

# Understanding Changes in the Lives of Poor Children:

Initial findings from ETHIOPIA

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**Round 3** Survey Report

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in the Lives of Poor Children:**

Initial findings from Ethiopia

**September 2011**

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Young Lives Round 3 Survey Report

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# Table of contents

<b>Executive summary</b>	<b>9</b>
<b>1. Introduction</b>	<b>15</b>
1.1 Background and objectives of Young Lives	
1.2 Design of the Young Lives survey	
<b>2. Country context</b>	<b>19</b>
2.1 Overall context	
2.2 Economic context	
2.3 Poverty and inequality	
2.4 Risk, vulnerability and social protection	
2.5 Social services and infrastructure	
2.6 National institutions and policies on children	
<b>3. Survey results and discussion</b>	<b>30</b>
3.1 General description of the sample households	
3.2 Household wealth and its dynamics	
3.3 Poverty dynamics	
3.4 Shocks and vulnerability	
3.5 Access to services: safe water, sanitation facilities and electricity	
3.6 Social protection	
3.7 Nutritional status and health	
3.8 Enrolment in primary school and education	
3.9 Child work and time use	
3.10 Children's perceptions of well-being	
<b>4. Summary and conclusions</b>	<b>68</b>
<b>Bibliography</b>	<b>71</b>
<b>Appendices</b>	<b>74</b>
Appendix 1 Supplementary tables	
Appendix 2 Definitions of key outcome variables	
Appendix 3 Young Lives publications on Ethiopia	

# List of tables

Table 1	List of Young Lives study sites in Ethiopia
Table 2.1	GDP growth and growth of major sectors (%)
Table 2.2	Poverty indices and inequality
Table 2.3	Performance on selected health indicators
Table 2.4	Performance on selected education sector indicators
Table 2.5	National infrastructure expansion, 2005–2010 (by sector)
Table 3.1	Summary of attrition in Round 2 and Round 3
Table 3.2	General characteristics of Young Lives Ethiopia sample households and children in Round 3
Table 3.3	Real per capita household consumption expenditure (birr per month)
Table 3.4	Mobility across consumption quintiles between R2 and R3 (%)
Table 3.5	Wealth index by location, region, maternal education and gender of household head (mean of Younger and Older Cohort)
Table 3.6	Percentage of extremely poor, poor and non-poor children in sample
Table 3.7	Movement into and out of wealth index based poverty categories, 2002–2009 (%)
Table 3.8	Poverty line levels by region* (birr)
Table 3.9	Patterns of absolute consumption poverty, R2–R3 (%)
Table 3.10	Movement of households into and out of consumption poverty, R2–R3 (%)
Table 3.11	Movement into and out of consumption poverty 2006–2009 (%)
Table 3.12	Patterns of relative poverty in 2006 and 2009 (%)
Table 3.13a	List of economic, environment and family adverse events/shocks in Round 2 and Round 3
Table 3.14	Households affected by economic, environmental and family event shocks (%)
Table 3.15	Households whose welfare was affected by crime, regulation and housing (fire/destruction) shocks (%)
Table 3.16	Access to safe drinking water (average %)
Table 3.17	Access to sanitation facilities (%)
Table 3.18	Access to electricity (%)
Table 3.19	PSNP beneficiary households in 2005/6 (R2) and 2008/9 (R3) by poverty status, region, caregiver education level and gender of household head (%)
Table 3.20	Mean nominal income (birr) of PSNP beneficiaries over 12 months in 2005/6 and 2008/9 by poverty status, region, caregiver education level and gender of household head
Table 3.21	Proportion of households participating in government support programmes in 2008/9 by rural/urban location (%)
Table 3.22	Stunting of the same children over time and of both cohorts at the age of 8 (%)
Table 3.23	Severe stunting of the same children over time and of both cohorts at the age of 8 (%)
Table 3.24	Wasting of the same children over time and of both cohorts at the age of 8 (%)

