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Targeting aid to the poorest in urban Ethiopia - is it possible?
Rapid Urban Appraisal

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• Background

Since the demise of the Marxist regime of Mengistu Haile Mariam in 1991, Ethiopia has embarked on a programme of economic reform. The country has adopted a number of measures such as currency devaluation, market liberalisation and the reorganisation of government enterprises. Many people are expected to be affected by these changes; some will gain, others will lose, but the urban poor are expected to suffer most in the short term. As a response the Government of Ethiopia planned various schemes, including targeted relief measures for the urban poor. One specific programme was a system of vouchers to be exchanged for food and kerosene with local traders - similar to food stamps programmes established in Sri Lanka, the USA, Jamaica and other countries.

A small team of local and international personnel were appointed to assist with the programme concept design and the planning of the monitoring and evaluation system[1]. Initial ideas were framed after discussions with government, NGOs and other knowledgeable people, but it was clear that there were a number of issues and problems that would be best clarified with a proper discussion with the potential beneficiaries of the programme.

Therefore it was to decided to carry out a limited Rapid Urban Appraisal with the aim of gaining some specific information on the following issues:

- *Characteristics and indicators of poverty:* How would poorer urban dwellers define indicators of poverty? What were the characteristics of the non-poor?

- *Identification of the poor:* If a specified percentage of the people were to be the recipients, would it be possible to identify these people?

- *Income level:* If income level were a criterion for acceptance on the programme, would it be possible to measure income accurately?

- *Application procedure for the vouchers:* Would the potential beneficiaries receive the information that there was to be a programme for which they should apply?

- *Type of assistance:* If assistance is to be given to the poorest urban dwellers, what was the best type of aid?

A supplementary question that was of interest was whether Rapid Appraisal techniques could be usefully applied to help design such large scale programmes.

Organisation of the Rapid Urban Appraisal

The RUA team consisted of six people, three Ethiopians and three foreign personnel (two of whom had extensive experience in Addis Ababa). All members of the team had good background in surveys and interviewing,

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[1] Other than the author, the members of the RUA team were: Debebe Haptewolde (Ministry of Planning and Economic Development, Ethiopia), Kibru Mamusha, (Catholic Relief Services, Ethiopia), Tewodros Demisie (Ministry of Trade, Ethiopia), Simon Maxwell, (IDS, University of Sussex, UK), Neville Edirisinghe (IFPRI, Washington DC).

although not everyone was familiar with Rapid Appraisal techniques.

The area selected for the RUA was *Kebele* 13, in the Piazza area of Addis Ababa. A *kebele* is an administrative district with a variable geographical size and population. A *kebele* offers certain benefits to registered members such as rations of selected foods at subsidised prices, free medical treatment and education certificates for the poor, and access to various aid schemes. *Kebele* 13 was chosen because one of the team had previously had discussions with the Vice-Chairman of the *Kebele* committee, and had been invited back if further information was required.

Due to time constraints only one full day was allocated to the RUA. This was immediately recognised as a drawback, but it was expected that the allocated time could yield some answers to the questions, as well as revealing issues that needed further follow up. The evening before the RUA was scheduled, a planning meeting was held to discuss the objectives of the exercise and explore possible ways of gaining information. The objectives and possible techniques were typed up and given to each member of the team to act as a checklist to refer to during the RUA. This proved helpful to keep the team to its objectives during the day's activities.

Semi-structured interview with the *Kebele* Vice-Chairman

First thing in the morning the team met together in the office of the Vice-Chairman of the *kebele*. This interview was held for two reasons: for the sake of protocol and good manners and because it was necessary for the team to obtain general information about the *kebele* to give a background to the more specific objectives of the RUA.

The total registered population of the *kebele* was given as 5,378, consisting of around 1,011 households. A very recent registration had taken place for an election so the population estimate was probably fairly accurate. However there was an unknown number of people living in the *kebele* who were not registered. Piazza area is an old 'inner city' part of Addis Ababa, built on the side of a hill with a reputation for overcrowding and prostitution. The Vice-

Chairman indicated that he considered it one of the poorer districts of the city. This was backed up by observation and experience of other *kebele*s, and by the fact that the Christian Children's Fund, a child sponsorship agency which has a programme in the *kebele*, limits its work to the poorer areas of Addis Ababa.

