

Understanding Urban Chronic
Poverty: Crossing the Qualitative
and Quantitative Divide

Abbi M. Kedir
April 2005



Department of Economics
Leicester LE1 7RH, United Kingdom

E-mail: ak138@le.ac.uk

CPRC Working Paper 53

Chronic Poverty Research Centre

ISBN Number: 1-904049-52-4

Abstract

This paper summarises the recent quantitative and qualitative evidence on urban poverty in Ethiopia. The analysis of poverty dynamics is difficult and has been neglected, hence most of the studies reviewed here focus on urban poverty at a particular point in time. The paper also attempts to discuss in some detail what little evidence exists on urban chronic poverty. We discuss the consistency of findings across studies which use different methodological approaches and consider key correlates or dimensions of poverty such as livelihood insecurity, gender, income/total household expenditure, prices and HIV/AIDS. Finally, the study identifies the emerging research agenda, future research strategy and activities. Since most of the studies reviewed are static in nature, it is suggested that future research should focus on the analysis of household welfare in a dynamic sense. The studies reviewed in this paper come from a variety of sources. Academics, NGOs, independent research institutions, World Bank country poverty economists and other poverty consultants presented papers. Given this and the differences in their methodological approaches to the study of urban poverty, it is particularly encouraging to see an overlap of research agendas and consistency of findings on key correlates of urban poverty and its trend.

Acknowledgement

This work could not have been conducted without the continuous support of Dr. Diana Mitlin from IDPM, University of Manchester. The workshop on urban chronic poverty was her idea and it was she who secured funding for all aspects of the process from DFID, UK. Participants included academics, NGOs, government policy makers and other interested researchers. The local organizing institution, the Ethiopian Economic Association/Ethiopian Economic Policy Research Institute (EEA/EEPRI) helped in identifying participants and conducting the workshop. Special thanks go to Mr. Getahun Tafesse who supported us professionally and kindly from the Ethiopian side throughout the whole process. The views expressed are not necessarily those of DFID.

Note

This paper is a review article based on completed papers and slides presented at the IDPM-EEA (Ethiopian Economic Association) Workshop on Chronic Urban Poverty in Ethiopia, August 16 to 18, 2004, Addis Ababa, Ethiopia. Please also note that we use the words chronic and persistent interchangeably.

Table of contents

<i>Title page</i>	<i>1</i>
<i>Abstract and acknowledgements</i>	<i>2</i>
1. Introduction	4
2. International experiences in urban poverty research and interventions	5
3. Background information on urban poverty and dynamics of urban poverty in Ethiopia	5
4. Measurement of poverty: different approaches	8
4.1. Money metric measures	9
4.2. Non-money metric methods: gender, livelihood insecurity and subjective poverty	12
i.) Subjective Assessment of Welfare	12
ii.) Gender	13
iii.) Destitution	13
iv.) HIV/AIDS or Health	14
v.) Livelihood Insecurity	15
vi.) Others: schooling, food insecurity and illness incidence	17
5. Methodological gaps/outstanding empirical issues	19
6. Consistency and policy implications of findings	20
7. Emerging research agenda and future research strategy	24
7.1. Emerging research agenda	24
7.2. Conclusion: future research strategies	25
<i>References</i>	<i>29</i>

1. Introduction

Ethiopia is a country where the majority of the population is poor and there is significant variation in individual and household level experiences of poverty. Urban poverty in Ethiopia tends to be studied by action-oriented organizations such as NGOs and only rarely by academic researchers. What little information exists, is mainly concerned with the analysis of poverty at a particular point in time. However, in recent years, quantitative studies of poverty have increasingly looked at both its static and dynamic aspects.

In an effort to understand the major factors behind the incidence of urban poverty and its persistence and dynamics, we review here some of the studies of urban poverty, both quantitative and qualitative, that exist to date. We discuss the consistency of findings across studies which use different methodological approaches and consider key correlates/dimensions of poverty such as livelihood insecurity, gender, income/total household expenditure, education, health, prices and HIV/AIDS.

The paper is organized as follows. In section 2, in an attempt to put the issue of urban chronic poverty in Ethiopia in a global context, we highlight some international experiences in urban poverty research and interventions. Background information about poverty and chronic poverty in urban Ethiopia is presented in Section 3. Section 4, which is divided into two sub-sections, reviews the findings of various studies. The first sub-section covers quantitative results i.e. those that emphasise money metric measures of poverty while the second section deals mainly with qualitative results i.e. those that focus on non-metric measures. Most of the studies covered include both types of evidence and therefore may appear in both sub-sections. In section 5, we identify outstanding methodological/empirical issues that arise from the review of the studies. This section briefly outlines some of the missing issues in poverty research. In section 6 we come to the main purpose of our paper – to discuss the consistency of findings across the studies and the most significant policy implications which arise. In the final part of the paper, section 7, we discuss the emerging research agenda and future research strategy.

2. International experiences in urban poverty research and interventions

Internationally, chronic urban poverty has been discussed from a variety of perspectives. Issues include the global rate of urbanisation, the scale and measurement of urban poverty and its spatial and social dimensions (Mitlin, 2004). After indicating the global urbanisation trend, Mitlin discusses the difficulty of understanding the scale of urban poverty which she relates to problems associated with its measurement. It is argued that this measurement problem might in turn be due to the lack of a clear definition of poverty. For instance, in many quantitative studies, the welfare indicator of households is defined as the household's total expenditure. But, to be credible, this needs adjusting for spatial price differences and household composition (Mitlin 2004; Lanjouw and Lanjouw, 2001; Deaton and Zaidi, 1999). These issues are illustrated in the case of Ethiopia below. When such critical adjustments are made in a non-transparent and ad hoc manner, poverty will be vaguely defined and incorrectly measured. Obviously this has important policy implications.

Another perspective draws attention to the neglect of the dynamic aspect of persistent or chronic poverty. When considering factors associated with chronic poverty, location is emphasised (e.g. remoteness, small size of cities and high densities in big urban centres), as are marginalised social groups such as the elderly and ethnic minorities, and lack of livelihood diversity. The issue of livelihood diversity links well with the central theme of the study by Rahmato and Kidanu (2003), details of which are found below.

3. Background information on urban poverty and dynamics of urban poverty in Ethiopia

Ethiopia is one of the poorest countries in the world as evidenced by a variety of indicators of wellbeing. Gross national income per capita in 2002 was around US\$100 (Atlas Method; World Bank, 2004), and life expectancy, educational enrolment, and access to health services are all very low. Over the last 30 years, life expectancy has shown little improvement, food production per capita has declined, and school enrolment levels have changed little (Bigsten *et al* 2003; IMF, 1999).