Table 3.25	Severe wasting of the same children over time and of both cohorts at the age of 8 (%)
Table 3.26	Enrolment of children in school (Older Cohort, and Younger Cohort, R3) (%)
Table 3.27	Drop-out rate and primary school completion rate for 15-year-olds (%)
Table 3.28	Literacy rate of 8-year-old children, 2002 and 2009 (%)
Table 3.29	Participation of Younger Cohort children (8 years old) in different activities in R3 (%)
Table 3.30	Mean hours spent per day by Younger Cohort children on various activities in R3 (age 8)
Table 3.31	Participation of Older Cohort (15 years old) in different activities in R3 (%)
Table 3.32	Average hours spent per day by the Older Cohort on different activities in R3 (age 15)
Table 3.33	Perceptions of caregivers on their quality of life (%)
Table 3.34	Perceptions of 15-years-olds on relations with their parents/caregivers and on their own happiness (%)
Table 3.35	13-year olds' perceptions of well-being and ill-being (2007)

## List of figures and boxes

Figure 1	Young Lives study sites in Ethiopia
Box 3.1	How shocks combine to create poverty
Box 3.2	How family circumstances and long illness affect family income
Box 3.3	Diversifying income sources and hard work
Box 3.4	New employment and remittances
Box 3.5	Dropping out of school to work
Box 3.6	Working five hours a day
Box 3.7	How work can affect schooling and health
Box 3.8	Dropping out of school to work in bad conditions
Box 3.9	Combining work and school



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# Abbreviations and acronyms

ABE	Alternative Basic Education
ADLI	Agricultural-Development-Led Industrialisation
BMI	Body Mass Index
CBHI	Community-based Health Insurance
DHS	Demographic and Health Survey
ECCE	Early Childhood Care and Education
EGS	Employment generation scheme
ESDP	Education Sector Development Programme
GEQIP	General Education Quality Improvement Programme
GTP	Growth and Transformation Plan
HCFR	Health Care Financing Reform
HEP	Health Extension Programme
HES	Health Extension Services
HSDP	Health Sector Development Programme
MOE	Ministry of Education
MOFED	Ministry of Finance and Economic Development
MOLSA	Ministry of Labour and Social Affairs
MOWCYA	Ministry of Women, Children and Youth Affairs
MOWA	Ministry of Women's Affairs
NNP	National Nutrition Programme
OVC	Orphans and vulnerable children
PASDEP	Plan for Accelerated Development to End Poverty
PRSP	Poverty Reduction Strategy Programme
PSNP	Productive Safety Net Programme
SDPRP	Sustainable Development and Poverty Reduction Programme
SIP	School Improvement Plan
WMS	Welfare Monitoring Survey





# Executive summary

This report presents initial findings from the third round of data collection by Young Lives in Ethiopia, carried out from late 2009 to early 2010. It gives a broad outline of some of the key indicators of childhood poverty and changes that have taken place in the children's lives between the earlier rounds of data collection in 2002 and 2006 and this third round. Data are mainly presented for the entire age group cohort, in most cases separated into gender, wealth groups, rural/urban location and ethnicity. In particular, we are able to make comparisons between the older children at age 8 in 2002 (in Round 1), and the younger cohort at age 8 in 2009 (Round 3) – to highlight changes that have happened in the study communities over that time. The full richness of the data is not fully reflected in this preliminary report, but we hope that it contains enough information to prompt other researchers, policymakers and stakeholders to start to engage with the data.

In 2002 Young Lives collected data on 1,999 children who were aged 6 to 18 months and 1,000 children aged 7.5 to 8.5 years for the first survey round. By Round 3, at the end of 2009, 72 of the children from the Younger Cohort and six children from the Older Cohort had died, and the overall attrition rate was 2.17 per cent over the eight-year period. The sample households are found in both rural (60 per cent) and urban (40 per cent) areas located in 20 sentinel sites distributed over the five major regions of Ethiopia (Amhara, Oromia, Southern Nations, Nationalities and People's Region, Tigray, and the capital city, Addis Ababa), where more than 96 per cent of Ethiopian children live. The Young Lives study has also carried out three rounds of qualitative fieldwork, in 2007, 2008 and 2010, data from the first two of which are used to explain some of the findings in this report.

