

LIVELIHOOD STRATEGIES OF URBAN POOR HOUSEHOLDS IN THE CITY OF ADDIS ABABA, ETHIOPIA: IT'S IMPLICATION FOR LIVELIHOODS SECURITY

Amsalu Almaw*
Sherry Sabbarwal**

ABSTRACT

Identifying poor household livelihood strategies is crucial to challenge poverty and insure livelihood security in the poor country's urban areas like Addis Ababa. The aim of this study is to identify the main livelihood strategies followed by the majority of the urban poor and its contribution to their livelihood security. Using quantitative and qualitative methods, primary data collected from 394 household survey samples is analyzed quantitatively triangulated with an in-depth interview data using urban livelihoods framework. Purposive and simple random sampling techniques are used to choose study areas and observation units respectively. The study identified seven main livelihood strategies pursued by poor households. The research result showed that the dominant proportion (56%) of the poor households make a living out of casual labour or pursue informal livelihood earnings as main sources of livelihood strategies. These are followed by wage employment in the city and pensions and remittances. Poor households in the study community are found leading a life of insecurity. Improving the availability of key assets (human asset formation) of the poor to increase employability in better paying jobs and supporting an easy access to credits to help engage in better paying business might be a way-out of poverty.

Keywords: *Urban Poor Households, Livelihood Strategy, Livelihood Outcomes, Livelihoods Security.*

Introduction

Poor households mobilise a range of resources and opportunities to combine it into a diverse set of income generating sources to survive, if possible, to enhance capability of long-term livelihood security (Ellis, 1998,2000; Beall & Kanji, 1999 & Beall, 2002;). Yet, much of the time, they rely upon risky works in the informal sector or in casual labour jobs, defined by low income, poor working conditions and marginalized activities (Garland, Massoumi & Ruble, 2007;Meikle, 2002). This happens because they cannot find jobs or, for diverse reasons, are unable to start a living in the lucrative sector. These strategies households adapt result with outcomes that would be defined in terms of insecure livelihoods and less welfare (Rakodi, 2002a).In urban households, strategies to achieve long term security encompass investment in human capital and commonly it is directed at the education of children (Beall, 2002). However, the poorest and most vulnerable households are enforced to embrace strategies which support them to survive than to improve their long-term livelihoods (Ellis, 2000). Then, they keep living with precarious and impoverished situations.

Moreno (2011) stated that African countries, especially, which are below the Sahara are experiencing a percentage of poor households at faster rates as the urban residents' sizes progress. Considerable sizes of the poor looking for employment are in low wage works or marginal self-employment in informal activities. Rates of engaging in informal self-employing activities are higher among the poor, for example, in Addis Ababa, 24 percent of the poor are in self-employment as compared to 21 percent of the urban workforce (WB, 2016).

Recent empirical studies also have showed that livelihood security of poor households in Addis Ababa is in a vulnerable condition (Tegegne et al, 2015; Tegegne, 2011; Yared, 2010). Maintaining survival is becoming a life and death issue. Hence, the goal of reducing poverty and improving poor households' livelihood in Addis Ababa has remained a challenging task. Clearly identifying main

* Research Scholar, Department of Sociology, Panjab University, Chandigarh, India.
** Professor, Department of Sociology, Panjab University, Chandigarh, India.

livelihood strategies and the strategy's contribution in improving living conditions of the poor is indispensable to unravel the block of poverty and to formulate effectively-informed poverty reduction policies in the city of Addis Ababa. However, the status of poor household's livelihood strategies and its ability to meet households' basic needs have been barely studied in the city. To that end, this study aims to: (1) identify the main livelihood strategies pursued by poor households, (2) assess whether the poor have sources of earnings in addition to the main livelihood strategies

