (for the most part) other livestock can be split into three separate groups. The 'less poor' manage to cultivate their own land by 'renting' oxen in exchange for labour (two days of labour in return for one day's use of oxen). This group is able to keep all the production from its land for own consumption or sale. The 'poor' and 'very poor' do not cultivate their own land; rather, they rent the land to the 'better off' in exchange for half of the crop and a varying amount of straw. The difference between the 'poor' and 'very poor' is that the latter (typically divorced, widowed or abandoned women who have lost their husband's share of the land) are relatively labour- and land-poor in addition to being livestock-

poor. They cannot, therefore, rely on migration by the man in the family for part of the year to generate income, unlike the 'poor' and 'less poor', for whom this is the most important source of income. In addition, they obtain less food from own production than other groups, due to their small landholdings.

With the exception of the 'very poor', landholdings do not vary with wealth, land having been redistributed by the present Ethiopian government in 1991. At that time, each adult was allocated a certain amount of land, with small additional land depending on the number of children. All available land was redistributed and cannot be sold. In the 'woina dega near kolla' area, households own approximately 0.5 - 0.75 ha of cropping land and have access to small areas for communal grazing. In this analysis, the mid-point of this range has been used to illustrate own crop production.

'Better off' households may be able to rent additional land from poorer households but they can not permanently acquire more. As a result of such arrangements, the 'better off' typically cultivate the land of one and a half 'poor' households, in addition to their own landholdings. Households in the 'middle' group who own only one ox, team up with another household in the same situation to get both households' ploughing done, all ploughs in this area requiring two oxen to pull them. 'Middle' households typically only cultivate their own land, although in some cases they too manage to 'rent' land from poorer groups.

At redistribution, land was allocated to adults and now as young people grow up there is an increasing problem of landlessness as no provision was made for emerging new households. Young families therefore depend on their parents' land, increasing the production pressure. Youths from 'better off' households are more likely to remain in the area, as their parents can use their labour for crop and livestock production. However, for other types of household either the young men migrate leaving their wives and children with their parents, or the entire young family migrates permanently to another area. This phenomenon will become more common as children become adults.

Household size tends to increase with wealth, primarily because the 'better off' group takes in the children of 'very poor' and 'poor' households to do shepherding and agricultural labour. These children are fed and housed with the 'better off' household, which usually also makes a small cash payment to the poor household for the work. In the 'woina dega near kolla', each 'poor' and 'very poor' household typically has one child living with a 'better off' household. For the purposes of this analysis, children living away from their parents' household have been considered as part of the host household. The child's food need has not been calculated as part of the parents' household total requirement, but any cash earned and remitted to the parents' household has been considered part of that household's income.

Typical household sizes by wealth group are illustrated in the following table.

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Household size by wealth group 'Woina dega near kolla'	
Better off	6.5
Middle	5
Less poor	5
Poor	4
Very poor	3

The implications in terms of 'EGS-potential' labour available amongst the poorer households is that the 'very poor' have just one adult and the 'poor' and 'less poor' have about one-and-a-half adults (as the man is away for about half the year).[4] In terms of older children, the 'very poor' and 'poor' are more likely to be giving these to the 'better off', while amongst the 'less poor' they will be part of their own household and potentially available for EGS work unless they too have migrated. Any change in terms of labour availability for EGS within 'poor' and 'less poor' households in relation to migration or work for the 'better off' will depend on the perceived value of EGS versus these other activities (for more on this, see final section of report).

Sources of Food in a 'Normal' Year

Food economy analysis tends to utilise the concept of a 'normal' year, which is defined as the year that occurs most frequently. According to key informants, 'moderate' production years are the most frequent in the *woina dega* areas visited in Makdella and Sayint *woredas*. Therefore, reference to a 'normal' year throughout the rest of the report is reference to a 'moderate' crop production year (representing a crop yield of approximately 7 quintals[5] per hectare).

Own crops

In the *woina dega*, unlike the barley-dominated *dega*, people grow a variety of crops, including sorghum, teff, wheat, barley, pulses, maize, potatoes and vegetables. How much a household obtains from crop production is determined by whether they rent in or rent out land. Generally the 'better off' group have access to at least one poor household's land, sometimes more, which means they will get at least one and a half times the production of the groups who only cultivate

[4] Appendix 4 containts a seasonal calendar indicating the timing of some on- and off-farm activities.

[5] A quintal is 100 kg.

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All groups sell a small amount of their crops in a 'normal' year either to meet debts or large expenses, or to benefit from the sale of more valuable crops such as teff and lentils in exchange for cheaper ones such as sorghum. Generally, the sale of 100 kg of teff will buy 150 kg of sorghum. The 'better off' and 'middle' typically only sell a small amount of their crops in a 'normal' year (perhaps only 10%). For the poorer groups, however, sales depend entirely on the crops cultivated on their land. In some areas, due to the demand for land, the 'poor' are able to determine what crops are grown on their land, but in other areas it is the 'better off' cultivating group which decides. If the 'poor' end up with a harvest of teff and lentils, then they will sell these entirely to purchase cheaper food.

In the figure above, the 'own crops' section of the sources of food pie represents the contribution that own crop production makes to household food requirements after 'typical' crop sales. The contribution of 'own crops' increases consistently from 'very poor' to 'better off' households.

Market purchases

All wealth groups rely on the purchase of food to make up their food needs. In a 'normal' year this varies from 35 to 55% across all groups. Purchase requirements decrease as wealth increases from the 'very poor' to the 'poor' to the 'less poor', but increase between the 'less poor' and the 'middle', largely because the 'less poor' tend to receive relief while the 'middle' do not despite the fact that their income levels are not that different (see below). The 'better off' rely least on the market for food.

The poorer groups, and to a certain extent the 'middle', tend to purchase cheaper grains such as sorghum and maize, while the 'better off' are able to purchase more expensive and preferred grains such as wheat and teff. The 'better off' are often in a position to take advantage of cheaper harvest time prices, buying all their food needs at once and storing until needed for consumption.

All groups tend to travel considerable distances to take advantage of cheaper grain prices, particularly to Gonder and Gojam. The poorer groups borrow or rent pack animals and bring grain for themselves and for the household from which they borrowed the animals. The wealthier groups may go themselves or just lend their mules and donkeys and get the others to bring their grain for them.

Livestock production

None of the wealth groups are large consumers of either meat or milk. Indeed, this source of food only appears in the pie charts for the 'middle' and 'better off' groups in the 'woina dega near kolla' area. Animals are largely kept for sale and milk is made into butter that is sold, a little being retained mainly for cosmetic rather than culinary purposes. However, the 'better off' and 'middle' groups will slaughter a sheep for religious holidays, and all groups with cows drink

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the buttermilk left over from butter production.

Relief

All groups without oxen regularly receive relief food. For these groups, relief usually provides about 20% of annual food needs in 'normal' years, according to official relief figures and key informants at village level. (See last section for discussion of relief.)

Gifts

Gifts of food from 'middle' and 'better off' groups to the poorer groups are relatively rare and generally are not sufficient to make a significant contribution to food needs. Only the 'very poor' obtain 0-10% of food needs from this source, often in the form of meals shared with children.

