

ETHIOPIA'S PRODUCTIVE SAFETY NET PROGRAMME (PSNP)

Trends in PSNP Transfers Within Targeted Households

Final Report

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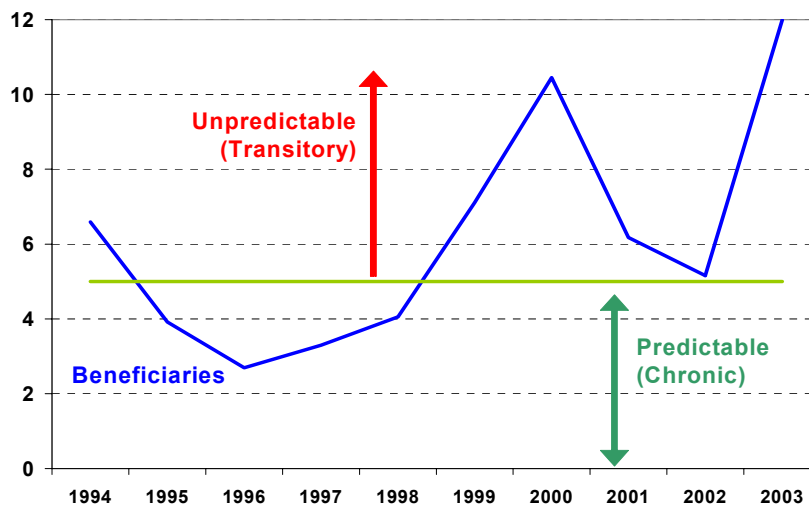
CHAPTER 1. INTRODUCTION

This chapter provides a brief overview of the rationale and design of the Productive Safety Net Programme, explains the purpose of this study of “trends in PSNP transfers within targeted households”, and sets out the structure of this report.

1.1. Background to the PSNP

Food insecurity in Ethiopia is normally understood in terms of recurrent food crises and famines, and responses to food insecurity have conventionally been dominated by emergency food-based interventions. In the ten years from 1994 to 2003, an average of five million Ethiopians were declared “at risk” and in need of emergency assistance, and since 1998 the numbers of food aid beneficiaries in Ethiopia have fluctuated between 5 and 14 million every year [see Figure 1]. However, a high proportion of households that receive emergency food aid, or work on public works projects, every year are not “famine prone” but are “chronically food insecure” – they face predictable annual food deficits caused by agricultural production constraints and poverty. These “predictably food insecure” people are also exposed to recurrent shocks, usually triggered by drought, that raise their vulnerability further, by forcing them to dispose of their assets to survive. This results in a gradual deterioration of their food security status over time, which decades of large-scale food aid deliveries have done little to prevent. Instead, dependency on food aid has steadily increased over time, as has the number of chronically food insecure Ethiopians.

Figure 1. ‘Predictable’ and ‘unpredictable’ food insecurity in Ethiopia



Recognising this dilemma, in 2004 the Government of Ethiopia initiated a Productive Safety Net Programme (PSNP), with the objectives of reducing household vulnerability, improving household and community resilience to shocks, and breaking the cycle of dependence on food aid. The overarching principle of the Productive Safety Net Programme is to facilitate “a gradual shift away from a system dominated by emergency humanitarian aid to productive safety net system resources via multi-year framework”.¹

The PSNP draws a conceptual distinction between two groups of food insecure Ethiopians. The ‘unpredictably food insecure’ – those who face transitory food deficits because of erratic weather or other livelihood shocks – will continue to receive food aid and other humanitarian assistance, as and when required, through the emergency appeal process. The ‘predictably food insecure’ – those who face chronic food deficits, because of poverty rather than food shocks – have been

¹ Government of Ethiopia (2004), **The Ethiopian Productive Safety Net Program**, Addis Ababa, page 4.

transferred from the annual emergency appeal to the Productive Safety Net Programme. These families should receive cash or food transfers – either ‘for work’ or ‘for free’ – on a regular, predictable basis for a period of five years, with financial and technical support provided by a consortium of donors on a multi-annual basis. These transfers are expected to be used mainly to meet immediate consumption needs and to protect household assets, though they might also be partly invested in farming and small enterprises. Together with complementary interventions such as livelihoods packages, this should enable households to escape from chronic food insecurity, after which they will no longer receive any social assistance except during emergencies.

The specific objectives of the cash and food transfers provided through the PSNP include:

- **to smooth household consumption** – to bridge production deficits in chronically food insecure farming households that are not self-sufficient, even in good rainfall years;
- **to protect household assets** – to prevent poor households from falling further towards destitution, vulnerability to future shocks and chronic dependence on external assistance;
- **to create community assets** – by linking the delivery of transfers to activities that are productivity-enhancing, in order to promote sustainable developmental outcomes.

Two crucial “*basic principles*” of the PSNP are:

- **predictability** – “*A safety net delayed is a safety net denied. Consequently, resource flows must be predictable*”;
- **avoiding dependency** – “*This can be achieved by requiring able-bodied beneficiaries to provide labour in exchange for program transfers*”.²

The two main components of the PSNP are:

- **Public Works** – provision of counter-cyclical employment on rural infrastructure projects such as road construction and maintenance, small-scale irrigation and reforestation;
- **Direct Support** – provision of direct unconditional transfers of cash or food to vulnerable households with no able-bodied members who can participate in public works projects.

The PSNP initially targeted approximately 5 million chronic food insecure people living in 262 “chronically food insecure *woredas*” in 2005, which was increased to 8 million in 2006. The programme is planned to be implemented for five years, at the end of which beneficiaries who have received predictable transfers and complementary interventions throughout the programme period will be expected to “graduate” out of dependence on external support, except during food crises. Graduation means that the household is no longer chronically food insecure and also has the economic resilience to resist falling back into chronic food insecurity in the future.

In an important signal of intent to move away from permanent dependence on large-scale annual food aid imports, both food and cash are used as resource transfers on the PSNP. According to the Programme Implementation Manual: “*the Government seeks to shift the financing of the programme from food aid to cash*”.³ Cash transfers were identified as having specific advantages over food aid in terms of addressing chronic food insecurity. “*Through the provision of cash transfers rather than food, the programme will enable smallholders to increase consumption and investment levels and stimulate the development of rural markets*”.⁴ An important objective of the present study, therefore, is to compare the impacts of food and cash transfers on households and markets, in an attempt to understand the advantages and limitations of each.

² Government of Ethiopia (2004), **The Ethiopian Productive Safety Net Program**, Addis Ababa, pages 4-6.

³ Government of Ethiopia (December 2004), **Productive Safety Net Program: Programme Implementation Manual**, Ministry of Agriculture and Rural Development, Addis Ababa, page 1.

⁴ DFID Ethiopia (February 2005), **Ethiopia’s Productive Safety Net Program: Project Memorandum**, Addis Ababa: DFID.

1.2. Rationale for this study

The Productive Safety Nets Programme (PSNP) has been implemented by the Government of Ethiopia since January 2005, with technical and financial support from a joint donor group that includes the Department for International Development (DFID) and the World Bank. The first phase of PSNP implementation runs until December 2006, during which period the necessary institutional structures, implementation capacity, financing modalities and financial management systems are being put in place.

Also during 2006, a comprehensive appraisal is being undertaken on several aspects related to the implementation and impacts of the PSNP. This appraisal includes studies on PSNP targeting, institutional and programme linkages, and economic trends. The purpose of these three linked studies is to provide an assessment of the first phase of PSNP implementation and to provide recommendations towards the second phase, due to be launched in 2007.

The present study aims to provide a preliminary analysis of “trends in PSNP transfers within targeted households” [see Annex 1: Terms of Reference]. This includes examining the economic behaviour of beneficiaries, and how that behaviour is modified by the Productive Safety Nets Programme – in particular, by analysing the use of cash and food transfers, delivered either through Public Works or Direct Support – through a combination of quantitative and qualitative fieldwork undertaken at household and community levels.

1.3. Structure of this report

Following this **introduction**, Chapter 2 describes the **methodology** that was devised for this study – survey instruments, sampling, data collection and analysis. Chapter 3 presents survey data on **household characteristics** – demographic composition and structure, livelihoods, incomes and assets. Chapter 4 examines alternative indicators of **household food insecurity** for different household categories – including food shortage in 2005/06, coping strategies, and household self-assessment. Chapter 5 presents data on **PSNP participation** by survey households – days worked on PSNP Public Works, income received from PSNP Direct Support, and so on. Chapter 6 disaggregates the **use of PSNP transfers** into use of food (consumption, sale, given away) and use of cash (for purchasing food, other consumption goods and services, and investment in education, farming, business, etc.). Chapter 7 considers **other impacts of PSNP**, including asset protection and asset building. Chapter 8 offers some **conclusions and recommendations** based on the preceding analysis of survey findings. Finally, the Annexes to this report include the **Terms of Reference**, the household and community **questionnaires**, and **statistical tables** not included in the main text.

CHAPTER 2. METHODOLOGY

The main source of data for this report is a household survey of almost 1,000 households that was designed, implemented and analysed by the IDS/Indak study team. This chapter describes the design of the survey instruments, the sampling used in fieldwork, the process of data analysis and the timeline for completing this assignment.

2.1. Survey instruments

Three methods of data collection were designed, pre-tested, and administered in the field, to address the Terms of Reference for this study. These are:

1. Household survey
2. Community questionnaire
3. Market observation

2.1.1. Household survey

A total of 960 households were interviewed, using a structured questionnaire that was 11 pages long and took no longer than 45 minutes to complete. One reason for this was to minimise respondent fatigue. A more practical concern is that the time-frame for completing the survey was very tight, such that each enumerator was required to complete five questionnaires every day.

Questionnaire modules included:

- A. Household roster (age, sex, labour capacity, education level)
- B. Livelihood activities and income
- C1. Land ownership and access
- C2. Crop farming
- D. Self-assessment (compared to last year, and to an average local household)
- E. Informal transfers
- F. Formal transfers
- G. Asset inventory (livestock, productive assets, household goods, consumer durables)
- H. Food security (food shortage months, meals per day)
- I. Coping strategies over the past year (rationing, asset sales, borrowing, etc.)
- J1. Targeting and participation in PSNP (days worked on Public Works, transfers received)
- K. Use of PSNP cash and food transfers
- L. Use of transfers for asset protection and asset building
- J2. Excluded (non-beneficiary) households (reasons for exclusion, etc.)

The household survey questionnaire is appended as Annex 2 to this report.

2.1.2. Community questionnaire

In addition to the household questionnaire, basic descriptive information was collected at the community level in each survey site. A standard form was drafted to capture this information, which falls into two categories:

- (1) **Community-specific information:** including distances to nearest market, school, clinic, and all-weather road; local farming systems; main employment opportunities locally; major recent livelihood shocks; for how many years has the community received food aid.
- (2) **Project-specific data:** e.g. when did PSNP start and finish in this community in 2005; how many beneficiaries were selected; how were beneficiaries selected; what type of public works projects were undertaken; will the same households be eligible this year (2006) as participated last year (2005).

Key informants were interviewed in each village or community where fieldwork was undertaken. For the *community-specific information*, any knowledgeable local individuals were asked to provide these facts (more than one person was usually consulted, to triangulate or verify the responses), but for the PSNP *project-specific data*, the people interviewed were those who are familiar with implementation of the PSNP in the local area. On average, five persons were interviewed as key informants in each village. They included Kebele Chairmen, members of the Kebele Council, elders, development agents, traders, and informed community members (youth and women).

The community questionnaire is appended as Annex 3 to this report.

2.1.3. Market survey

While the Enumerators were conducting household interviews, the Supervisor of each team asked key informants about local markets (nearest markets for basic food items and other commodities, frequency of market days, seasonality of prices and supplies). Where possible, the Supervisor also visited the most relevant local market to observe trader activity, volumes of commodities traded, and so on. Key informants, consumers and traders were also asked retrospectively about prices and volumes of basic commodities during the past year, in an attempt to establish whether the operation of the PSNP in local communities had any impact on market response. Finally, Supervisors attempted to collect any available price data from the Woreda Administration, specifically on the major crops traded in the local area, for the previous two to three years.

2.1.4. Qualitative data

In addition to the quantitative data that was collected through the household, community, and market questionnaires, the 'Targeting' and 'Linkages' teams (which worked mainly with qualitative rather than survey-based methods), were requested by the 'Trends in Transfers' team to enquire about the following issues in their interviews and discussions in the field.

1. Household impacts:

- 1.1. How has the PSNP made a difference to beneficiaries' lives? (open-ended, but focusing on purchasing behaviour or food utilisation, reduced use of coping strategies, etc.)
- 1.2. In what ways is the PSNP different from previous food/cash/public works programmes in this community?
- 1.3. Do beneficiaries prefer receiving assistance in food or in cash, and why?

2. Community impacts:

- 2.1. How do non-beneficiaries feel about being excluded from the PSNP?
- 2.2. Is there any resentment between non-beneficiaries and beneficiaries?
- 2.3. Has the PSNP had a positive effect on intra-community relations, for example by reducing the support that non-beneficiaries have to provide to beneficiaries?
- 2.4. Have non-beneficiaries benefited from PSNP transfers at all (e.g. did beneficiaries share their food or cash transfers with them)?

3. Market impacts:

- 3.1. [In PSNP food *kebeles*:] Does the community believe that food aid has any negative impacts on food trade or local food production? (discuss)
- 3.2. [In PSNP cash *kebeles*:] Does the community believe that cash transfers on the PSNP have affected local markets at all?
(e.g. did food prices rise, and if so, was this because of the cash transfers?
or did the number of traders selling food and other commodities rise after cash transfers were paid to local people?)

2.2. Sample size and sampling frame

Total sample size for the household survey was determined by the following formula:

$$n = k \frac{z^2 p(1-p)}{d^2} = 3 \times \frac{(1.645)^2 \times 0.50(1-0.50)}{0.05^2} = 894$$

- n* desired sample size
- k* number of stages of sampling (i.e. 3-stage cluster sampling, in this case)
- z* standard normal deviation (1.96 for 95% confidence level, 1.645 for 90% confidence)
- p* proportion of target population estimated to have characteristic (since no estimate is available, we use 0.5)
- q* 1-p
- d* degree of accuracy required (usually 0.05, as here, or 0.02 for greater significance)

A stratified random sampling procedure was followed, with three stages of stratification (*kebele*, village, household). To ensure that at least 894 households were actually surveyed, this figure was rounded up to 960, disaggregated as 120 households per *woreda*, and 60 households per *kebele* (at two *kebeles* per *woreda*), and 60 households per village (at one village per *kebele*), unless the selected village has a small population, in which case 30 households were interviewed per village, in two contiguous villages per *kebele*.

Table 1 shows how the sampling frame for the household survey was constructed. Regions and *woredas* were pre-selected. The next section explains how *kebeles*, villages and households were selected for the survey.

Table 1. Sampling frame for the household survey⁵

Teams	Region	Zone	Woreda	Kebele	Village
Team 1	Amhara (1)	North Wollo	Bugna	{1 high PSNP}	{1-2 villages =60 hhs}
				{1 medium PSNP}	{1-2 villages =60 hhs}
Team 2	Amhara (2)	South Wollo	Kalu	{1 high PSNP}	{1-2 villages =60 hhs}
				{1 medium PSNP}	{1-2 villages =60 hhs}
Team 3	Oromiya	West Harariga	Chiro	{1 high PSNP}	{1-2 villages =60 hhs}
		East Harariga	Fedis	{1 medium PSNP}	{1-2 villages =60 hhs}
Team 4	SNNPR (1)	Sidama	Boricha	{1 high PSNP}	{1-2 villages =60 hhs}
				{1 medium PSNP}	{1-2 villages =60 hhs}
Team 5	SNNPR (2)		Derashe special woreda	{1 high PSNP}	{1-2 villages =60 hhs}
				{1 medium PSNP}	{1-2 villages =60 hhs}
Team 6	Tigray	Southern Tigray	Enderta	{1 high PSNP}	{1-2 villages =60 hhs}
		Eastern Tigray	Kilteawelallo	{1 medium PSNP}	{1-2 villages =60 hhs}
Total	4 Regions		8 <i>Woredas</i>	16 <i>Kebeles</i>	960 households

⁵ Note that, for all tables and figures in this report where data are disaggregated by region, the four regions are ordered alphabetically: Amhara, Oromiya, SNNPR, Tigray.

2.3. Sampling procedure

Sampling for the household survey was done at several levels: first the regions, then *woredas*, then *kebeles*, then villages, and finally PSNP beneficiary and non-beneficiary households.

2.3.1. Region and *woreda* selection

Regions and *woredas* were not part of the sampling frame, as they were pre-selected based on a number of criteria that are external to the survey design.

2.3.2. *Kebele* selection

The main criterion for selecting *kebeles* is their level of participation in the PSNP, supplemented by their involvement in other Food Security Programme (FSP) activities or related programmes. Differential levels of PSNP participation are important for the Targeting team, who visited some of the same *kebeles*, while the presence of complementary programmes is important for the Linkages team, who also undertook fieldwork in some *kebeles* where the household survey on Trends in Transfers was undertaken.

To identify the *kebeles* to be surveyed, the six Supervisors visited the office of the Bureau of Agriculture and Rural Development (BoARD) at the *woreda* capital, where they obtained a list of all *kebeles* in the *woreda*, including either the percentage of households registered for inclusion on the PSNP by *kebele*, and/or the total population of each *kebele* and the numbers of PSNP participants in each *kebele* (this was to allow the percentage of inclusion to be calculated).

Next, the list of *kebeles* was ranked by the percentage of households registered for inclusion on the PSNP. (For example, if the highest percentage of PSNP participants was 93%, this *kebele* was ranked first, while if the lowest percentage was 17%, this *kebele* was ranked last.)

The next step was to select two *kebeles* from this list: one with a high participation percentage and one with a medium level of participation. This was done by selecting the highest-ranked *kebele* and the middle-ranked *kebele* (e.g. if there were 15 *kebeles* in the *woreda*, those selected had the highest PSNP participation rate and the one ranked eighth by PSNP participation rate).

At least one of these two *kebeles* should also have ongoing Food Security Programme activities. If neither *kebele* does, it was replaced by one ranked just above or just below it on the PSNP participation list that does have ongoing FSP activities (e.g. replace the *kebele* ranked eighth by the one ranked seventh or ninth). If no *kebele* in the *woreda* had FSP activities at the time of the survey, another *kebele* was selected where other relevant programmes are ongoing.

A final consideration is logistics. If one *kebele* was inaccessible by road, or if the two *kebeles* were located far apart, this might have been impractical given the tight time constraints for the fieldwork. This would be another reason for replacing a *kebele* with another that had a similar PSNP participation rate (e.g. the *kebele* ranked second rather than first).

2.3.3. Village selection

Once the two *kebeles* were selected, one village had to be identified for the fieldwork in each (or two adjacent villages if they had few households, since 60 households had to be interviewed in each *kebele*). The same principles were followed as for *kebele* selection. In high PSNP *kebeles*, a village was selected with one of the highest participation rates; in the medium PSNP *kebeles*, a village was selected with average PSNP participation. If the rate of PSNP participation was not known at the level of individual villages, a village was selected at random from each *kebele*.

2.3.4. Household selection

Two options were considered for sampling households within each selected village: (1) simple **random sampling**; (2) **stratified sampling** with quotas for each household category. Although

there are many advantages to random sampling, since one objective of this study is to compare trends in households receiving food transfers with trends in those receiving cash transfers, the decision was taken to survey approximately equal numbers of cash and food beneficiaries overall. Also, on the assumption that approximately 80% of PSNP beneficiaries are employed on Public Works projects while no more than 20% are receiving Direct Support, these proportions were also reflected in the total sample. Finally, a number of non-beneficiaries (20% of the total) were also interviewed for their views on the PSNP programme. Non-beneficiaries were randomly selected from the pool of households that were not participating in the PSNP within each village visited. This meant that five categories of household had to be adequately covered in the survey:

- (1) Cash-for-work beneficiaries;
- (2) Food-for-work beneficiaries;
- (3) Direct Support in cash;
- (4) Direct Support in food;
- (5) Non-PSNP beneficiaries.

The total numbers of households in each category are summarised in Table 2 below, which also provides guidelines on the numbers of households interviewed per category, in *woredas* where PSNP disbursements are made in food, or cash, or both food and cash (“50:50” *woredas*).

Table 2. Sample stratification by PSNP beneficiary status

Household categories	Sample proportion	Total households	Cash Woreda	Food Woreda	Cash + food Woreda
PSNP beneficiaries (80%)	80%	768	96	96	96
Cash beneficiaries (50%)	40%	384	96		48
Cash-for-work (80%)	32%	320	77		38
Free cash (20%)	8%	64	19		10
Food beneficiaries (50%)	40%	384		96	48
Food-for-work (80%)	32%	320		77	38
Free food (20%)	8%	64		19	10
Non-beneficiaries (20%)	20%	192	24	24	12
Total Sample	100%	960	120	120	60

Although the total sample size is generated by statistical theory, the sample of eight *woredas* is not representative of all of Ethiopia, nor of all communities where PSNP is being implemented, so the findings will be presented as indicative rather than statistically significant. This caveat applies even more to data presented at the regional, *woreda* and *kebele* levels, and to data presented for each of the five household categories. A statistically significant survey of the impacts of PSNP transfers within beneficiary households would require a randomised sampling frame and/or a larger stratified random sample.