The Ethiopian population is predominantly rural, with only around 15% living in urban areas. Agriculture remains the dominant economic sector, contributing around 45% of GDP. The country suffers spells of drought, with resulting famines, particularly in the north and the dry southeast part of the country. Internal and external conflicts, including the recent war with Eritrea, have also impeded growth for many years. These major shocks have important implications for the welfare of both urban and rural households. In urban areas, the impact is felt mainly through higher food prices and increased rural to urban migration, often contributing to increased urban poverty. Other important factors which encourage migration include land shortages in rural areas and the perception that food, health services and jobs will be more easily available in urban centres.

In reality, levels of unemployment and underemployment in urban areas are high, and can be expected to be strongly associated with urban poverty. The high levels of unemployment reflect the fact that, in 1992, the Ethiopian government stopped automatically guaranteeing employment for graduates of higher institutions of learning. The unemployed in urban Ethiopia are relatively well educated. For example, most young adults who have completed 12 years of schooling but not taken their studies further are unemployed. They number around 190,000 – a figure rising over time. To some extent, this situation might reflect the fact that only the relatively well-educated consider themselves unemployed. Underemployment, caused by the increased casualisation of labour, is also widespread. For many, unstable casual work paid on a daily basis is all that is available. For instance, the proportion of urban households in certain communities in Addis Ababa engaged in casual work rose from below 5% in 1989/90 to 35% in 1995 (MEDAC, 1997). These are not necessarily under-employed throughout their working lives. In fact the figure for 1989/90 is surprisingly low but it relates only to particular communities. However, the dramatic rise in the rate of casual work indicates how unstable household incomes are, increasing vulnerability to poverty.

Other idiosyncratic and covariate shocks with strong implications for urban welfare include illness and climate. The recent alarming increase in the incidence of HIV/AIDS is eroding the income generating power of households, with infection rates highest among the economically active. At the end of 1999 the incidence of HIV/AIDS in Ethiopia was estimated to be as high as 10.6 percent of the adult

population. Other important factors contributing to urban poverty in Ethiopia include climate shocks (recurrent droughts and famine), rapid population growth, migration from rural areas and homelessness. Climate shocks often lead to higher food prices, which hurt the urban poor.

In addition to the change in employment policy referred to above, other significant changes in the political and economic landscape of the country during the 1990s are likely to have had a significant impact on urban poverty. Following the ousting from power, in 1991, of the socialist regime that had ruled for nearly twenty years, the new government adopted an Economic Reform Programme. A key element of this, since the mid-1990s, has been the pursuit of a long term Agricultural-Development Led Industrialisation (ADLI) strategy that forms the basis of the current poverty reduction strategy (Government of Ethiopia, 2000). Given that the ADLI was also accompanied by a shift in government priority towards rural areas at the expense of cities, it is important to investigate the implications for welfare in the urban centres. This can be judged, for instance, from empirical findings based on household surveys.

In general, the period 1994-1997 is considered a period of economic recovery in Ethiopia driven by peace, good weather and much improved macroeconomic management. Real GDP grew at an average of 3.7 percent per year between 1993 and 2003, implying a 1 percent increase in per capita income. Here, though, we are concerned with poverty. An estimate for 1995/96 shows that 45.5 percent of the national population fell below a poverty line based on minimum calorie requirements. Poverty was prevalent both in rural and urban areas, with an incidence of 47 and 33 percent of the respective populations (MEDAC, 1999). Unlike some Southern countries (but like others) urban and rural poverty levels in Ethiopia are not dramatically different.

While much of the discussion of poverty in Ethiopia focuses on cross section evidence, there is some evidence, from both qualitative and quantitative sources, about poverty trends in urban areas during the mid 1990s. According to a participatory poverty assessment conducted in April-June 1997 in four communities in Addis Ababa (MEDAC, 1997), households reported a decline in well-being, due primarily to unemployment and increased insecurity, but attributed also to rising crime and prostitution. Important contributory causes identified were: rising food

prices between 1993 and 1996; unemployment due to factors such as the 1992 demobilisation of soldiers of the previous regime; redundancies from public enterprises; an increase in the number of school leavers and dropouts; and rising shop rents forcing business closure.

Existing evidence from poverty studies deals with overall poverty trends, but this needs to be complemented by an understanding of the dynamics underlying these trends – in other words the extent to which households are falling into poverty, escaping from it or remaining trapped, and the factors underlying these changes. These questions form the focus of Kedir and McKay (2004) the main findings of which are summarised below.

4. Measurement of poverty: different approaches

Tadele (2004) reviews approaches to the study of urban poverty and identifies the causes of a general decline in welfare in urban areas. Whilst the discussion is very wide-ranging, it serves as a good introduction to this section. In the remainder of the section, we separately summarise findings of studies, which are based on money metric (quantitative) and non-metric (qualitative) measures.

The study by Tadele focuses more on methods of data collection (such as survey methods, participatory qualitative research and participant observation) and less on the various techniques (quantitative and qualitative) of poverty analysis since these are determined by the nature of the data. The paper highlights the importance of emerging longitudinal household surveys in the analysis and understanding of urban poverty in Ethiopia. It also emphasises the role played by anthropological approaches (i.e. participant observation) in the analysis of factors associated with persistent urban poverty and associated coping strategies. The causes of poverty identified include urban displacement, HIV/AIDS and gender and the coping mechanisms are streetism, begging, informal trade, urban networks and social organizations. As causes of urban poverty, Tadele (1994) also identifies major factors that reoccur in a number of studies. These include unemployment and underemployment, high food prices,

homelessness, lack of sanitation, the failure of municipalities to deliver social services, limited access to water and electricity and acute problems of transportation.

In Ethiopia, most urban poverty studies are conducted by action oriented development agents such as NGOs. Therefore a lot of work is based on participatory approaches. Tadele (2004) argues that such methods are superior to other approaches if the intention is to understand the dynamics of poverty. However, because it is difficult to generate information on income and livelihood sources using participatory urban appraisals, they should be complemented with other methods of generating poverty relevant data. The paper makes one firm proposal. It calls for the development of a comprehensive and multi-disciplinary methodological framework and also a multi-level analysis for understanding the social, cultural and economic construction of urban poverty and wellbeing. The question is: how can one operationalise such an apparently sensible suggestion given the multidimensional nature of poverty? The study does not discuss any possible ways of doing this.