The Young Lives sites were selected to include poorer communities and include a number of food deficit *woredas* (districts). As a result the Young Lives households are poorer on the whole than average Ethiopian households. In 2006, 72 per cent of the sample households were living under the absolute poverty line (consuming less than 2,200 kilocalories per adult per day and not having enough to spend on essential non-food items) while the national average in 2005 was 39 per cent. Between Round 2 and Round 3 the poverty headcount index for Young Lives households declined by 4 percentage points (from 72 to 68 per cent). Consumption per capita was 142 birr in 2006 and increased by 6 per cent over the three-year period, reaching 150 birr in 2009, indicating an annual average increase of 2 per cent, which is much less than the national annual GDP growth, which was above 8 per cent. As with the national level estimates, poverty is more concentrated in rural areas than in urban areas.

## ***Levels of wealth, consumption and poverty***

There is substantial improvement in child welfare outcomes such as stunting, wasting, enrolment in primary education and subjective well-being. We have also observed an improvement in the economic condition of households, using a wealth index constructed from the ownership of assets and access to services as a measure of economic status. In general the growth in the wealth index is remarkable, and the main reasons for the increase in rural areas are improved housing, access to services and government programmes provided exclusively to rural areas, which is consistent with the country's policy of Agricultural-Development-Led Industrialisation (ADLI). Over the three rounds, data indicate that the wealth index increases as the level of maternal education increases, while the growth in the wealth

index is inversely related to maternal education, indicating that the gap in wealth between educated and uneducated mothers is narrowing. Female-headed households appear to be wealthier than male-headed households, which is consistent with surveys conducted by the Central Statistical Agency of Ethiopia.

The proportion of households that moved up, moved down, or stayed within the same consumption quintile between Rounds 2 and 3 was roughly similar. There is considerable rural–urban difference in the movement of households across the poverty line, with higher mobility observed for rural areas than for urban areas. When we consider the overall dynamics of poverty based on the wealth index, we see that slightly more than half (55 per cent) of the households remained poor, while 42 per cent of households moved out of poverty, whereas the proportion that moved into poverty is extremely small (3 per cent). The qualitative data indicate that in rural areas the main reason for this improvement is diversification of their income sources. For urban areas, involvement in business activities and new jobs, as well as remittances from family members living outside the households, were the major reasons for improved economic status. The main reasons for movement down to lower income quintiles are drought and illness of household members, especially children. The qualitative data also suggest that combinations of shocks and adverse events contributed to increasing household poverty.

### ***Access to services***

We found considerable rural–urban differences in access to safe drinking water, sanitation facilities and electricity. Access to safe water increased from 11 per cent in 2002 to 17 per cent in 2009. The same pattern has been observed in both rural and urban areas. In 2009 according to our measure (those who are using public water distribution points and piped water into the dwelling), 39 per cent of the urban areas and 2.3 per cent of the rural areas have access to safe water. Although the figures are small, the growth in access to safe water from 2002 to 2009 is substantial. Results from our community-level survey reinforce this finding as the number of communities with access to potable water has increased between Rounds 2 and 3 from 16 to 23. In rural areas the proportion of households with access to safe water increased from 1.2 per cent to 2.3 per cent while in urban areas it increased from 27 per cent to 39 per cent. The non-poor households have significantly higher access to safe water than poor households.

In 2009, about 58 per cent of the Young Lives households had access to sanitation facilities (a pit latrine or flush toilet), up from 22 per cent in 2002. The improvement is much higher for rural areas than for urban areas. In rural areas the access increased from 14 to 67 per cent while it increased from 34 to 45 per cent for urban areas.

Access to electricity also showed an improvement between 2002 and 2009 from 35 per cent to 50 per cent. Results from the community questionnaire reveal that six localities have gained access to electricity services between the two rounds.

### ***Health and nutrition***

Stunting and wasting are important dimensions of child poverty because of the recognised link to other outcomes such as cognitive development. In 2002 (Round 1), 35 per cent of the Younger Cohort children (then aged 1) were stunted. When these same children were age 5, the cohort had an average stunting level of 31 per cent, which had declined to 21 per cent by the age of 8. The recovery of those children affected by severe stunting is also substantial.