2.4. Data collection

Each team comprised 1 Supervisor + 4 Enumerators, travelling in 1 vehicle with a driver.

The six teams were as follows:

- Team 1. **Amhara North:** 1 team covering 1 *woreda* in North Wollo (Bugna)
- Team 2. **Amhara South:** 1 team covering 1 *woreda* in South Wollo (Kalu)
- Team 3. **Oromiya:** 1 team covering 2 *woredas* (Chiro, Fedis)
- Team 4. **SNNPR Sidama:** 1 team covering 1 *woreda* (Boricha)
- Team 5. **SNNPR Gedeo:** 1 team covering 1 *woreda* (Derashe special *woreda*)
- Team 6. **Tigray:** 1 team covering 2 *woredas* (Enderta, Kiltawelallo).

The reasons for deploying six teams rather than four (i.e. one team per region) included:

1. Distances between North and South Wollo would have required more travelling days to be added if a single Amhara Region team was deployed.
2. The two SNNPR *woredas* speak different languages, so two teams were required, whereas the other three regions are linguistically homogeneous, so a single team was sufficient.
3. Doing fieldwork in both *woredas* of Amhara and SNNPR simultaneously allowed these teams to return to Addis 10 days earlier than the Tigray and Oromiya teams (see 'Timeline' below), which speeded up the process of data entry and analysis.

2.5. Data entry and analysis

The household survey questionnaires were entered using a user-friendly and self-automated data checking household survey data entry programme that was developed using CPro 2.6. This programme has facilities to clean and export data to SPSS and STATA, which were both used for survey data analysis. In order to check the quality of data entry about 10% of questionnaires were double-entered and different entries were compared to identify critical areas for re-checking. Open-ended questions and market price data were entered and analysed in Excel, which was also used to generate most of the Figures presented in this report. Apart from descriptive statistics (frequencies and cross-tabulations), regression analysis and statistical significance tests were performed on the dataset. The data analysis that was conducted by Indak in Addis Ababa and by IDS in Brighton included the following, among others.

Perform the same set of operations on these continuous variables in the dataset:

1. Household annual income (note: use farm income from crop sales question)
2. Household asset value ('replacement costs')
3. Household income plus assets
4. Land (owned, and/or used)
5. Self-sufficiency (total cereal harvest [kg] eaten at home, divided by adult equivalents divided by annual cereal requirement [=220kg/AE, adjusted by food composition])
6. Change in assets (over the last year)
7. Household self-assessment (plus change over past year)
8. Household spending
9. Food security indicators.

Operations:

1. Calculate total value of the variable for each household in the survey [$N=960$]
2. Rank households by value of indicator, or divide into quantiles (e.g. income quintiles)
3. Analyse correlations between indicator values or household ranks and various household characteristics, including:
 - a. PSNP beneficiary status (cash, food, mixed, none; Direct Support or Public Works);
 - b. type of household (male-headed household, female-headed household; older-headed household);
 - c. region (Amhara, Oromiya, SNNPR, Tigray);
 - d. other household characteristics of interest (e.g. 'food shortage' or 'no food shortage' in last year; 'better off' or 'worse off' than last year).

2.6. Timeframe

The entire 'Trends in Transfers' study was scheduled to be completed within a period of 3½ months, from mid-April to end-June 2006. The work was divided into five phases [see Table 3]:

- **Phase 1 – Pre-survey**: Methodology design, recruitment and training [mid-April to early May]
- **Phase 2 – Fieldwork**: Data collection in eight *woredas* [early May to late May]
- **Phase 3 – Data management**: Data entry, validation and analysis [late May to mid-June]
- **Phase 4 – Report writing**: Drafting and revision of research report [mid-June to end-June]
- **Phase 5 – Consultation workshops and report finalisation**: [mid-July to early August].

Table 3. Timeline for 'Trends in Transfers' study

April	
17-26	Methodology design, fieldwork planning, draft questionnaire
27-28	Training supervisors (x6), pre-testing questionnaire, finalise questionnaire
May	
01-02	Translation of questionnaire, finalisation of fieldwork logistics
03	Print questionnaires (x1,000)
04-05	Supervisors leave to 4 regions (by car from Addis Ababa)
06	Recruitment of enumerators in 4 regions
08-09	Training of enumerators, setting up fieldwork
10-16	Fieldwork in 6 <i>woredas</i> (6 days + 1 rest day) – all 6 teams
	Tigray and Oromiya teams (x2)
	Amhara and SNNPR teams (x4)
17	Team 3 and Team 6 travel to 2 nd <i>woreda</i> in Tigray and Oromiya regions
18	Set-up day in 2 nd <i>woreda</i>
19-25	Fieldwork in 2 <i>woredas</i> (6 days + 1 rest day)
26-27	Team 3 and Team 6 teams drive to Addis
29-02	Data entry and validation (480 household questionnaires: Tigray + Oromiya)
June	
05-09	Data analysis: Tigray + Oromiya (Indak)
12-16	Data analysis: Tigray + Oromiya (IDS)
19-30	Draft complete report (IDS + Indak)
July – August	
17-21	Regional and federal consultation workshops (Addis Ababa, Awassa, Bahir Dar, Mekele)
22-10	Finalise report (IDS + Indak)

After completion of the draft 'Trends in Transfers' report, the findings were presented and discussed, together with the 'Targeting' study and the 'Linkages' study, at regional consultation workshops in Amhara, Oromiya, SNNPR and Tigray, followed by a federal-level workshop at the Food Security Coordination Bureau in Addis Ababa. Feedback from these workshops has been incorporated into this final version of the report.

CHAPTER 3. HOUSEHOLD CHARACTERISTICS

This chapter presents descriptive statistics on the demographic characteristics of the household sample – household size and composition, labour capacity and dependency ratios – and on the household economy – livelihood activities, incomes and assets. Since one objective of this study is to compare PSNP beneficiaries with non-beneficiaries, many of the findings are disaggregated by ‘PSNP status’ (Direct Support beneficiaries, Public Works beneficiaries, non-beneficiaries).

3.1. Household demographics

Although male-headed households dominate our survey (72%), more than one household in four is headed by a woman (28%). Across all four regions where the survey was conducted – Amhara, Oromiya, SNNPR and Tigray – the highest proportion of female-headed households is found in Amhara (40%), while the smallest proportion is in Oromiya (16%). A small minority of households is polygamous (6%), and most of these are located in SNNPR. Almost one in five households is headed by an older person over 60 years old [$n=181/960 = 19\%$]. Two households, both located in Amhara Region, are headed by children under 16 years old [Table 4].

Table 4. Household structure, by region

Household type	Amhara	Oromiya	SNNPR	Tigray	Total
Male-headed	143 (59.6%)	201 (83.8%)	180 (74.8%)	168 (69.8%)	691 (72.0%)
Female-headed	97 (40.4%)	39 (16.3%)	60 (25.2%)	72 (30.2%)	269 (28.0%)
Monogamous	236 (98.5%)	227 (94.6%)	212 (88.4%)	228 (94.9%)	902 (94.0%)
Polygamous	4 (1.5%)	13 (5.4%)	28 (11.6%)	12 (5.1%)	58 (6.0%)
Older-headed	40 (16.7%)	31 (12.9%)	54 (22.5%)	56 (23.3%)	181 (18.9%)
Child-headed	2 (0.8%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total households	240 (25.0%)	240 (25.0%)	240 (25.0%)	240 (25.0%)	960 (100%)

The composition of the household sample aimed to achieve a balance across the regions (i.e. 25% of households in each of the four regions) and between different categories of PSNP beneficiaries (80% beneficiaries, 80% of whom should be ‘for work’ and 20% ‘for free’, and 20% non-beneficiaries). These sample proportions were closely achieved in the fieldwork [Table 5].

Table 5. Composition of sample, by region and PSNP status

Region	Public Works	Direct Support	Non-beneficiaries	Total
Region				
Amhara	153 (63.8%)	39 (16.3%)	48 (20.0%)	240 (25.0%)
Oromiya	153 (63.8%)	40 (16.7%)	47 (19.6%)	240 (25.0%)
SNNPR	151 (62.9%)	39 (16.3%)	50 (20.8%)	240 (25.0%)
Tigray	152 (63.3%)	37 (15.4%)	51 (21.3%)	240 (25.0%)
Household type				
Male-headed	466 (66.5%)	68 (9.7%)	167 (23.8%)	701 (73.0%)
Female-headed	143 (55.2%)	87 (33.6%)	29 (11.2%)	259 (27.0%)
Older-headed	82 (34.5%)	119 (50.0%)	37 (15.6%)	238 (24.8%)
Child-headed	0 (0.0%)	2 (100%)	0 (0.0%)	2 (0.2%)
Total households	609 (63.4%)	155 (16.1%)	196 (20.4%)	960 (100%)

There are interesting differences in the structure of PSNP beneficiary and non-beneficiary households, which suggest that certain demographic criteria might have been used in targeting households for the PSNP. Beneficiary households are more likely to be female-headed than non-beneficiaries, and to have older household heads. Beneficiaries surveyed are less likely to be polygamous, although there were only a few polygamous households in the sample: 40 beneficiary households (5.3%) and 17 non-beneficiary households (8.6%) are polygamous. The two child-headed households in our survey are both PSNP beneficiaries [Table 5].

Male-headed households are larger than female-headed (at 1% significance). Female-headed households are not only smaller, they also have much lower labour capacity, as proxied by the 'labour capacity index', than male-headed and older-headed households (at 1% significance) [Table 6]. Interestingly, dependency ratios are almost identical for male- and female-headed households, which highlights the usefulness of the 'labour capacity index' (Sharp 2003) rather than dependency ratios for this kind of analysis, especially since the PSNP is dominated by a Public Works programme that requires beneficiaries to provide substantial amounts of labour. Older-headed households are smaller and have higher dependency ratios, but lower labour capacity, than households with heads under 60 years old (all at 1% significance). These findings suggest that female-headed and older-headed households are generally more vulnerable and more likely to need Direct Support than male-headed households and those with younger heads.

Table 6. Mean household size, dependency ratio, and labour capacity

Household characteristic:	Household size	Dependency ratio	Labour capacity index
Household type			
Male-headed	6.04	1.48	2.93
Female-headed	3.55	1.47	1.59
Older-headed	4.67	1.52	2.19
Region			
Amhara	4.11	1.20	2.03
Oromiya	5.27	1.63	2.28
SNNPR	6.94	1.62	3.37
Tigray	5.15	1.42	2.60
PSNP status			
Cash only	4.94	1.33	2.47
Food only	5.00	1.72	2.12
Cash + food	5.34	1.47	2.49
PSNP beneficiaries	5.22	1.49	2.41
Non-beneficiaries	5.96	1.40	3.17
All households	5.36	1.48	2.57

Note: (1) 'Dependency ratio' is defined as the number of household members aged 0-15 years, plus the number of household members aged 60 and older, divided by the number of household members aged between 16 and 60 years old.

(2) The 'labour capacity index' assigns a value between 0 and 1 to the labour contribution of each household member, and sums these to obtain an index value per household (see Kay Sharp (2003), 'Measuring Destitution', **IDS Working Paper 217**, Brighton: IDS). The weights for labour capacity used in this survey can be seen in the codes for question A2 in the household questionnaire [Annex 2].

Across the regions, households are largest in SNNPR (averaging 7 members) and smallest in Amhara (averaging just over 4 members) [Table 6]. Dependency ratios do not follow household size exactly, being highest in Oromiya (closely followed by SNNPR) and lowest in Tigray (closely followed by Amhara). Household labour capacity is highest in SNNPR, mainly because SNNPR has the largest households, and lowest in Amhara, which has the smallest households. PSNP

beneficiary households are slightly smaller than non-beneficiaries. Beneficiaries also have slightly higher dependency ratios, and lower labour capacity, than non-beneficiaries. Although there appear to be significant differences in demographic characteristics of beneficiaries who received either cash, food, or cash and food, these reflect differences in the delivery of PSNP resources by region, rather than a causal relationship between resources received and household composition.

Table 7 below confirms that the PSNP was well targeted in terms of household demographics, using labour constraints as an indicator of vulnerability. Beneficiary households generally had lower labour capacity than non-beneficiaries, as measured by household size, dependency ratios, labour capacity index, members with disabilities, and the ratio of able-bodied members to total household size [Table 7].

Table 7. Household labour capacity, by PSNP status

Demographic characteristics	Public Works	Direct Support	Non-beneficiaries	All households
Household size	5.75	3.16	5.96	5.36
Dependency ratio	1.47	1.63	1.40	1.48
Labour capacity index	2.80	0.92	3.17	2.57
Ratio of able-bodied members to household size	0.43	0.11	0.45	0.38
Members with disabilities	4.6%	20%	3.7%	6.8%
Older-headed households	11%	70%	16%	21.5%
Female-headed households	23%	56%	14.4%	26.9%

Note: All numbers (not percentages) are average (mean) values for the category

Considering only the labour capacity of household heads in our survey, three in five recipients of Direct Support are permanently unable to work [$n=92/155 =59\%$], while one in four Direct Support recipients are elderly [$n=38/155 =25\%$]. Four in five elderly household heads [$n=96/117 =82\%$] are PSNP beneficiaries. All 18 household heads that classified themselves as 'partially disabled', and both households in our survey that are headed by children, are PSNP beneficiaries. Out of 11 chronically ill household heads surveyed, 8 are PSNP beneficiaries [Table 8].

Table 8. Labour capacity of household heads, by PSNP status

Labour capacity	Public Works	Direct Support	Non-beneficiaries	Total households
Young child	1 (0.2%)	0 (0.0%)	0 (0.0%)	1 (0.1%)
Working child	1 (0.2%)	4 (2.6%)	0 (0.0%)	5 (0.5%)
Working adult	527 (86.7%)	3 (1.9%)	159 (85.1%)	689 (72.5%)
Working elderly	58 (9.5%)	38 (24.5%)	21 (11.2%)	117 (12.3%)
Partially disabled	5 (0.8%)	13 (8.4%)	0 (0.0%)	18 (1.9%)
Permanently unable to work	11 (1.8%)	92 (59.4%)	4 (2.1%)	107 (11.3%)
Chronically ill	3 (0.5%)	5 (3.2%)	3 (1.6%)	11 (1.2%)
Temporarily unable to work	2 (0.3%)	0 (0.0%)	0 (0.0%)	2 (0.2%)
Total households	608 (100%)	155 (100%)	187 (100%)	950 (100%)

3.2. Livelihoods and incomes

Given that PSNP beneficiaries are supposed to be targeted on the basis of their chronic food insecurity and vulnerability, it might be expected that beneficiaries would be more likely to engage in less lucrative (low income, unskilled and high risk) income-earning activities, compared to

non-beneficiaries. In our survey of 960 rural households, crop farming is by far the most common livelihood activity, but is practised by only three-quarters of beneficiary households (76%), fewer than non-beneficiaries (87%) [Table 9]. This reflects the fact that many PSNP beneficiaries are severely labour-constrained, and are unable to engage in physically demanding work such as farming. Also, the poorest beneficiary households are asset-constrained, lacking either land or access to productive agricultural inputs like oxen. More non-beneficiaries also rear animals and poultry, again suggesting that the poorest households are unlikely to own any livestock.

In terms of off-farm employment, non-beneficiary households are twice as likely to have access to a salaried job, but very few non-beneficiaries engage in low status work like agricultural and non-agricultural labour, and only one non-beneficiary (out of 187 surveyed) participated in public works projects in the last year. By contrast, many beneficiaries found work as daily labourers, and three-quarters of beneficiaries [$n=564/757 = 75\%$] had participated in public works. This confirms that the majority of PSNP beneficiaries worked for their cash or food transfers [Table 9].

The two remaining livelihood activities that are considered in this discussion are trading in food crops, and selling firewood. Trading – especially large-scale wholesaling – is typically undertaken by better off individuals who have working capital to invest in buying and selling commodities. Although there are relatively few food traders in our sample, non-beneficiaries are almost three times more likely to have access to this source of income (9% versus 3%). Finally, selling firewood is widely regarded as “poor person’s work”, and it is not surprising that beneficiaries are almost twice as likely to sell firewood as non-beneficiaries (9% versus 5%). In terms of livelihood profiles, therefore, the Productive Safety Net Programme appears to have accurately targeted households who are engaging in activities that generate low returns and are pursued mainly by poor people.

Table 9. Livelihood activities in the last year, by PSNP status

Sector	Livelihood Activity	PSNP beneficiaries	Non-beneficiaries
Agriculture	Crop production	578 (76.4%)	171 (86.5%)
	Rearing & selling animals	146 (19.3%)	69 (34.9%)
	Poultry rearing and sales	123 (16.3%)	54 (27.1%)
Employment	Salaried job	17 (2.3%)	9 (4.7%)
	Public works	565 (74.5%)	1 (0.5%)
	Agricultural worker	52 (6.8%)	0 (0.0%)
	Non-agricultural worker	58 (7.6%)	18 (2.6%)
Trading	Buying and selling food crops	25 (3.3%)	18 (8.9%)
Natural products	Selling firewood	69 (9.1%)	10 (5.2%)
Total households		757 (79.3%)	198 (20.7%)

The survey for this study attempted to estimate household income and the total value (in terms of replacement cost) of household assets. Households receiving Direct Support from the PSNP had considerably lower average incomes and asset values, and owned and cultivated less land, than households participating in PSNP Public Works. In turn, Public Works participants are poorer in both incomes and assets than non-beneficiary households, and cultivate less land. One in four Direct Support households, but only one in ten Public Works households, are landless [Table 10]. This confirms evidence from other studies, that landlessness is a robust proxy for chronic vulnerability in the rural highlands of Ethiopia.⁶

⁶ See, for instance, S. Devereux, K. Sharp and Yared Amare (2003), *Destitution in Wollo, Ethiopia*, **IDS Research Report 55**, Brighton: Institute of Development Studies.

Table 10. Household income and access to land, by PSNP status

Economic characteristics	Public Works	Direct Support	Non-beneficiaries	All households
Annual household income (Birr)	1,587	690	1,949	1,531
Total asset value (Birr)	846	320	1,471	880
Households owning land	88.8%	75.4%	88.2%	86.5%
Land cultivated (hectares)	0.64	0.47	0.98	0.70

Note: All numbers (not percentages) are average (mean) values for the category

Male-headed households in our survey earn considerably higher incomes than female-headed households (estimated at 1,711 Birr *versus* 1,031 Birr per annum in 2005/06, a margin of 69%). These gendered differences in household income are statistically significant in all four regions. The average male-headed household in Amhara earns four times as much as a female-headed household in SNNPR (2,688 Birr *versus* 654 Birr per annum) [Table 11]. Conversely, there is no significant difference in incomes between monogamous and polygamous households.

Across the four regions, the highest reported household income is in Amhara, followed by Tigray. The poorest region in this survey is SNNPR, where average annual income is less than half that in Amhara.⁷ However, this finding needs to be explained. Firstly, it is important to re-emphasise that the two *woredas* surveyed in each region are not representative of their region, so these data should not be taken as accurate estimates of household income for these regions. (This point applies equally to other data presented by region, such as household demographics and assets.) Secondly, household incomes in Amhara Region are higher than for other regions because of targeting errors in the first year of the PSNP, which resulted in the selection of 'middle income' households as beneficiaries and the exclusion of the 'poorest of the poor'. As the Targeting study reports: "In Amhara, the emphasis on graduation fundamentally skewed the 2005 targeting away from the poorest ... Amhara's targeting is much more pro-poor this year".⁸

Table 11. Mean annual household income, by region and household type (Birr)

Region	Male-headed households	Female-headed households	All households	Significance
Amhara	2,688	1,280	2,113	1%
Oromiya	1,493	1,036	1,422	5%
SNNPR	1,028	654	969	1%
Tigray	1,944	1,084	1,597	1%
All households	1,711	1,013	1,531	1%

When incomes are compared *per capita* rather than *per household*, the gender gap narrows substantially. In the sample overall, and in Oromiya and SNNPR regions, there is no statistically significant difference in per capita incomes of male- and female-headed households [Table 12]. This is because female-headed households are much smaller than male-headed households. Although female-headed households remain marginally poorer on average, even by per capita measures of income, this finding implies that the assumption that all female-headed households are poor and vulnerable – almost by definition – needs to be carefully examined in each context.

⁷ Questionnaire surveys generally under-estimate household income, so the income statistics in this report should be regarded as indicative estimates that are probably lower than the true figures.