4.1 Money metric measures

Both monetary and non-monetary indicators are used in discussing poverty. Here we focus on monetary indicators while non-monetary indicators are discussed in 4.2.

Policy responses to chronic and transitory poverty are likely to be different. Therefore, distinguishing between the two types of poverty is crucial. As we have noted, studies of poverty dynamics in urban areas are relatively rare. The data used by Kedir and McKay has been explored in other contexts (Kedir, 2004; Bigsten *et al*, 2003) but here the distinction between chronic and transitory poverty is clearly emphasised. The use of subjective responses to questions on living standard dynamics is unique to this study (see next section for findings). The authors have compared these subjective welfare assessments with the quantitative evidence on dynamics of poverty to evaluate the similarity of findings generated from quantitative and qualitative approaches. However, their results are very preliminary and warrant further investigation.

Kedir and McKay (2004)¹ analysed a three-wave panel data set in urban Ethiopia over the mid 1990s. To date, this is the only study to explicitly focus on the analysis of urban chronic poverty in Ethiopia and so we review it here in some detail. Its results indicate a high level of chronic poverty (21.5 %), and suggest that the chronically poor have distinct characteristics which are likely to be important factors underlying their chronic poverty. These include: high household dependency rates; low levels of education; lack of asset ownership; and insecure, low return or no employment.

The study by Kedir and McKay (2004) handles the data more carefully than other similar studies in the following two important respects. Firstly, the standard of living/welfare measure used is the total household consumption expenditure *per adult equivalent* computed on the basis of an adult equivalence scale previously used in other empirical studies in Ethiopia (Dercon, 2002). Secondly, the welfare measure is also adjusted for price changes over time and space using Laspeyres price indices constructed using commodity weights from the survey and city level average prices of 42 food and 14 non-food items published by the CSA. Adjustment for spatial and temporal variation in prices is an essential ingredient of poverty analysis (Deaton and Tarozzi, 2000; Mitlin, 2004).

As might be anticipated given the trends in the median standard of living measure, the authors observe an increasing incidence of urban poverty over this period, particularly between 1994 and 1995, and particularly in the cities of the north and south. This is strongly suggestive of a substantial element of chronic poverty over this period, but its extent can only be quantified using panel data. Note that, in contrast to Bigsten *et al* (2003) and Tadesse (1997), these results suggest that poverty increased between 1995 and 1997. Some reasons for these contradictory findings are discussed below in Section 6.

The chronically poor are clearly defined as those households whose standard of living falls below the poverty line in all three rounds. The transient poor are therefore those with real total expenditure per adult per month falling below the poverty line in only one or two of the three rounds. Using this criterion, at the national level 57.8% of urban households were poor in at least one round while 21.5% were chronically poor.

¹ An earlier version of this paper has been presented at Chronic Poverty conference organized by CPRC (Chronic Poverty Research Centre) in April 2003, University of Manchester.

The patterns are broadly similar in all regions, but the persistence of poverty is higher in the central and northern cities. The overall poverty trends figures show that many more of the transient poor are falling into poverty than are escaping it, and a more detailed analysis shows this to be the case in all regions.

As is common in panel studies (Haddad and Ahmed, 2003), the characteristics of the poor are those of the households or their members in the initial period (1994). A descriptive and econometric analysis (i.e. by estimating a multinomial logit model) of the data identified six major determinants of urban poverty in Ethiopia as follows.

Household size and composition: further analysis shows that it is the dependency rate rather than household size which seems to be important. This may relate to life cycle effects. Such households are nonetheless often persistently poor over many years, beyond the time horizon of this data set. *Gender:* female headed households are more likely to be poor for two or three periods compared to male headed households. *Ethnicity:* Additional analysis not presented here shows that ethnicity is also a factor, with the *amhara* and *tigre* groups much less likely to experience chronic poverty and the *gurage* more so. *Schooling:* there is a very strong link between poverty and lack of education. Low levels of education are clearly another strong feature of chronic poverty. The lack of secondary education is a particularly important correlate for the chronically poor. *Economic activity of the head:* education level is an important influence on employment status and this too is a strong correlate of both poverty in general and chronic poverty in particular. Twenty seven and a half per cent of chronically poor household heads work as casual labourers or in ‘female’ business activities, compared to only 7.7% of the never poor. Given that these are generally insecure or low return activities it is not surprising that they are undertaken disproportionately by the chronically poor, nearly 20% of whose household heads are not working. Employers are significantly less likely to be poor for two or more periods, and wage workers and indeed pensioners are significantly more likely to be never poor. The first two results are expected. But the last result is perhaps surprising. Clearly many households whose head is receiving a pension are non-poor, but why this is so needs further investigation. For example, might it reflect the fact that in many of these households other members are working making them *de facto* “economic heads”? Or might it be because only richer households regard themselves as unemployed or tend to have pensions (the latter typically being former public

sector employees)? *The value of assets*: this has a significant positive (or negative) impact on the probability that the household was never poor (or was poor in one or more periods).

Kedir and McKay (2004) have shown the presence of a sizeable level of persistent urban poverty in Ethiopia for the period 1994-1997.

Christensen (2004) presents the evolution of poverty in both urban and rural areas. As causes of urban poverty, Christensen's findings indicate factors such as high urban population growth, rural-urban migration and also small-big town migration. Although the service sector in Ethiopia has grown, these increased employment opportunities have not led to a decline in urban poverty. (Rhamato and Kidanu (2003) shows the presence of a respectable increase in employment in the service sector, from 37.6% in 1994 to 43.7% in 1999, much of which was in the trade, hotels and restaurants sub-sector.)

4.2. Non-money metric methods: gender, livelihood insecurity and subjective poverty

i.) Subjective Assessment of Welfare

The study conducted by Kedir and McKay (2004) is unique in using subjective responses to questions on living standard dynamics. As mentioned earlier, its results are very preliminary and warrant further investigation. Households were asked about changes in household income, expenditure and living standards during the time periods under consideration (i.e. 1994-1995 and 1995-1997).

Such questions are invariably difficult to ask, and answer, in ways that are precisely comparable to any quantitative standard of living measure. Nevertheless, when compared to the quantitative results, the subjective assessments of household welfare confirm the general impression of declining living standards between 1994 and 1997, with households identifying price increases as a major factor. In this sense the results are consistent with the quantitative results and suggest a high degree of chronic poverty – in that most of those that were poor initially did not appear to have become better off. The household by household match between the changes depicted by the

quantitative and subjective approaches is less strong, corresponding to only around 40% of cases.

ii.) Gender

No results have been released yet from the interesting study by EEA/EEPRI and the World Bank on the very pertinent issue of women's empowerment (EEA/EEPRI, 2004). The results of the study will, undoubtedly, provide important insights into the dynamics of household welfare. This is because it links women's empowerment with both quantitative aspects of welfare (e.g. level and dynamics of assets) and qualitative assessments of empowerment (e.g. capability to negotiate, influence and control institutions). The study is currently focusing on its approach and data collection instruments (Tafesse, 2004).