At the age of 1, 16 per cent were severely stunted, at age 5 only 8 per cent, and by the age of 8 only 5 per cent of the children were severely stunted, indicating a fast recovery. Even if we observe catch-up in the height of children, it does not necessarily follow that there will be improvements in other outcomes, so ensuring good early nutrition remains critical for children's later development. Promoting adult education and increasing the household wealth and income of poor households are key areas where government could focus to address the malnutrition of children.

When we compare the stunting and severe stunting of the Older Cohort children who were aged 8 in 2002 with that of the Young Cohort aged 8 in 2009, we see a remarkable improvement in their nutritional status, possibly because of the support programmes provided, including food aid, the public work programme, the Agricultural Extension Programme and Health Extension Services. While stunting of 8-year old children in 2002 was 31.4 per cent, it was 20.9 per cent in 2009, indicating that stunting had declined across cohorts and showing improvement in nutritional status. Severe stunting was also lower in 2009 for the Younger Cohort (5 per cent) compared to that of 8-year-old children in 2002 (12 per cent). The rural–urban differential in stunting and severe stunting is high with rural areas having higher levels of stunting at all ages (age of 1, 5 and 8) and for both cohorts (2002 and 2009 at age 8).

### ***Education and schooling***

The Young Lives sample children also showed considerable progress in terms of enrolment in school. In 2009, 77 per cent of 8-year-olds were enrolled, with urban rates (89 per cent) higher than rural rates (69 per cent), while in 2002, the only 66 per cent of the 8-year-olds were enrolled. Parental education was observed to have a positive role in child enrolment. Once again non-poor households (81 per cent) fare better than poor households (75 per cent). The gender bias in enrolment is slightly in favour of girls. There has been a slight increase (2 percentage points) in the literacy rate of 8-year-olds, between the Older Cohort in Round 1 and the Younger Cohort in Round 3, owing to an increase in urban areas (by 7 percentage points), while the rural literacy rate declined by one percentage point. One of the main reasons for increased enrolment in urban areas is not only awareness of parents about the importance of education, but also an increase in the number of primary schools in our study sites. However, increased primary school enrolment did not seem to improve literacy. In 2002 (Round 1), there was only one primary school per rural site; by Round 3 this had increased substantially, reaching up to between five and seven first-cycle (Grades 1 to 4) primary schools per site.

Even though enrolment rates indicate a marked improvement in educational coverage in all of the survey areas, about 8 per cent of Older Cohort children have dropped out between the ages of 12 and 15. The rural drop-out rate (12 per cent) is higher than in urban areas (4 per cent). The gender bias is still in favour of girls with fewer girls (7 per cent) than boys (9 per cent) dropping out, probably because boys are required to work more in unpaid activities than girls. Children from poor households (9 per cent) and those with mothers with no education (11 per cent) also had higher drop-out rates. Because of the drop-out of children from school, only 18 per cent of the Older Cohort children had completed primary school at the age of 15. While drop-out is lower for girls, the primary school completion rate is higher for boys, and higher for urban than for rural children. The qualitative sub-study suggests that children usually drop out of school because of their parents' poverty, a need to work (for both family and income-generating activities), or illness. More boys drop out, while girls are likely to combine both work (usually domestic activities) and school.

No change in rural literacy rates was observed. Literacy rates in SNNPR were lower in 2009 than in 2006. One of the possible reasons could be the enormous expansion of enrolment without an associated increase in qualified teachers and other resources.