⁸ Kay Sharp, Taylor Brown and Amdissa Teshome (July 2006), **Targeting Ethiopia's Productive Safety Net Programme: Experience and issues raised in the first year of implementation.**

Table 12. Mean annual per capita income, by region and household type (Birr)

Region	Male-headed households	Female-headed households	All households	Significance
Amhara	571.0	476.0	532.2	1%
Oromiya	269.7	267.2	269.3	n/s
SNNPR	157.7	109.6	150.2	n/s
Tigray	345.9	253.9	317.7	5%
All households	317.7	276.7	319.6	n/s

Note: n/s = not statistically significant

3.3. Household assets

The survey asked for information on a range of 39 different assets. This asset inventory covered livestock, productive assets, household goods and consumer durables. Excluded from this asset inventory are land and housing. For ease of presentation we report here the value of assets by household type and transfer types, as well as the change in asset values, together with the main reasons cited for the change in assets over a one-year period. A list of the assets and associated frequencies is annexed to this report [Table 39]. In order to create a total asset value per household it was necessary to impute prices to assets where households did not report asset values. To do this we computed the mean asset price per asset, using the reported prices within the data set. We then imputed a mean value to those assets which had missing values.

Table 13 shows that on average the per capita asset value of male-headed households is higher than that of female-headed households. 'Cash only' PSNP recipients report higher current asset values to 'food only' and mixed 'cash plus food' beneficiaries, for both male- and female-headed households. This corresponds to the finding that 'cash only' beneficiaries are wealthier, on average, than other beneficiaries. It may also reflect the fact that the PSNP transfer has enabled some accumulation of assets. We would not expect that the cash transfer alone has caused a differential increase in assets over the last year, as the programme is in its initial phase. Over time, we would expect to see a marked difference in the accumulation of assets by beneficiaries and non-beneficiaries (especially those beneficiaries who receive cash). Collection of panel data would allow us to observe this difference.

Table 13. Current asset values (mean) per capita

Household characteristic:	Male headed households	Female headed households	All households
Region			
Amhara	242.9	125.8	195.1
Oromiya	172.9	138.7	166.7
SNNPR	143.6	57.6	128.9
Tigray	203.5	146.5	185.4
PSNP status			
Cash only	203.6	142.8	184.4
Food only	173.7	139.4	161.8
Cash + food	136.9	113.3	130.3
PSNP beneficiaries	153.6	123.9	144.7
Non-beneficiaries	289.1	118.7	262.4
Average (all households)	185.9	123.3	169.1

Table 14 shows the percentage of households that experienced a change in asset holdings over the last year, and the nature of that change. Only 14% of 'cash only' beneficiaries experienced an increase in asset values over the last year, reinforcing our discussion above. Interestingly, 47% of 'food only' beneficiaries and 23% of 'cash plus food' beneficiaries reported having higher asset holdings this year as compared to last year.

It is important to disaggregate these findings. For instance, the mean number of livestock owned per household increased slightly over the year – oxen increased from 1.32 to 1.53 per owning household, cows from 1.16 to 1.43, and goats from 3.27 to 3.62 –most of this being due to natural reproduction. However, among the 382 households owning oxen, 59 households sold one or more oxen for food or other essential needs, while 54 households purchased one or more oxen. One household owned 15 oxen a year ago but only 3 at the time of the survey. A small shift in average ownership of a particular asset can conceal large movements in both directions – asset accumulation or depletion – for many households.

Table 14. Change in household asset holdings over the last year

Households	Same	Better	Worse	Total
PSNP status				
Cash only	80 (66.7%)	17 (14.2%)	23 (19.1%)	120 (100%)
Food only	44 (30.6%)	68 (47.2%)	32 (22.2%)	144 (100%)
Cash + food	178 (35.7%)	213 (42.8%)	107 (21.5%)	498 (100%)
Public Works	209 (34.3%)	262 (43.0%)	138 (22.7%)	609 (100%)
Direct Support	94 (60.6%)	37 (23.8%)	24 (15.5%)	155 (100%)
Non-beneficiaries	54 (27.3%)	70 (35.3%)	74 (37.4%)	198 (100%)
Total	356 (37.1%)	368 (38.3%)	236 (24.6%)	960 (100%)
Household head				
Male-headed	214 (30.5%)	298 (42.5%)	189 (27.0%)	701 (100%)
Female-headed	142 (54.8%)	70 (27.0%)	47 (18.2%)	259 (100%)
Total	356 (37.1%)	368 (38.3%)	236 (24.6%)	960 (100%)

An intriguing result from Table 14 is that the largest group experiencing a decline in asset holding is non-beneficiaries. Based on these findings, it appears that the PSNP has stabilised household asset holdings, allowing them to retain and in many cases even to increase asset ownership. Conversely, non-beneficiaries were more likely to deplete their assets in 2005, often to buy food. On the other hand, non-beneficiaries started from a much higher level of assets – beneficiaries had an average asset value about half that of non-beneficiaries (746 Birr *versus* 1,443 Birr). Interestingly, households that agreed with their exclusion from the PSNP had the highest asset values – almost double the asset value of those who felt they were unfairly excluded – while six households with virtually no assets were (justifiably) aggrieved at their exclusion [Table 15]. The overall conclusion is that the PSNP was fairly well targeted by the value of household assets.

Table 15. Average asset values, by PSNP status and perceived fairness

Households	Number	Mean	St. dev.	Minimum	Maximum
Included: Fair	745	749.3	896.67	0	11,181
Included: Unfair	6	291.5	238.81	73	610
Excluded: Fair	85	1,977.8	4,493.06	0	41,712
Excluded: Unfair	106	1,014.5	1,158.09	0	8,052

CHAPTER 4. HOUSEHOLD FOOD INSECURITY

This chapter considers alternative measures of household food (in)security derived from the survey data, and compares the food security status of PSNP beneficiaries and non-beneficiaries. The PSNP appears to have targeted households well, according to several indicators of food insecurity that were collected in the household survey: self-reported food shortage over the past year, meals eaten per day during the worst month within the past year, coping strategies adopted in response to food insecurity, and household self-assessed well-being.

4.1. Food shortage, 2005/06

This section reports on PSNP coverage of beneficiary and non-beneficiary households, in terms of their self-reported food security status, and reports on two types of targeting error: 'inclusion error' (households receiving PSNP benefits despite not needing assistance), and 'exclusion error' (households that did not participate in the PSNP despite needing assistance).

Within our sample of 960 households, 86% reported experiencing a food shortage over the past year (these households can be classified as 'food insecure' during 2005/06 by this indicator), while only 14% of households said they did not experience a food shortage (these households can be classified as 'food secure'). Across the eight *woredas* surveyed, households in the two SNNPR *woredas* were most likely to have experienced a food shortage, with households in the Tigray *woredas* being least affected. This is consistent with reports from elsewhere (confirmed by the qualitative fieldwork for the PSNP Targeting and Linkages studies) that SNNPR suffered quite severe food problems and high rates of malnutrition in 2005. However, with no baseline data to compare against, it is impossible to state whether these self-reported levels of food insecurity are 'normal' (despite being extremely high) or are unusually elevated for some reason.

Female-headed and older-headed households are slightly more prone to food shortage than male-headed households. Among PSNP beneficiaries, those that received 'cash only' transfers were significantly less vulnerable to food shortage in 2005/06 than those who received 'food only' or 'food plus cash' – and less vulnerable even than non-beneficiaries [Table 16]. Possibly this is because cash transfers were introduced to communities which were judged to have higher capacity in terms of infrastructure and markets, so they might have been better off overall.

Table 16. Households suffering food shortage in last year

Household Category		Households
Region	Amhara	205 (85.4%)
	Oromiya	224 (93.3%)
	SNNPR	226 (94.2%)
	Tigray	167 (69.6%)
Household type	Male-headed	590 (84.1%)
	Female-headed	232 (89.5%)
	Older-headed	210 (88.2%)
PSNP status	Cash only	73 (60.8%)
	Food only	124 (86.1%)
	Cash + food	484 (97.2%)
	PSNP beneficiaries	681 (89.7%)
	Non-beneficiaries	141 (71.2%)
Total		822 (85.6%)

Among PSNP beneficiaries surveyed, 89% [n=681/762] reported experiencing a food shortage over the past year, while just under 11% [n=81/762] said they did not [Table 17]. This implies an 'inclusion error' of food secure households in the PSNP of 10.6%, or about one household in ten, which is relatively low. On the other hand, since most households in the sample were food insecure by this indicator, these inclusion errors are high as a proportion of households that experienced no food shortage – food secure households were more likely to be included on the PSNP than excluded [n=81/138 =59%].

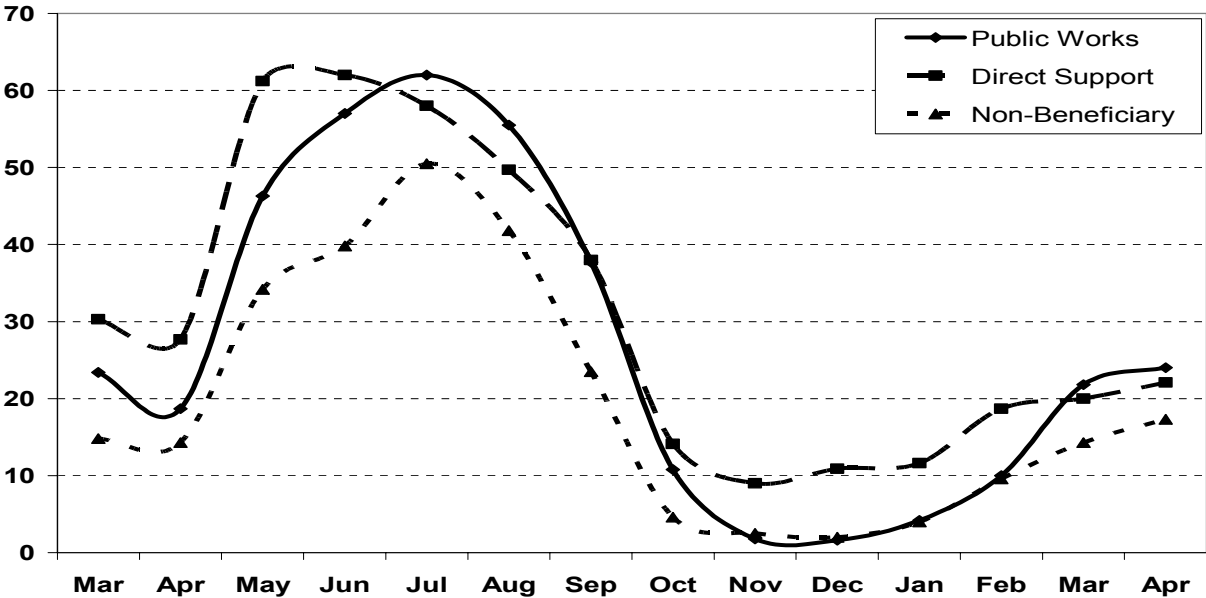
More worrying is the high level of 'exclusion error' – among non-beneficiaries, 71% [n=141/198] reported experiencing a food shortage but were excluded from the PSNP. This indicates that the coverage of the Productive Safety Net Programme is too limited relative to the level of need, on the basis of this proxy for chronic food insecurity.

Table 17. Households experiencing food shortages, by PSNP status

Beneficiary status	Food shortage	No food shortage	Total households
PSNP beneficiaries	681 (89.4%)	81 (10.6%)	762 (100%)
Non-beneficiaries	141 (71.2%)	57 (28.8%)	198 (100%)
Total households	822 (85.6%)	138 (14.4%)	960 (100%)

Figure 2 tracks households experiencing food shortages by month during 2005/06. This figure clearly illustrates that food insecurity is experienced most intensely during the mid-year months of June, July and August, and is least severe around the turn of each year, in November, December and January. However, there are variations in the seasonal pattern across regions, from north to south [see Annex Table 41]. Also, female-headed households suffer most from seasonal food insecurity, followed by older-headed households [Annex Table 40]. Nonetheless, male-headed households are almost as badly affected, and should not be overlooked since they form the majority of food insecure households in absolute numbers. Finally, PSNP beneficiaries were more likely to experience food shortages than non-beneficiaries – another indicator of good targeting by food security status – but these differences are not very large (i.e. many non-beneficiaries also faced food shortages), which supports the argument that coverage of the PSNP is inadequate.

Figure 2. Food shortages by month, 2005/06, by PSNP status



4.2. Coping strategies

The household survey asked respondents what “coping strategies” they had adopted during the previous hungry season. The ranking of strategies adopted follows a pattern that is familiar from the literature on household responses to drought and famine in Africa and Asia. The most widely adopted strategies are those that have little cost to the household and are easily reversible, such as rationing food consumption – smaller portions, or cutting back temporarily from three meals to two meals per day [see Annex Table 44]. These are by far the most commonly reported coping strategies in our survey, being adopted by almost three-quarters of the sample, and more by PSNP beneficiaries than by non-beneficiary households. This suggests that hunger in beneficiary households was more severe in 2005/06 than in non-beneficiary households, which is consistent with other evidence revealing that non-beneficiaries are better off than beneficiaries. On the other hand, this does suggest that PSNP transfers did not provide complete protection against hunger and rationing in 2005 – the transfers were either too small or too unpredictable.

Conversely, strategies that involve high cost to the household – in terms of asset stripping, or lost future income, or loss of social status – tend to be adopted last, only after other responses to hunger have been exhausted. A classic case in point is selling land, which requires the farming household to give up its most basic and indispensable productive resource. In our survey, a small number of households were forced into selling or renting out farmland to survive the 2005/06 hungry season; 18 of these 20 households were PSNP beneficiaries. Clearly, the PSNP did not entirely protect household assets against forced disposal or “distress sales”, presumably because the size of the cash or food transfers was not adequate for these households to cover their food consumption deficits.

There is not much difference in the proportion of beneficiary and non-beneficiary households adopting other coping strategies. Beneficiaries are more likely to cut back on non-essential non-food spending, to collect bush products for food or sale, and to withdraw their children from school. Non-beneficiaries are more inclined to sell livestock and other assets for food [Table 18].

Table 18. Coping strategies, by PSNP status

Coping strategy	PSNP beneficiaries	Non beneficiaries	Total
Ate less food (smaller portions)	579 (76%)	117 (59%)	696 (73%)
Reduced number of meals per day	533 (70%)	110 (56%)	643 (67%)
Reduced spending on non-food items	210 (28%)	36 (18%)	246 (26%)
Sold livestock to buy food	165 (22%)	54 (27%)	219 (23%)
Collected bush products to eat or sell	109 (14%)	17 (9%)	126 (13%)
Borrowed food or cash to buy food	101 (13%)	25 (13%)	126 (13%)
Sold firewood or charcoal to buy food	97 (13%)	21 (11%)	118 (12%)
HH members migrated to find work	78 (10%)	21 (11%)	99 (10%)
Relied on help from relatives/ friends	78 (10%)	18 (9%)	96 (10%)
Sold other assets to buy food	40 (5%)	17 (9%)	57 (6%)
Withdrew children from school	28 (4%)	7 (3%)	35 (4%)
Sent children to stay with relatives	30 (4%)	3 (2%)	33 (3%)
Sent children to work	19 (2%)	2 (1%)	21 (2%)
Rented out land to buy food	13 (2%)	1 (1%)	14 (1%)
Sold land to buy food	5 (1%)	1 (1%)	6 (1%)
Total	762 (100%)	198 (100%)	960 (100%)

4.3. Household self-assessment

Households in our survey were asked to assess themselves as “better off”, “the same” or “worse off” than one year ago, and in comparison to an “average household” in the same community. More than half of beneficiary households (62%), but less than half of non-beneficiaries (46%) reported being better off than one year earlier. Almost twice as many non-beneficiaries (28%) as beneficiaries (16%) reported being worse off than before. When asked why beneficiaries felt better off than a year ago, by far the most common reason given was: “*We received assistance from the Safety Net Programme*” (79%), followed by: “*We received assistance from other government programmes*” (24%). Conversely, the commonest reason given by non-beneficiaries for feeling worse off than this time last year was: “*Our household was not included on the Safety Net Programme*” (54%), followed by: “*The rains are not good this year*” (48%) [Table 19]. This confirms that the PSNP was recognised by beneficiaries as having a significant positive impact on their well-being in 2005.

When asked to compare their well-being against an average household in their community, most beneficiaries saw themselves as either average or worse off than average (76%), whereas most households that were excluded from the PSNP saw themselves as either average or better off than average (79%) [Table 19]. This suggests that the PSNP was well targeted on households that are in the lower half of the population, in terms of self-assessed well-being, and successfully excluded many households from the upper half of the population. When asked to explain this self-assessment, most beneficiaries who felt better off than average again attributed this to the PSNP: “*Our household received assistance from the Safety Net Program*” (70%), while most ‘better off’ non-beneficiaries stated: “*Our household has more food*” (68%). In response to the question why respondents felt worse off than an average household, beneficiaries said either: “*Our household has less food*” (60%), or: “*Our household has less land (or no land)*” (47%). Once again, non-beneficiaries who felt worse off than their neighbours blamed their exclusion from the PSNP: “*Our household was not included on the Safety Net Programme*” (59%) [Annex Table 42].

Table 19. Household self-assessment, by PSNP status

Self-assessment	PSNP beneficiaries	Non-beneficiaries
Compared to this time last year:		
Better off than last year	468 (61.8%)	92 (46.4%)
The same as last year	169 (22.3%)	50 (25.5%)
Worse off than last year	120 (15.9%)	56 (28.1%)
Compared to an average household in this village:		
Better off than an average household	181 (23.9%)	74 (37.5%)
The same as an average household	287 (38.0%)	81 (41.1%)
Worse off than an average household	288 (38.1%)	42 (21.4%)

Note: Since multiple responses were allowed to this question, totals may sum to more than 100%.

In order to test the impact of the transfer on household well-being or poverty, it is necessary to have some measures of well-being over time. Ideally we would use panel data to observe changes in monetary income or expenditure and investment behaviour over time; however as this is the first, baseline study, we are restricted to cross-sectional information on monetary indicators. Preliminary regression results indicate that, as expected, the relationship between current poverty indicators (monthly expenditure for instance) and PSNP participation is negative and significant or insignificant. This is evidence of good targeting (i.e. the poorer the household the more likely that household will be a PSNP beneficiary). This is why a follow-up survey is needed, to obtain the change characteristics and observe impacts on these variables over time, as well as across and between different groups of beneficiaries and non-beneficiaries.

Fortunately the survey did collect two ‘change in welfare’ variables that allow us to proxy for changing welfare over the last year (since the inception of the PSNP) and enable us to perform some regression analysis. These change variables are subjective poverty over the last year, as well as asset changes. In order to analyse the subjective poverty changes we run a multinomial logit model which has a three-category dependent variable (1= stayed the same; 2= became worse off; 3= became better off). We regressed this dependent variable on a range of household characteristic variables, regional dummy variables, asset characteristics and on whether the household was a PSNP beneficiary. Table 20 shows the regression results for the subjective poverty changes where PSNP status is included as a binary variable indicating whether the participant was a beneficiary or not. The results show that beneficiaries are significantly more likely to have experienced an improvement in well-being over the last year than non-beneficiaries (this is especially pronounced for the ‘mixed’ category – results available from the authors).

Other results are also as expected, with literacy of head and income positively and significantly related to feeling better off. Also, as the number of coping strategies that a household engages in increases (a proxy for vulnerability), the less likely the household is to have experienced an improvement in wellbeing over the past year. Households in Tigray are more likely to have felt an improvement in wellbeing compared to households in Amhara, whereas households in SNNPR feel worse off compared to households in Amhara.

Table 20. Multinomial regression estimates for change in subjective poverty status over the last year

	Better off (1)		The same	
	<i>beta</i>	<i>se</i>	<i>beta</i>	<i>se</i>
Beneficiary	1.04***	0.24	0.43	0.29
Cultivated land (hectares)	-0.05	0.21	-0.14	0.24
Gender of household head	-0.05	0.25	0.08	0.30
Literacy of household head	0.68*	0.40	0.75	0.46
Log of household income	0.76***	0.14	0.35***	0.16
Education of household head	-0.37	0.42	-0.80	0.50
Labour capacity index	-0.12	0.08	-0.02	0.11
Same asset value	-0.11	0.27	-0.45	0.31
Improved asset value	0.32	0.25	0.08	0.31
Household size	0.01	0.06	-0.08	0.07
Number of coping strategies	-0.16***	0.06	-0.15***	0.07
SNNPR	0.31	0.34	-1.50***	0.48
Oromiya	-0.01	0.32	-0.38	0.37
Tigray	0.56*	0.33	1.28***	0.35
_cons	-4.39***	1.01	-1.45	1.12

Number of obs = 920 ; LR chi2(28) =203.28
Prob > chi2 = 0.0000; Log likelihood = -770.95699
Pseudo R2 = 0.1165
** = significant at 10% level; ** = significant at 5% level; *** = significant at 1% level*

Note: (1) The comparison category is ‘worse off’

To evaluate the impact of PSNP involvement on changes in assets we constructed a three-category variable (1=decreased the value of assets; 2=stayed the same; 3= increased the values of assets). As the dependent progresses from ‘bad’ to a better position – in other words there is

an ordering – we were able to estimate an ordered probit model. Table 21 shows the results of this model. The positive and significant coefficient on the beneficiary variable shows that the likelihood of being a PSNP beneficiary increases as the household moves from a decrease in assets to an increase in assets. In other words, those households experiencing an increase in assets over the last year are more likely to be PSNP beneficiaries (at the 1% level). Households that have improved their assets holdings are also more likely to have more land under cultivation, engage in fewer coping strategies and are more likely to be from Oromiya than Amhara. This may suggest that while the descriptive statistics indicate that households in Oromiya appear to be the ‘worst-off’ in static terms, in dynamic terms these households appear to have experienced a positive change in well-being compared to their counterparts in Amhara. Also, Tigrayans are more likely to have experienced a decline in subjective wellbeing compared to people in Amhara. This suggests a trend towards convergence in well-being across the four regions.