Materials and Methods

• The Study Area and Sampling

The study area is in Addis Ababa city, the capital of Ethiopia. It hosts the most complex and diverse livelihood types of urban residents in Ethiopia. Found at the center of the country, Addis Ababa covers about 540km². The city located between 2,200 & 2,500 metres above sea level, positioning at the bottommost of the 3,000 meters high Entoto Mountains. Yirgalem, 2007; <http://www.ethiopia.gov.et/addis-ababa-city-administration> accessed on 20 January 2018). The capital took the highest share of employment opportunities in urban Ethiopia. Trade, factory works & industry, different types of home based jobs, office jobs of different types, transport and communication, health & educational institutions, service sectors (hotels & catering) and urban farming (horticulture, husbandry, etc.) are varieties of economic activities the city residents engaged in. In Addis Ababa, as of 2015, both formal economy and informal activities employment accounts about 19 percent of urban employment share with around 9 percent is in the informal sector activities (CSA, 2015). It has 10 sub-city administrative divisions and 99 woredas (wards). Woredas (wards) are the lowest units of administration in the city.

Kirkos and Addis Ketema sub-cities were chosen for this case study. The researcher chose these two sub-cities purposely to capture as many precarious livelihood strategies as possible owing to the fact that these areas represent the highest poor households living in government owned rental housing units, being the oldest of all in slum neighbourhoods in the city history and its consequent socio-economic vulnerability.

Since each of the wards would not be covered in the sample, three (3) wards, from each selected sub-cities, were chosen. That means wards two (2), one(1) and nine (9) in Addis Ketema Sub-city and wards ten(10), eleven (11) and five(5) in Kirkos sub-city were selected purposely based on socio-economic vulnerability criteria.

Finally, within each sampled woredas, households, the basic units of data gathering and analysis of the present study were selected in a simple random sampling procedure. Then, the researcher conducted a household survey on 394 households drawn from a population of 29550 household units based on proportional simple random sampling to the total residents in each wards(Kothari and Garg, 2014).A total of 394 households are determined to be a sample size using the statistical formula of Taro Yamane (1967).

$$n = \frac{N}{1 + N(e)^2}$$

Whereas **n** = Sample Households Size

N = Total households Size =29550 **e** = Degree of accuracy = 5%

= with the given level of confidence 95%

$$n = \frac{29550}{1+29550(0.05)^2}$$

$$n= 394$$

Moreover, an in-depth interview was used to corroborate the data gained from the household survey. An in-depth interviewees was selected based on purposive sampling technique. In that about 27 informants, either the female or male heads of a household, who have been living for longer years in the slum neighbourhood were considered in the in-depth interview.

Analysis of the data was with the support of a computer using Statistical Package for the Social Science (SPSS). The analysis and interpretation is a descriptive statistics using frequency tables and percentages.

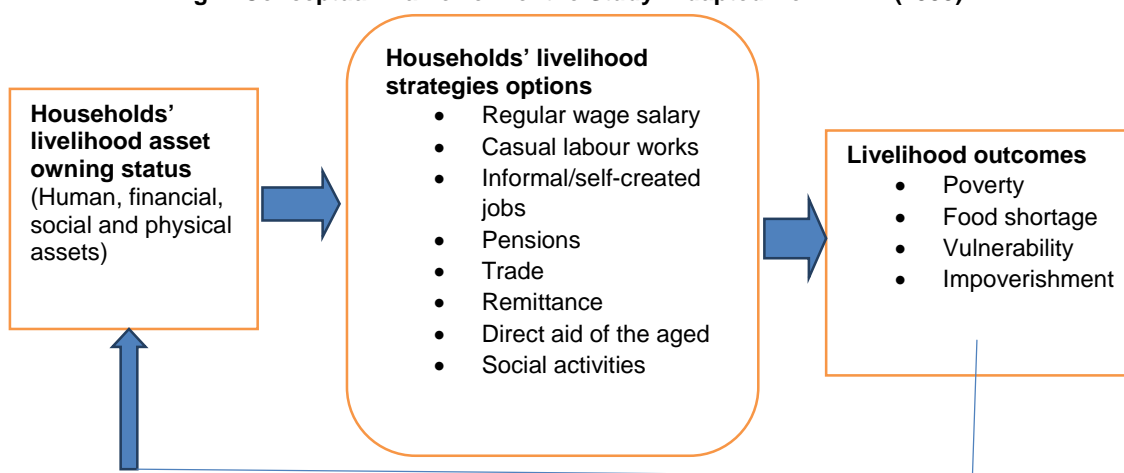
• Urban Livelihoods as a Framework of Analysis

Livelihood can be defined as capabilities, assets/capitals, opportunities and activities essential for people to make a living (Chambers & Conway, 1992; Ellis, 2000). The livelihood frame-work shows the close link between the asset status of a person, resources on which it can pull in the face of changing

environment and the state of livelihood security. The assets available define the opportunity of an improved well-being both directly by increasing its security and indirectly by enhancing people's ability to influence institutions and structures that determine access to assets and define livelihood options (Rakodi, 2002a).