Labour exchange

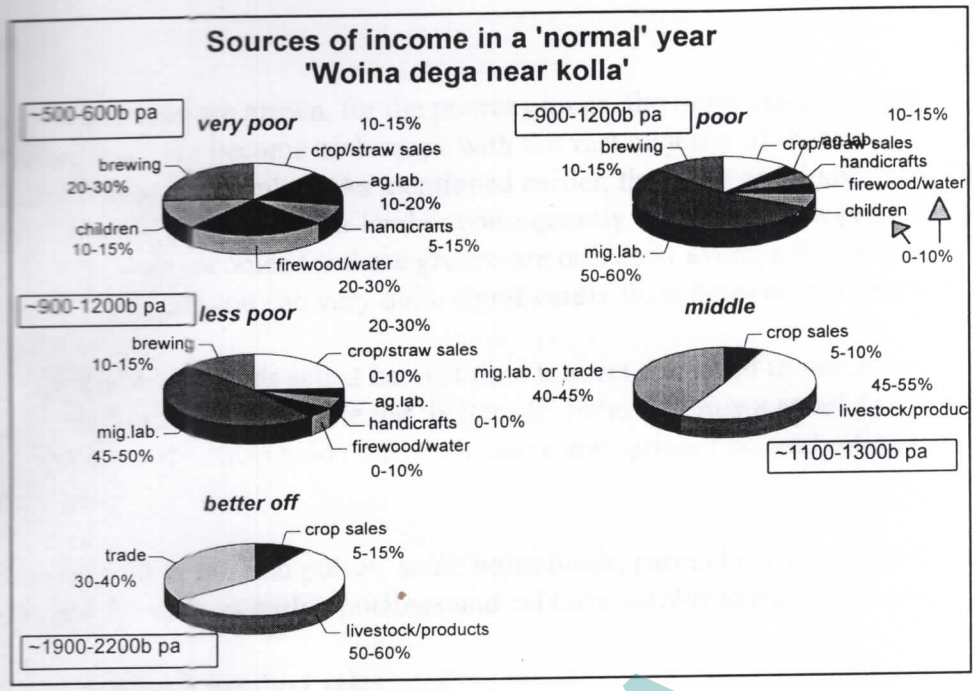
Very little labour is exchanged directly for food; nearly all labour is done for cash. Communal work parties are used for some agricultural tasks such as weeding and harvesting, where the payment is in the form of a meal and tella (a local beer). However, these work parties tend to occur within wealth groups and consequently the costs and benefits cancel one another out. The poorer groups do occasionally participate, but since they can not reciprocate they tend to only join in when labour is short.

As noted above, some poor households have a child living with a 'better off' household. This child will do shepherding work and in return will be fed and housed. The poor household may also receive a small cash payment for the work. For the purposes of our calculations children living away from their parents' household have been considered as part of the host household. The child's food needs have not been calculated as part of the parents' household total requirement, but any cash earned has been calculated as part of the parents' household income.

Sources of Income in a 'Normal' Year

Because the purchase of food is so important to all the wealth groups, an understanding of food security cannot be complete without an understanding of income levels and sources and expenditure patterns. With the exception of the 'very poor', migratory labour and livestock sales are the major sources of cash income, with an inverse relationship as one moves up the wealth spectrum: 'better off' and 'middle' households rely more on livestock income, while poorer households rely more on migration. Trade is significant for the 'better off' and for some households in the 'middle' group; for those households in the 'middle' group which do not trade, migration is the typical alternative. The 'very poor' exploit a number of relatively minor income sources. In general, the poorer groups engage in many more income-generating activities than the 'middle' and 'better off' groups.

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For the specific wealth groups illustrated here for a 'normal' year, a 'very poor' household has an income of about 500 - 600 birr[7] per year; 'poor' and 'less poor' households have similar incomes ranging from about 900 - 1200 birr per year; 'middle' households have 1100 - 1300 birr per year; and 'better off' households have about 1900 - 2200 birr per year.

Income levels for the 'poor' and 'less poor' are similar. Locally, however, the 'less poor' are considered to be better off than the 'poor'. This reflects local perceptions that consider someone to be better off if they have greater crop production, manage to keep their children at home and do slightly less migration. In reality, the difference between the two groups is very small. Even 'middle' households aren't that different from the 'poor' and 'less poor', particularly those 'middle' households which migrate rather than trade. To a certain extent, it seemed from interviews in the field that the 'middle' are struggling to maintain a standard. They prefer more expensive types of food such as teff, and the options of doing the types of work available to the poor to increase income, and of giving out children, are not considered fitting. One interviewee told us "we are one ox owners, we cannot do that". If the poor harvests continue, the struggle to maintain this differential will get harder. However, the extent to which 'poor' sources of income could expand is also questionable.

[7] One birr equals about 7 US dollars.

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Crop sales

While no true cash crops are grown, for the poorer groups, the more valuable food crops such as lentils and teff effectively become cash crops with the vast majority of these being sold off to purchase cheaper grains and pulses. As mentioned earlier, the 'very poor' and 'poor' do not always choose what is grown on their land or consequently what they have available to sell. Therefore, the crop sale incomes for these groups are definitely average figures (representing about 25% of production) and can vary quite significantly from household to household.

'Poor' and 'middle' households sell at harvest time to meet debts and to purchase non-food items, as well as cheaper grains, while the 'better off' (who sell only a small part of their production, perhaps only 10%) hold on to their crops until prices rise, and sell mainly to add variety to the diet.

In addition to sales of grains and pulses, some households, particularly those close to towns, may sell a few vegetables such as garlic, potatoes and cabbage surplus to their own needs.

Livestock and livestock product sales

For the 'middle' and 'better off', livestock and livestock product sales form the largest part of income in a 'normal' year, at 45 –60%. Livestock sales are usually of the increase in stock. A core breeding stock is maintained and only sold in times of particular hardship. Due to limited grazing land there is no point in trying to increase herd size. Occasionally 'middle' households sell a large ploughing ox and replace it with a smaller cheaper one giving them ready cash of about 200 birr, but they usually only do this in a bad or moderate-to-bad year.

Butter is a valuable commodity with a 'normal' value of 15 – 20 birr per kilo. With annual milk yields of about 360 litres, some 18kg of butter per cow can be made. As nearly all butter is sold, with very little retained by the household, this is a considerable income earner. For 'better off' households, butter sales fully cover the cost of buying food.

Labour

For 'poor' and 'less poor' households, labour is the main source of income and can be divided into two types: migratory and local, largely agricultural, labour. Migratory income is by far the most important.

Usually it is the male head of household who migrates and/or an elder son. There are few migratory labour opportunities for women. In 'normal' years, 'poor' and 'less poor' men migrate for around five or six months, usually leaving in January and returning in May/June. By going at this time they go when there is least to do on the land and their wives can manage the household

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and its work at this time. Also there is less local labour available at this period. Local agricultural labour becomes available from about July with weeding work, which continues until the harvest starts in October.

The poor travel considerable distances to find work, to a wide variety of areas.[8] Migration is worthwhile, however, as rates of pay tend to be more than double local rates and even after deducting travel and living costs around 300 – 400 birr can be brought home after five or six months.[9] This is enough to buy about two-and-a-half quintals of grain locally or more if bought in Gonder or Gojam. Work done varies but is largely agricultural, with some finding work in the construction industry or in factories.

In bad years migration can be extended for the whole year or longer. Sons from poorer households who have grown up since the redistribution and are landless tend to migrate more permanently.

In 'normal' years the middle group have to either migrate or trade in order to buy food. The 'better off' groups have no need to migrate and even in bad years would probably be able to manage by selling more livestock than by having to migrate.