Table 21. Ordered probit regression estimates for change in asset value over the last year

Ordering: 0=decreased; 1= the same; 2=improved		
	Coef.	Std. Err.
Beneficiary	0.39***	0.10
Cultivated land (hectares)	0.14***	0.07
Gender of household head	-0.03	0.10
Literacy of household head	0.18	0.16
Log of household income	0.00	0.05
Does head have education?	-0.11	0.17
Labour capacity index	-0.01	0.04
Household size	-0.02	0.02
Number of coping strategies	-0.05**	0.02
SNNPR	0.21	0.14
Oromiya	0.61***	0.12
Tigray	-0.39***	0.11
_cut1	-0.51	0.36
_cut2	0.51	0.36
Number of obs = 920; LR chi2(14) = 104.45		
Prob > chi2 = 0.0000; Log likelihood = -820.36845		
* = significant at 10% level; **= significant at 5% level; ***= significant at 1% level		

Overall, these sets of equations give us some evidence indicating that the PSNP has had positive, significant effects on the wellbeing of beneficiaries. Further analysis is needed (and is planned) that will include disaggregating productive assets from consumption assets.

CHAPTER 5. PSNP PARTICIPATION

This chapter describes the types of transfers delivered (cash, food, or cash plus food) under the two PSNP delivery mechanisms (Public Works and Direct Support), disaggregated by region and income quintile, quantifies the actual cash and food payments received by PSNP beneficiaries, and explores beneficiary preferences for payments in cash, food, or a combination of both.

5.1. Type of transfers received

Table 22 shows that one in four beneficiary households in our sample received support from the PSNP ‘for free’ (as ‘Direct Support’), while three-quarters of beneficiaries worked for their cash or food transfers (on Public Works).

Table 22. Type of PSNP transfers received, ‘for work’ or ‘for free’

Transfers	Public Works	Direct Support	Beneficiaries
Cash only	82 (72.6%)	31 (27.4%)	113 (15.0%)
Food only	118 (80.3%)	29 (19.7%)	147 (19.5%)
Mixed (cash + food)	362 (73.3%)	132 (26.7%)	494 (65.5%)
Total households	562 (74.5%)	192 (25.5%)	754 (100%)

Different PSNP transfer packages were delivered across the regions. Beneficiary households received either cash transfers, food transfers, or a combination of food and cash. In these ‘mixed’ cases, beneficiaries typically received cash in some months and food in other months, rather than a package of cash plus food at the same time. Approximately one in six PSNP households sampled received only cash [$n=120/762=16\%$], one in five received only food [$n=144/762=19\%$], while over three in five received both cash and food [$n=498/762=65\%$] [Table 23].

Across the regions, almost all beneficiaries in Amhara (95%) and SNNPR (99%) received both cash and food. Beneficiaries in Oromiya were evenly divided between ‘food only’ (49%) and ‘mixed’ (cash and food) (51%). In Tigray, over half the beneficiaries received cash (60%), while a quarter received food (24%) and a smaller number received both cash and food (16%).

By type of transfer, almost all the ‘cash only’ beneficiaries are in Tigray [$n=113/120=94\%$], while two-thirds of ‘food only’ beneficiaries are in Oromiya (65%) and one-third are in Tigray (31%). ‘Cash plus food’ beneficiaries are spread more widely across Amhara (37%) and SNNPR (38%), with smaller proportions in Oromiya (19%) and Tigray (6%).

Table 23. Type of PSNP transfers received, by region

Transfers	Amhara	Oromiya	SNNPR	Tigray	Total households
Cash only	6 (3.1%)	1 (0.5%)	0 (0.0%)	113 (60.4%)	120 (15.7%)
Food only	4 (2.1%)	94 (49.0%)	2 (1.0%)	44 (23.5%)	144 (18.9%)
Mixed (cash + food)	182 (94.8%)	97 (50.5%)	189 (99.0%)	30 (16.0%)	498 (65.4%)
Total households	192 (25.2%)	192 (25.2%)	191 (25.1%)	187 (24.5%)	762 (100%)

Table 24 disaggregates participation in the PSNP by region and by income quintile. No clear patterns emerge, except in Amhara Region, where better off households are more likely to be included than the poorest, and in SNNPR, where the PSNP appears to target the poorest of the poor more accurately than in any other region.

Table 24. PSNP participation, by income quintile and region

Region	Poorest → Richest				
	1	2	3	4	5
Amhara	29 (12.1%)	26 (10.8%)	41 (17.1%)	51 (21.3%)	93 (38.8%)
Oromiya	29 (12.7%)	45 (19.7%)	54 (23.7%)	69 (30.3%)	31 (13.6%)
SNNPR	71 (30.8%)	75 (32.5%)	49 (21.2%)	19 (8.2%)	17 (7.4%)
Tigray	59 (25.9%)	37 (16.2%)	44 (19.3%)	44 (19.3%)	44 (19.3%)
PSNP beneficiaries	148 (20.2%)	146 (20.0%)	163 (22.3%)	147 (20.1%)	128 (17.5%)
Non-beneficiaries	40 (20.5%)	37 (19.0%)	25 (12.8%)	36 (18.5%)	57 (29.2%)
Total households	188 (20.3%)	183 (19.7%)	188 (20.3%)	183 (19.7%)	185 (20.0%)

5.2. Transfers received by PSNP beneficiaries

Figure 3 below shows the number of households receiving different payments as well as the number of households participating in the PSNP on a monthly basis over the last year. There is a clear seasonality to the different payments as well as the work element of the PSNP, with the majority of households participating and receiving benefits between April 2005 and May 2005. By November the levels of participation were very low, with approximately 50 households in the total sample participating in December. By March this year, we see that the figures again begin to rise as a new round of PSNP begins. Figure 3 also shows that at certain times of the year cash is the prevalent payment, whereas at other times food becomes the dominant method of payment.

Figure 3. Households receiving cash or food, or participating in the PSNP, by month

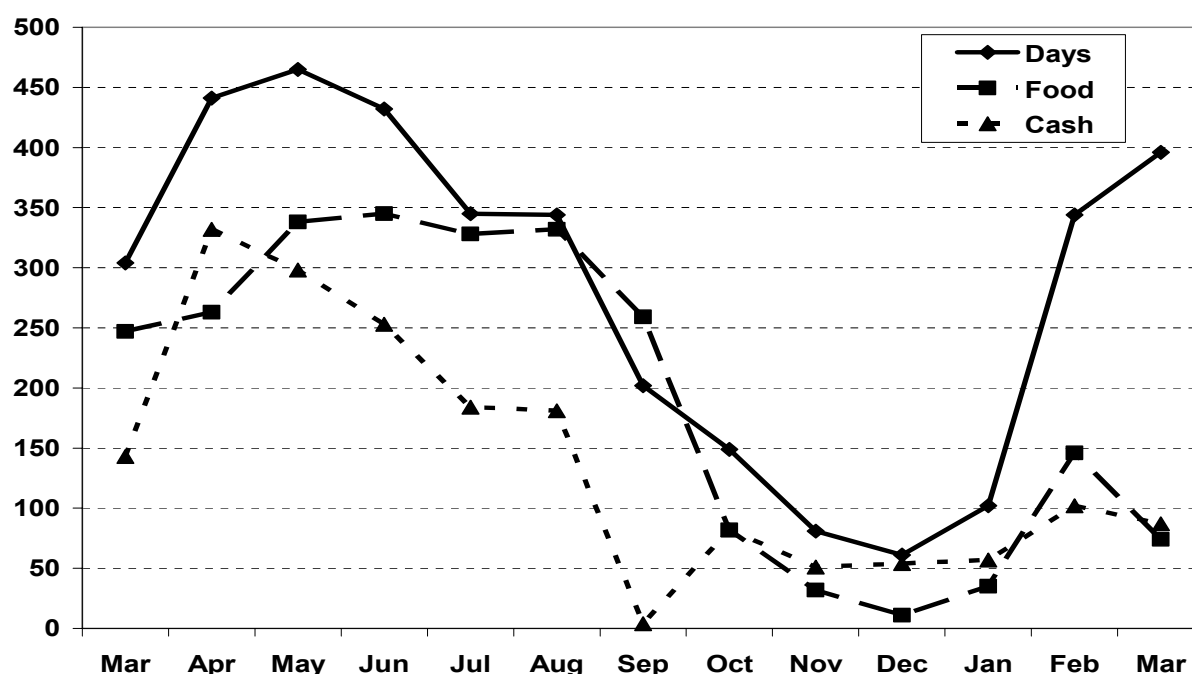


Figure 4 charts the average number of days worked on PSNP Public Works per household over the last year. In keeping with Figure 3 above, it is clear that the mean days worked peaked in the early months of programme implementation (between April and June 2005), then fell towards zero at the end of the year (October to January), before rising again when the second year of PSNP began (February to March 2006).

Figure 4. Mean number of days worked on PSNP per household, 2005/06

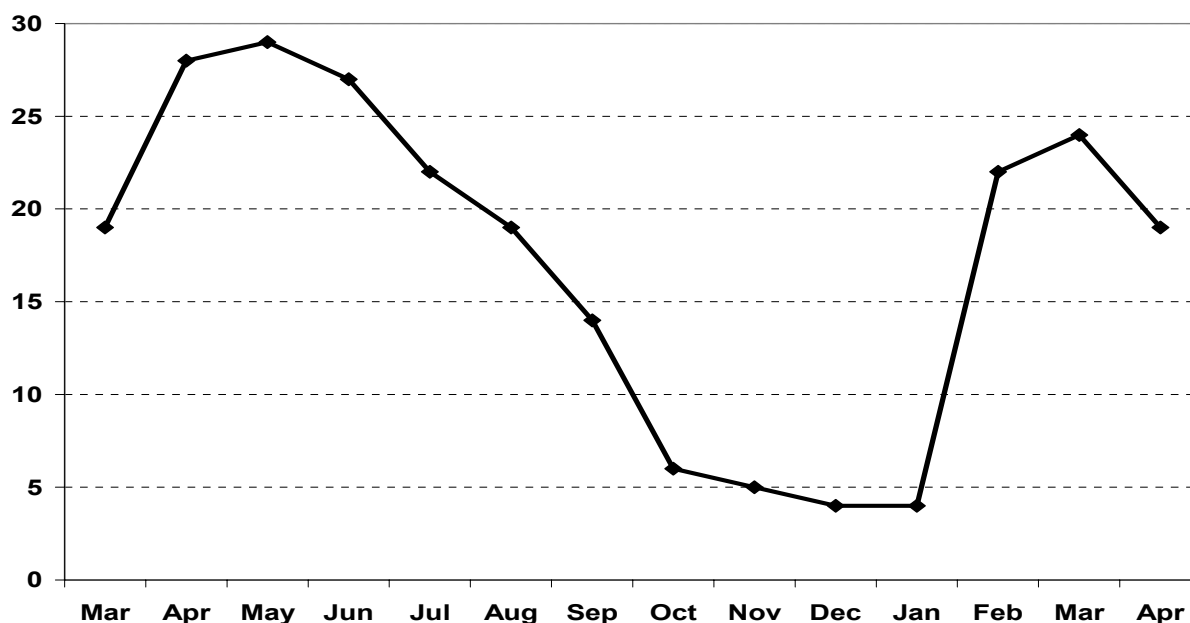


Table 25 provides estimates of the total value of cash and food transfers to PSNP beneficiaries in 2005. This analysis reveals that male-headed households received significantly more transfers of food and of cash than female-headed households (291 kg *versus* 217 kg of cereal, and 495 Birr *versus* 287 Birr in cash). Interestingly, households that received either cash only or cash and food enjoyed a higher total transfer value than households that received their transfers only in food, though the differences between these three groups are not statistically significant. (However, this depends on the imputed market price that is applied to convert cereals into cash equivalents.)

Table 25. Total value of cash and food transfers to PSNP households, 2005

Household category	Total cereal received (kg)	Cash value of cereal received (@ 1.7 Birr/kg)	Total cash received (Birr)	Total value of cash + food received (Birr)
Household type				
Male-headed	291.60	495.7	417.2	912.9
Female-headed	217.45	369.6	287.5	657.1
PSNP status				
Cash only	-	-	703.3	703.3
Food only	392.91	667.9	-	667.9
Cash + food	239.24	406.7	307.5	714.2

Table 26 presents the data on value of PSNP transfers per capita, instead of per household. This is an important addition to the previous analysis, because the PSNP is scaled for household size, and since male-headed households are larger than average, the value of transfers per capita is approximately equal across household types – in fact, female-headed households actually received slightly more per capita from the PSNP in 2005. Table 26 also reveals that beneficiary households received approximately 90% of the transfers they were entitled to in terms of the programme design. Total entitlement under the PSNP amounts to 180 Birr per capita per year, and total transfers actually received averaged 160 Birr per capita in 2005.

Table 26. Per capita value of cash and food transfers to PSNP households in 2005

Household category	Total cereal received per capita (kg)	Cash value of cereal per capita (Birr)	Total cash received per capita (Birr)	Total value of cash + food per capita (Birr)
Household type				
Male-headed	50.18	85.3	69.9	155.2
Female-headed	54.93	93.3	76.3	169.6
PSNP status				
Cash only	-	-	135.3	135.3
Food only	71.41	121.3	-	121.3
Cash + food	45.38	77.2	55.2	132.4

Note: Calculations of cash value of food are based on an average cereal price of 1.7 Birr/kg

5.3. Cash payments to PSNP Public Works participants

This section presents an analysis of cash payments made to PSNP beneficiaries who participated in Public Works activities in 2005/06. (Payments made in food are not included in this analysis.) Figure 5a graphs the average cash payment per worker for all ‘cash only’ and ‘cash plus food’ PSNP participants, conditional on payment (not conditional on work, which requires a different analysis). It therefore shows the average payment per day over the year. The figure shows that the daily cash wage rate remained at a constant level of about 6 Birr a day from March to July 2005, then started to rise (though erratically) until it peaked at 12.7 Birr in December, before falling back to approximately 6 Birr from January through April 2006. The high variability of the wage rate between September and January is probably explained by the very few numbers of Public Works participants in these months – Figure 5a also shows that most PSNP employment was provided between March and August 2005, when the wage rate was also the most stable.

Figure 5b disaggregates the daily wage offered on PSNP Public Works by region. Two features of this figure are particularly striking. First are the very low wages paid in Oromiya Region, peaking at just 2.5 Birr per day and dropping to just 0.2 Birr per day, which probably reflects non-payment or under-payment for work already completed, rather than an agreement before work started that PSNP participants would accept such unfeasibly low wages. (Note that the discontinuities in Figure 5b reflect breaks in employment as well as delayed payments.) A second striking feature is the fact that Public Works continued in Tigray Region long after they had stopped for 2005 in other regions. This could be indicative of the argument made by implementing officials and NGOs in Tigray (as emphasised in the consultation workshop for this study) that six months is too short for PSNP implementation, and that 8-10 months would be more appropriate. Tigray is therefore also responsible for the high cash wage rates recorded in the last few months of 2005 – it seems that a decision was taken in Tigray to pay workers much higher than the standard 6 Birr per day.

Figure 5. Daily payments made in cash to PSNP Public Works participants in 2005/06

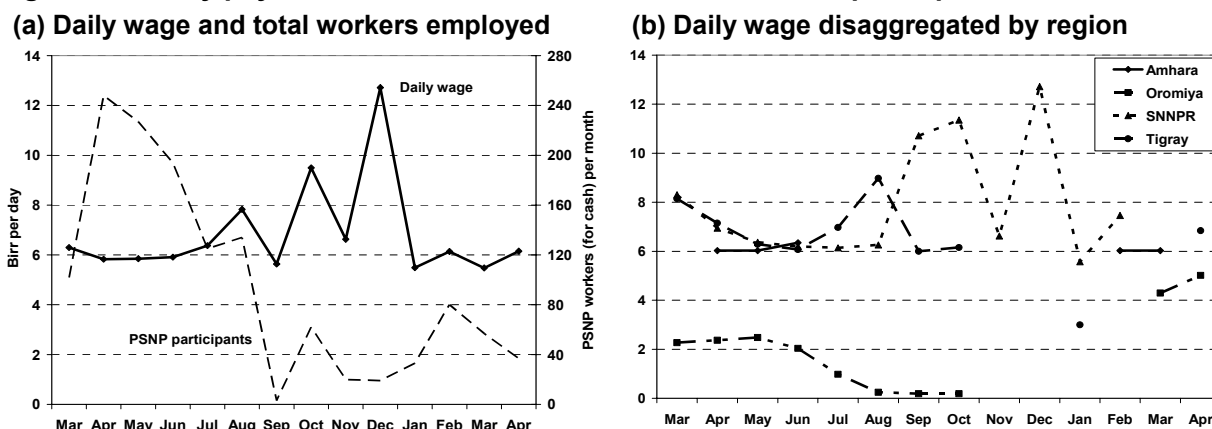
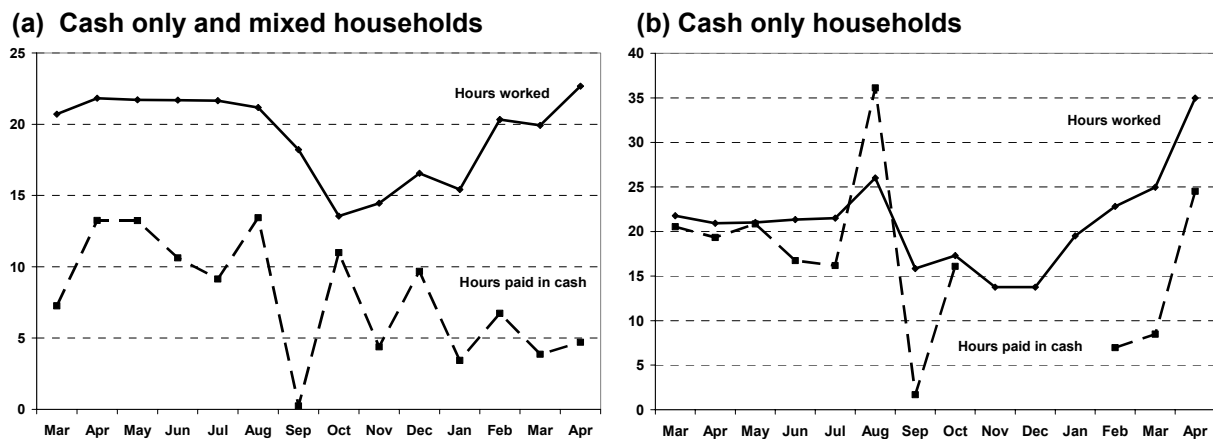


Figure 6 graphs the relationship between hours worked on PSNP Public Works activities and hours for which payment in cash was received by the participants, month by month. Figure 6a shows average hours worked and paid for in cash, for cash only and mixed (cash plus food) households. Actual hours worked appear substantially to exceed paid hours in every month, but it would be incorrect to attribute this to under-payment or non-payment of PSNP workers. The hours depicted here includes time worked for both food and cash, while payment refers only to hours worked for cash. Most of the gap between hours worked and hours paid in cash would be filled by hours paid in food. The analysis shown in Figure 6b therefore provides a more accurate representation of the relationship between work and payment, because it only includes the days worked for cash transfers, rather than conflating cash and food payment days (as in Figure 6a).

Figure 6b shows average hours worked and paid for in cash, for cash only households (excluding both 'food only' and 'cash plus food' households). It is clear from this figure that the problem PSNP Public Works participants face is not under-payment, but late and erratic payment. Time worked never fell below 14 hours or above 26 hours per month during 2005, but participants were paid for as much as 36 hours in one month (in August, making up for under-remuneration in 4 of the previous 5 months), while zero payments were made in 2 months (November and December). The significance of this finding cannot be over-stated. The PSNP is supposed to provide regular, predictable transfers to chronically food insecure households, to provide some income security and the ability to plan ahead. Irregular payments will not achieve this fundamental objective.