However, one of the key findings of Christensen (2004) is an alarming and dismal level of domestic violence against women in both urban and rural areas. His evidence from the Demographic and Health Survey indicates that the prevalence of domestic violence² is 69 percent in urban areas as opposed to 88 percent in rural areas.

iii.) Destitution

Destitute³ people live in poverty for long periods of time. The study of the causes of destitution and its various facets has been neglected. There is some scanty evidence that has been gathered in recent years by anthropologists and there is an urgent need to draw on that evidence to address this important aspect of human tragedy.

Tefera (2004) draws attention to the undignified aspects of life in the slums of one of the major cities of Ethiopia - Addis Ababa - where destitute people gather from all over the country. The author claims that, according to the World Bank, 90 percent of the capital city can be classified as a slum area. But that is not to say that all who live there are destitute. Those households which consist of the elderly, suffer from lack of

² In the data analysed by Christensen (2004), domestic violence is defined in terms of physical violence (i.e. beating) of women by their husbands.

³ Destitute individuals (according to Tefera, 2004) are those who live in houses without toilet facilities, who do not have access to sanitation, health centres and schools. They also include those who are in long-term unemployment and who are disadvantaged both physically and socially.

employment opportunities, have members with HIV/AIDS and include commercial sex workers are more likely to be destitute. The study adopts a multidimensional definition of poverty, listing a number of indicators of wellbeing such as housing conditions, health status including HIV/AIDS status, educational attainment, disability, cleanliness of living environment, availability of water, food and income. The root causes of poverty identified include, *inter alia*, racism, gender bias and discrimination against the disabled, the elderly and those who suffer from HIV/AIDS, leprosy and other illnesses. In addition, the study attempts to give a political economy interpretation of Ethiopian poverty by noting various unfair practices of the developed world that impact negatively on Ethiopia and other developing countries at the household level. The study concludes by focusing on some achievements in terms of the physical upgrading of dwellings, education/training, the rehabilitation of delinquents and prostitutes, family planning, water and sanitation between 1990 and 2004.

iv.) *HIV/AIDS or Health*

Kidanu and Banteyerga (2002) draws on both quantitative and qualitative studies and explores the link between HIV/AIDS and poverty in Ethiopia. It is a descriptive summary of three other studies and its analysis is static. The data was generated through focus groups and from the 2000 Demographic and Health Survey (DHS). A monetary definition of poverty definition is adopted.

The key findings are as follows. i) HIV/AIDS is not exclusively a problem of the poor. However the risk of infection is highest among the poor given their lack of information about the disease and their general hopelessness about their welfare; ii) Displacement is a major factor in the incidence of HIV/AIDS among communities because it leads to unemployment and to risky behaviour(s) such as drinking and gambling which in turn increases the risk of exposure to HIV/AIDS; iii) Knowledge about HIV/AIDS is not translated into action and the ability to act on knowledge is weakened mainly by widespread misconceptions about the disease; iv) The fast growth of HIV/AIDS is attributed to many years of poor governance, civil wars, droughts and famines that have resulted in massive displacements and unemployment. v) The prevalence rate is estimated at 6.6 percent in 2002. vi) High risk behaviour is linked to age and income. vii) The major sources of stigma and discrimination against

HIV/AIDS patients are poverty, ignorance and fear of infection and ultimately death. The relationship between poverty and stigma and discrimination is that HIV/AIDS stigma is often underpinned by pre-existing stigma concerning socially marginalised and vulnerable groups such as the poor. viii) Interestingly, the study linked food insecurity to a risk of exposure to HIV/AIDS. This is an extremely important observation. It is essential to understand the ways in which poverty causes high-risk behaviour (and increases the health related costs of such behaviour) and the consequences for the HIV/AIDS status of the sufferer. The informants' vulnerability to infection due to their lack of access to food is aptly summarised in the following quote; *'It is better to die of HIV/AIDS after 10 years than die out of starvation now.'* Therefore, some members of society engage in sex related activities to raise money for food.

As major causes of poverty and risk of HIV/AIDS infection, the study identifies inappropriate government policies (since the imperial regime in the 1940's), successive droughts, wars and conflicts, displacement, food insecurity and unemployment. Gender inequality is considered a consequence of economic deprivation rather than a cause. In terms of the direction of causation, it is argued that poverty leads to higher risk of HIV/AIDS infection because the majority of the poor are uneducated and have little access to health services.

The issue of internally displaced people (IDPs) is crucial in causing most of the instability in urban welfare but is rarely discussed in the context of urban poverty. Displacement leads to individuals having casual sex which then leads to the risk of infection. This phenomenon has been observed particularly in the mining regions of the country.

v.) *Livelihood Insecurity*

To better understand poverty and its dynamics we need to consider its multidimensional aspects. Rahmato and Kidanu (2003) studied the vulnerability of both urban and rural households in Ethiopia. Here we focus only on the former. Such a study is a rare and valuable tool for policy making because it captures aspects of household livelihoods which are often missing or ignored in studies based on household surveys. The only shortcoming of the study is its static nature. It is based

on a household survey on livelihood security which aims to capture normative assessments of wellbeing and is qualitative in nature. It assesses individuals' sense of livelihood at a point in time (2001) and summarises their responses. However, since livelihood insecurity may be a feature of individuals, households and/or communities with chronic poverty, exploring the dynamic aspect of the study will be fruitful. Evidence elsewhere in Sub-Saharan Africa indicates that insecurity is one of the important factors behind poverty and its perpetuation (Lawson *et al*, 2003).

The study is based on a relatively large sample of urban households and is a component of ILO's broad based study entitled People's Security Survey (PSS)⁴. The towns covered by the study are Addis Ababa, Debre Zeit, Mojo and Nazareth. Later in this paper, we compare the results of the study on Addis Ababa with the results of other studies such as Kedir and McKay (2004) and Bigsten *et al* (2003).

The study uses the livelihood approach as a conceptual framework rather than the standard income/consumption deprivation. Income is acknowledged as necessary but not sufficient for basic security. The study criticises the common definition of poverty, saying that it should take into account not only the *lack of access* to a bundle of basic necessities and services but also the issue of *security of access*. The authors adopt the seven forms of socio-economic security, as identified by ILO⁵, and findings are reported for each in urban Ethiopia.