Trade

Trade is largely the preserve of 'middle' and 'better off' households. Two things are vital for trade: transport in the form of pack animals and cash (either as savings or a loan). This effectively excludes the poorer groups from trading, as they typically do not own pack animals. Even when they are in a position to rent or borrow pack animals they usually cannot obtain cash on credit either because they do not have livestock as security (land cannot be offered as it cannot be legally sold) or they cannot service the high interest rates which the 'better off' charge (60 – 100% per year is common). Only poorer households with 'better off' relatives tend to trade.

Trading takes several forms: grain is bought locally at harvest time, stored and then sold when prices increase; other cheap grain is imported and sold; livestock are exported from the area; basic non-food goods such as coffee and salt are imported. Most of the imports to the 'woina dega near kolla' areas are done by pack animal, this area being largely inaccessible to vehicles. The 'better off' themselves do not always go on these buying and selling trips, but may employ a trusted member from another group to do the physical work. 'Middle' households trade on a smaller scale than the 'better off'.

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[8] These include Tepi, Kombolcha, Asayita, Harar, North and West Shewa, Dessie, Oromiya zone, Metama, and Walaga.

[9] Earnings are typically 5 birr per day for about 20 days per month.

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Other sources of income

Poorer households, in order to make ends meet, have to undertake a number of other income generating activities. These include:

Firewood or water sales. These activities are very small scale in the 'woina dega near kolla' area because of the distance to towns. Firewood and water sales are usually mutually exclusive because of the time involved in each. Some women gather and sell firewood at 3 – 4 birr per (person-) load. A load can take a day or more to collect, as firewood is becoming increasingly difficult to find, and another day to sell. Other women collect and sell water to wealthier households. A 20 litre container of water sells for 0.25 birr and women can make about 1 birr per day through this activity.

Brewing. Brewing is only undertaken in the 'woina dega near kolla' area, which is more remote and consequently out of the sight of the regulatory authorities. Women make tella and araki and can make 3 –4 birr per week profit for about 9 months of the year.

Straw. The 'very poor', 'poor' and 'less poor' do not have livestock and therefore have no need for the straw from their crops. The straw from a household's cropping land sells for about 50 birr. (The 'very poor' and 'poor' typically only have access to half the straw.)

Handicrafts. Most of the poor groups get a little income from the sale of handicrafts, such as baskets and oven covers. Women often make these items in their 'spare' time and, while the market is not large, 'better off' households and people in towns will buy the goods.

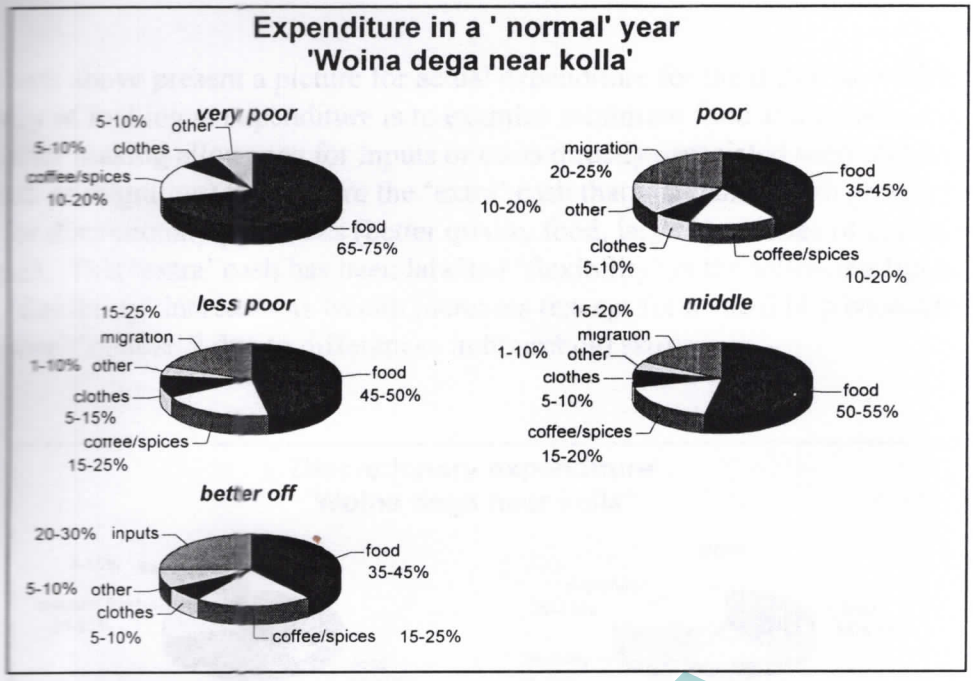
Children. Often 'very poor' and 'poor' households send children to live with 'better off' households. The child is usually housed and fed, and depending on the work they are doing and the age of the child, the poor household will receive cash income of between 50 and 90 birr per year. This makes a contribution of upto 15% to 'very poor' household income.

Expenditure

All wealth groups spend the largest part of their income on food (grain and pulses). In a "normal" year this varies from 35 - 75% across all groups. The need to purchase food tends to decrease as wealth increases. However, 'middle' households typically spend a larger proportion of their income on food than 'less poor' households, largely because the 'less poor' tend to receive relief while the 'middle' do not, despite the fact that their income levels are similar.

Apart from spending on food, all wealth groups spend a certain amount of their income on non-food items such as coffee, salt, pepper, spices, and clothes. The amount spent on these items increases as wealth increases (for example, the 'very poor' might spend less than 1 birr per week

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on coffee, while the 'better off' spend closer to 4-5 birr). Tax (20 birr per household per year) is a fixed expenditure for all wealth groups and has been included under 'other'. Also included under 'other' are education and health costs, social or religious expenditure, and miscellaneous household items like clay pots.

'Very poor' households typically do not have any children in school. It was most common for 'poor', 'less poor' and 'middle' households to have one child in school, while the 'better off' might have two. Although there are no school fees, there are some costs associated with having a child in school, such as clothing and notebooks, which amount to 15 - 20 birr per child per year.

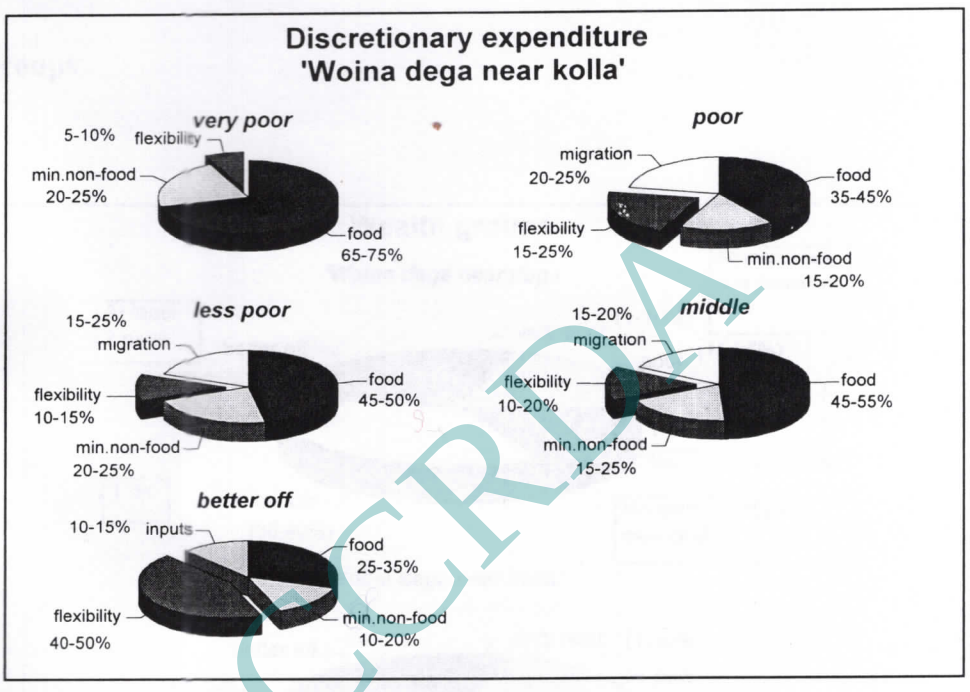
It was difficult for village key informants to specify the amount they typically spend on health care per year, as it tends to vary significantly from one year to the next. 'Very poor' households reported rarely spending anything on medicines. For 'poor', 'less poor' and 'middle' households, typical expenditure was about 20 birr per year, while for the 'better off' it was closer to 50 birr per year.