Figure 6. Hours worked and paid for in cash on PSNP Public Works, 2005/06



These findings are informative as they give an indication of how much PSNP workers are being paid, as well as whether they are being paid on time. However, this is a partial analysis, since it considers only cash payments on Public Works. Further analysis is needed to consider payments on Public Works made in food. These food payments would then need to be converted to their cash equivalent values – using appropriate market prices – and added to the cash transfers, to permit conclusions to be drawn about the monetary value of total payments. Alternatively (or as well), cash payments could be converted to their food equivalent values, to permit conclusions to be drawn about the food security impacts of PSNP transfers. The findings presented here provide a model for this further data analysis.

5.4. Beneficiary preferences for different types of transfers

Finally, survey respondents were asked about their preferences for type of transfer through the PSNP. The majority of households stated that they prefer food only (54%), followed by half food, half cash (36%), while less than one in ten said they would prefer cash only (9%). Preferences for 'food only' were highest in Oromiya and Tigray, while Amhara and SNNPR were equally divided between 'food only' and 'half food, half cash'. Household preferences for types of transfer tend to reflect to some extent the type of transfer actually received – those who favour cash, food or "half and half" are dominated by those already receiving cash, food, or both cash and food [

Table 27].

Table 27. Respondents' preferences for type of assistance from the PSNP

Household category	Cash only	Food only	Half food, half cash	Total households
Region				
Amhara	13 (6.8%)	87 (45.8%)	90 (47.4%)	190 (25.3%)
Oromiya	8 (4.3%)	129 (68.6%)	51 (27.1%)	188 (25.0%)
SNNPR	16 (8.6%)	79 (42.7%)	90 (48.6%)	185 (24.6%)
Tigray	31 (16.5%)	113 (60.4%)	43 (22.9%)	187(24.9%)
Household type				
Male-headed	52 (9.9%)	282 (53.8%)	190 (36.2%)	524 (69.8%)
Female-headed	16 (7.0%)	126 (55.7%)	84 (37.1%)	226 (30.1%)
Older-headed	14 (7.0%)	98 (49.4%)	274 (36.5%)	198 (26.4%)
PSNP beneficiary status				
Cash only	29 (24.2%)	57 (47.5%)	34 (28.3%)	120 (16.0%)
Food only	6 (4.3%)	107 (75.9%)	28 (19.9%)	141 (18.8%)
Cash + food	33 (6.7%)	244 (49.9%)	212 (43.4%)	489 (65.2%)
Income quintile				
Quintile 1 (poorest)	9 (6.3%)	77 (53.5%)	58 (40.3%)	144 (19.2%)
Quintile 2	13 (9.1%)	70 (48.9%)	60 (42.0%)	143 (19.1%)
Quintile 3	18 (11.0%)	90 (55.2%)	55 (33.7%)	163 (21.7%)
Quintile 4	15 (10.2%)	78 (53.1%)	54 (36.7%)	147 (19.6%)
Quintile 5 (richest)	13 (10.1%)	77 (59.7%)	39 (30.2%)	129 (17.2%)
Total households	68 (9.1%)	408 (54.4%)	274 (36.5%)	750 (100%)

When beneficiary preferences are analysed by income levels, some trends can be discerned [Table 27]. There is a slight tendency for better off households to favour cash more than poorer households (10% of the wealthiest quintile *versus* 6% of the poorest quintile), while the poorest households are more likely to favour a combination of half food and half cash (40% *versus* 30%). There is no clear trend in terms of wealthier or poorer households preferring food only, though this is the dominant choice by every income quintile.

The household survey tried to establish the reason for respondents' preferences, by including an open-ended question asking respondents to explain their choice. A wide range of reasons were given for each type of assistance chosen (cash only, food only, or half food and half cash). These are summarised under each preference below.

Reasons for preferring food only:

1. Fear that cash will be wasted while food will be used sensibly.
2. Food can be stored while cash tends to be spent immediately.
3. High food prices.
4. Problems of getting to the market (especially elderly people and people with disabilities).
5. Food is the most urgent priority in many households.
6. Lack of food from production (landless households).
7. Fears that 'cash aid' will cause food price inflation.
8. A belief that food aid can 'stabilise' market prices.

9. Food is essential to avoid hunger and starvation.
10. A belief that the value of cash aid is less than the value of food aid.⁹

Reasons for preferring cash only:

1. Cash allows for a more diverse diet than food aid.
2. Wheat provided as food aid is not preferred by many beneficiaries.
3. People have many needs for cash, including: milling costs, clothes, health expenses, social obligations, food (including non-cereals), 'flavours' (salt and spices), agricultural inputs, livestock purchase, hiring daily labour, school fees, repaying loans, petty trading.
4. Food aid has to be collected and carried home.
5. Cash is more flexible and liquid than food aid.

Reasons for preferring half food, half cash:

1. Beneficiaries have both food and non-food needs, which cannot be met by receiving only one or the other.
2. Food is needed when food prices are high, but cash is more useful after the harvest when food prices are low.
3. Some food aid must always be sold for cash needs, while some 'cash aid' must always be used to buy food, so half and half is the most useful combination.

Some respondents argued that cash and food are useful at different times of year, and requested that the PSNP should provide transfers in the form of food when food is scarce and prices are high, and cash when food is readily available and cheap (i.e. after the harvest), rather than a combination of cash plus food being given every month.

Table 28 presents a selection of direct quotations by respondents (from over 600 responses to the open-ended question about preferences for cash, food, or mixed transfers) in order to provide a flavour of the range of reasons provided.

Table 28. Reasons given for preferences for difference types of PSNP assistance

Reasons for preferring food:
○ <i>"If it is in cash I may simply spend it, but if it is in terms of food I will consume it directly."</i>
○ <i>"If food is given to me I don't sell it or waste it."</i>
○ <i>"Food is better stored than money."</i>
○ <i>"We prefer food because food grains are expensive in our area."</i>
○ <i>"if I receive cash I have no-one to go to market and buy me food."</i>
○ <i>"We save our labour and time going to market to purchase food if we get food directly."</i>
○ <i>"We prefer food since the immediate problem of our household is food shortage."</i>
○ <i>"Because I have no land for production I prefer food items to cash."</i>
○ <i>"Even if we receive money we tend to purchase food."</i>
○ <i>"Because I can get money from other jobs I prefer food aid."</i>
○ <i>"If all the aid is in cash, food on the market may become expensive."</i>
○ <i>"If they give me cash I am unable to go to market and purchase."</i>
○ <i>"Food aid can stabilise the market in addition to stabilising daily consumption."</i>
○ <i>"I prefer food to get rid of famine."</i>
○ <i>"The cash aid given may not be equivalent to the food given."</i>

⁹ Our own analysis, presented earlier in this chapter, suggests that this belief might be misguided.

- *“Food makes us energetic, unlike money in the pocket.”*

Reasons for preferring cash:

- *“We prefer cash because we can buy different types of food grains; but if only wheat is given we have no chance to consume variety of diets.”*
- *“We prefer cash because we can buy different types of food grains.”*
- *“We prefer cash get rid of various problems that money can solve.”*
- *“Food aid requires carrying and taking to home, which is tiresome.”*
- *“Cash is portable but I need to carry the food aid to my home, while I am too weak to do so.”*
- *“Money can be changed into what is needed.”*

Reasons for preferring half food, half cash:

- *“We use the food for consumption and the cash to purchase various domestic items.”*
- *“I prefer the food during summer as food grains become expensive, and the money to buy food grains during ‘meher’ season.”*
- *“If we get both wheat and cash we are not forced to sell the wheat. Therefore we prefer both.”*
- *“We use the food for consumption and the cash for various purposes.”*
- *“Both cash and food are important for survival.”*
- *“We use the food for direct consumption and the cash for domestic, medical and milling expenses as well as to purchase livestock.”*
- *“The food is consumed during famine and the money buys food when it becomes cheap.”*

5.5. Households receiving Livelihood Packages

A total of 67 households in our survey of 960 households (7.0%) received a Livelihood Package under the Food Security Programme. Of these, 49 packages (73%) went to PSNP beneficiaries and 18 packages (27%) were allocated to non-beneficiaries [Table 29]. All but one of the 49 beneficiaries who received the packages were working on PSNP Public Works; only one was on Direct Support. This reflects the fact that most households receiving Direct Support are labour constrained and are therefore unable either to participate in Public Works or to take advantage of Livelihood Packages that require working to generate additional income. This also implies that households receiving Direct Support are unlikely ever to ‘graduate’ from the PSNP, but will in all probability need external assistance for a long time, possibly for their entire lives.

Table 29 also shows which households received Livelihood Packages by income quintile. Half of all recipients of packages in our survey are in the 5th quintile – the wealthiest 20% of the sample – and three-quarters (50 out of 67) are in the top two quintiles. One possible explanation for this concentration among better-off households is graduation – the Livelihood Packages might have already assisted many households to increase their incomes such that they have moved up the income distribution, from poorer to richer quintiles. However, this seems unlikely given that the programme is only in its first year.

A more plausible explanation is that the skewed distribution of Livelihood Packages reflects mis-targeting towards wealthier households, rather than rapid graduation. Earlier we noted that PSNP beneficiaries themselves were often drawn from middle and upper quintiles, in a deliberate effort to increase the potential for graduation. It is quite possible that beneficiaries of Livelihood Packages were similarly selected from the upper income quintiles, for this same reason – to maximise the chances of graduation and repayment of loans (bearing in mind that the Livelihood Packages are not grants, but are given on credit). The only way to determine which hypothesis is correct is to collect panel data on a regular basis (e.g. annually), to monitor trends in the income of households before and after they receive a Livelihood Package.

The 18 non-PSNP recipients of Livelihood Packages in our sample are also better off than the average household. They have an average labour capacity index of 3.72, so clearly have enough

household labour to make good use of the income-generating opportunities that the package aims to provide. Their average monthly income is over 4,000 Birr – double that of non-beneficiary households overall, and almost treble the average income of the total sample. Similarly, their average asset values are higher than any other sub-sample, and more than double the sample mean. All this strongly suggests that some relatively wealthy people have managed to acquire Livelihood Packages – or that they have become relatively wealthy since receiving a package.

Table 29. Households receiving Livelihood Packages, 2005/06

Household category	Livelihood Package	No Livelihood Package	Total households
PSNP beneficiary status			
Public Works	48 (71.6%)	561 (62.8%)	609 (63.4%)
Direct Support	1 (1.5%)	154 (17.3%)	155 (16.2%)
Non-beneficiary	18 (26.9%)	178 (19.9%)	196 (20.4%)
Income quintile			
Quintile 1 (poorest)	5 (7.5%)	183 (21.3%)	188 (20.3%)
Quintile 2	3 (4.5%)	180 (20.9%)	183 (19.7%)
Quintile 3	9 (13.4%)	179 (20.8%)	188 (20.3%)
Quintile 4	17 (25.4%)	166 (19.3%)	183 (19.7%)
Quintile 5 (richest)	33 (49.3%)	152 (17.7%)	185 (20.0%)
Total households	67 (7.0%)	893 (93.0%)	960 (100%)

CHAPTER 6. IMPACTS OF PSNP TRANSFERS

The literature suggests that food aid and cash transfers tend to be used differently by beneficiary households – food transfers are more likely to be consumed by recipients and their families (though food is fungible, meaning it can also be sold or exchanged), while cash is used for a wider variety of purposes (though poor households typically spend most of their income on food).

This chapter explores how PSNP beneficiaries used the cash and food they received from the Productive Safety Net Programme in 2005/06, and also considers a number of other impacts of the PSNP – on household food security, access to services, asset protection and asset creation.

6.1. Use of food transfers by PSNP beneficiaries

PSNP beneficiaries who received either ‘food only’ or ‘cash plus food’ transfers were asked what they had done with this food. Not surprisingly, given the evidence presented in earlier chapters of severe food insecurity among these households, the overwhelming majority of respondents replied that they consumed all the food they received at home [$n=581/663 = 88\%$]. A significant minority of beneficiaries sold some of their PSNP food and consumed the rest (7%). Interestingly, households that received only food were twice as likely to do this as those who received cash plus food (11% *versus* 6%), probably because households that received only food had to sell some to meet their household’s urgent non-food needs [Table 30].

There are no other significant differences in the use of food between beneficiaries who received food only and those who received both cash and food transfers. Other strategies – selling the PSNP food to buy other foods (cheaper or more preferred food staples, or complementary food groups), feeding it to livestock or giving it to other people – were each adopted by only a handful of beneficiaries.

Table 30. Use of PSNP food transfers, by transfer package

Use of food	Food only beneficiaries	Cash + food beneficiaries	Total beneficiaries
Ate all the food	125 (82.8%)	456 (89.1%)	581 (87.6%)
Sold some food and ate the rest	17 (11.3%)	31 (6.1%)	48 (7.2%)
Sold food to buy other food	2 (1.3%)	7 (1.4%)	9 (1.4%)
Gave some food away and ate the rest	3 (2.0%)	5 (1.0%)	8 (1.2%)
Sold all the food for cash	1 (0.7%)	6 (1.2%)	7 (1.1%)
Gave all the food to others as a payment	2 (1.3%)	4 (0.8%)	6 (0.9%)
Gave the food to livestock for feed	0 (0.0%)	3 (0.6%)	3 (0.5%)
Gave some food as payments, ate the rest	1 (0.7%)	0 (0.0%)	1 (0.2%)
Total households	151 (22.8%)	512 (77.2%)	663 (100%)

No clear patterns emerge in the use of food when beneficiary households are ranked by income. One hypothesis might be that better off households (in quintiles 4 and 5) would be more likely to sell some of their food, and that poorer households (in quintiles 1 and 2) are more food insecure and are therefore more likely to consume all their food. In fact the reverse is the case. Almost all households in the wealthiest quintile consumed all their PSNP food (96%), and very few of these households sold any food (3%), while a smaller proportion of households in the poorest quintile ate all their food (87%), and a sizeable number sold some or all of their food transfers (13%) [Table 31].

Table 31. Use of PSNP food transfers, by income quintile

Use of food	Poorest → Richest				
	1	2	3	4	5
Ate all the food	104 (87.4%)	118 (85.5%)	124 (86.1%)	106 (84.8%)	105 (96.3%)
Sold some food and ate the rest	12 (10.1%)	10 (7.2%)	11 (7.6%)	10 (8.0%)	3 (2.8%)
Sold food to buy other food	1 (0.8%)	3 (2.2%)	4 (2.8%)	0 (0.0%)	0 (0.0%)
Gave some food as payment, ate the rest	0 (0.0%)	2 (1.4%)	2 (1.4%)	4 (3.2%)	0 (0.0%)
Sold all the food for cash	2 (1.7%)	3 (2.2%)	1 (0.7%)	0 (0.0%)	0 (0.0%)
Gave all the food to others as a payment	0 (0.0%)	1 (0.7%)	1 (0.7%)	3 (2.4%)	1 (0.9%)
Gave the food to livestock for feed	0 (0.0%)	0 (0.0%)	1 (0.7%)	2 (1.6%)	0 (0.0%)
Gave some food away and ate the rest	0 (0.0%)	1 (0.7%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	119 (18.7%)	138 (21.7%)	144 (22.7%)	125 (19.7%)	109 (17.2%)

6.2. Use of cash transfers by PSNP beneficiaries

The survey data reveal that cash transfers are used in a much more diverse way than are food rations. Almost all beneficiaries used some of their cash to buy staple food (80%) or other food (11%). But cash transfers were also used by over half of beneficiaries to buy groceries (59%), and by just under half to buy clothes (41%). Significant numbers of beneficiaries spent some cash on health (29%) and education (15%), or invested in farming (15%), and similar numbers used PSNP cash to pay debts (16%) or taxes (15%). Fewer households purchased livestock (8%) and invested in their business (1%), but in terms of amount of cash spent these were the highest categories of spending (131 Birr and 124 Birr) after staple food (162 Birr) [Table 32].

Table 32. Use of PSNP cash transfers

Use of Cash	Households	Percentage	Average spent (Birr)
Bought staple food	486	80.1%	162.2
Bought groceries	355	58.5%	34.3
Bought clothes	249	41.0%	91.5
Paid for health costs	178	29.3%	62.5
Debt repayment	95	15.7%	84.8
Paid for education costs	93	15.3%	27.6
Paid taxes	89	14.7%	17.5
Bought seeds for farming	88	14.5%	64.6
Bought other food	66	10.9%	84.4
Bought livestock	50	8.2%	131.1
Bought fertiliser	26	4.3%	67.5
Social obligations	24	4.0%	19.0
Used for business	6	1.0%	124.2
Lent money to others	1	0.2%	8.1
Gave cash to help others	0	0.0%	0.0

Disaggregating the spending of cash transfers between beneficiaries who received cash only and those who received both cash and food does not reveal any significant differences. For instance, both sets of beneficiaries spent 43% of their cash on purchasing food from the market.

Comparing the spending of cash transfers on consumption items across income quintiles reveals few striking differences between the lowest and highest quintiles. Poorer groups are marginally more likely to buy staple food and much more likely to buy other food, but all groups are equally inclined to spend some PSNP cash on groceries and clothes (including *gabis* for warmth and clothes for school-children – which are basic needs, not extravagance). The clearest trend across wealth categories is in terms of social obligations – better off groups are more likely to use PSNP cash for social obligations (although the numbers involved are small) [Table 33].

Table 33. Use of PSNP cash transfers for consumption purposes, by income quintile

Use of cash	Poorest → Richest				
	1	2	3	4	5
Bought staple food	103 (21.7%)	93 (19.6%)	104 (21.9%)	95 (20.0%)	80 (16.8%)
Bought other food	20 (32.3%)	14 (22.6%)	8 (12.9%)	9 (14.5%)	11 (17.7%)
Bought groceries	78 (22.4%)	59 (17.0%)	72 (20.7%)	63 (18.1%)	76 (21.8%)
Bought clothes	44 (18.1%)	70 (28.8%)	62 (25.5%)	33 (13.6%)	34 (14.0%)
Social obligations	2 (8.7%)	3 (13.0%)	4 (17.4%)	7 (30.4%)	7 (30.4%)
Paid taxes	11 (12.4%)	24 (27.0%)	26 (29.2%)	12 (13.5%)	16 (18.0%)
Lent money to others	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (100%)	0 (0.0%)
Total households	258 (20.8%)	263 (21.2%)	276 (22.2%)	220 (17.7%)	224 (18.1%)

Separating out the spending of PSNP cash transfers on investment purposes – agriculture, business, education, health, and so on – reveals some interesting trends across income quintiles. The poorest beneficiaries were almost twice as likely to use some PSNP cash to repay debts (48% of the two poorest quintiles, *versus* 28% of the two richest quintiles) and to pay for health care (56% of the two poorest quintiles, *versus* 23% of the two richest quintiles). In terms of investment in farming, poorer and wealthier households were equally inclined to buy seeds, but wealthier beneficiaries were more likely to purchase fertiliser. Interestingly, poorer beneficiaries were more likely to buy livestock than wealthier beneficiaries, possibly because better off rural households are more likely to rear animals and so have less need to purchase them [Table 34].

Table 34. Use of PSNP cash transfers for investment purposes, by income quintile

Use of cash	Poorest → Richest				
	1	2	3	4	5
Debt repayment	23 (24.7%)	22 (23.7%)	22 (23.7%)	11 (11.8%)	15 (16.1%)
Bought seeds	15 (17.1%)	16 (18.2%)	27 (30.7%)	17 (19.3%)	13 (14.8%)
Bought fertiliser	1 (3.9%)	6 (23.1%)	11 (42.3%)	3 (11.5%)	5 (19.2%)
Paid for health costs	44 (26.0%)	51 (30.2%)	36 (21.3%)	23 (13.6%)	15 (8.9%)
Paid for education	13 (14.1%)	26 (28.3%)	21 (22.8%)	13 (14.1%)	19 (20.7%)
Used for business	2 (33.3%)	2 (33.3%)	2 (33.3%)	0 (0.0%)	0 (0.0%)
Bought livestock	9 (18.0%)	21 (42.0%)	13 (26.0%)	4 (8.0%)	3 (6.0%)
Total households	107 (20.4%)	144 (27.2%)	132 (25.0%)	71 (14.2%)	70 (13.2%)

6.3. Other impacts of PSNP on beneficiary households

Several questions in the household survey asked beneficiaries questions that aimed to discover whether receiving PSNP transfers had improved their food security status, protected household assets, enhanced their access to health and education services, or facilitated the acquisition of new assets or skills. These responses are summarised in the discussion below [see Table 35].

Food security impacts: Three-quarters of beneficiary households reported that they consumed more food or better quality food this year than last year [$n=570/762 =75\%$], and 94% of these households attributed this to the PSNP. Three in five beneficiaries retained more of their own food production to eat rather than selling for other needs [$n=456/731 =62\%$], and 90% of these beneficiaries said that this was directly because of the PSNP.