The study finds that households, which depend on low and insecure incomes and inadequate social services, are anxious about their subsistence.. They face a shrinking labour market and most suffer from livelihood insecurity and fear losing their subsistence. More importantly, most of the households seem to be in long term poverty given the degree of pessimism they express in terms of their future employment opportunities, security and chances of self-improvement.

When considering specific aspects of urban livelihoods, it is worth highlighting the most important developments in the 1990s which have led to livelihood insecurity. The unemployment rate in the capital city increased from 35 percent in 1994 to 38 percent in 1999 corresponding to the increase in poverty over the 1994-1997 period as

⁴This survey has been undertaken in 12 other African, Asian and Latin American countries.

reported by various studies. But how is unemployment measured? The unemployment figures are based on those produced by CSA (Central Statistical Authority of Ethiopia) which defines the term ‘economically active’ to include all persons aged 10 years and above who are engaged in the production of goods and services for sale or for own consumption. This definition excludes those engaged in what it calls ‘unpaid household chores’. The authors provide no definition of unemployment in the paper. Another important development is institutional instability which has led to public sector and political reforms including the retrenchment of civil servants and the employment system based on ethnicity (Rahmato and Kidanu, 2003). This policy context reinforces the story of increasing poverty trends in the second part of the 1990s. The Ethio-Eritrea war from 1998 to 2000 also contributed to the chronic unemployment problem in urban areas. Rural-urban migration and homelessness are growing problems, which impact negatively on urban wellbeing.

There is no information about wage rates beyond the fact that they are low. Pressure from the IMF and World Bank, together with the ethnic-based decentralisation policies of the Ethiopian government, has contributed to considerable retrenchment in the public sector. Together with privatisation, this has helped create an excess supply of labour in the economy, which tends to keep wages low. In addition, the overwhelming dissatisfaction of respondents (i.e. employees) with their income supports the low wage story. The problem of low wages is aggravated by limited opportunities for workers to develop their skills through training. It is also made worse by rural-urban migration.

vi.) *Others: schooling, food insecurity and illness incidence*

It is obvious that sustained access to education and better health care offers long-term benefits for individuals. In Ethiopia, girls’ education is hampered by gender discrimination. For instance, Christensen (2004) indicated that girls are 11% less likely to be enrolled in primary schooling. In other words, 1 million girls are denied access to schooling because of gender discrimination. This is the most likely reason for a high incidence of poverty among female-headed households (UNDP, 2004). Girls who are currently denied life opportunities (such as education) are likely to

⁵These are labour market security, employment security, job security, skill reproduction security, work security, income security, and representation security.

become poor household heads in later life. Therefore, gender discrimination has a profound effect on women, often trapping them in a vicious cycle of deprivation throughout their lives. This trend if not checked clearly contributes to the perpetuation of poverty in society. With respect to the general health of the urban population, according to self-reporting of health problems, illness has increased in urban areas from 14% in 1995 to 19.5% in 1999.

Evidence also indicates that the prevalence of food insecurity (as measured by the incidence of child malnutrition) in urban areas is not significantly different from that of rural areas. There is some decline in the prevalence of urban pre-school wasting in the period between 1983 and 2000.

The study by UNDP is based on information from secondary sources, primary observations and face-to-face discussions with different stakeholders, including the urban poor themselves, who may not have previously been included as respondents or discussants in such endeavours. Based on 'secondary' cities⁶, i.e. Ethiopia's major towns outside the capital, it presents a synthesis of data, findings and analysis, more qualitative than quantitative, on the multidimensional aspects of poverty. The analysis is based on fieldwork conducted between January and August 2003 (UNDP, 2004).

The impacts of rural-urban migration i.e. the deterioration in urban living standards, are discussed without reference to the major forces behind them such as the Ethio-Eritrea war and bad weather. As in other studies reviewed above, the UNDP study indicates that urban social and economic service delivery has deteriorated. The level and accessibility of socio-economic services and infrastructure varies widely among the secondary cities. Some effort is made to quantify this variation. For example, Adama's length of asphalted roads is more than two-and-half times that of Awassa and Awassa has the fewest doctors per total population. Except for Bahar Dar, nearly all the secondary cities are able to collect and dispose of about half the solid waste they generate daily. Other findings include the following⁷; i) the poor lack mechanisms to enable them to participate in the activities of city administrations; ii) lack of financial resources has been a major problem for municipalities; iii) the housing problem has reached crisis point; iv) all the cities have a significant number

⁶ These cities are Adama (Nazareth), Awassa, Bahir Dar, Jimma and Mekele.

of squatter settlements; v) focus group discussions and informed interviews indicate that 30-35% of the population are food insecure⁸; vi) female headed households are located in the lower part of the expenditure/income distribution; vii) most urban dwellers rely on self-employment in the informal sector; viii) access to microfinance institutions helped households to improve their welfare in Adama and Mekele but not in Bahir Dar, Awassa or Jimma. The food insecurity identified by UNDP can be related to the income dissatisfaction survey results reported by Rahmato and Kidanu (2003) which identified 74 percent of employees as dissatisfied with their wages. This dissatisfaction might have arisen from their inability to provide adequately for the basic needs of the family such as food.

5. Methodological gaps/outstanding empirical issues

This section outlines some of the missing issues in poverty research. The review here is very brief because the main purpose of this paper is to draw attention to the consistency of findings and their policy implications. Christensen (2004) emphasised the role of spatial price deflators in the evolution of monetary poverty in Ethiopia. Therefore, one emerging research topic is the investigation of monetary poverty with a careful computation of price indices. Poverty counts are also sensitive to the choice of the adult equivalent scale used in measuring money metric poverty so this should receive special attention even if the economies of scale associated with the consumption of public and private goods are not huge in developing countries compared to developed countries. The significance of this for accurate poverty measurement has already been touched on in Section 5 and, as discussed below, it is one factor thought to account for contradictory conclusions in respect of urban poverty dynamics in Ethiopia.

Another important area of research is how the demand for food and non-food commodities changes when price and income change. The computation of price and income elasticities is an important component of recent poverty impact assessment studies. Currently the poverty analysis group of the World Bank in East Africa is

⁷ The UNDP study also quotes the poverty figures of other studies (secondary data). However these have already been reviewed in another section of this paper and are therefore not repeated here.