The costs associated with migration (transport and food while the man is away) are typically 40% of income earned while away.

The only other category of expenditure in the pie charts is 'inputs' for the 'better off'. This includes expenditure on fodder, agricultural labour and child labour.

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The pie charts above present a picture for actual expenditure for the different wealth groups. Another way of looking at expenditure is to examine minimum food and non-food expenditure[10] and then (after making allowance for inputs or costs directly associated with certain income sources such as migration) to compare the 'extra' cash that different wealth groups have available for discretionary purchases (better quality food, larger quantities of coffee or araki/tella, for example). This 'extra' cash has been labelled 'flexibility' in the following figure. As expected, 'flexibility' increases as wealth increases (except for a small blip between the 'poor' and 'less poor'/'middle'[11] due to differences in household size).



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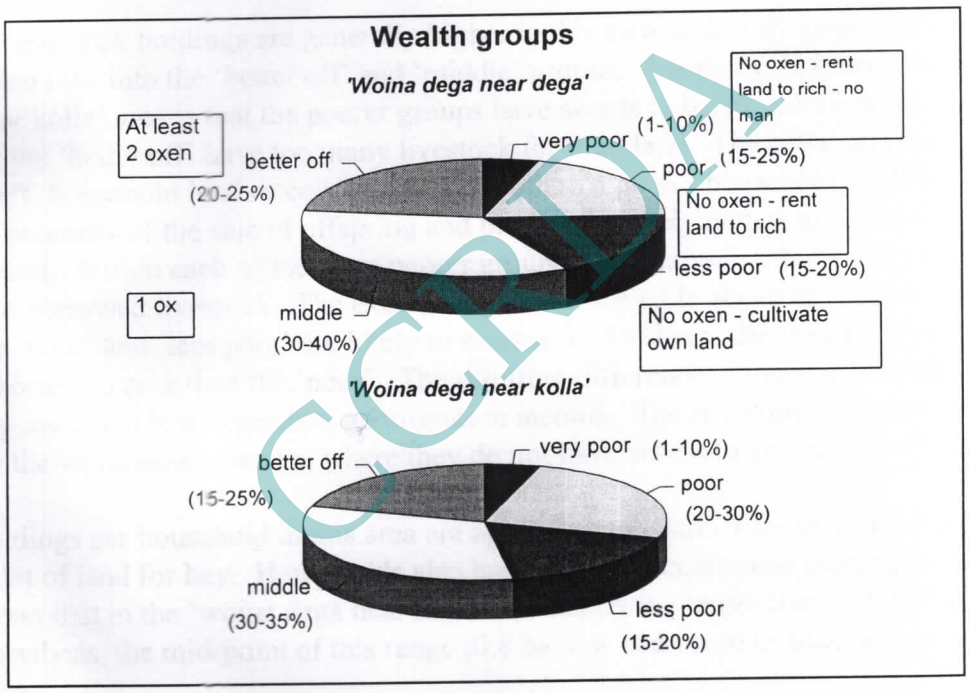
[10] Minimum food expenditure is based on a cheap basket of grains and pulses. Minimum non-food expenditure is based on interview information on the minimum 'acceptable' basket for poor households.

[11] The 'middle' household illustrated is one which has migration as a source of income; for those 'middle' households which trade, 'flexibility' would be greater (30-35%).

Comparison with the 'Woina dega near dega' area

As noted at the start of this report, the study found that the *woina dega* splits into two different food economy areas: in the area nearer the *dega* (called 'woina dega near dega'), cropping and grazing land and livestock holdings are larger than in the area nearer the *kolla* ('woina dega near kolla'). Another difference between the two areas is that the 'woina dega near dega' areas tend to be closer to the *woreda* administrative centre. This means that activities such as trading and brewing are more closely monitored and controlled in these areas than in the more remote 'woina dega near kolla' areas.

Wealth groups



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Typical Livestock Holdings by Wealth Group 'Woina Dega near Dega'				
	Oxen	*Cows*	*Sheep*	*Pack animals*
Better off	2+	2-4	15-30	3
Middle	1	1-2	5-10	1
Less poor	0	1*	5-10*	0
Poor	0	0	5-10*	0
Very poor	0	0	0	0

* These are livestock 'borrowed' from the 'better off'.

Because livestock holdings are generally higher in this area, a slightly larger percent of the population falls into the 'better off' and 'middle' groups. Another difference with the 'woina dega near kolla' area is that the poorer groups have access to borrowed livestock. This is because the 'better off' have too many livestock for their land. The usual arrangement is that a 'better off' household lends a cow or sheep or both to a poorer household, and the latter keeps half the proceeds of the sale of offspring and products (largely butter) in return for looking after the animals. Within each of the three poorer groups, some households do and some do not have access to borrowed livestock. The examples given in the table above are most typical: although both the 'poor' and 'less poor' are likely to borrow 5 - 10 sheep, the 'less poor' are more likely to have a borrowed cow than the 'poor'. The resulting difference in income from livestock means that they are much less dependent on migration income. The situation presented for the 'very poor' is the worst case scenario, where they do not have access to any borrowed livestock.

Landholdings per household in this area are approximately 0.6 - 1 hectare of cropping land plus a small plot of land for hay. Households also have access to communal grazing land (which is larger than that in the 'woina dega near kolla', thus allowing larger livestock holdings overall). In this analysis, the mid-point of this range (0.8 ha) has been used to illustrate own crop production.

As in the 'woina dega near kolla', household size tends to increase with wealth. But because the 'better off' in this area are richer (and have more livestock) and the poorer groups are smaller as a percent of the population, all three poorer groups tend to have a child living with the 'better off'. The resulting average household sizes are outlined in the following table.