### ***Children's work and time-use***

More than 90 per cent of the 8-year-olds and 98 per cent of the 15-year-olds were involved in some kind of work, paid or unpaid, in 2009. Caring for other children and household chores take up the highest share of children's time, followed by unpaid work within the family such as farming and cattle herding. Children's participation in childcare is higher in rural areas, by girls, and in poor households than in urban areas, by boys or in non-poor households, respectively. Children's participation in childcare declines with higher levels of maternal education, partly because educated mothers are wealthier. Children in rural areas, boys and poor children have higher participation rates in unpaid family activities than children in urban areas, girls and non-poor children, respectively. No disparities among different socio-economic groups are observed in the participation of children in household chores. Three per cent of the 8-year-olds participated in paid activities, although this is lower than the rate observed in 2002 (Round 1 Older Cohort at the same age) which was 8 per cent, indicating declining child work for pay over time. Participation of 15-year-olds in paid activities is 8.6 per cent, which is slightly higher than their participation in paid work at the ages of 8 and 12 (8 and 6 per cent respectively), perhaps indicating that as the children grow older, they drop out from school and become more involved in labour to generate additional income for their households. Participation of children in all kinds work is higher for the poor than for the non-poor households, indicating that participation in child work is associated with poverty.

The time both cohorts of children spend on different work activities is greater in rural than urban areas, while the time spent on schooling and studying is greater in urban areas. Qualitative research indicates that the 15-year-olds are substantially involved in working for pay. In the rural areas work for cash in the wage labour market includes working at private stone-crusher plants, helping with irrigation on private farms, picking haricot beans, weeding, fishing, selling stones, and similar activities. In urban communities, the work children do includes washing cars, selling *injera* (local pancake-like bread) or sugar cane, working in shops, and helping their parents to generate income. From a gender perspective, the results indicate that boys tend to be involved more in unpaid family business activities as well as paid activities, while girls participate more in childcare and other domestic chores, in accordance with the customary division of labour. Parental education (as indicated by the mother's education level) has a positive correlation with children's time use: the more educated the mother, the less time the children spend on domestic chores and the more time they spend in school or studying at home. Similarly, children from non-poor households spend more time in school or studying and less time in domestic chores or unpaid family business activities.

### ***Subjective well-being***

In keeping with its multidimensional approach to poverty, Young Lives assesses children's subjective well-being or ill-being. Results from a self-administered questionnaire given to the Older Cohort indicate that about two-thirds of the sampled adolescents feel that their parents (or caregivers) treat them fairly, while 62 per cent (65 per cent of the boys and 59 per cent of the girls) feel that they are free to speak about their feelings with their parents (guardians). However, over 28 per cent of the young people expressed a feeling of often being unhappy, downhearted or tearful, while 14 per cent say they worry a lot. The survey

reveals that a smaller proportion of girls seem worried and unhappy and a larger proportion of girls consider that they are fairly treated when they do something wrong than do boys, although a larger proportion of boys feel able to speak about their feelings with their parents. Moreover, qualitative data suggest that children in the same cohort (then aged 13) had varying perceptions of ill/well-being. In general they see their well-being as encompassing having material, social, personal, and family resources. Rural children give more emphasis to having material resources such as land and livestock while urban children stress the importance of services, such as school. Ill-being or living a bad life comes as a result of not having or not accessing the resources that help to live a good life. For example, not having enough land or livestock for a rural child and not being able to attend school for an urban child are considered suggestive of living a bad life.

### ***Social protection and government programmes***

The Young Lives surveys have documented the participation of sample households in the biggest social assistance programme in Ethiopia, popularly known as the PSNP (Productive Safety Net Programme). The PSNP, started in 2005, consists of a public work (PW) component and a direct support (DS) component. The public work component pays daily wages for unskilled labour (either in cash or in kind) to chronically food-insecure people. The direct support component provides free food aid to poor people who are not able to work, such as disabled or elderly people, pregnant women and women who are breastfeeding.

About 41 per cent of the rural sample households and 7 per cent of the urban households participate in the PW, while 13.5 per cent of rural and 4.6 per cent of urban sample households participate in the DS component. Although the public work programme is basically designed for rural areas, we see that some urban households have also participated, especially in SNNPR and Tigray, although rural people benefit more than their urban counterparts. There has been a fall in the participation rate of sample households in both PW and DS, which is substantial for DS in urban areas, mainly due to graduation. Of the beneficiary rural households who withdrew from PW, more than half of them (65 per cent) withdrew because they had graduated.