⁸ The food insecure are not defined in the study explicitly. But the study implies that households who have exhausted the various coping mechanisms (e.g. migrating to potentially food secure rural areas)

using the elasticities computed by Kedir (2004) in the study of the role of agriculture and the scope for boosting agricultural production and its potential effect on food prices and welfare.

The link between macro policies and their micro impacts has been an important area of poverty research in recent years but the identification and analysis of such links has been a challenge for researchers. For instance, the evidence about impact of trade liberalisation policies on poverty and employment patterns in developing countries is inconclusive because impacts on poverty vary from country to country and from sector to sector within countries. It is also not clear what channels are responsible for transmitting the macro policy changes to the household/individual level (Winters, McKay and Kedir, 2000). Research on these links should be one of the focuses of future poverty research in Ethiopia because the country is not immune to globalisation issues such as trade liberalisation. For instance, without going into much detail Rahmato and Kidanu (2003) linked growing insecurity in urban areas to price volatility and market instability caused by globalisation.

A further gap is the lack of information on the extent and nature of urban poverty in the smaller towns and cities in Ethiopia. Research work to date has been concerned only with Addis and the secondary cities such as Bahar Dar, Jimma, Mekele and Awassa.

6. Consistency and policy implications of findings

Some researchers argue that the adoption of different methodologies, variations in conceptual frameworks and the influence of donors result in contradictory research findings with regard to urban poverty (Tadele, 2004). As far as consistency of findings is concerned, it is instructive to compare the findings of Kedir and McKay (2004) and Bigsten *et al* (2003) with respect to the direction of poverty trends. Both are concerned with the mid 1990's, are quantitative in nature and use the same data set. However, Kedir and McKay's assertion of increased poverty is only partially supported by Bigsten *et al* (2003). While both studies show an increase in poverty between 1994 and 1995 Bigsten *et al* (2003) indicates a decline from 1995 to 1997

can be classified as food insecure. The UNDP study seems to put households which are food insecure

while the opposite was found by Kedir and McKay (2004). This appears to be mainly due to, *inter alia*, differences in the way the two studies make adjustments for regional price differentials, measure household welfare (e.g. using per capita or per adult equivalent scales) and define the poverty line (e.g. food vs. overall poverty). The sensitivity of poverty estimates to spatial price deflators is well documented (Deaton and Tarozzi, 2000)

The broad message of the study by Kedir and McKay (2004) is consistent with the results from the urban participatory poverty assessment relating to the period 1992-97, even if the questions each addresses are slightly different. It is strongly argued that the period between 1994 and 1997 was not a period of economic recovery in urban areas, whatever the picture at the national level, and this result appears to be robust across consumption based and subjective poverty lines (MEDAC, 1997).

UNDP (2004), Christensen (2004) and Rahmato and Kidanu (2002) report poverty figures (based on Central Statistical Authority data set) that show an increase in urban poverty between 1995 and 1997. This is in contrast to Bigsten *et al* (2003) but in complete agreement with Kedir and McKay (2004). Therefore, it is appropriate to conclude that urban poverty did in fact increase during the period from 1994 to 1997.

The key findings of UNDP (2004), Christensen (2004) and Rahmato and Kidanu (2002) are also consistent with respect to the provision of social and economic services. All three studies emphasise government departments' lack of essential financial, human resource and organisational capacity to deliver the full range of good quality urban services to residents.

Estimates of the prevalence of HIV/AIDS include figures of 6.6 percent in 2002 and 10.6 percent in 1999. In the light of this inconsistency, the true figure must be at least 10.6 percent. This assertion is supported by the prevalence rate found in the sample of 911 pregnant women, which was 11.3 percent. The rate is even higher for younger pregnant women at 12.1 percent (Kidanu and Banteyerga, 2002).

Importantly, Christensen (2004) finds higher returns to female education in urban areas than in rural areas. The returns are twice as high in urban areas relative to

and vulnerable together.

returns to male education. This suggests the need for affirmative action towards female education not only where schools are concentrated but throughout the country. However this result may be linked to the urban labour market and may not be achievable in other areas. Another policy relevant finding concerns the positive relationship between the percentage of female teachers and the probability of urban children enrolling in schooling. The larger the percentage of female teachers, the larger the likelihood of urban children enrolling in schools. The study did not find the same pattern in rural areas. Even if such a gender dynamic deserves further exploration, the government can encourage women to join teaching by, for instance, instituting incentive schemes to draw them into the profession.

Employment creation should be seen as one of the most significant methods of fighting long-term poverty. However this does not figure prominently as a poverty reduction measure in the government's PRSP that has just been submitted to the IMF and the World Bank. Both UNDP (2004) and Rahmato and Kidanu, (2003) suggest that the government should allow the private sector to play a greater role in the economy to help create employment. Encouraging the private sector to provide better employment for the urban unemployed should not be seen as the only way to increase household incomes but rather as part of the overall scheme of employment creation. In support of this recommendation, UNDP (2004) has cited best practice in private initiatives in garbage collection. The government should also win the confidence of the public by ensuring public security, enforcing laws and reducing corruption so that private enterprises work in a transparent and rewarding environment (Rahmato and Kidanu, 2003).

The UNDP study is the only one to discuss urban governance, arguing for pro-poor municipal policies which enable the poor to participate in the activities of city administrations and influence policy making (UNDP, 2004). In addition, due to the prevalence of squatter settlements in all the cities covered by the study, there is an urgent need to take a more comprehensive view of the management of solid and liquid waste. Encouraging privatisation and recycling of waste are possible options to consider.

It is also recommended that government should recognise the important role played by the informal sector in urban livelihood security. In general it is not obvious how to

support this sector but one crucial avenue is the provision of credit on acceptable terms. Due to the imperfect nature of credit markets, suffering as they do from asymmetric information and the collateral requirements of formal lending institutions, there is little hope of poor households using credit individually for consumption smoothing. However the government can encourage the proliferation of group lending schemes that are adapted to the realities of poor households - the current development of this sector in major urban centres such as Addis Ababa is encouraging. Other forms of support should be carefully investigated in the future. Other major interventions include the need for a more balanced approach to both urban and rural food insecurity and the need for urban upgrading and slum clearing to alleviate the squatter settlement problem.

To reduce the burden of poverty on women and to tackle its causes, city governments of secondary cities must focus more on abolishing harmful traditional practices such as female genital mutilation, early marriage, abduction, forced marriage and discrimination against girls in the family and against women at work and in society in general. Law enforcement is currently unsatisfactory or weak and the Ethiopian government should give priority to this so that women can participate fully in economic and social life and have a better standard of living.