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Household size by wealth group 'Woina dega near dega'	
Better off	7
Middle	5
Less poor	4
Poor	4
Very poor	3

Sources of food

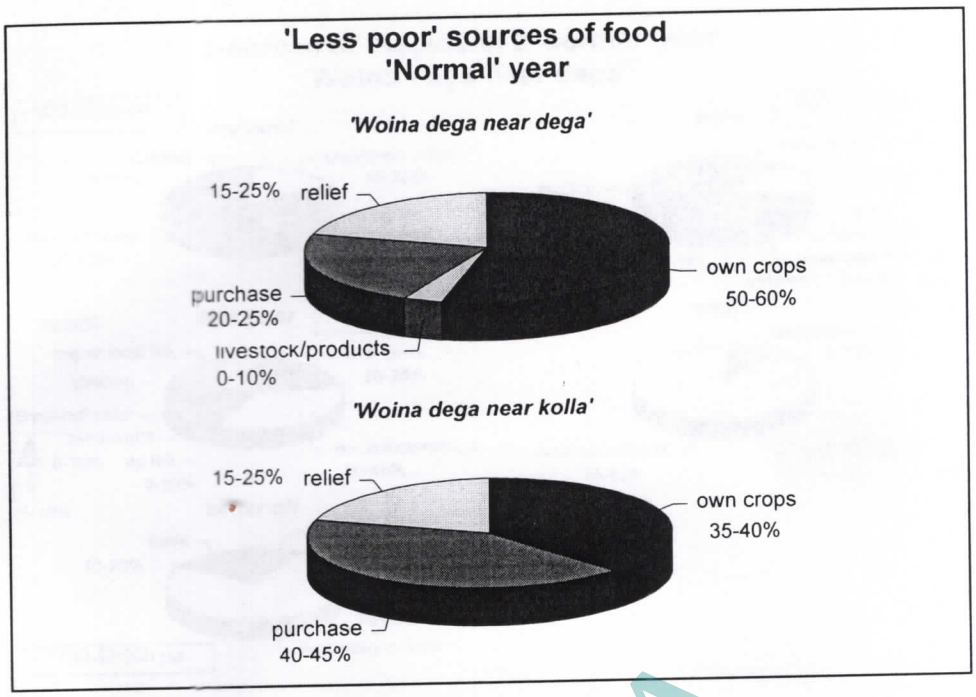
The slightly larger landholdings in the 'woina dega near dega' area mean that production per household is generally larger. In a 'normal' year, a household will produce approximately 5 - 6 quintals of grain, or just over half of annual food needs for a household with five members, from their own cropping land. This yield applies to the 'middle' and 'less poor' groups. The 'poor' obtain 2.5 - 3 quintals (representing half the yield from one household's land) while the 'very poor' obtain half of that. The 'better off', due to their ability to rent more land, obtain 8 – 9 quintals, but this typically has to be shared amongst a larger household. In addition, as in the 'woina dega near kolla', roughly 15 - 30 days of food can be obtained from the plot around the house, depending on household size. All groups sell a small amount of their crops in a 'normal' year.

Despite these slight differences, the food pie charts for the 'woina dega near dega' are very similar to those for the 'woina dega near kolla', with the exception of the 'less poor' group which is presented below for both areas.[12]

Three differences are noticeable. First, own crop production makes a larger contribution to this group's food needs in the 'woina dega near dega', partly because of larger landholdings, but mainly because this group has a smaller household size in this area (they are more likely to have a child living with the 'better off' than in the 'woina dega near kolla').

[12] A full set of pie charts for sources of food in the 'woina dega near dega' is available in Appendix 2.

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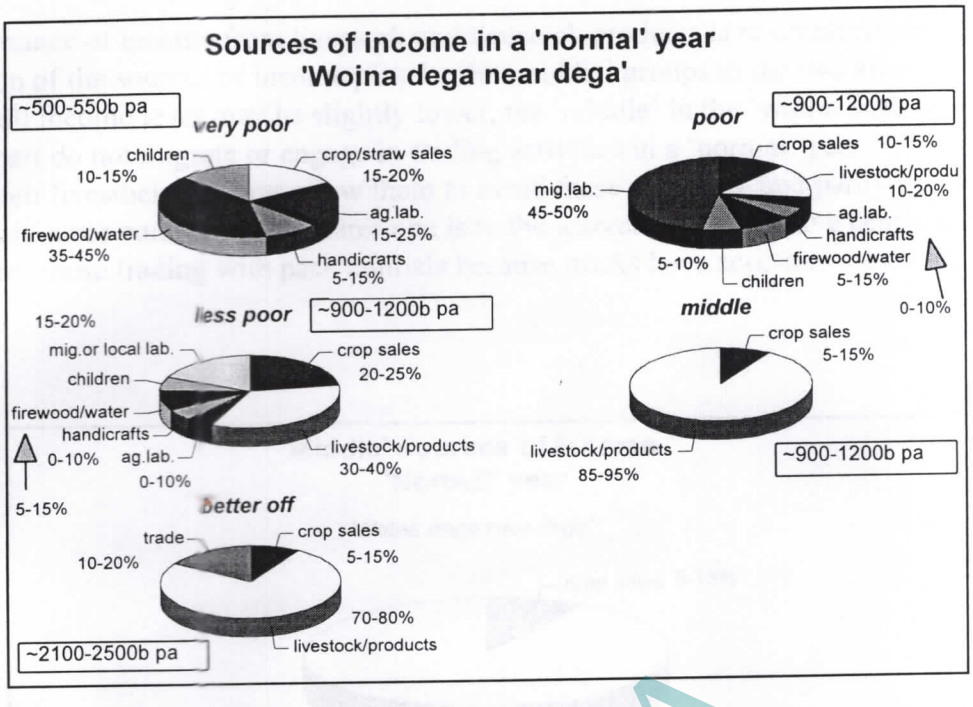
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Second, 'livestock/products' appears as a source of food for this group in the 'woina dega near dega'. This is because in this area the 'less poor' are likely to have a borrowed cow. In such cases, although the offspring and butter are usually divided equally between the owner and borrower, all the remaining buttermilk remains with the borrower and makes a small contribution to food needs. Third, 'purchase' is much smaller for the 'less poor' in the 'woina dega near dega' because only about a quarter of food needs remains unmet by other sources.

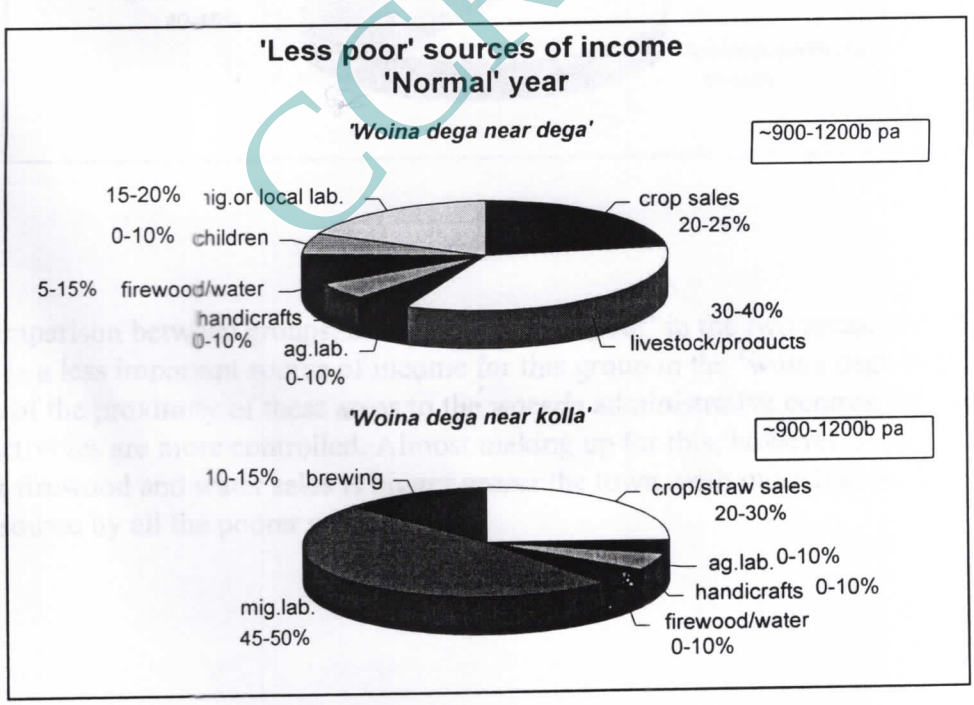
Sources of income

For the specific wealth groups illustrated here for a 'normal' year, a 'very poor' household has an income of about 500 - 550 birr per year; 'poor', 'less poor' and 'middle' households have similar incomes ranging from about 900 - 1200 birr per year; and 'better off' households have about 2100 - 2500 birr per year.