A circle was drawn on a piece of paper to represent the total population of the *kebele*, and the Vice-Chairman was asked to divide the circle into types of occupational group. He indicated that a very small proportion, perhaps 5%, were government employees, a further 25-30% were engaged in trading or business and the remainder were described as having no income or job, relying mostly on petty trading such as selling tea, baking *injerra* (the traditional staple food of Ethiopia), washing clothes or prostitution. He indicated that the majority of households were women headed. This estimate was confirmed by discussions with local people and other *kebele* officials who went through their lists at the end of the day and calculated that 58% of the *kebele* households were women headed.

Most of the houses were owned by the *kebele* and were made of the traditional *chikka* construction - mud mixed with straw on a wooden frame. Many houses had tin roofs and an electricity connection. For a one roomed house about 3m x 3m a tenant might expect to pay about 5 to 10 Birr per month (Birr 5 ~ US$ 1).

The Vice-Chairman was confident that the *kebele* officials knew all the residents of the *kebele*, and had an accurate idea of the occupation and income of each household. Therefore he had no doubt that the poorest people could be identified for an assistance programme.

Serendipity helps the RUA

The team then had a piece of good fortune that assisted the progress and direction of the RUA. By chance the RUA began on the same day wheat was scheduled to be distributed by the European Community Structural Food Aid programme. The Vice-Chairman explained that the wheat was for families with a household income of less than Birr 100 per month. Each member of the household up to a maximum of

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five members would be allocated 10kg of wheat. The wheat was sold to the *kebele* administration who then had to resell the wheat at Birr 0.80 per kg to the recipients. This compared to an open market value of wheat of around Birr 1.70 per kg.

This provided an opportunity for the team to assess the efficiency of the EC wheat programme and compare the targeting methodology with the one considered for the food and kerosene voucher programme. The team split into three pairs to maximise opportunities:

- Pair 1 went into the *kebele* shop where women (mostly) queued to receive their allocated grain;

- Pair 2 talked to women on the way out of the shop after receiving grain; and,

- Pair 3 went to the *kebele* Christian Children's Fund office to investigate the selection criteria for registering children on their programme.

- **Techniques used during the RUA**

Informal interviews

A large number of informal interviews were held during the RUA and it was clear that this method was successful. In fact it appeared that urban people were very willing to talk and did not express any of the suspicion or hesitation sometimes found in rural areas. The majority of the interviews were with women, and although none of the team members were women, there appeared to be no reluctance to discuss issues with men. This may have been because many of the households were female-headed; these women may have become used to dealing with men. The presence of foreigners did not seem to be a disadvantage; sometimes it made people more curious and therefore easier to talk with.

Discussions were held with people in the grain line while waiting to receive or to take away their wheat. People were accompanied to their homes (sometimes helping to carry the heavy wheat sack) where a further interview was held. Traders in their shops or waiting in the street talked about grain prices and the supply and demand of other goods.

Wealth ranking to obtain poverty indicators

A small number of case studies were carried out using conventional wealth ranking techniques. Since the population of the *kebele* was very large it was impossible to undertake a wealth ranking of the entire community, which is sometimes possible in a rural village. However, the technique was used with small groups of people since houses were commonly set around a courtyard or enclosed area off the street. The objective here was not to obtain a view of the social structure of the community as is sometimes the case in RRA. Instead the aim was firstly to test the ability of people to judge relative wealth for inclusion or exclusion from an assistance programme, and secondly to try to understand what features (income, social or physical) would be used by people to determine relative wealth or poverty.

Some informants were a little reluctant to discuss income issues and found it hard to rank households. Sometimes this appeared to be a genuine problem because the information was not available to them and at other times it was because other people were standing around and the informant was embarrassed to make the decision. However in all cases the informant completed the ranking and explained the reasons for their choice.

Pie charts

Pie charts were used to try to estimate the number of people in various income categories and to estimate the number of people receiving grain. One exercise was carried out in a shop with a group of young men and the shopkeeper. A pile of grain was subdivided by the informants into the various income categories. Their estimates of the percentage of people in five monthly income bands were:

Birr 400	2%
Birr 300	3%
Birr 200	20%
Birr 100	25%
Birr 50	50%

They thought that 50% living on Birr 50 per household might even be too low; many of these households would be women headed.

In a home, discarded pepper seeds left from a meal were gathered and used for dividing population into income groups. Informants immediately responded to the method and it always provoked an interesting discussion.

Transect walks

Transect walks are not simple in the urban situation where houses are very crowded together and the area is congested. However it did prove possible to walk around the *kebele* following small paths and tracks. This proved useful for interviewing people who were on the roadside such as beggars, petty traders sitting in *gullits* (permanent, but informal markets, selling very small quantities of goods e.g. a bottle top full of peanuts, or three onions) and one merchant waiting for transport with 15 sacks of wheat.