Unlike the participation rate, the mean nominal income that beneficiary households receive from the PSNP has increased substantially, but this increase is not much higher than the inflation rate of 178 per cent between the Round 2 and Round 3 surveys. Over a period of 12 months in 2008-09, the nominal average mean income that rural sample households generated from public work and direct support programmes were recorded to be 2,208 birr and 599 birr, respectively. For urban areas the figures are 1,241 birr and 926 birr.

Overall, the PSNP seems to be having some success in benefiting the more vulnerable groups in our sample. The rate of participation in both PW and DS is higher for poor and female-headed households than for non-poor and male-headed households, while the income earned from PW by households with less educated mothers is higher than that earned by households with more educated mothers. However, male-headed households and non-poor households earn more income from PW than female-headed and poor households in rural areas, while urban households gain much more from DS than rural ones. The difference between the vulnerable and less vulnerable groups is not only limited to participation rates and the amount of income obtained from PSNP, but also in the percentage of increased income from PSNP between Round 2 and Round 3. The increase in income obtained from PSNP is higher for uneducated mothers than for the educated suggesting that the PSNP is becoming more

effective in benefiting more vulnerable groups such as uneducated people. However, there is limited evidence to link the results to some child poverty outcomes, including education.

## **Conclusion**

This initial analysis gives an indication of how the Young Lives data can be used to explore changes in poverty affecting children, and is highly relevant for debates around the Growth and Transformation Programme and how national objectives around economic growth can be used to drive improvements in child well-being. Given the ages of the Young Lives children, and despite rapid recent increases in enrolment rates, for example, the evidence demonstrates that challenges remain in delivering quality education to improve children's learning.

The combination of household evidence on the experience of Young Lives children both in and out of school demonstrates that children's development is influenced by interventions such as schooling and household factors such as income constraints and shocks. Therefore it is important that measures such as the Productive Safety Net can help relieve some of the pressures on families which may undermine children's development.

The data from the Round 3 survey for all four Young Lives study countries will be publicly archived at the same time as the country report is published, and the data will be available in Ethiopia from the Young Lives team within EDRI. Young Lives researchers will be conducting further analysis to develop a deeper understanding of poverty affecting children. A school survey was also undertaken in 2010 and will provide further data to reach a better understanding of both the household and school factors which affect children's learning.

### **About Young Lives**

Young Lives is a long-term international research project investigating the changing nature of childhood poverty in four developing countries – Ethiopia, India (in Andhra Pradesh), Peru and Vietnam – over 15 years, the timeframe set by the UN to assess progress towards the UN Millennium Development Goals. Through interviews, group work and case studies with the children, their parents, teachers and community representatives, we are collecting a wealth of information, not only about their material and social circumstances, but also their perspectives on their lives and aspirations for the future, set against the environmental and social realities of their communities.

We are following two groups of children in each country: 2,000 children who were born in 2001-02 and 1,000 children born in 1994-95. These groups provide insights into every phase of childhood. The younger children are being tracked from infancy to their mid-teens and the older children through into adulthood, when some will become parents themselves. When this is matched with information gathered about their parents, we will be able to reveal much about the intergenerational transfer of poverty, how families on the margins move in and out of poverty, and the policies that can make a real difference to their lives.

The Young Lives survey team in Ethiopia is based at the Ethiopian Development Research Institute and works alongside a team of qualitative researchers. Policy and communications staff are based within Save the Children UK. The team is led by Dr Alula Pankhurst.

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# 1. Introduction

## *1.1 Background and objectives of Young Lives*

Children in developing countries who are compelled to live in poverty do not get the chance to fulfil their full potential, either at home or at school. Moreover, children born into poor households are more likely to continue the cycle of poverty into future generations. This affects not only the individual and the family, but the community and the nation as well. There is now widespread agreement that, for poverty to end, children must be placed at the heart of the development agenda. Six of the eight Millennium Development Goals (MDGs) focus on the issue of child poverty, which has led to many initiatives that focus on children. Often, however, this does not translate into practice, and crucial information gaps and areas of uncertainty remain. There is not enough hard evidence currently available to provide the basis for the development of effective poverty reduction and social policies.