In this study, to capture poor households' livelihood strategies ability of going beyond contributing for survival and improve well-being by resulting with positive outcomes (less poverty, better food security and less for further vulnerability), urban livelihood framework has chosen as a frame of analysis. However, since most poor households' livelihood options are mainly varieties of casual labour jobs and informal/self-created business, it produces poor well-being (poverty, food shortage, further vulnerability & impoverishment) (Rakodi, 2002a & Meikle, 2002). Perhaps, the reality of poor households in this study is not different, their livelihood activities are no longer able to meet their elementary needs and unable to feed its members from purchase on the market in return to cash earnings of the activities or food or cash from transfers. Among the urban livelihoods framework aspects, only three of it are used in this study: livelihood asset; livelihood strategy and livelihood outcome (Fig.1).

Fig.1: Conceptual Framework of the Study: Adapted from DFID (1999)



Source: adapted from DFID (1999)

Results and Discussions

• Livelihood Strategies of Poor Households

Rather than presenting the livelihood strategies of individual households, I have presented below the main livelihood strategies that are widely pursued among the majority of poor households in the study area.

The first and most important source of livelihood of the poor is found to be casual labour job. It accounts, as table_1 shows, the majority (36.3 percent) of the respondents' main sources of income. The poor, in their effort to get cash-income, engage in various casual labour activities as their most important livelihood strategies. According to the data gained from an in-depth interviews, washing clothes; daily help and cook; shoe shining; baking injera_ a staple food of thin flat bread made of cereals and preparing stew; daily labour in construction sector are frequently stated varieties of casual labours of the poor.

An in-depth interview participant explains the situation as follows:

I am a mother of two children growing them without a father with casual daily labour income as the sole main source of livelihood. With this livelihood source, it is becoming a challenge to pay for house rent, to cloth children, to send them school and fulfil their basics. I frequently serve my children bread with tea to send to school and they rarely have snacks while they come back from school. I am suffering from a serious illness but unable to cover medication costs from the sole income of daily labour. As a result of which I could not be able to engage in an additional source of income.

This kinds of earning sources are not only low paying jobs but it also has a risk of sustainability due to the nature of the jobs are not permanent, does not have a predictable income and susceptibility to seasonal changes. Thus, it is quite difficult to get adequate income from these activities to lead the desired life of the household.

Informal/self-created jobs accounts the second significant proportion (20.1 percent) (table_1) of the surveyed respondent's livelihood strategies. According to an in-depth interviews, preparing and selling a local drink (tella, a local liquor refined from fermented cereals) in own house and for others by order; vegetables vending including onions, green pepper, tomato, potato, carrot, etc., and tea and coffee hawking are most frequently mentioned self-created/informal businesses as a major household livelihoods.

A participant in an in-depth interview explains her households' livelihoods as follows:

I am a 65 years old mother of six children and two grandchildren. My husband has been more than 9 years since retiring and started spending the whole day sitting without any additional sources of income. The most important livelihood is making and selling a local drink (tella) in my house. In addition, I used to make a good amount of money when people whom they know my skill order me to prepare during their fest or a special ceremony. However, now a days an increase in the price of tella making ingredients, electric power cost increment and an extra expense for hiring a daily basis worker to help me in the entire process of making tella due to my physical weakness of age puts me with a serious problems of unable to meet the elementary needs of the household.

This indicates that the earnings gained from informal/self-created businesses do not only go to meet basic household needs but also it covers the business related costs. A similar finding by Chaudhuri (2018) indicated that due to poor access to assets, the operation capacity of self-created jobs are quite low and resulted with a low quality produced output. So, it must be supported to get enough cash to secure the urban poor households livelihood. Because as Meikle (2002) indicated "informal activities generally provide the poor with low cash incomes and insecure conditions." As Chaudhuri (2018) reveals in his study earnings from casual labour and informal activities not only insufficient but also reflects a socially degrading strategies.