Case studies

Interviews with women during wheat distribution

Ten women were interviewed about the amount of grain they were receiving and what they planned to do with it:

Out of these ten households five were women headed. All the women planned to sell a proportion of the grain, half saying they would sell all of it. The problem identified by the women was that their allotment had to be paid for all at once, therefore many said that they needed to borrow money to make the purchase. This meant that they had to sell the wheat immediately to the traders who were waiting outside the door of the distribution point. The open market purchase price for wheat was about Birr 1.70/kg (although this varied according to the quantity bought, and poorer people buy smaller quantities at higher prices), but the traders were giving the women only about Birr 1.00/kg, which implies a profit of Birr 0.20/kg rather than Birr 0.90/kg which would be the subsidy gain at the open market price. As one woman said, *"most of the benefit goes to the traders"*. Another woman stressed that it was the poorest people who had to sell their grain.

On average 78% of the grain received was sold, although women headed households sold a greater proportion (83%) than male headed households (72%).

There is also some doubt about the targeting efficiency of the EC wheat programme. Although the large majority of people spoken to during the day were very satisfied with the targeting, there is some evidence that non-eligible people were also recipients. For example one young person taking grain said there were two income earners in his household - a teacher and a shop worker - which would almost certainly mean that the household came above the Birr 100 per month cut-off level.

On the positive side, the programme does make a substantial contribution to the incomes of the poorest households. On the calculations below, it permitted an increase in purchases of grain by one household of 28% in the month it was received. People are happy to have grain and in some cases prefer it to cash.

Name	Household size	Sex of Hh head	Kg wheat received	Kg wheat sold	% wheat sold
Gete B	7	F	40	40	100
Haragoin D.	4	F	30	20	66
Tsehay M.	5	M	40	20	50
Abonesh A.	6	F	40	20	50
Tsehay W.	7	M	40	20	50
Mamite J	3	F	30	30	100
Mulu A.	3	M	30	20	66
Medhin G	5	M	30	30	100
Tishir W.	7	F	40	40	100
Shewalem K	7	M	40	40	100

BOX 1
INTERVIEW WITH TSEHAY WOLDE

Tsehay Wolde was born in Addis Ababa and now lives with her husband, five children aged between 11 and two and her sister in a single room approximately 4m x 3m. Tsehay's husband was a soldier, but was injured in the war and now receives a pension of Birr 85 per month which apparently is the family's only source of income. Birr 5 is given to the husband as pocket money. The room is one of five in a compound around a courtyard, served by a shared tap and latrine. It has mud walls, papered with newspaper and contains a large double bed, a single bed and a table and chairs. There is a charcoal stove under the bed. The room, which costs Birr 5 per month to rent (though this has not been paid for the past three years), has electricity. The majority of the income is spent on food, and the main meal of the day is lunch which is served without meat. The family receive 40kg of EC wheat and are happy with the targeting. They sell half to meet necessities, and the remaining 20 kg will last for 15 days. There were some contradictions observed by the team in the home as the children appeared reasonably well fed and dressed - perhaps other undeclared income sources existed.

A calculation of income: if available income is Birr 80, plus another Birr 4 profit from grain sales, this gives a total of Birr 84 per month. The remaining 20kg of EC wheat cost Birr 16, leaving Birr 68. If all of this were spent on grain at Birr 1.70, the total grain available would be 60kg per month (equivalent to 250gm per person per day), which is 62.5% of the Ethiopian Relief and Rehabilitation Commission's relief ration of 400gm per day. This approximates to about 1 000 calories per day, well below the Ethiopian Nutrition Institute's recommended daily intake of 2 100 calories. However, it is important to note the considerable contribution that the EC wheat is making to the family's total grain purchase; without it the maximum purchase would be 47kg.

BOX 2
INTERVIEW WITH NEGATWA - WIDOWED TEA SELLER

Negatwa lives with her five young children and one relative in a *chikka* house of two rooms. She has electricity and shares a latrine and water tap with the six families that live in her compound. Although she received 40kg of grain from the EC grain scheme she is by no means destitute, since she intends to keep all the grain for home consumption; in addition there were several items of furniture in the house.