Several differences between this area and the 'woina dega near kolla' are noticeable. First, income from the sale of livestock or livestock products appears as a source of income for the 'poor' and 'less poor'. For the latter group, this income is quite significant (30-40%) and means that migration in search of income is less necessary. Some 'less poor' households migrate for

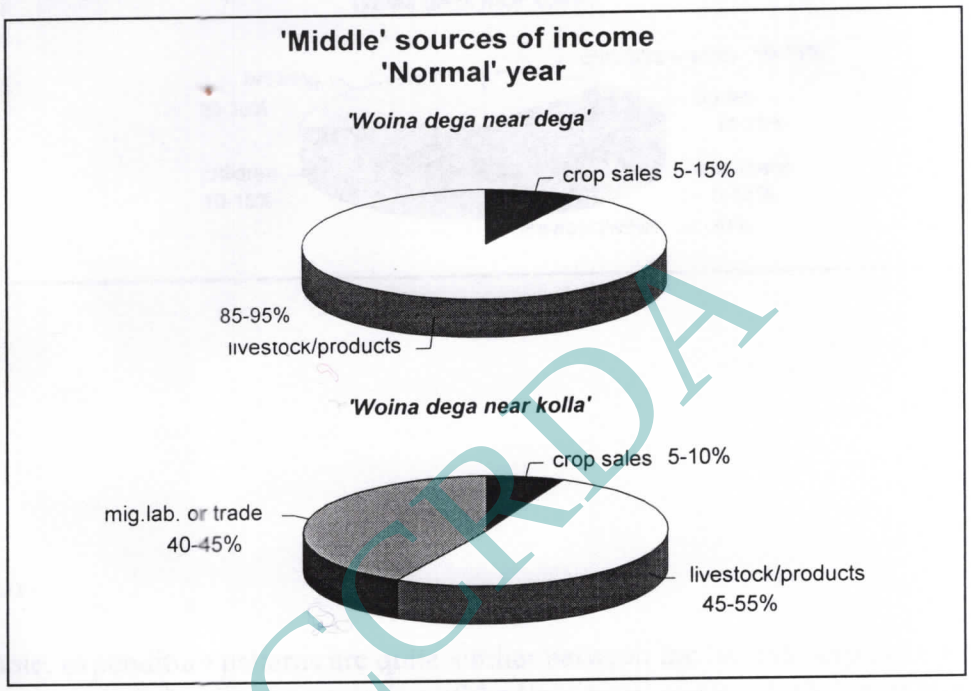


about two months in a 'normal' year and others find local labour work in a neighbouring town. The fact that this group does not need to migrate as much as its counterpart group in the 'woina dega near kolla' means that it is better off according to the local definition of wealth.



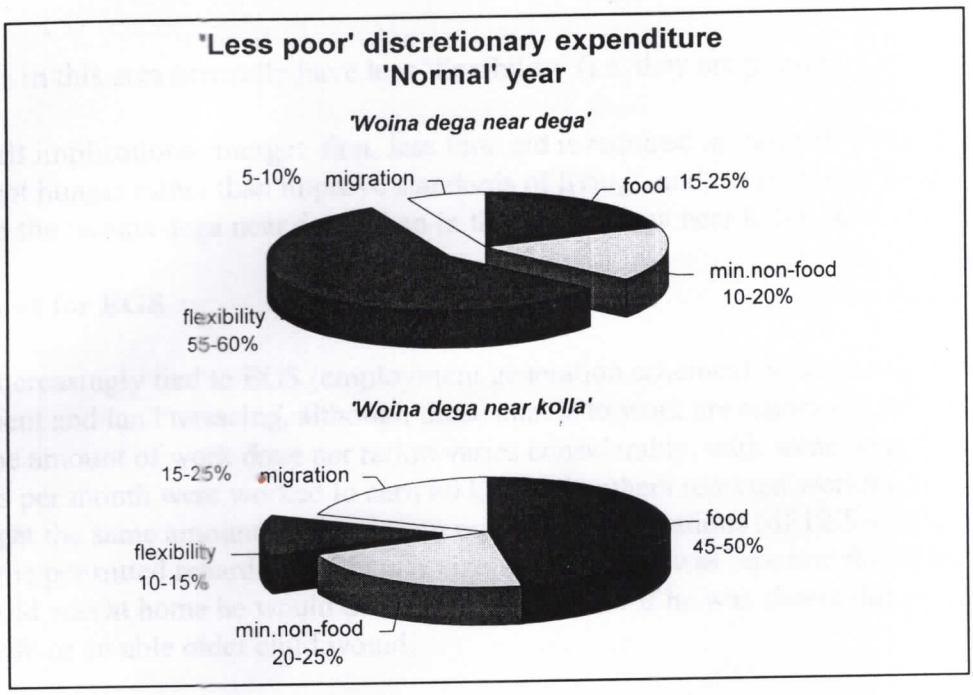
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The importance of income from livestock and livestock products is re-emphasized by a comparison of the sources of income pies for the 'middle' groups in the two areas. Although their overall income level may be slightly lower, the 'middle' in the 'woina dega near dega' for the most part do not migrate or engage in trading activities in a 'normal' year. This is partly because their livestock holdings allow them to avoid these activities, and partly because trading activities are more controlled the nearer one is to the *woreda* administrative centre (and less lucrative for those trading with pack animals because trucks have access).



A third comparison between groups, this time the 'very poor' in the two areas, reveals that 'brewing' is a less important source of income for this group in the 'woina dega near dega'. This is because of the proximity of these areas to the *woreda* administrative centres, which means that brewing activities are more controlled. Almost making up for this, however, is the fact that the market for firewood and water sales is bigger nearer the town, with more income being earned from this source by all the poorer groups.

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Relief food

Quantity

As noted above, all groups without oxen regularly receive relief food. For these groups, relief usually provides about 20% of annual food needs in 'normal' years, according to official relief figures and key informants at village level. What does the above analysis suggest about the ability of 'very poor', 'poor' and 'less poor' households to withstand a reduction, or the withdrawal, of relief assistance in 'normal' years? For the 'very poor' the answer is clear: in 'normal' years they have very little discretionary expenditure with which to increase purchases of food. Therefore, they are heavily dependent on relief to provide 10 - 20% of annual household food needs in both geographical areas.

For the 'poor' and 'less poor', the answer partly depends on the extent to which food prices rise as a result of the change in relief food provision. The total relief food provided to households without oxen represents just 9% of food needs for the population as a whole, so it is unlikely that prices would be greatly affected in a 'normal' year by the absence of relief. However, even if prices were to rise by 10%, 'poor' and 'less poor' households in the 'woina dega near dega' have enough 'flexibility' to cope without relief in such years. Their standard of living would be lower, but they would be able to purchase adequate food and a basket of minimum non-food items. In the 'woina dega near kolla', however, even 'poor' and 'less poor' are dependent on relief to provide 5 - 15% of annual household food needs in a 'normal' year, reflecting the fact that

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households in this area generally have less 'flexibility' (i.e. they are poorer).