Regular wage/salary employment is the third main source of livelihood of the poor. The table below shows that only 13.7 percent of the households' sources of earning a livelihood is regular salary employment of the household heads. A very few in-depth interview informants also mention that their work is in different wage employment jobs. Working in a shoe factory as a semi-skilled worker, Addis Ababa police employee, employed driver, primary school teacher and foreman are mentioned as major livelihood earning activities. It is a predictably better paying job and is under the realm of social security laws which provides a stable working environment. However, permanent salary income is not a principal source of livelihood for the majority of the urban poor. Thus, it is understood that the urban poor are not among the main beneficiaries of salary employment. However, according to Meikle (2002), it does not mean that those who are employed in regular salary jobs all avoid poverty. For example in many developing countries like Tanzania, in most cases, monthly salaries of government employees contribute for only 'a very small proportion, perhaps only a few days' worth, of their monthly needs so that they can be poor or in the borderline of poverty.'

The other 9.4 percent (table_1) of the respondents' sources of livelihood is found to be household heads pension. Similarly only very few in-depth interview informants mentioned that an income from pension is their households main source of income. It is recognised that an income source from pension provides predictable cash. However, since living standards of old ages decline due to deterioration of health status and declining in livelihood opportunities, pensioners need to be noticed and supported than expecting them to secure their household livings. An in-depth interview participant explains her main income earning activity as follows:

It has been 11 years since my husband died. I am 68 years old and have one child and a very seriously sick relative with no resources to raise them. Pension, 2000 birr per month, is the sole source of income for supporting my family. I am the poorest of the poor. I could not feed, clothe and pay rent fees due to this poor income. I found it very difficult to get an additional source of income in this old age.

About 9.4 percent of the respondents' replies receiving remittance is their source of livelihood (table_1). The remittance could be either in-kind or in cash-income or in both. Those households who received an in-kind transfer reported that they received materials like old clothes for their children, edible oil, red onion, dried injera and other foodstuff from neighbours and the well-off families. Moreover, some of their school children are receiving uniform, education stationeries and food as an in-kind aid under the city governments' feed school children program. On the other hand, children of the poor working as housemaids in many Middle East countries are sources of an in-cash remittance. According to the interviewees, children of the poor especially females migrate to Middle East countries like Saudi Arabia, Jidda, Beirut, Bahrain, etc., leaving their school to help their poor households. Moreover, poor household heads engage in cleaning the walk side corners and their vicinity as an employment opportunity created

by the city government safety nets agency and supported with cash-income against the job on a monthly basis. This is ascertained by most of the in-depth interview informants. However, it is very difficult to get adequate sources of income from such cleaning employment. For one thing the opportunity is temporary and the income is very poor in relation to the size of the household and their level of poverty. Since these public and private transfers as sources of livelihood depends on the good-will of remitters, poor households will face a risk of vulnerability to poverty as the transfer terminated. Direct government aid of the elderly poor accounts 6.1 percent of the respondents as their main source of livelihood. It means that direct aid is not a main source of livelihoods to the majority in the study community. The income from direct aid is inadequate to meet basic needs of households. It contributes only to survival rather than empowering the elderly to secure their livelihoods.

The urban poor are unlikely to benefit from formal trade as their source of livelihood. As table_1 shows below, only 5.1 percent of the household heads engage in formal trade as their sources of earnings. On the other hand very few in-depth interview informants mentioned businesses like plastic shoe selling, mini-shop stock marketing and spices selling are main sources of livelihood to some households. It indicates that trade which demands a start-up financial capital and rent fees for the trading/shopping places is out of the reach of the majority of the urban poor in the study. Thus, trade is not a main livelihoods source for the majority of the study community and the poor are not among the major beneficiaries of livelihood sources which contribute to the long-term security of households' livelihood.