She makes her living as a tea seller. She brews the tea in her own home, puts it in two thermos jugs and carries it up the hill to the Ras Mekonnen Garage where she has an agreement to bring tea on a daily basis. She sells 50 cups per day at the price of 20 cents per cup, which totals Birr 10 per day or Birr 225 per month (assuming 22.5 working days per month). She indicated that her sales increased during the rains. However against that she has to offset her monthly production costs which are outlined below:

Sugar - Birr 6 /day	=	Birr 135
Tea	=	Birr 25
Water	=	Birr 5
Fuel	=	Birr 9
Total	**=**	**Birr 174**

This leaves her an income of Birr 51 per month. She described her monthly expenses as follows:

School	=	Birr 10
Food	=	Birr 40
Fuel	=	Birr 9
Electricity	=	Birr 10
Rent	=	Birr 18
Water	=	Birr 4
Total	**=**	**Birr 91**

If these figures are correct they suggest that Negatwa has a Birr 40 deficit each month. An apparent excess of expenditure over income was evident in most discussions held during the RUA, which implies that either informants were overestimating their expenditure, they had other sources of income which they did not declare, or they were using up assets.

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Christian children's fund (CCF)

A total of 803 children from the *kebele* are registered with the CCF. Assuming that the age structure of *Kebele* 13 follows the urban norm of 46% of the population being 14 years of age and under[2], this represents about 32% of the *kebele*'s children. Criteria for inclusion in the programme appeared to be somewhat subjective, although a monthly income of under Birr 150 or no permanent income source was a requirement. The benefits of registration are free school fees, some free food for children, help with savings schemes and soft loans for micro projects such as *injerra* baking or petty trading.

• Conclusions

- The wealth ranking exercises carried out during the day showed that informants had the ability to discriminate between the people under discussion, and that they used their own criteria for judging relative wealth. However, the criteria were difficult to standardise. A few common measures were: regularity of employment, dependency ratio and women headed households. More work needed to be done on what the poor considered to be indicators of poverty and affluence.

- Targeting was a major problem in the EC programme and would also be a problem in any programme that attempts to differentiate between the poor. Although there were no complaints about eligible people registered with the *kebele* being excluded, it seems that at least some of the people above the income cut-off were receiving wheat. In this *kebele*, a minimum of two thirds of the households were eligible for wheat and so the coverage was quite extensive. If targeting for the voucher programme was limited to the poorest 30%, it could be very difficult for the *kebele* to make the selection fairly. Residents of the *kebele* suggested that the committee to approve selection of beneficiaries should consist of three poor people of whom two could be elderly and at least one a woman. The remainder (maximum two) could come

[2] Ethiopian Central Statistical Authority, 1987

from the *kebele* committee. One team member suggested that it would be better for the *kebele* not to be involved at all, but that *"the potentially poor people should select their own representatives and take responsibility for the programme themselves."*

- Household income in the informal sector varies significantly over time. People will move in and out of income classes from one month to the next. The poorest on daily labour wages, which tend to be unreliable, will suffer most from these variations. This makes targeting by monthly income potentially unreliable. Targeting by total income may also be a risk because income per capita is a more important measure of poverty than total household income.

- If targeting were to be carried out on an income criterion alone, there would be the danger of creating a poverty trap. If the cut off level for receipt of benefits was set, for example, at Birr 100 per month, and a voucher worth Birr 25 were given to any household below that figure, all households in the Birr 100 to Birr 125 per month income bracket would have an incentive to reduce earnings or to underdeclare them.

- Any programme that is only for registered *kebele* members will miss those people who are not part of the *kebele* system. The EC wheat scheme and the proposed Food and Kerosene voucher programme are both targeted at registered members. The reason for this is to discourage people from moving from their normal residence to receive aid, and to stop multiple applications in different centres. Several informants said that as many as 25% of the residents of the area were not registered, however there was no way independently to check these estimates. Non registered people would probably be either the rich who have no need for the facilities that the *kebele* can offer or poor, displaced people.

- Most of the people interviewed liked the wheat scheme, despite much of the benefit going to the merchants. When asked about a voucher programme respondents thought it sounded good, although it was only an abstract idea since they had had no experience of such a system before. Some informants suggested that the voucher

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should be obtainable as payment for work around the *kebele*. There was a strongly expressed need among people interviewed for help to earn income, as well as to receive charity.

- The presence of the EC wheat distribution was extremely helpful in allowing comparisons to be made with the proposed Food and Kerosene voucher programme. It was clear that people were aware of the wheat programme, and so informing potential recipients about an aid programme is not a problem. The message had even reached a blind, illiterate beggar.

- Traders will need time and orientation in order to understand and accept the principle of using vouchers in place of cash. They warned that discounting of vouchers was inevitable due to the extra cost of having to redeem them at the bank. An effective advertising and information campaign would be needed for the Programme for the benefit of all parties.

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