Young Lives, an international study of childhood poverty, aims to provide such evidence. Young Lives is an innovative collaborative study investigating the changing nature of childhood poverty over 15 years in four countries – Ethiopia, India, Peru and Vietnam – and seeks to contribute to broader poverty reduction policy knowledge and practice. The study is tracking the development of 12,000 children, using longitudinal quantitative and qualitative research over a 15-year period. Since 2002, the research has been following two groups of children: 2,000 children in each country aged between 6 and 18 months at the start of the research period and 1,000 children in each country aged between 7.5 and 8.5 years old at the start of the research.

The Young Lives study also aims to contribute to a reduction in child poverty by identifying the links between international and national policies and children's day-to-day lives, and works to influence the development and implementation of pro-poor policies that will reduce childhood poverty. The study seeks to: (1) produce good-quality long-term quantitative and qualitative data about the changing lives of children living in poverty; (2) develop a replicable methodology for monitoring child well-being over the long term; (3) trace linkages between key policy changes and child welfare; and (4) ensure that the information produced is used to inform policy and action for reducing child poverty.

As part of the Young Lives study, three rounds of quantitative surveys of households, children and communities have been conducted in Ethiopia. Round 1 was conducted between October and December 2002, and the Round 2 survey was conducted between October 2006 and January 2007. Third-round data, on which this report focuses, was collected from October 2009 to January 2010.

The main objective of this country report is therefore to describe the key preliminary results obtained from Round 3, analyse the changes in the profile of child poverty in Ethiopia since Round 1, and identify the key policy messages. It does not aim to give a comprehensive overview of all the findings from Young Lives. Rather it gives a broad outline of some of the key indicators of childhood poverty and changes that have taken place in lives of the children in the sample over the seven years between the first round of data collection in 2002 and the third in 2009. Data are mainly presented for the entire age group cohort, in most cases

disaggregated into wealth groups and/or by rural/urban location. The full richness of the data is not reflected in this preliminary report, but we hope that it contains enough information to prompt other researchers, policymakers, practitioners and other stakeholders to start to engage with the data.

The rest of the report is organised as follows. The remainder of this section (sub-sections 1.2 and 1.3), provides the basic information on sample selection and a map of the sites. The policy context of Ethiopia that directly or indirectly affects the lives of Young Lives children is described in section 2. Section 3 presents and analyses the results of the Young Lives Round 3 survey, reviewing the changes in child poverty that have taken place since 2002. The main findings and conclusions are presented in section 4.

## **1.2 Design of the Young Lives survey**

### *Young Lives sample design and response rate*

In 2002 a cohort of 2,000 children aged 6–18 months (referred to as the Younger Cohort) and a second cohort of 1,000 children aged 7.5–8.5 years (referred to as the Older Cohort) were selected using the Sentinel Site Surveillance System. Twenty sentinel sites in Ethiopia's five main regions were selected across the country, and from each site, samples of 100 and 50 children were selected, corresponding to the Younger and Older Cohorts, respectively. The selection of the sentinel sites followed a purposive strategy, whereas the household selection within each sentinel site was done using random sampling procedures.