Two overall implications emerge: first, less food aid is required in 'normal' years if its purpose is to prevent hunger rather than improve standards of living; and, second, less food aid is required in the 'woina dega near dega' than in the 'woina dega near kolla' area.

Implications for EGS

Relief is increasingly tied to EGS (employment generation schemes), such as road building/ improvement and land terracing, although those unable to work are reportedly getting relief freely. The amount of work done per ration varies considerably, with some households reporting that 8 days per month were worked to earn 60 kg, while others reported working for 20 days per month to get the same amount. A maximum number of 4 - 5 rations (of 12.5 – 15kg per month) per family is permitted regardless of family size. Generally it was reported that if the male head of household was at home he would do the work; however if he was absent due to migration then his wife or an able older child would.

Although work is done locally, long distances are sometimes traveled to collect the food due to poor infrastructure and centralised distributions. Consequently some groups are forced to sell part of their relief food immediately as they cannot transport it back home.[14] Some better off groups make money out of donkey and mule hire at this time. Despite these problems the poorer groups were generally enthusiastic about EGS. The value of EGS at whatever rate is much higher than the purchasing power of the 1-2 birr daily rates available locally for work. The following table illustrates this point.

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Rates of pay for EGS and local income-generating activities		
Activity	*Daily rate of pay in birr*	*Daily rate of pay in kilos or birr equivalent in kilos**
EGS		3 kg (minimum)
Firewood sales (1 bundle = 2 days)	1.75 birr (average)	1.3 kg
Water sales	1 birr	0.8 kg
Agricultural labour	2 birr	1.5 kg

* At 'normal' grain purchase prices.

[14] However, if they sell relief wheat and purchase cheaper sorghum, in addition to paying transport costs, they may not lose out much in the exchange.

Some 'very poor' women reported doing half days to get the same ration as men doing full days, but this was not a consistent response. Given their domestic workload and the relative scarcity of labour within such households, making this a consistent policy would make sense. Some also complained of long delays in payment, which they definitely cannot afford: they need food, or money to purchase food, at least once per week (except during and just after the harvest season). If this group is expected to participate in EGS schemes, then they would be assisted greatly by: full pay for half days, prompt payment, flexibility in terms of the number of days worked, clear payment rates, and advance information on the timing of schemes and the quantity of food households can expect so that they can plan ahead.[15]

It is often said that the provision of relief food, in whatever form, acts as a disincentive to agricultural production. This was not our finding. With the exception of the 'very poor', most households without oxen do not face a labour constraint. The team was repeatedly told that there is excess labour in the area and requests for local income-generation schemes were regularly made at village level. Obviously the labour-poor ('very poor') households would be the least able to exploit such schemes, but provided the above suggestions are taken into account (particularly the idea of equal pay for working half-time), they too should benefit.

'Poor' households do not cultivate their own land and perform only a small amount of agricultural labour for others (implying that agricultural production by the 'better off' would not be greatly disturbed). Therefore, they should have time to work on EGS schemes, even during the cultivation season, provided the rate of pay is greater than the other activities they would normally be engaged in outside agriculture at this time. 'Less poor' households may face more of a trade off between own production and work on EGS schemes, particularly in very religious *kabeles* where the number of days available for manual labour per month is quite limited. However, provided more than one member of the household is able to work, there should be enough labour in the household to engage in both activities. There is only a limited amount of work required on 0.5 - 1 hectare of land, particularly when most of the ploughing is done by rented oxen.

Relief definitely acts as a disincentive to migration, in the sense that men from 'poor' or 'less poor' households would have to migrate for longer periods if smaller quantities of food aid were provided, if they wanted to maintain their current standards of living, given the lack of local opportunities for generating income. Therefore, in terms of a policy towards the provision of smaller or larger quantities of relief food in 'normal' years, the net benefits of discouraging migration (temporary or permanent) must be weighed against encouraging people to remain in an area which cannot sustain the numbers of people which now live there.

In a bad year, there is little possibility of expanding the 'normal' local income-generating

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[15] Some of these points actually apply for all wealth groups receiving food aid, but they are more important the poorer the group.

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activities of the three poor wealth groups. Indeed, local demand for many of the things they normally produce (handicrafts and brew) or collect and sell (firewood and water) would decline in a bad year because all groups would be facing a difficult situation. Even children are often returned to poor households by the 'better off' when a year is particularly bad. Faced with such a problem and a resulting huge decline in their income (combined with increases in the price of food), entire households from the three poor groups would have no option but to migrate if relief food was not made available in sufficient quantities (through EGS or other mechanisms). In this case there would be no question of availability of labour for EGS activities or of a conflict with local agricultural or other activities.