Asset protection: Three in five beneficiaries avoided having to sell assets to buy food in 2005 [$n=437/705 =62\%$] – a common ‘distress response’ to household food shortage. A smaller but still sizeable proportion of beneficiaries – just over one-third – avoided using their savings to buy food [$n=242/679 =36\%$]. In both cases again, 90% of these households explained these positive outcomes in terms of the PSNP. Since one of the stated objectives of the PSNP is to protect household assets, this is an important and very positive finding.

Access to services: Almost half the beneficiaries surveyed stated that they used healthcare facilities more in 2005/06 than in 2004/05 [$n=344/746 =46\%$], and 76% of these households credited the PSNP with this enhanced access. More than one-third of households enrolled more of their children in school [$n=231/595 =39\%$], and half of all beneficiaries kept their children in school for longer, rather than withdrawing them when cash or food was short [$n=297/598 =50\%$]. Over 80% of these beneficial impacts were said to be due to the PSNP.

Asset creation: Approximately one-quarter of PSNP beneficiaries acquired new assets for their households [$n=170/726 =23\%$], or new skills [$n=214/748 =29\%$] during 2005/06. The PSNP was held responsible for the acquisition of most of these skills (86%), presumably through training received on Public Works projects, but far from all of these assets (55%).

Table 35. Other impacts of PSNP on beneficiary households

Impact	Households	Because of PSNP	For other reasons	Valid households
Consumed more food or better food this year than last year	570 (74.8%)	533 (69.9%)	37 (4.9%)	762 (100%)
Retained own food production to eat yourselves	456 (62.4%)	409 (56.0%)	47 (6.4%)	731 (95.9%)
Avoided having to sell household assets to buy food this year	437 (62.0%)	399 (56.6%)	38 (5.4%)	705 (92.5%)
Avoided having to use household savings to buy food this year	242 (35.6%)	217 (32.0%)	25 (3.7%)	679 (89.1%)
Used healthcare facilities this year more than last year	344 (46.1%)	261 (35.0%)	83 (11.1%)	746 (97.9%)
Kept children in school for longer this year than last year	297 (49.7%)	257 (43.0%)	40 (6.7%)	598 (78.5%)
Enrolled more children in school this year than last year	231 (38.8%)	194 (32.6%)	37 (6.2%)	595 (78.1%)
Acquired any new household assets	170 (23.4%)	94 (12.9%)	76 (10.5%)	726 (95.3%)
Acquired any new skills or knowledge	214 (28.6%)	183 (24.5%)	31 (4.1%)	748 (98.2%)

Note: ‘Valid households’ excludes those beneficiaries to whom the question does not apply (e.g. households with no school-age children are excluded from questions about education)

6.4. PSNP impacts on markets and food prices

In all 16 communities where the ‘trends in transfers’ household survey was conducted, fieldwork supervisors collected price data from local markets and traders on staple food crops. Eight food crops were found to be on sale and/or consumed in these 16 communities: four ‘basic staples’ – maize, wheat, sorghum and barley – and four more expensive food crops – millet, enset, oats and teff. The price differential between these eight crops is dramatic: the average price of teff costs twice as much as barley and maize, and oats costs three times as much. Table 36 ranks the eight crops by their average price. Barley, maize and sorghum are the cheapest crops at all times of year (under 2 Birr per kilogram on average in 2005/06), with wheat, millet and enset in the middle band (between 2 and 3 Birr), and teff being quite costly (above 3 Birr) and oats very expensive (above 5 Birr).

Table 36. Prices of food crops in PSNP survey communities, 2005/06 (Birr/kg)

Crop	Mid-2005	Late 2005	Mid-2006	Average
Barley	1.98	1.40	1.82	1.73
Maize	2.01	1.43	1.82	1.75
Sorghum	2.14	1.60	2.02	1.92
Wheat	2.34	1.74	2.17	2.08
Millet	2.57	1.93	2.47	2.32
Enset	3.35	1.70	2.85	2.63
Teff	3.91	2.86	3.82	3.53
Oats	6.00	5.00	5.70	5.57
All Staples	3.04	2.21	2.83	2.69

Because the PSNP is intended to provide access to basic subsistence, the four high-cost food items are excluded from the subsequent analysis, and only the four cheapest and most widely consumed staples are considered – barley, maize, sorghum and wheat. Prices for these four crops follow a north-south gradient within Ethiopia. Across the four regions where the household survey was conducted, average food prices were generally highest in Tigray (averaging 2.2 Birr per kilogram in 2005/06), followed by Amhara (just over 2 Birr), then Oromiya (1.6 Birr), and lowest in SNNPR (averaging under 1.4 Birr) [Table 37].

Prices also fluctuate seasonally, being lowest after harvest and highest in the pre-harvest hungry months. Respondents were asked to recall the highest and lowest prices for food crops within the last year, and to state the month in each case. (This allows an inter-seasonal price range to be calculated for 2005/06.) By season, prices were lowest in late 2005 and highest in mid-2005. At the time of our survey in mid-2006, average prices of the four crops were slightly lower than a year earlier, in mid-2005 [Table 37]. Between mid- and late 2005, prices varied by 39%, with the greatest variability (65%) where average prices were lowest (SNNPR), and the least variability (29%) where prices were highest (Tigray).

Table 37. Average price for four food staples by region, 2005/06 (Birr/kg)

Region	Mid-2005	Late 2005	Mid-2006	Average	Variation
Amhara	2.26	1.74	2.25	2.08	30%
Oromiya	1.91	1.31	1.64	1.62	46%
SNNPR	1.68	1.02	1.39	1.36	65%
Tigray	2.39	1.85	2.29	2.18	29%
Staples	2.06	1.48	1.89	1.81	39%

Note: This analysis excludes prices for enset, millet, oats and teff

The PSNP wage rate on Public Works was set at 6 Birr per day, on the assumption that this would be enough to purchase 3 kilograms of staple food. Because of variations in prices across both regions and seasons, the actual purchasing power of the PSNP transfer in terms of the four basic staple crops varied by more than 100%, from as little as 2.5 kg (in Tigray in mid-2005) to as much as 5.9 kg (in SNNPR in late 2005). On average over the year, 6 Birr could purchase more than 3 kilograms of staple food in two regions (SNNPR and Oromiya), but less than 3 kilograms in the other two regions (Amhara and Tigray) [Table 38]. This suggests that attention must be paid to movements in food prices over time and space, if the intention of providing cash through the PSNP is to ensure access to a fixed quantity of food. It might become necessary to adjust PSNP wage rates, both seasonally and by location (at zonal or even *woreda* level), to maintain equity in transfers for all beneficiaries.

Table 38. Value of PSNP cash transfer in staple food by region, 2005/06 (kg for 6 Birr)

Region	Mid-2005	Late 2005	Mid-2006	Average
Oromiya	3.13	4.59	3.65	3.79
Amhara	2.66	3.45	2.67	2.93
SNNPR	3.58	5.90	4.31	4.60
Tigray	2.51	3.24	2.62	2.79
Staples	2.97	4.30	3.31	3.53

Note: This analysis excludes prices for enset, millet, oats and teff

More than 40 traders were interviewed in the 16 communities where the household survey was conducted, to solicit their views about the impacts of the PSNP on local trade and prices. Many traders agreed that food prices are subject to high volatility, but argued that this was always the case, and that 'normal' price seasonality dominates over any influence the PSNP might have had.

"No change was created on the price of food due to PSNP, rather it is the seasons that create price changes." [grocery trader, SNNPR]

"Currently the price for major food crops is high. It is not due to the PSNP programme but due to the high demand in other areas. Even if the local people are receiving food from the PSNP programme, still they buy food items from the market." [grain trader, Oromiya]

"Safety Net has helped many, especially those who do not have land and sons to support them. Household income has increased. Expenditure on non-food items has increased. However food prices usually fluctuate, this is not necessarily linked with Safety Net food transfer." [1st grocery trader, Amhara]

However, some grain traders insisted that whether PSNP beneficiaries receive cash or food makes a significant difference – both forms of transfer have visible effects on demand and prices.

"When farmers' aid is in cash we have good market, but when the aid is in food our market falls." [1st grain trader, Tigray]

"When there is food aid the price will fall down, but when the aid is cash we will be benefiting." [2nd grain trader, Tigray]

in places where PSNP beneficiaries received food (especially wheat) rather than cash, traders reported some exchanging of wheat for cheaper and more preferred staples on local markets (such as maize), shifting the terms of trade between these commodities.

"When food is paid some sell the wheat at a high price and buy maize instead for a lower price." [food trader, SNNPR]

“I have seen a large supply of wheat into the market due to the PSNP and the food aid programme. So the price for this commodity is less.” [food trader, Oromiya]

“After the Safety Net Programme came some people sell the wheat at high price and buy maize at lower prices. Therefore we sell maize more than before.” [grain trader, Amhara]

Conversely, in places where cash transfers were delivered rather than food aid, local traders enjoyed increased sales, and some responded to this boost in purchasing power by putting up prices of food and other basic commodities.

“People started to spend better than ever before, even on consumable items such as salt, sugar, coffee that I am selling in the market.” [2nd grocery trader, Amhara]

“When cash is paid more people buy food commodities. After the Safety Net Programme started, food prices were raised in the market.” [food trader, SNNPR]

“Farmers have benefited by having more cash to buy food. However the price of sorghum rose by 10 Birr per quintal after PSNP beneficiaries received their cash.” [1st livestock trader, Amhara]

Several traders remarked on other advantages of the PSNP to beneficiary households that they had personally observed, notably preventing asset depletion.

“The beneficiaries cease to sell their livestock during food deficit months due to PSNP.” [2nd livestock trader, Amhara]

“Safety Net has saved many people I know from selling their oxen.” [2nd grocery trader, Amhara]

Overall, there seems to be some basis for concern about the potential negative impacts of food aid, and especially cash transfers, on the functioning of local markets. Although traders are generally supportive of cash transfers, since this stimulates demand for the goods they sell, they acknowledge that price inflation of basic items has followed the introduction of cash transfers through the PSNP. This is perhaps a predictable outcome, given the weakness of rural markets in Ethiopia, and might explain the reservations about cash transfers that many PSNP beneficiaries expressed. Of course, this might be only a transitional problem, as traders adjust their volumes to the increased purchasing power that the PSNP has introduced to rural markets, but in the short to medium term the implications for household food insecurity could be quite severe.

CHAPTER 7. CONCLUSIONS AND RECOMMENDATIONS

7.1. Conclusions

The key findings of this study are contained in the following extracts from this report.

- 1) "There are interesting differences in the structure of PSNP beneficiary and non-beneficiary households, which suggest that certain demographic criteria might have been used in targeting households for the PSNP. In general, beneficiary households are significantly more likely to be female-headed than non-beneficiaries, and to have older household heads. Beneficiaries are less likely to be polygamous, though not significantly so. The two child-headed households in our survey are both PSNP beneficiaries."
- 2) "The PSNP was well targeted, using labour constraints as targeting criteria. Beneficiary households generally had lower labour capacity than non-beneficiaries, as indicated by household size, dependency ratios, labour capacity index, members with disabilities, and the ratio of able-bodied members to household size."
- 3) "The Productive Safety Net Programme appears to have accurately targeted households who are engaging in activities that generate low returns and are pursued mainly by poor people."
- 4) "Households receiving Direct Support from the PSNP had considerably lower average income and asset values, and owned and cultivated less land, than households participating in PSNP Public Works. In turn, Public Works participants are poorer in both incomes and assets than non-beneficiary households, and cultivate less land."
- 5) "'Cash only' PSNP recipients report higher current asset values to 'food only' and mixed 'food plus cash' beneficiaries, for both male- and female-headed households. This corresponds to the finding that 'cash only' beneficiaries are wealthier, on average, than other beneficiaries. It may also reflect the fact that the PSNP transfer has enabled some accumulation of assets."
- 6) "The largest group experiencing a decline in asset value is the non-beneficiary household group. Based on these statistics, it appears that the PNSP has stabilised household asset holdings, allowing them to retain assets and in many cases to increase assets."
- 7) "The PSNP appears to have targeted households well, according to several indicators of food insecurity that were collected in the household survey: self-reported food shortage over the past year, meals eaten per day during the worst month within the past year, coping strategies adopted in response to food insecurity, and household self-assessed well-being."
- 8) "More worrying is the high level of 'exclusion error' – among non-beneficiaries, 71% reported experiencing a food shortage but were excluded from the PSNP. This indicates that the coverage of the Productive Safety Net Programme is limited in relation to the level of need."
- 9) "PSNP transfers did not provide complete protection against hunger and rationing in 2005 – the transfers were either too small or too unpredictable."
- 10) "Beneficiaries are significantly more likely to have experienced an improvement in well-being over the last year than non-beneficiaries."
- 11) "The overwhelming majority of beneficiaries consumed all the food they received at home. A significant minority of beneficiaries sold some of their PSNP food and consumed the rest. Interestingly, households that received only food were twice as likely to do this as those who received cash plus food, probably because households that received only food had to sell some to meet their household's urgent non-food needs."
- 12) "Cash transfers are used in a much more diverse way than are food rations. Almost all beneficiaries used some of their cash to buy staple food or other food. But cash transfers were also used by over half of beneficiaries to buy groceries, and by just under half to buy clothes. Significant numbers of beneficiaries spent some cash on health and education, or invested in farming, and similar numbers used PSNP cash to pay debts or taxes. Fewer households purchased livestock and invested in their business, but in terms of amount of cash spent these were the highest categories of spending after staple food."

7.2. Recommendation: Establish a panel for monitoring PSNP impacts

As described in the methodology chapter of this report, the study aimed to provide a preliminary analysis of trends in transfers delivered by the Productive Safety Nets Programme (PSNP) within targeted households. This included examining the economic behaviour of beneficiaries, and how that behaviour is modified by the PSNP – in particular, by analysing the use of cash and food transfers, delivered either through Public Works or Direct Support – through a combination of quantitative and qualitative fieldwork undertaken at household and community levels. However, the analysis, implications and policy recommendations that can be drawn from the quantitative survey are constrained by three factors:

1. **The periodicity of the data collected:** The survey represents a baseline profile of 960 households. A baseline, by definition, only provides a cross-sectional overview of the households being interviewed. In order to fully and rigorously evaluate the PSNP, further data needs to be collected at regular intervals from the same households. This will allow us to create a longitudinal study for beneficiary households. A profile of household characteristics over time will enable us to investigate issues of PSNP impact (the literature on cash transfer programmes indicates that impacts will not accrue in the short-term), graduation (in terms of asset accumulation and higher incomes), differences between households receiving different types of transfers (conditional cash, conditional food, unconditional cash, unconditional food, other livelihood packages), and poverty dynamics.
2. **The tight timeframe:** The current study was designed and conducted under stringent time constraints and inevitably some issues that we would have hoped to interrogate in depth were not fully and comprehensively detailed. For instance, in a later study we would hope to obtain more information about the relationship between the PSNP transfers and the intra-household dynamics in terms of decision-making and spending (other issues are detailed below).
3. **The absence of a control group in non-treatment areas:** A further suggestion we would make for follow-up surveys acknowledges that the current survey does not contain a control group in non-treatment areas. In order for us to analyse the effects of the programme on poor beneficiary households living in an area with the programme, we need to obtain information in poor would-be beneficiary households. These households would have similar characteristics to the PSNP beneficiaries but living in an area without the programme. Specifically, we would include villages in the sample that have not benefited from the programme. Within these villages we would survey a range of poor and non-poor households. By sampling outside of programme areas we are able to control for any positive multiplier and local economy effects that may be spilling over to non-beneficiaries in beneficiary areas.

These constraints to the current survey suggest that a case could be made for establishing a longitudinal study, based on a panel survey of PSNP beneficiaries and non-beneficiaries, for the purpose of monitoring the impacts of PSNP cash and food transfers over time, on beneficiary and non-beneficiary households and communities. The survey would be administered once annually, after completion of the PSNP for that year. It would combine a household survey with qualitative fieldwork. The household questionnaire would be very similar to that developed for the present study, but would include add-on modules to investigate particular issues in more depth. In any future survey rounds we would aim to cover all or some of the following aspects:

- a. **Intra-household dynamics** as they relate to programme participation and impacts;
- b. Analysis of **savings** – in particular, whether PSNP transfers affect savings behaviour, and whether any insignificant impacts are in fact offset by changes in savings levels;
- c. Value of **formal and informal transfers** – to compile a more precise income variable;
- d. A review of **idiosyncratic and covariate shocks** – and their relation to coping strategies as well as to PSNP participation;
- e. **Wage rates** – to establish the real value of PSNP transfers in relation to local employment opportunities in each community, and the opportunity cost of participation in Public Works.

The household questionnaire that was designed and administered in this study was 11 pages long and took approximately 45 minutes to complete. A total of 960 households were interviewed from 4 regions, 4 *woredas* and 16 *kebeles*, drawn from a stratified random sample which was stratified according to region, *woreda* and *kebele* type. At the village level, purposive sampling ensured that 80% of interviews were conducted with PSNP beneficiary households, and 20% with non-beneficiaries. Within the beneficiary category, 80% of interviews were with PSNP participants employed on Public Works and 20% received PSNP Direct Support. Random sampling was relied upon only at the household level, within the different categories just detailed. This sampling frame would provide the basis of the proposed panel for the longitudinal monitoring survey.

When designing a longitudinal structure for data collection and analysis there are many issues to consider. Most pertinent for this study, and some recommendations for dealing with them, are:

1. **Problems of household attrition in future rounds:** Inevitably in follow-up surveys of the same households, certain households for various reasons will choose not to participate, or there will be problems locating households (due to migration or logistical problems). For these reasons we can expect a certain amount of natural attrition in the sample. Longitudinal studies in Britain contain about 15-20% attrition from the first to the second round of interviews. Taking our current survey as a baseline, we would hope to retain a fairly large number (over 600) of the same households for purposes of constructing a panel. In future rounds we would accept a certain level of attrition but would address this by replenishing the sample by bringing in new households. In a second round we would decide how many new households to include – perhaps up to 20% of the original sample. This percentage could be applied to every subsequent round – essentially creating a semi-rotating panel structure. We would also need to decide whether to spend resources tracing migrants and their households (this would depend on the purpose of the survey round and on the time and financial resources available);
2. **Problems of household break-up (divorce, separation, fission):** Decisions will need to be made about how to sample families that have broken up since the baseline. Will we trace both of the new families or only one? If one, on what basis will we select one of the two? Also, if younger family members have left home, will we trace them? We may expect that investment and employment spill-overs could be a result of their household's earlier participation in the PSNP.
3. **New questionnaire structure:** Future survey rounds on identical families do not require that all of the same information is collected again (for instance, gender, prior educational background, location, and other fixed characteristics do not need to be collected again). However, a new survey would need to be created that focuses primarily on change variables. For those households that are being newly included in the study, we will need to create similar baseline information on fixed characteristics, and where possible we will attempt to recreate variables of interest for the change variables at the time of the original survey (we will use recall methods for this purpose). If we are unable to obtain specific values for production and incomes we will collect relative change variables for these types of information (for example, has your production improved, stayed the same, or declined since last year's harvest?).
4. **Bring non-beneficiary respondents 'on-line':** By including non-beneficiary households in the sampling frame for the first round and retaining them in the survey we will have a natural, pre-programme baseline of information. This is important as currently we do not have access to relevant pre-programme information in the level of detail required for the locations of the survey. As noted above, it will be important to increase and diversify the numbers and locations of non-beneficiary households in establishing a longitudinal panel.

Annex 1. Terms of Reference

ETHIOPIA PRODUCTIVE SAFETY NET PROGRAMME (PSNP)

Trends in PSNP Transfers within targeted households

Institute of Development Studies, Sussex

OBJECTIVE

This study aims to provide an analysis of the cash and food transfers delivered by the Productive Safety Nets Programme, at two levels: trends within *households* (economic behaviour of beneficiaries), and *markets* (prices and supplies of food and other commodities) trends.

TASKS

Through a combination of qualitative fieldwork undertaken at household and community levels, and a quantitative analysis of market price data, this study will explore a series of questions of interest to all stakeholders involved with the Productive Safety Net Programme, including:

Trends within Households

1. Purchases (using food or cash transfers): food purchase, spending on services (education, health, water, etc.), investment in agriculture (fertiliser, seeds, plough hire, labour hire, etc.), asset purchases (livestock, household items, etc.)
2. Contribution of PSNP transfers to total household food or income (month by month)
3. Gender (intra-household decision-making, time allocation, etc.) [*How are decisions taken within households on allocation of food transfers and spending of in-kind transfers?*]

Price Trends

1. What trends are observed in prices of food items relative to wages?
2. Do these price trends differ systematically between PSNP and non-PSNP areas?

Trade and market trends

1. Is the PSNP causing significant trends in trade and on market supplies of food items?
2. Is PSNP causing any broad trends in labour markets (hiring decisions, migration behaviour?)
3. Has the introduction of PSNP caused changes in the types of traders operating in communities (Who are they? Where do they source their supplies? What has changed?)