Table 1: Respondents Main Livelihood Strategies

Main Livelihood Strategies	Frequency	Percent
Regular salary	54	13.7
Casual labour	143	36.3
Informal/self-created works	79	20.1
Pensions	37	9.4
Trade	20	5.1
Remittance and or transfers	37	9.4
Direct government aid/support of the aged	24	6.1
Total	394	100.0

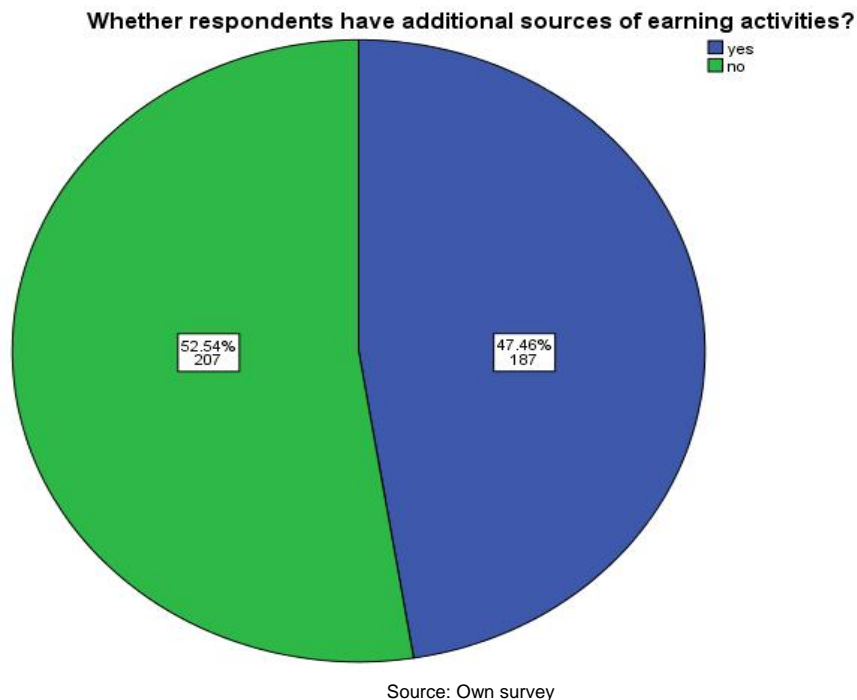
Source: Own survey

• **Sources of Earning in Addition to the Main Livelihood**

In the current study respondents were asked whether they do have sources of earning income in addition to the main livelihood strategy. The responses were in "yes, no" forms in that figure 2 below showed a little more than half (52.54 percent) of respondents have no other means of earning a living. It indicates that poor households depend on a single source means they are more vulnerable to poverty and are unlikely to secure their livelihoods. One of the reasons is related to very poor asset holding status (mainly poor human capital) creates an unfavourable labour market to access opportunities as a means of diversifying earnings.

Whereas close to half (47.46 percent) of the respondents have additional sources of earning that supports the main livelihoods. In their attempt to escape poverty, the poor diversify earning sources in either of the two forms. The first is by participating in different income earning activities. As to the data from an in-depth interviews, renting parts of the house/ an independent rooms, collecting and selling firewood and dried leaves, cleaning works under a safety net program, private houses cleaning works, commercial houses mirror cleaning, preparing spices for sell, baking and selling injera, hairdressing in own room, vending boiled potato with spices in the walk side corner, tailoring old cloths, handcraft works like sofa dresses and selling of liquid detergents are frequently mentioned activities of which poor households engage-in as a means of diversifying sources of livelihoods.

The second form of diversification is by increasing the household labour forces to enhance earnings and to gain some additional income. Children's labour (like car washing works, daily labour, etc.) after school and during school closed days and remittances mainly from a housemaid daughter in Middle East countries are other mixes of sources of income by other members of the family among poor households in the community. However, these additional earning sources are the most precarious and contribute only for survival than for improving households in the long-term. As supported by Ellis (2000) views that undertaking casual and poorly earning activities as a diversifying means are a desperate choice with poor prospects which forced the poor to pursue a more vulnerable option than the previously possessed ones.