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APPENDIX I

Assessment Team

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Len Nesbitt - SCF Canada

Kabeles visited

Mekdella: 022 Gobden
021 Shafe
017 Ambo Ferse
06 Genatite
02 Yargut

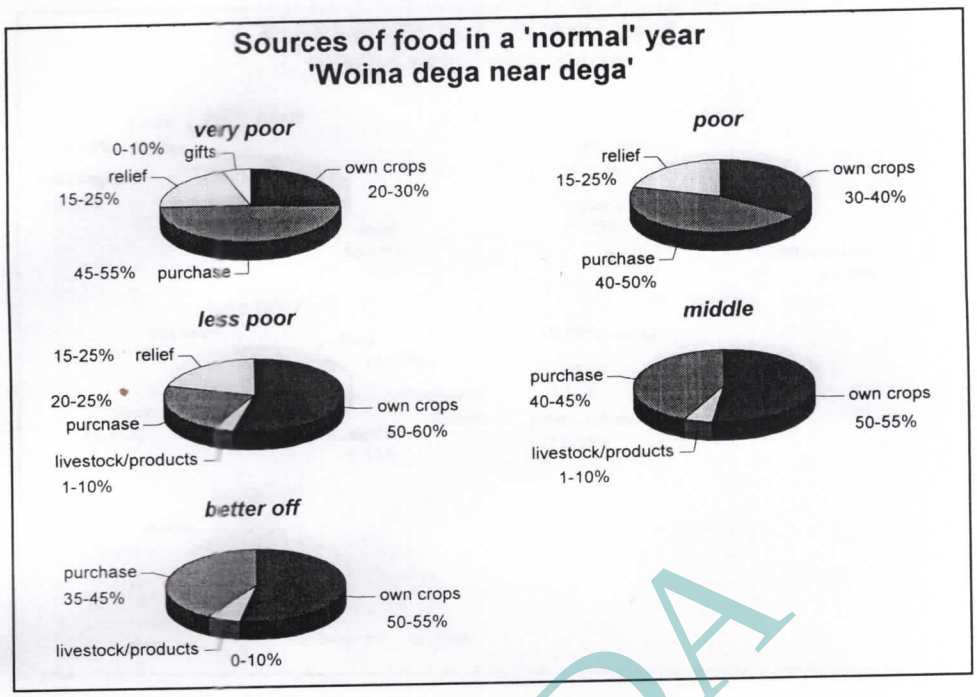
Sayint: 04 Shengo Defu
03 Aslalay

'Woina dega near kolla' – 022, 021, 017, 03

'Woina dega near dega' - 06, 02, 04

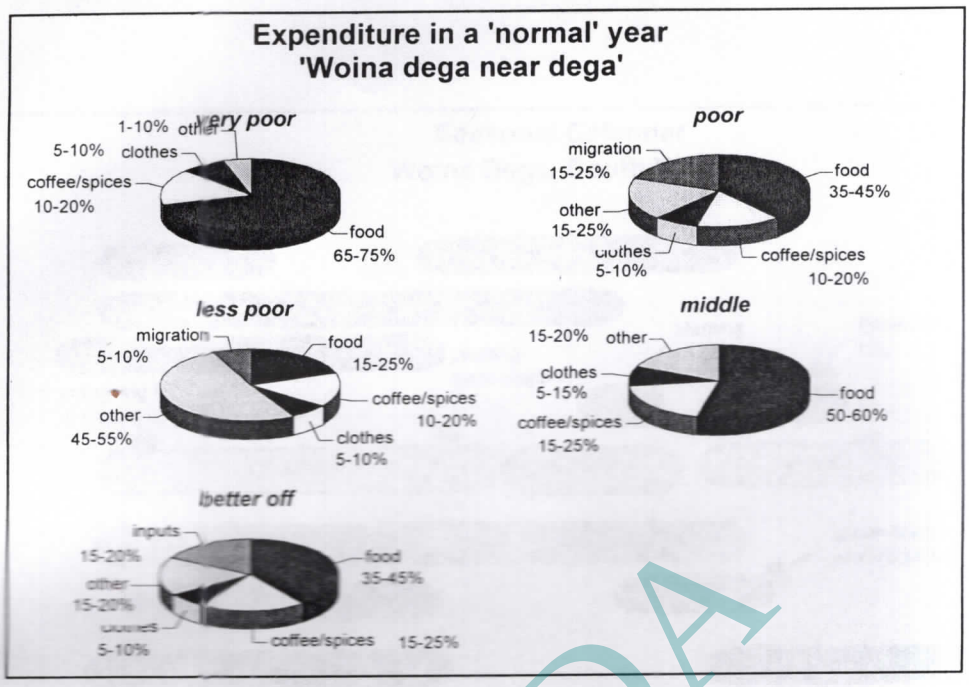
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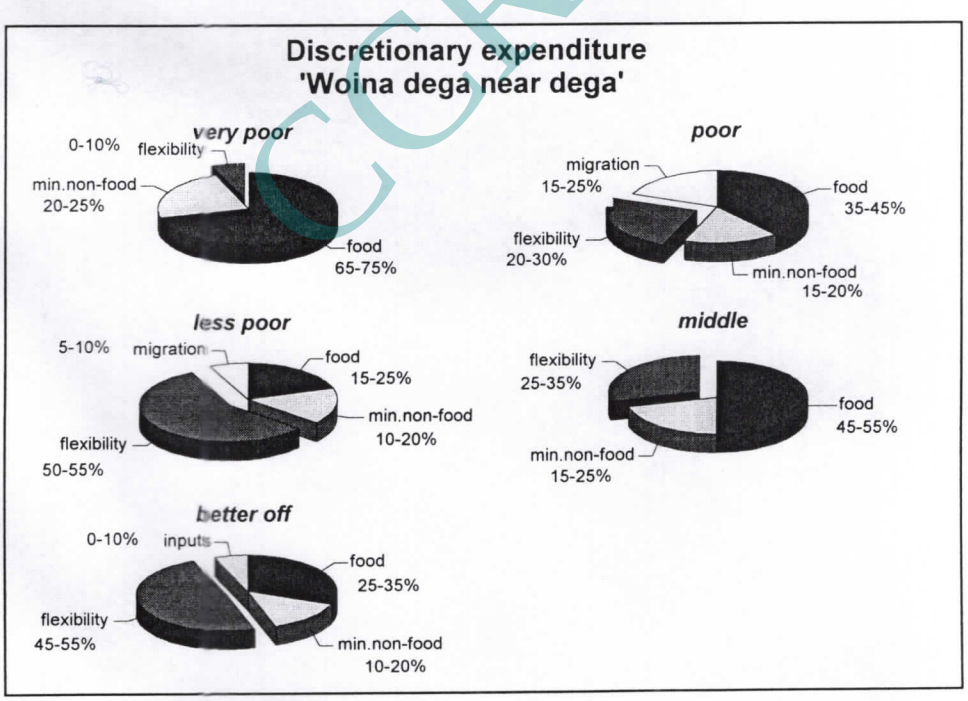
APPENDIX II



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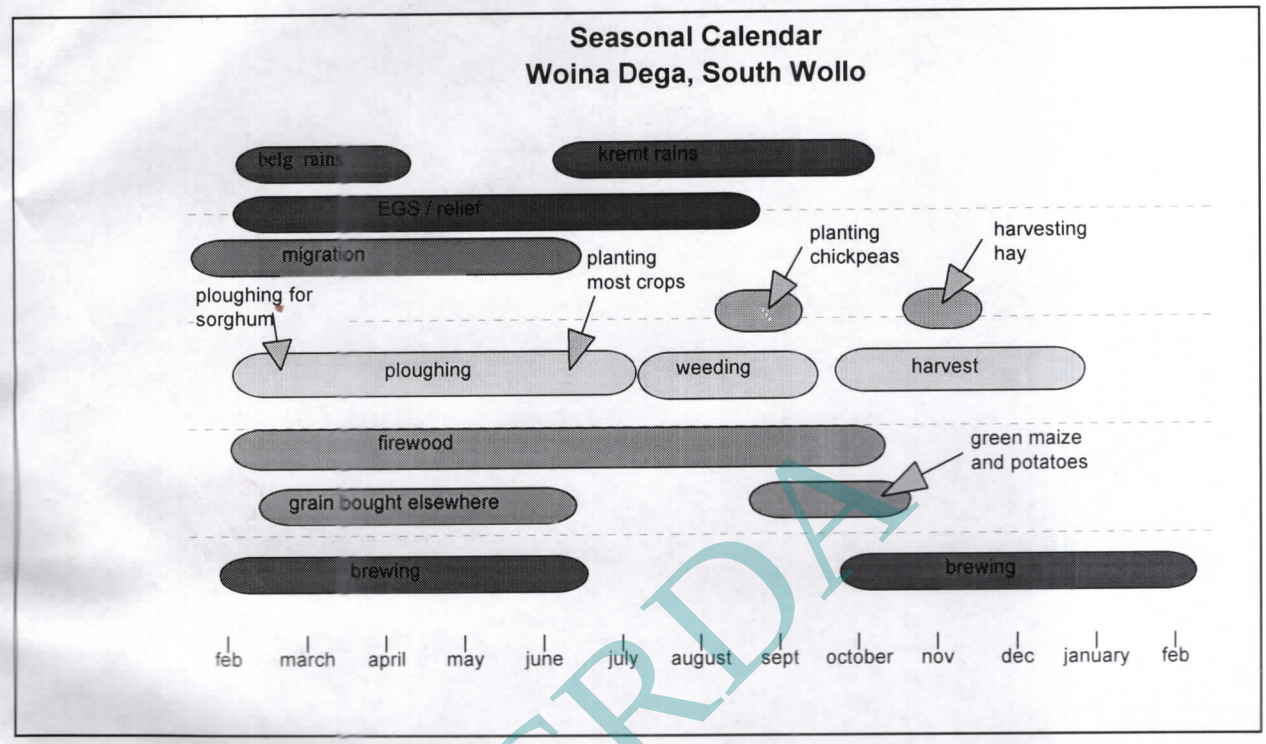
APPENDIX III





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APPENDIX IV



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