ACTIVITIES

1. Household trends

- 1.1. Design of household survey methodology;
- 1.2. Fieldwork in eight rural *woredas* in Ethiopia;
- 1.3. Analysis of data from the household survey.

2. Price trends

- 2.1. Identification and assessment of sources of time-series price and marketing data;
- 2.2. Preliminary analysis of relevant price data from PSNP and non-PSNP *woredas*;

2.3. Assessment of potential for further data analysis

3. Trade and market trends

3.1. Design of qualitative fieldwork methodology;

3.2. Market observation and interviews with traders in rural Ethiopia;

3.3. Analysis of fieldwork data on markets and traders.

4. Reporting

4.1. Drafting of Interim Report;

4.2. Preparation of a Powerpoint presentation of interim findings;

4.3. Revision of Interim Report following feedback.

OUTPUTS

Report to include:

- Assessment of available quantitative data sources;
- Preliminary analysis of relevant time-series price data;
- Results of first round of quantitative fieldwork and implications for the programme;
- Powerpoint presentation of interim findings.

METHODOLOGY

The work will include both qualitative (fieldwork) and quantitative (econometric) components.

TIMING

March to July 2006, ending with the production of a Report. The team will be recruited and the methodology will be designed between mid-March and mid-April. Fieldwork will be conducted in Ethiopia for six weeks, from late April to end-May. Following data entry and analysis in the first half of June, a draft report will be provided by 30 June. The final Report will be submitted by 15 July 2006.

Annex 2. Household Survey Questionnaire

TRENDS IN PSNP TRANSFERS WITHIN TARGETED HOUSEHOLDS

HOUSEHOLD QUESTIONNAIRE

INTRODUCTION

- 1) *Greet the person you are interviewing, and introduce yourself.*
- 2) *Explain where you are coming from.*
- 3) *Explain the purpose of the study.*
- 4) *Ask if the person you are speaking to has any questions for you before continuing.*
- 5) *Ask if the respondent is willing to be interviewed. If they agree, start the interview. If the respondent is not willing, do not ask any of the questions and move to the next household.*

HOUSEHOLD IDENTIFICATION

ID	Name	Code
Region		
Zone		
Woreda		
Kebele		
Village		
Household Head's Name		

INTERVIEW IDENTIFICATION

Name of Interviewer:	
Interviewer Code:	
Date of Interview:	Day: _____ Month: _____
Start Time:	
End Time:	
Checked:	
Name of Data Entry Clerk:	

A.1. HOUSEHOLD PROFILE

(1) Is this a polygamous household? (circle one)

Yes: 1 No: 2

(2) Is this a female-headed household? (circle one)

Yes: 1 No: 2

(3) When was your household formed? (write year)

E.C.

A.2. HOUSEHOLD MEMBERS

ID Code	Name	How related to head of household? (write code)	Male [M] or Female [F] (circle one)		Age (age in complete years)	Can he or she read a letter or newspaper? (circle one)		Highest grade of school completed (write number or 00 if none)	Labour capacity (write code)
			M	F		Yes	No		
(4)		(5)	(6)		(7)	(8)		(9)	(10)
			M	F		Yes	No		
01		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
02		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
03		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
04		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
05		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
06		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
07		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
08		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
09		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
10		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
11		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
12		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
13		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
14		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
15		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>
16		<input type="text"/>	1	2	<input type="text"/>	1	2	<input type="text"/>	<input type="text"/>

Codes: How related to head of household?

- 01 = household head
- 02 = wife
- 03 = son / daughter of head or wife
- 04 = son-in-law / daughter-in-law
- 05 = grandson / granddaughter
- 06 = father / mother of head or wife
- 07 = brother / sister of head / wife
- 08 = other relative of head/ wife
- 09 = adopted
- 10 = non-relative / servant

Codes: Labour capacity

- 1 = young child (too young to work)
- 2 = working child (herding livestock; domestic chores; childcare; may be hired or fostered out)
- 3 = adult (able to do full adult workload)
- 4 = working elderly (not able to do full adult workload)
- 5 = partially disabled (able to do light work only)
- 6 = permanently unable to work (physically or mentally disabled, or non-working elderly)
- 7 = chronically ill (unable to work for the past 3 months or more)

B. LIVELIHOOD ACTIVITIES AND INCOME

Please tell us about all the work that members of your household are doing to earn a living, and how much income they earned from doing that work in the last 12 months.

Livelihood Activity	Code	Did anyone in your household do this activity in the last year? (Circle one only)		How many months in the last 12 did your household earn income from doing this work? (Circle one only)				Total monthly income earned while doing this work? (Birr per month)
		(11)	(12)	(13)	(14)	(15)	(16)	(17)
AGRICULTURE								
Crop production (for consumption and sale)	01	Yes	No	1	2	3	4	
Rearing & selling animals (cattle, sheep, goats, camels)	02	Yes	No	1	2	3	4	
Selling animal products (meat, milk, skins, etc.)	03	Yes	No	1	2	3	4	
Poultry rearing and sales (chickens, eggs, etc.)	04	Yes	No	1	2	3	4	
Beekeeping (selling honey, bees-wax, or bee-hives)	05	Yes	No	1	2	3	4	
Other agriculture (specify): _____	06	Yes	No	1	2	3	4	
EMPLOYMENT								
Salaried job (specify): _____	07	Yes	No	1	2	3	4	
Public works (food-for-work, cash-for-work)	08	Yes	No	1	2	3	4	
Agricultural worker (for cash or food)	09	Yes	No	1	2	3	4	
Non-agricultural worker (for cash or food)	10	Yes	No	1	2	3	4	
Domestic servant (e.g. house-maid)	11	Yes	No	1	2	3	4	
Military service	12	Yes	No	1	2	3	4	
Other employment (specify): _____	13	Yes	No	1	2	3	4	
TRADING (buying and selling)								
Trading in food crops (grains, pulses, vegetables)	14	Yes	No	1	2	3	4	
Trading in livestock or livestock products	15	Yes	No	1	2	3	4	
Trading in other commodities	16	Yes	No	1	2	3	4	
SALE OF NATURAL PRODUCTS								
Selling firewood or charcoal	17	Yes	No	1	2	3	4	
Selling water	18	Yes	No	1	2	3	4	
Selling grass or fodder (for livestock)	19	Yes	No	1	2	3	4	
Selling construction materials (sand, wooden poles, etc)	20	Yes	No	1	2	3	4	
Selling wild fruits, bush meat, etc.	21	Yes	No	1	2	3	4	
CRAFTS / SMALL INDUSTRY								
Making baskets or mats	22	Yes	No	1	2	3	4	
Spinning or weaving cloth (cotton or wool)	23	Yes	No	1	2	3	4	
Making or repairing clothes (embroidery, tailoring)	24	Yes	No	1	2	3	4	
Making traditional utensils or farm tools	25	Yes	No	1	2	3	4	
Pottery	26	Yes	No	1	2	3	4	
Blacksmithing or metal-work	27	Yes	No	1	2	3	4	
SERVICES								
Water-carrier, Porter	28	Yes	No	1	2	3	4	
Barber or Hairdresser	29	Yes	No	1	2	3	4	
Musician (drum-beater, singer, dancer)	30	Yes	No	1	2	3	4	
Traditional healer	31	Yes	No	1	2	3	4	
Midwife or Traditional Birth Attendant (TBA)	32	Yes	No	1	2	3	4	
Counsellor (disputes, marriage)	33	Yes	No	1	2	3	4	
Other services (specify): _____	34	Yes	No	1	2	3	4	

Livelihood Activity	Code	Did anyone in your household do this activity in the last year? (Circle one only)		How many months in the last 12 did your household earn income from doing this work? (Circle one only)				Total monthly income earned while doing this work? (Birr per month)
RENTS								
Sharecropping out land	35	Yes	No	1	2	3	4	
Renting out oxen for farming	36	Yes	No	1	2	3	4	
Renting out pack animals for transport (e.g. donkeys)	37	Yes	No	1	2	3	4	
FOOD & DRINK PROCESSING								
Selling tea, coffee, cake, bread, soft drinks, etc.	38	Yes	No	1	2	3	4	
Selling alcoholic drink (e.g. <i>tella</i> , <i>tejj</i> , <i>shameta</i> , <i>borde</i>)	39	Yes	No	1	2	3	4	
Selling cooked food	40	Yes	No	1	2	3	4	
OTHER								
Begging	41	Yes	No	1	2	3	4	
Money-lending	42	Yes	No	1	2	3	4	
Other (specify): _____	43	Yes	No	1	2	3	4	
				1= up to 3 months 2= 3-6 months 3= 7-11 months 4= all 12 months				

C1. LAND OWNERSHIP AND ACCESS

(14) Do you (or any other member of your household) own any **land**? (circle one)

Yes:	1	No:	2
Yes:	1	No:	2

(15) Did you (or any household member) **farm** in the last farming season? (circle one)

If **NO**, go to section D.

(16) If **YES**, please tell us about the land you used for farming, and land you rented or sharecropped to others
[Note: Count land for all household members.]

Access to Land	Yes No		If "Yes", how much land? (hectares)	Land given to Others	Yes No		If "Yes", how much land? (hectares)
	Yes	No			Yes	No	
Farmed own land	1	2			1	2	
Sharecropped in land	1	2		Sharecropped out land	1	2	
Rented in land	1	2		Rented out land	1	2	
Free access to someone's land	1	2		Gave land to someone for free	1	2	

(17) Did you sell, rent out or sharecrop out any land in the last farming season?

Yes:	1	No:	2
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(18) If **YES**, why? (circle all that apply)

Reason	Yes	Reason	Yes
We needed cash to buy food	1	We have more land than we need	6
We needed cash for family health expenses	2	We don't have enough labour to farm the land	7
We needed cash for schooling expenses	3	We don't have access to a plough and oxen	8
We needed cash for social obligations (e.g. wedding)	4	The land is poor quality	9
We needed cash for other reasons (specify): _____	5	Other (specify): _____	10

C2. CROP FARMING

(19) Last farming season, did you use fertiliser to improve your farm's productivity?

Yes:	1	No:	2
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(20) Last farming season, did you use animal manure to improve your farm productivity?

Yes:	1	No:	2
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(21) Last farming season, did your household have enough land for farming?

Yes:	1	No:	2
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(22) For each crop grown, how much was harvested last farming season, and what did you do with the harvest?

Crop	Total kilograms harvested	How many kilograms were:			Price per kg sold (Birr)
		Eaten at home	Given away	Sold	
Maize					
Sorghum					
Millet					
Barley					
Wheat					
Teff					
Beans					
Sesame					
Tomatoes					
Onions					
Chat					
Other: _____					
Other: _____					

D. SELF-ASSESSMENT

	Better off	Worse off	The same	If you are better off or worse off, why? [circle all that apply]
(23) Compared to this time last year, is your household better off, worse off, or the same?	1	2	3	1 2 3 4 5 6 7 8 9 10

(24) Do you think you are better off, worse off, or the same as an average household in this village?	1	2	3	1 2 3 4 5 6 7 8 9 10
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<p>Codes: Better off</p> <p>1 = We have access to more land 2 = We have more food 3 = Someone in our household who was ill got better 4 = We received assistance from the Safety Net Programme 5 = We received assistance from other Government programmes 6 = We received assistance from NGOs or other agencies 7 = The rains are good this year 8 = Our business is doing well 9 = Someone in our household has a job 10 = Other (specify): _____</p>	<p>Codes: Worse off</p> <p>1 = We have less land (or no land) 2 = We have less food 3 = Someone in our household got ill or died 4 = We were not included on the Safety Net Programme 5 = Government programmes stopped providing assistance to us 6 = NGOs or other agencies stopped providing assistance to us 7 = The rains are not good this year 8 = Our business is not doing well 9 = Someone in our household lost their job 10 = Other (specify): _____</p>
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E. INFORMAL TRANSFERS

(25) In the last 12 months (between now and the same month last year), has your household **received** any of the following types of assistance from any friend or relative living outside the household?
[Note: Not from government or NGOs.]

Type of assistance received	Yes	No
Remittances (from relative living elsewhere)	1	2
Other cash gift	1	2
Cash loan (no interest)	1	2
Food or grain gift	1	2
Grain loan (no interest)	1	2
Seed gift	1	2
Seed loan	1	2
Free labour	1	2
Free use of oxen or plough (for farming)	1	2
Free use of pack animals (for transport)	1	2
Other (specify): _____	1	2

F. FORMAL TRANSFERS

(26) In the past 12 months, what assistance did your household receive from government or aid agencies?

Type of assistance received	Yes	No	Programme / Provider								
Free food aid	1	2	1	2	3	4	5	6	7	8	9
Free cash	1	2	1	2	3	4	5	6	7	8	9
Food-for-work employment	1	2	1	2	3	4	5	6	7	8	9
Cash-for-work employment	1	2	1	2	3	4	5	6	7	8	9
Free seeds or tools	1	2	1	2	3	4	5	6	7	8	9
Free fertiliser	1	2	1	2	3	4	5	6	7	8	9
Credit/ Loan	1	2	1	2	3	4	5	6	7	8	9
Livestock	1	2	1	2	3	4	5	6	7	8	9
Other (specify): _____	1	2	1	2	3	4	5	6	7	8	9

	Codes: Programme / Provider 1 = Safety Net Programme (PSNP) 2 = Food Security Programme (FSP) 3 = Other Government programme 4 = World Food Programme	5 = International NGO (e.g. Save the Children) 6 = Local NGO (e.g. REST)) 7 = Community-based organisation (e.g. Church) 8 = Don't know 9 = Other (specify): _____
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G. ASSET INVENTORY

As of today, how many of the following assets does your household own? (If *none*, write '0'.)

For livestock, include any animals that belong to you, but are being raised by other households.

Do not include any animals that you are rearing for someone else but do not belong to you.

Asset	Number owned today	Number owned one year ago	Cost of replacing one [Birr]	If the number owned today is different from one year ago, why? [circle <u>all</u> that apply]
	(27)	(28)	(29)	(30)
Livestock				
Oxen				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Bulls				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Cows				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Heifers				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Calves				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Sheep				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Goats				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Donkeys				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Mules				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Horses				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Camels				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Poultry				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Productive assets				
Plough				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Sickle (<i>machid</i>)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Pick axe (<i>doma</i>)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Axe (<i>metrebia</i>)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Hoe (<i>mekotkocha</i>)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Spade (<i>akefa</i>)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Traditional beehive				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Modern beehive				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Water pump (hand/foot)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Water pump (diesel)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Grain mill (stone)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Grain mill (diesel)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Household goods				
Charcoal/ wood stove				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Kerosene stove				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Sofa (<i>mechegia</i>)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Leather/ wood bed				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Modern chair				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Modern table				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Metal bed				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Wheelbarrow				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Animal cart				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Consumer durables				
Mobile telephone				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Radio				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Television				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Jewellery (gold, silver)				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Bicycle				1 2 3 4 5 6 7 8 9 10 11 12 13 14
Wristwatch				1 2 3 4 5 6 7 8 9 10 11 12 13 14

Codes: Differences in asset ownership

- 1 = We were forced to sell the asset to buy food
- 2 = We were forced to exchange the asset for food
- 3 = We were forced to sell the asset to pay for health expenses
- 4 = We were forced to sell the asset to pay for education expenses
- 5 = We had to sell the asset to meet social obligations (e.g. wedding)
- 6 = We used the asset in a social occasion (e.g. wedding gift)
- 7 = We sold the asset for another reason (specify): _____

- 8 = The asset was stolen
- 9 = Livestock died
- 10 = Livestock was slaughtered for food
- 11 = Livestock reproduced
- 12 = We bought this asset
- 13 = Someone gave us this asset for free
- 14 = Other (specify): _____

H. FOOD SECURITY

(31) During the last year, did your household suffer any shortage of food to eat? (circle one)

Yes	1	No	2
-----	---	----	---

Which months in the last year did your household have problems satisfying its food needs? (circle all that apply)

2006					2005									
May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

(32) During the worst month last year, how many times a day did the adults and children in your household eat?

	Number of meals per day (circle one for each row)				
Adults	0	1	2	3	4
Children (= school-age / working, not infants)	0	1	2	3	4

Code: 0 = sometimes passed a whole day without eating anything

(33) How much do you usually spend on food items in one week?

Birr

(34) How much do you usually spend on non-food items in one week?

Birr

I. COPING STRATEGIES

(35) During the last hungry season, what did your household do to survive?

[Note: This question is about unusual behaviour, not what the household normally does to get its food in a good year.]

Coping strategy	Yes	No
Ate less food (smaller portions)	1	2
Reduced the number of meals per day	1	2
Collected bush products to eat or sell for food	1	2
Relied on help from relatives and friends	1	2
Household members migrated to find work	1	2
Borrowed food or cash to purchase food	1	2
Reduced spending on non-food items	1	2
Sent children to stay with relatives	1	2

Coping strategy	Yes	No
Rented out land to buy food	1	2
Sold land to buy food	1	2
Sold livestock to buy food	1	2
Sold other assets to buy food	1	2
Sold firewood or charcoal	1	2
Withdrew children from school	1	2
Sent children to work	1	2
Other (specify):		

J. TARGETING

(36) Has your household received any food or cash from the new government Safety Net Programme since March 2005? (circle one)

Yes	1	No	2
-----	---	----	---

If the household has received food or cash but does not know the source or programme, circle here: DK

If YES or DK, continue to **section J1**.

If NO, go to **section J2**.

J1. INCLUDED (BENEFICIARY) HOUSEHOLDS

(37) How much food or cash did your household receive, in which months?

Food/ Cash	2006					2005									
	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
Cereal (kg)															
Oil (litres)															
Pulses (kg)															
Cash (Birr)															

(38) Did any members of the household work for this food or cash? (circle one)

Yes	1	No	2
-----	---	----	---

(39) If NO, why not?

[Circle all that apply]	Reason
1	There is no public works project here
2	Household contains no able-bodied adults
3	Household does not have enough labour
4	Household members are too old to work
5	Household member is pregnant or breastfeeding

[Circle all that apply]	Reason
6	Household members are too sick to work
7	Household members are disabled
8	Household head is female
9	Other reason (specify): _____

(40) If YES, record the number of days worked by each individual, in each month. (Copy ID Code from A2.)

ID Code	2006					2005									
	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
Total															

(41) If these household members had not been working on the PSNP project during those months, what would they have been doing instead? [Copy ID Code from A2.]

ID Code	Activities [Circle all that apply]											
	1	2	3	4	5	6	7	8	9	10	11	12
	1	2	3	4	5	6	7	8	9	10	11	12
	1	2	3	4	5	6	7	8	9	10	11	12
	1	2	3	4	5	6	7	8	9	10	11	12
	1	2	3	4	5	6	7	8	9	10	11	12

Codes:	
1. Domestic work	7. Paid employment (local, sleeping at home)
2. Childcare	8. Paid employment (migratory, living temporarily somewhere else)
3. Attending school	9. Trading / going to market
4. Farming work	10. Other enterprise or income-generating activity (specify): _____
5. Livestock tending	11. Something else (specify): _____
6. Social, religious or leisure activities	12. Nothing – working on the project made no difference to other activities

(42) Why do you think your household was selected to receive food or cash from the new government Safety Net Programme?

<i>[Circle all that apply]</i>	Reason for selection
1	Our household is poor
2	We can't get enough food to eat
3	We have no labour
4	We are landless
5	We have a small landholding
6	We have poor quality land
7	We don't produce enough food
8	The household head is female
9	Household members are sick
10	The household head is old
11	We don't know

<i>[Circle all that apply]</i>	Reason for selection
12	There was no selection – everyone in the village received something
13	We own no livestock, or only a few livestock
14	We have no source of off-farm income, or very little off-farm income
15	Members of our household are disabled or mentally challenged
16	We have no family support or remittances from relatives
17	We have not received other government assistance (e.g. food aid)
18	Our household is participating in other food security programmes
19	We received food aid or emergency cash transfer in previous years
20	(How many years? _____)
21	We were included only after we complained about being excluded
22	Other reason (specify): _____

(43) Who decided which households in the community would receive the food or cash?