Fig.2: Respondents Additional Sources of Livelihood Earning Activities (n=394)

Conclusion

Among the seven identified strategies, the study found that the majority of poor households earn their livelihoods from very low paying, unreliable and marginalized activities of casual labour and informal/self-created sector jobs. This is mainly due to lack of core capital assets of human capital endowment except household labour. Failure to have additional sources of livelihood among the majority of the poor households indicates depending on single sources which in turn implies further vulnerability and poverty.

It is found also that the overwhelming majority of the poor are unable to meet their basic needs and resulted with recurrent food shortages and the consequent livelihoods insecurity. Thus, keep living with poverty and further vulnerability that resulted within security of livelihoods is the hallmark of poor households in the study community.

References

1. Beall, J. (2002). Living in the present, investing in the future-household security among the poor. In Rakodi, C & Lloyd-Jones, T (Eds.), *Urban Livelihoods: A People-Centred Approach to Reducing Poverty*. pp. 71-87. London: Earthscan Publications
2. Beall, J & Kanji, N. (1999). Households, livelihoods and urban poverty. In *Urban development: Urban Governance, Partnership and Poverty Theme Paper 3*. Department of Social Policy and Administration, London School of Economics and Political Science
3. Chaudhuri, S. (2018). Livelihood patterns and survival strategies of the poor in Kolkata. *Social change*, 48(3), 345–366
4. Department for International Development. (1999). *Sustainable Rural Livelihoods Guidance Sheets*. London, UK: Department for International Development
5. Ellis, F. (1998). Household strategies and rural livelihood diversification. *The Journal of development studies*, 35(1), 1–38
6. Ellis, F. (2000). The Determinants of Rural Livelihood Diversification in Developing Countries. *Journal of Agricultural Economics*, 51(2), 289-302

7. Garland, M. A; Massoumi, M & Ruble, A. B (editors). (2007). *Global Urban Poverty: Setting the Agenda*. Woodrow Wilson international center for scholars' comparative urban studies project, Washington, D.C.
8. Kothari, C.R, Garg, G. (2014). *Research Methodology: Methods and Techniques* (3rd edition). New age international, New Delhi, India
9. Meikle, S. (2002). The Urban Context and Poor People. In Rakodi, C & Lloyd-Jones, T (Eds.), *Urban Livelihoods: A People-Centred Approach to Reducing Poverty*. pp. 37-51. London: Earthscan Publications
10. Moreno, L. E. (2011). *Living With Shelter Deprivations: Slums Dwellers in the World*. Population Distribution, Urbanization, Internal Migration and Development: An International Perspective. United Nations Department of Economic and Social Affairs, Population Division, United Nations Publication. pp.31-53
11. Rakodi, C. (2002a). A Livelihoods Approach – Conceptual Issues and Definitions. In Rakodi, C & Lloyd-Jones, T (Eds.), *Urban Livelihoods: A People-Centred Approach to Reducing Poverty*. pp. 3-22. London: Earthscan
12. Tegege, G; Tassew, W; Eshetu, G & Ezana, A. (2015). *Poverty Level Assessment of Addis Ababa*. Addis Ababa: Institute of Development and Policy Research (IDPR) of Addis Ababa University
13. Tegege, G-E. (2011). *Livelihood and Urban Poverty Reduction in Ethiopia: Perspectives from Small and Big Towns*. Addis Ababa: OSSREA
14. The Federal Democratic Republic of Ethiopia Central Statistical Agency. (2015). *Statistical Report on the 2015 Urban Employment Unemployment Survey*. Statistical Bulletin, Addis Ababa: CSA
15. World Bank. (2016). *Federal democratic republic of Ethiopia priorities for ending extreme poverty and promoting shared prosperity: systematic country diagnostic*. Addis Ababa, World Bank
16. Yared, A. (2010). Urban Food Insecurity and Coping Mechanisms: A Case Study of Lideta Sub-City in Addis Ababa. *Forum for Social Studies*, 5. Addis Ababa: Addis Ababa University Press
17. Yirgalem, M. (2007). "Carrying the Burden of Long-Term Ineffective Urban Planning. An Overview of Addis Ababa's Successive Master Plans and Their Implications on the Growth of the City." Working papers on population and land use change in central Ethiopia, nr. 7. Acta Geographica-Trondheim, Series A, No.16.