The government should focus its HIV/AIDS awareness and prevention programme on vulnerable groups such as commercial sex workers, the unemployed youth, displaced people and street children.

There have been some achievements in terms of the physical upgrading of dwellings, education and training, the rehabilitation of delinquents and prostitutes, family planning, water and sanitation between 1990 and 2004 in Addis Ababa (Tefera, 2004). However such interventions have been concentrated in a few localities within Addis Ababa and are almost non-existent in the secondary cities. Such sustained interventions of good practice should cover more areas within the capital city and should also be extended to the secondary cities.

7. Emerging research agenda and future research strategy

7.1. Emerging research agenda

Urban poverty is not sufficiently studied in Ethiopia. Unsurprisingly, this is even more true of chronic urban poverty. So far, due to the rural bias of poverty studies, there are no systematic chronic poverty studies in the country apart from a few which have emerged in the last few years. Our workshop focuses on urban poverty in general with a particular focus on its persistence. As indicated earlier, we do not claim that all the studies in this workshop emphasise chronic poverty but almost all have identified the factors that need further investigation in order to understand determinants of poverty persistence. In line with the papers presented, we have identified emerging research agenda items such as the dynamics of income/expenditure poverty, gender inequality, livelihood insecurity, HIV/AIDS, urban squatter settlements, homelessness, food insecurity and urban governance.

Due to the lack of synergy in studies conducted by different private and non-governmental institutions, government agencies, academic institutions and individuals, there is an urgent need for a comprehensive and systematic overhaul of existing evidence. So far, research findings on poverty from various sources in Ethiopia have been treated as substitutes instead of complementing each other. This can be seen in the non-mutually exclusive nature of much of the evidence on poverty in Ethiopia. Thus, the existing evidence should be brought together as attempted in this paper. Existing findings have not been carefully used to draft the most important poverty document at the national level in recent years, the Poverty Reduction Strategy Paper, which misses a lot of valuable poverty relevant information despite its having been in the public domain since the mid-1990s.

Rhamato and Kidanu (2002) identify access to food as a crucial factor in livelihood wellbeing. However, except for some recent attempts based on quantitative data, accurate figures for the magnitude of food insecurity in the urban areas are not readily available. Therefore, the analysis of food poverty warrants more attention and should be considered an important agenda for the future.

Elsewhere, it is proposed to interview individual household members to generate qualitative information about their welfare. This seems consistent with the recent trend in analysing intra-household resource allocation and its welfare implications (Tadele, 2004). In a dynamic sense, household survey data can be examined to look at the intra-household allocation of resources in order to shed some light on whether women and children face consistent discrimination. It is also suggested that urban poverty be studied in the context of rural-urban migration (which is a labour market analysis of poverty); and that the gendered aspects of poverty be explored (e.g. domestic violence and primary school enrolment of girls).

In the face of gross inconsistency in the published figures for the prevalence of the HIV/AIDS epidemic, there is also a need for an accurate measure of such sensitive and highly significant information possibly with disaggregation by income group.

In addition, in the secondary cities, urban reforms need to be carried out to enhance the governance and management capacities of cities and towns. Municipal policies should be pro-poor. If cities had the autonomy to make decisions in consultation with their residents and if they mobilised and used their own fiscal resources for the well-being of their own residents, there would be a sizeable reduction in poverty. Therefore, work on the welfare impacts of decentralised or bottom-up decision making and other governance policies on generating and allocating resources is another important area of research in investigating the spatial and temporal pattern of poverty in the secondary cities.

7.2. Conclusion: future research strategies

This section attempts to identify some of the research strategies that need to be carried out for a better understanding of poverty and chronic poverty in urban Ethiopia and for effective policy making.

One of the major criticisms of current research on poverty at a national level is its inefficient use of existing evidence from academic institutes, public agencies and private research organisations. For instance, the National Poverty Reduction Strategy Paper (PRSP) undermines the analysis of urban poverty in Ethiopia by not drawing on

such reliable and careful poverty analyses as those conducted by CSA, the Welfare Monitoring of Ministry of Development and Co-operation (MEDAC)⁹, the Department of Economics of Addis Ababa University (AAU) and the Forum for Social Studies (FSS). These analyses should not have escaped the attention of those responsible for compiling the PRSP document in order to map out relevant policies. The PRSP also pays scant attention to the needs and plight of the country's towns and cities (Tadele, 2004; Rahmato and Kidanu, 2003). Therefore, poverty reduction policy failures at least in urban areas seem inevitable.

The time allocated for participatory urban appraisal should be sufficient to gather enough relevant information. Tadele (2004) indicates that this can fail to happen by noting a Rapid Urban Appraisal (to help design the EU Wheat Scheme for the urban poor in Addis Ababa) which was conducted in one single day. It will also be useful to undertake poverty studies in the future in an *inter-disciplinary manner*. For instance anthropological methods provide rigorous, detailed qualitative information which can be used with quantitative information. Such methods are not currently used in researching poverty in Ethiopia but should be in the future. In this respect, the ESRC research group on Wellbeing in Developing Countries (WeD) at the University of Bath in the UK has a promising programme to develop an integrated multi-disciplinary conceptual framework for understanding the dynamics of welfare (poverty and inequality) in developing countries including Ethiopia. However, this exercise only focuses on rural areas.

Kidanu and Banteyerga (2002) argues that “Disclosure of sero-status is also positively related to poverty” but the paper provides no evidence for such a claim. The study is generally characterised by a weak attempt to link poverty status with HIV/AIDS infection. For instance, there is no meaningful breakdown of the IDPs in the camps by income group and HIV status, nor is there of the general urban population.

Crucial aspects of urban welfare which have been often neglected by researchers but which urgently require future attention are; i) the link between prices and poverty measurement; ii) displacement; iii) child poverty; iv) elderly poverty - there is a lot of literature on this in the developed world which could be used as a basis to analyse existing data in Ethiopia; v) disability and poverty; vi) unemployment and poverty;

⁹ MEDAC has now been named as Ministry of Finance and Development (MOFED).

vii) street children and homelessness - NGOs can be good sources of data here as can other researchers who have already generated qualitative information through interviews; viii) location and remoteness and poverty or the geographic concentration of poverty; ix) food insecurity and x) women and poverty.