<i>[Circle all that apply]</i>	Who decided
1	The D.A. decided
2	Kebele Food Security Task Force
3	Kebele Council or Administration
4	Wereda Food Security Task Force
5	Wereda Council or Administration
6	Community Food Security Task Force

<i>[Circle all that apply]</i>	Who decided
7	The community (we all decided together)
8	Don't know
9	There was no selection - everyone in the village received something
10	Other (specify): _____

(44) Do you think the decision was fair? (circle one)

Yes	1	No	2
-----	---	----	---

K. USE OF PSNP CASH OR FOOD

(45) If you received free cash from the Safety Net Programme, or worked on a cash-for-work project in the last 12 months, what did you do with all the money you received? (circle all that apply)

Consumption items	Yes	No	Birr
Bought staple food (e.g. grain)	1	2	
Bought other food (e.g. meat)	1	2	
Bought groceries (salt, sugar, coffee, soap, kerosene, etc.)	1	2	
Bought clothes or cloth	1	2	
Gave some cash to help others	1	2	
Lent some money to others	1	2	
Paid taxes	1	2	
Social obligations (specify): _____	1	2	

Investment items	Yes	No	Birr
Debt repayment	1	2	
Bought seeds for farming	1	2	
Bought fertiliser for farming	1	2	
Paid for health costs	1	2	
Paid for education costs	1	2	
Used for business (e.g. trading)	1	2	
Bought livestock (specify): _____	1	2	
Other (specify): _____	1	2	

(46) If you received free food aid from the Safety Net Programme, or worked on a food-for-work project in the last 12 months, what did you do with all the food you received? (*circle all that apply*)

Consumption items	Yes	No
We sold all the food for cash	1	2
We sold the food to buy other food	1	2
We sold some of the food and ate the rest	1	2
We gave all the food away to others who needed it more	1	2
We gave some of the food away and ate the rest	1	2

Investment items	Yes	No
We ate all the food	1	2
We gave it to livestock for feed	1	2
We gave all the food to others as a payment for something	1	2
We gave some of the food as a payment, and ate the rest	1	2
Other (specify): _____	1	2

L. ASSET PROTECTION AND BUILDING

	Trends in Assets	Yes – because of PSNP	Yes – for another reason	No
(47)	Have you enrolled more of your children in school this year than last year?	1	2	3
(48)	Have you kept your children in school for longer this year than last year?	1	2	3
(49)	Have you used healthcare facilities this year more than last year?	1	2	3
(50)	Have you consumed more food or better food this year than last year?	1	2	3
(51)	Have you avoided having to sell household assets to buy food this year?	1	2	3
(52)	Have you avoided having to use your savings to buy food this year?	1	2	3
(53)	Have you retained your own food production to eat yourselves this year, rather than selling it?	1	2	3
(54)	Have you acquired any new household assets (e.g. livestock, roof, bicycle, radio, plough, land)?	1	2	3
(55)	Have you acquired new skills or knowledge which have increased your income this year?	1	2	3

(56) Within your household, who actually collected most or all of the food or cash from the Safety Net Programme? [*Copy ID Code from A2.*]

ID Code:

(57) Within your household, who decided how to use the cash or food from the Safety Net Programme? (*circle one only*)

1	2	3	4
---	---	---	---

Codes: 1 = I decided alone
2 = I consulted with my spouse
3 = My spouse decided
4 = The whole household decided

(58) If you could choose, would you prefer to get assistance from the Safety Net Programme in food, cash, or a mix of half food and half cash? (*circle one only*)

1	2	3
---	---	---

Codes: 1 = Food only
2 = Cash only
3 = Half food, half cash

End of interview for PSNP beneficiary households.

Thank the interviewee for their time.

J2. EXCLUDED (NON-BENEFICIARY) HOUSEHOLDS

(59) Why was your household **not** selected to receive food or cash from the new government Safety Net programme? (circle all that apply)

Reason	What we were told	What I believe
We are not so poor as the selected households	1	16
We have enough food	2	17
We own livestock	3	18
We are landless	4	19
We have some land/ enough land/ or better quality land	5	20
We receive family support or remittances	6	21
We have other income	7	22
Our household did not receive food aid or emergency cash transfer in previous years	8	23
I don't have friends or relatives among the decision-makers	9	24
We are not participating in other food security programmes	10	25
We are not registered on the kebele household list	11	26
Our household is not able to work on PSNP projects	12	27
Our household is not willing to work on PSNP projects	13	28
I don't know	14	29
Other reason (specify): _____	15	30

(60) Who decided which households in the community would receive the food or cash?

<i>[Circle all that apply]</i>	Who decided?
1	The D.A. decided
2	Kebele Food Security Task Force
3	Kebele Council or Administration
4	Wereda Food Security Task Force
5	Wereda Council or Administration
6	Community Food Security Task Force

<i>[Circle all that apply]</i>	Who decided?
7	The community (we all decided together)
8	Don't know
9	There was no selection – everyone in the village received something
10	Other (specify): _____

(61) Do you think the decision was fair? (circle one)

Yes	1	No	2
-----	---	----	---

Please explain why or why not:

(62) If **NO** (not fair), did you complain? (circle one)

Yes	1	No	2
-----	---	----	---

(63) If **YES** (complained), who did you complain to?

<i>[Circle all that apply]</i>	Complained to
1	Kebele authorities
2	Wereda authorities
3	Zonal authorities
4	Regional authorities
5	Rapid Response Team
6	Community meeting
7	Church or mosque leaders
8	NGO, WFP or another organisation (specify: _____)
9	Other (specify: _____)

<i>[Circle all that apply]</i>	Why not?
1	There is no-one to complain to
2	We don't know who to complain to
3	It would not do any good to complain
4	I am too frightened or intimidated to complain
5	
6	The decision-makers are the same people who hear the appeals Other reason (specify): _____

(64) If **YES** (complained), was your complaint successful? (circle one)

Yes	1	No	2
-----	---	----	---

Please explain what happened:

End of interview for non-beneficiary households.

Thank the interviewee for their time.



Annex 3. Community Questionnaire

TRENDS IN PSNP TRANSFERS WITHIN TARGETED HOUSEHOLDS

COMMUNITY QUESTIONNAIRE AND MARKET SURVEY

IDENTIFICATION OF LOCATION

ID	Name	Code
Region		
Zone		
Woreda		
Kebele		
Village		
Name of Interviewer:		

IDENTIFICATION OF KEY INFORMANTS

Name of Key Informants	Key Informant's Position <i>(e.g. Kebele Chairman; or Trader)</i>
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	

BASIC SERVICES AND INFRASTRUCTURE

1. Access to Services and Infrastructure

Service or Infrastructure	Is one of these located in this community?		If this is <u>not</u> located in the community, what is the distance to the <u>nearest</u> one?			
	Yes	No	Distance <i>(kilometres)</i>	Walking time <i>(minutes)</i>	By animal (e.g. mule) <i>(minutes)</i>	By motor vehicle <i>(minutes)</i>
Health post	1	2				
Clinic	1	2				
Pharmacy / Drug store	1	2				
Primary school	1	2				
Secondary school	1	2				
All weather road	1	2				
Seasonal / Dry weather road	1	2				
Woreda headquarters	1	2				
Minor market (e.g. weekly)	1	2				
Major market (e.g. daily)	1	2				

2. Changes in Services and Infrastructure

Have there been any changes in services and infrastructure in the local community in the last 3 years? For example, has a new clinic or primary school been built? Or has a school or clinic closed down? Explain what happened. What has been the impact on the community (positive and negative)?

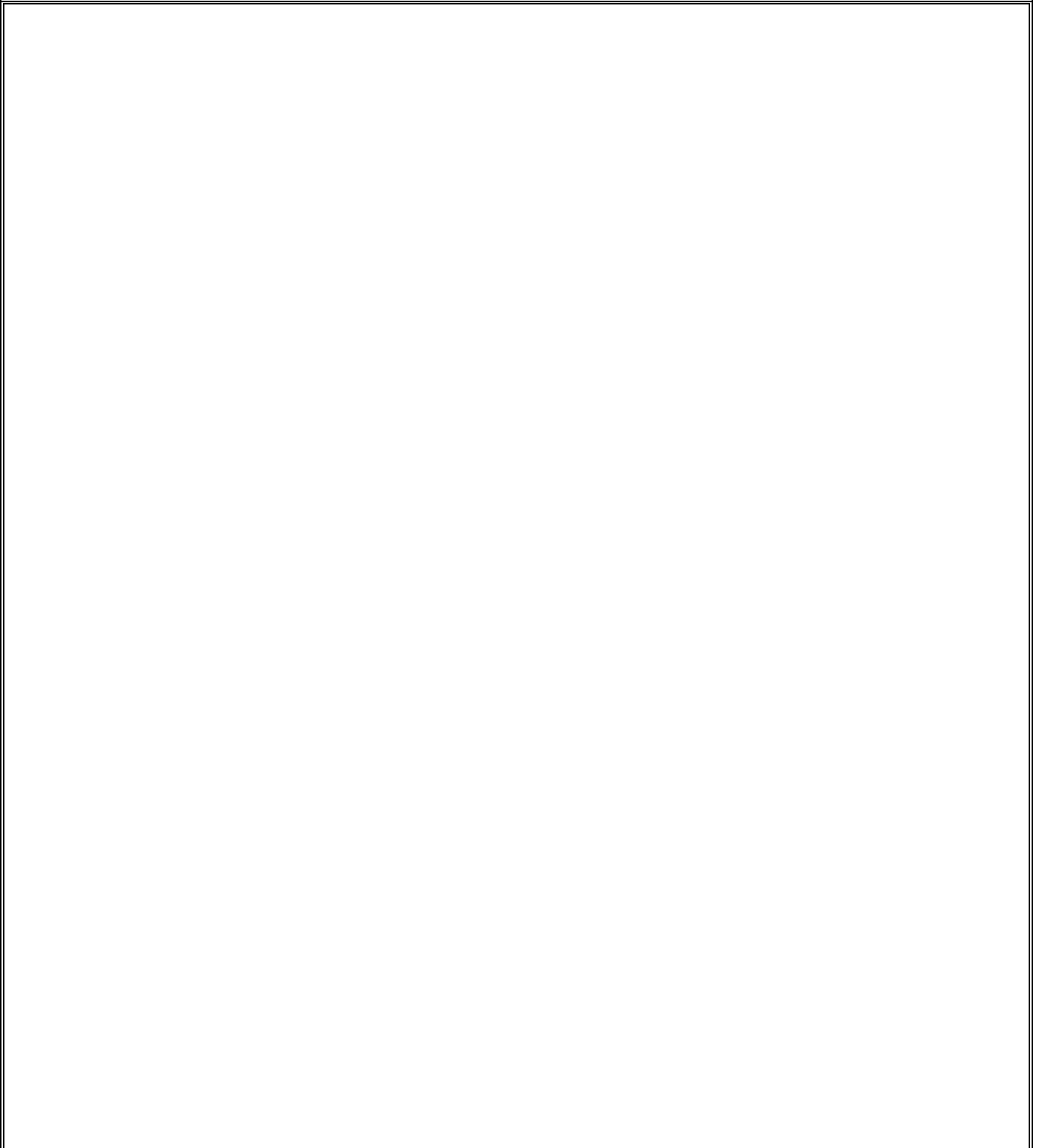
3. Public Works Projects

What infrastructure has been created with public works programmes in this community in the last 3 years? How useful has the infrastructure been? (e.g. if a road was built, are markets more accessible now?) Has it been maintained? (e.g. if a road was built, is it still being used or was it washed away in the rains?)

MARKET SURVEY

4. Market Mapping

Draw a 'market map' for the local community, showing the community in the centre and all the main markets that community members use in a ring around the community. For each market identified, the distance to the market should be shown (in walking time – minutes or hours – and/or in kilometres), the main commodities traded there (food grains, vegetables, livestock, consumer durables, fertiliser, etc.), the frequency of the market (e.g. daily or weekly), and the transport that local people use to travel there and back (e.g. on foot, by mule, truck – if truck, what is the cost?), and other functions served by the market (do local people sell things there – what? – is employment available there? etc).



5. Main Food Market

Ask about the main markets where the local community goes to buy food.

What problems do people face with these markets, in terms of:

- Accessibility of market (e.g. distance to market, difficulty of carrying sacks of grain back home)?
- Irregular supplies, or disrupted supplies (e.g. food is not always available – when? why?)
- Fluctuating prices (e.g. prices are not predictable, or prices rise very high – when? why?)
- Any other problems?

Accessibility issues: _____

Supplies: _____

Prices: _____

Other issues: _____

6. Market Monitoring

Visit the local market and observe the trade on a market day.

How big is the market? (Approximately how many traders?)

What are the main crops on sale, and the wholesale price (e.g. a bag) and retail price (e.g. a kilogram)?

What was the highest price and the lowest price for major food crops sold in this market in the last year?

Market Information	
Name of Market	
Distance from Village	
Frequency (e.g. daily, weekly)	
Date Visited	

Number of Traders	
Food wholesalers	
Food retailers	
Livestock traders	
Clothes traders	

Crops on sale in this market	Large Unit	Price (Birr)	Small Unit	Price (Birr)	Highest price in last 12 months		Lowest price in last 12 months	
					Birr	Month	Birr	Month
Wheat								
Barley								
Teff								
Oats								
Sorghum								
Millet								
Maize								
Enset								
Beans								
Other:								
Other:								
Other:								

7. **Trader interview [1]**

How long have you been a trader? _____

How long have you been working in this market? _____

Has this market been growing or declining, or staying the same, since you started working here?

Is this market competitive or is it dominated by one or two large traders?

What commodities do you sell in this market, and why?

Have the commodities you trade in this market changed over time? If **YES**, why?

Are the prices of food items the same, or do they change from season to season and from year to year?
If prices vary over time, why?

Where do you buy your supplies to sell in this market?

Are supplies of food items to this market regular, predictable and uninterrupted, or is the market subject to disrupted flows of basic commodities?

If the market gets disrupted, why?

Have you heard about the new government Safety Net Programme? _____
If **YES**, Have you noticed any change in the local economy since the Safety Net programme started?
(e.g. do local people seem to have more cash? Or has there been a large amount of food aid or food-for-work in the local area, so that people are buying less food than usual? Did food prices in this market rise after the Safety Net programme started?)

8. **Trader interview [2]**

How long have you been a trader? _____

How long have you been working in this market? _____

Has this market been growing or declining, or staying the same, since you started working here?

Is this market competitive or is it dominated by one or two large traders?

What commodities do you sell in this market, and why?

Have the commodities you trade in this market changed over time? If **YES**, why?

Are the prices of food items the same, or do they change from season to season and from year to year? If prices vary over time, why?

Where do you buy your supplies to sell in this market?

Are supplies of food items to this market regular, predictable and uninterrupted, or is the market subject to disrupted flows of basic commodities?

If the market gets disrupted, why?

Have you heard about the new government Safety Net Programme? _____

If **YES**, Have you noticed any change in the local economy since the Safety Net programme started? (e.g. do local people seem to have more cash? Or has there been a large amount of food aid or food-for-work in the local area, so that people are buying less food than usual? Did food prices in this market rise after the Safety Net programme started?)

9. Trader interview [3]

How long have you been a trader? _____

How long have you been working in this market? _____

Has this market been growing or declining, or staying the same, since you started working here?

Is this market competitive or is it dominated by one or two large traders?

What commodities do you sell in this market, and why?

Have the commodities you trade in this market changed over time? If **YES**, why?

Are the prices of food items the same, or do they change from season to season and from year to year?
If prices vary over time, why?

Where do you buy your supplies to sell in this market?

Are supplies of food items to this market regular, predictable and uninterrupted, or is the market subject to disrupted flows of basic commodities?

If the market gets disrupted, why?

Have you heard about the new government Safety Net Programme? _____
If **YES**, Have you noticed any change in the local economy since the Safety Net programme started?
(e.g. do local people seem to have more cash? Or has there been a large amount of food aid or food-for-work in the local area, so that people are buying less food than usual? Did food prices in this market rise after the Safety Net programme started?)

Annex 4. Additional Tables

Table 39. Households owning various types of assets

Asset	Households	Percentage
Livestock		
Oxen	382	39.8%
Bulls	74	7.7%
Cows	433	45.1%
Heifers	123	12.8%
Calves	224	23.3%
Sheep	182	19.0%
Goats	294	30.6%
Donkeys	188	19.6%
Mules	4	0.4%
Horses	2	0.2%
Camels	15	1.6%
Poultry	336	35.0%
Productive assets		
Plough	469	48.9%
Sickle (<i>machid</i>)	608	63.3%
Pick axe (<i>doma</i>)	503	52.4%
Axe (<i>metrebia</i>)	572	59.6%
Hoe (<i>mekotkocha</i>)	391	40.7%
Spade (<i>akefa</i>)	445	46.4%
Beehive (traditional)	65	6.8%
Beehive (modern)	7	0.7%
Water pump (hand/foot)	8	0.8%
Water pump (diesel)	12	1.3%
Grain mill (stone)	240	25.0%
Grain mill (diesel)	3	0.3%
Household goods		
Stove (charcoal/wood)	50	5.2%
Stove (kerosene)	14	1.5%
Sofa (<i>mechegia</i>)	21	2.2%
Bed (leather/wood)	115	12.0%
Bed (metal)	32	3.3%
Chair (modern)	13	1.4%
Table (modern)	12	1.3%
Wheelbarrow	5	0.5%
Animal cart	1	0.1%
Consumer durables		
Mobile telephone	2	0.2%
Radio	87	9.1%
Television	1	0.1%
Jewellery (gold, silver)	13	1.4%
Bicycle	1	0.1%
Wristwatch	52	5.4%

Table 40. Food shortages by month, 2005/06, by household type (% of households)

Month	Male-headed	Female-headed	Older-headed	All households
March 2005	21.5	26.3	30.4	22.8
April 2005	33.6	35.0	46.4	34.0
May 2005	45.7	47.7	58.0	46.3
June 2005	52.0	60.2	59.1	54.3
July 2005	56.1	66.9	58.0	59.1
August 2005	47.4	63.2	49.2	51.8
September 2005	29.1	50.0	39.2	34.9
October 2005	5.8	21.4	16.0	10.1
November 2005	1.4	7.5	8.8	3.1
December 2005	1.9	7.5	8.8	3.4
January 2006	3.7	9.8	9.9	5.4
February 2006	9.7	15.8	15.5	11.4
March 2006	19.6	21.1	24.3	20.0
April 2006	22.8	21.8	25.4	22.5

Table 41. Food shortages by month, 2005–06, by region (% of households)

Month	Amhara	Oromiya	SNNPR	Tigray
March 2005	2.1	20.8	54.2	14.2
April 2005	15.8	30.0	72.5	17.5
May 2005	39.2	53.8	67.1	25.0
June 2005	59.6	65.8	52.1	39.6
July 2005	79.6	70.8	39.2	46.7
August 2005	81.3	51.7	26.3	47.9
September 2005	69.6	24.6	8.3	37.1
October 2005	13.3	3.8	5.8	17.5
November 2005	0.8	0.8	7.5	3.3
December 2005	0.0	1.3	9.6	2.9
January 2006	0.0	2.1	15.8	3.8
February 2006	0.0	5.4	34.6	5.4
March 2006	0.0	10.0	65.0	5.0
April 2006	0.0	15.4	70.0	4.6

Table 42. Reasons for household self-assessment, by PSNP status

Reason	Beneficiary	Non-beneficiary
Reasons for being better off than this time last year:		
We received assistance from the Safety Net programme	79%	1%
We received assistance from other government programmes	24%	2%
The rains are good this year	17%	35%
We have more food	8%	57%
We received assistance from NGOs or other agencies	12%	0%
Reasons for being worse off than this time last year:		
Household has less food	51%	30%
The rains are not good this year	26%	48%
Household has less land (or no land)	35%	17%
Household was not included on the Safety Net Programme	7%	54%
Someone in the household got ill or died	13%	6%
Reasons for being better off than an average household:		
Household received assistance from the Safety Net Program	70%	0%
Household has more food	20%	68%
The rains are good this year	16%	16%
We received assistance from other Government programs	19%	1%
Household received assistance from NGOs or other agencies	18%	1%
Reasons for being worse off than an average household:		
Household has less food	60%	18%
Household has less land (or no land)	47%	23%
The rains are not good this year	12%	31%
Someone in the household got ill or died	14%	10%
Household was not included on the Safety Net Program	1%	59%

Table 43. Average household spending per month (Birr)

		Food items	Non-food items	Total (Birr)
Region	Amhara	103.4	22.1	125.2
	Oromiya	151.8	43.2	182.8
	SNNPR	87.3	53.0	136.0
	Tigray	225.6	83.2	306.3
Household type	Male-headed	156.1	56.4	205.6
	Female-headed	100.8	33.6	132.3
	Older-headed	109.5	39.5	143.1
PSNP status	Cash only	201.7	74.1	271.5
	Food only	137.3	64.7	188.8
	Cash + food	106.0	34.4	138.4
	PSNP beneficiaries	126.0	45.1	172.37
	Non-beneficiaries	203.2	69.5	273.02
Total spending		141.3	50.3	192.74

Table 44. Average meals per day during worst month last year

Household category	Adults	Children
Region		
Amhara	2.31	2.73
Oromiya	2.02	2.92
SNNPR	1.80	2.54
Tigray	1.78	2.01
Household type		
Male-headed	2.02	2.63
Female-headed	1.90	2.49
Older-headed	1.91	2.34
PSNP status		
Cash only	1.94	2.44
Food only	1.95	2.57
Cash + food	1.98	2.64
Non-beneficiaries	2.06	2.57
Total meals per day	1.99	2.60