With regard to the choice of methodological approaches to the study of urban poverty and its dynamics, we should explore rigorously the ways in which quantitative and qualitative findings can be combined. This can be done either while analysing poverty in a given locality at a particular point in time or across periods as attempted by Kedir and McKay (2004). An interesting study on Uganda has developed understanding of dynamic poverty by combining qualitative and quantitative insights from longitudinal/panel household surveys and Participatory Poverty Assessments (Lawson *et al*, 2003). However, the major drawback of such an exercise is the lack of both quantitative and qualitative data on the households/individuals for the period under consideration. Given such data, the attempt to combine both types of findings is an immediate and feasible way of addressing Tadele's proposal (Tadele, 2004).

More rigorous work on existing data sets in order to address methodological/empirical issues is critical for an accurate measurement of poverty and its dynamics. For instance, one can work carefully on data problems such as a) measurement error in the expenditure/income variable and other endogeneity issues, b) the issue of attrition and associated sample selection problems in the panel data studies, c) the choice of adult equivalent scales, d) the choice and computation of price indices favouring superlative indices to make the much needed adjustment for variation in cost of living across space and time and so on. This has important implications for poverty policy and in particular for food policy. It can also be used for the analysis of food demand responses to price changes (Kedir, 2004).

We also need to make use of existing data sets¹⁰ and findings from studies that have adopted different methodologies. Over the last five years, FSS (Forum for Social Studies) has been using participatory urban poverty assessment. This involves a programme of public consultations on poverty and its alleviation which brings

¹⁰ These data sets exist in the form of household survey information; participatory poverty assessments (PPA); DHS (Demographic and Health Surveys); surveys by NGOs and Central Statistical Authority (CSA) surveys.

together representatives of the government, donors, the private sector and a wide spectrum of civil society. This is a valuable source of information which complements the existing survey based research in the country. To improve the representation of the majority of the urban poor, the poverty assessment exercises of FSS should be extended to secondary cities and even to other small towns as opposed to the current focus on pockets of the urban poor in the capital.

There is also a need to assemble anthropological evidence on a variety of issues, most of which are given little or no attention in household surveys. The issues covered by the anthropological literature in Ethiopia include HIV/AIDS, disability, displacement, gender, sex workers, informal sector and child destitution. This is really important to help identify groups who are more likely to suffer chronic poverty.

References

1. Bigsten, A., B. Kebede, A. Shimeles and M. Tadesse (2003) “Growth and Poverty Reduction in Ethiopia: Evidence from Household Panel Surveys”, *World Development*, Vol. 31 (1): 87-106.
2. CPRC (2004) Global Chronic Poverty in 2004-05, Report of CPRC, University of Manchester.
3. Deaton, A. and S. Zaidi (1999) *Guidelines for Constructing Consumption Aggregates for Welfare Analysis*, RPDS Working Paper 192, Princeton University.
4. Deaton, A. and Tarozzi (2000) Prices and Poverty in India, Working paper 196, Research Program in Development Studies, Princeton University.
5. Dercon, S. (2002), “Growth and Shocks: Evidence from Rural Ethiopia”, *mimeo* Centre for the Study of African Economies, University of Oxford.
6. EEA/EEPRI (2004) Measuring Women's Empowerment: Study Approach and Data Collection Instruments. Addis Ababa, Ethiopia.
7. Government of Ethiopia (2000) Interim Poverty Reduction Strategy Paper 2000/01-2002/03, Addis Ababa, Ethiopia.
8. Haddad, L. and A. Ahmed. 2003. Chronic and Transitory Poverty: Evidence from Egypt. *World Development*. 31 (1): 71-86.
9. IMF (1999), *Ethiopia: Recent Economic Developments*, Washington, DC: IMF.
10. Lawson, D. , A. McKay and J. Okidi (2003) Poverty Persistence and Transitions in Uganda: A Combined Qualitative and Quantitative Analysis, CPRC Working Paper No. 30, University of Manchester.
11. Mitlin, D. (2004) Chronic Urban Poverty: Issues and Implications, Paper prepared for Chronic Urban Poverty Workshop, 16-18 August 2004, Addis Ababa, Ethiopia.
12. _____ (2004) Understanding Urban Poverty: What the Poverty Reduction Strategy Papers Tell us, [Http://www.iied.org/urban/downloads.html](http://www.iied.org/urban/downloads.html).
13. _____ (2003) The Economic and Social Processes Influencing the Level and Nature of Chronic Poverty in Urban Areas., CPRC Working Paper, No. 29, University of Manchester.
14. Kedir, A. (2000) “Modelling Poverty and Its Determinants for Urban Ethiopia: The Multinomial Logit Selection Model”, *Ethiopian Journal of Economics*, Vol. 6(2): 1-36.
15. _____ (2005) Estimation of Own- and Cross- Price Elasticities using unit values: Econometric Issues and Evidence from urban Ethiopia, *Journal of African Economies*, 14(1): 1-20.
16. Kedir, A. and McKay, A. (2004) Chronic poverty in Ethiopia: Panel Data Evidence, paper prepared for the Workshop on Chronic Urban Poverty in Ethiopia, 16-18 August, 2004, Addis Ababa, Ethiopia.
17. Lanjouw, J. O. and P. Lanjouw (2001) How to Compare Apples and Oranges: Poverty Measurement Based on Different Definitions of Consumption, *Review of Income and Wealth*, 47(1): 25-42.
18. Ministry of Economic Development and Co-operation – MEDAC (1999), “Poverty Situation in Ethiopia”, Welfare Monitoring Unit, Addis Ababa.
19. _____ (1997), “Participatory Poverty Assessment for Ethiopia”, Addis Ababa, Ethiopia
20. Rahmato, D. and A. Kidanu (2003) Vulnerable Livelihoods: People's Security Survey of Urban Households In Ethiopia, Forum for Social Studies (FSS) and Miz-Hasab Research Center, Addis Ababa Ethiopia.

21. Tadele, F. (2004) Urban poverty studies in Ethiopia- Reflection on the Methodological approaches, Paper prepared for Chronic Urban Poverty Workshop, 16-18 August 2004, Addis Ababa, Ethiopia.
22. Tadesse, M. (1997) *Determinants and Dynamics of Urban Poverty in Ethiopia*. Paper presented for a Workshop on 'Poverty and Income Distribution Issues During Adjustment', International Livestock Research Institute, Addis Ababa, Ethiopia.
23. UNDP (2004) Secondary Cities: Urban Poverty Participatory Action Research Initiative, Addis Anteneh and Associates, Addis Ababa, Ethiopia.
24. Winters, McKay and Kedir, (2000) Trade Liberalisation and Poverty: Review of Empirical Evidence, a report prepared for Department for International Development (DFID), UK.
25. World Bank (2004) Atlas Method:
<http://www.worldbank.org/data/databytopy/GNIPC.pdf>