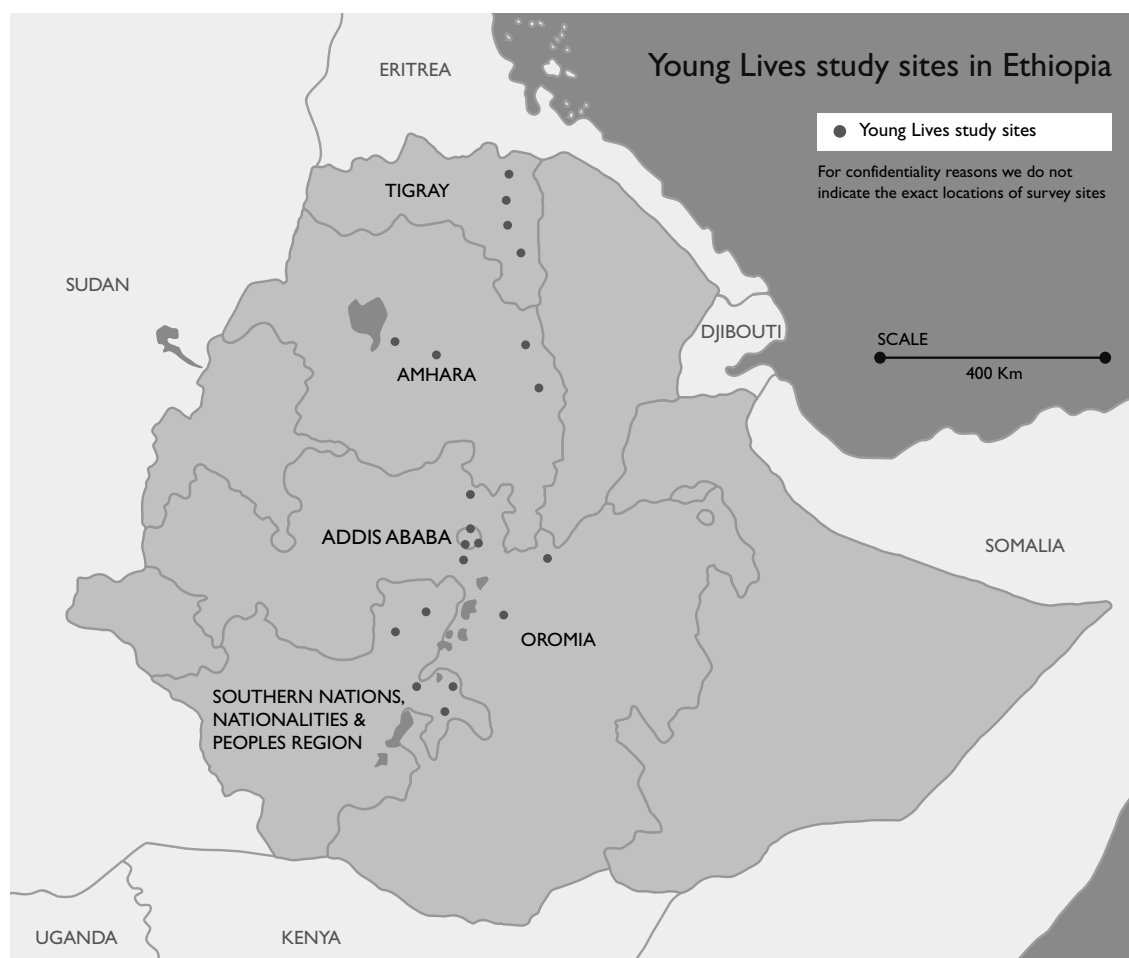
The methodology in the first stage was purposive because the sentinel sites were chosen such that: (1) *woredas* (districts) with food-deficit status were over-sampled; (2) the profile of the selected districts/sites captured Ethiopia's diversity across regions and ethnicities, in both urban and rural areas; and, (3) the cost of tracking children in the future was manageable, which reduces the probability of attrition in remote areas.

Based on these criteria, the selection procedure followed four stages (for further details see Outes-Leon and Sanchez 2008). In the first stage, four regional states, namely Amhara, Oromia, SNNPR, Tigray, and one City Administration (Addis Ababa), were selected out of the country's 11 administrative regions. The main criterion was national coverage, and the five regions selected account for 96 per cent of the total population.

In the second stage, between three and five *woredas* were selected in each region (20 *woredas* in total), with a balanced representation of poorer households and less poor households in both rural and urban areas, and a selection of urban site types: capital city, intermediate city, and small urban areas (district centres). Among the *woredas* with food deficit status, three were selected with the highest proportion and one with the lowest proportion (see the location of Young Lives Survey sites in Figure 1). In the third stage, at least one peasant association (PA) or rural *kebele* (in rural areas) or *kebele* (in urban areas) in each *woreda* was chosen. The selected PA or *kebele* (neighbourhood) could either be considered as a sentinel site in its own right or as a centre for creating a sentinel site along with adjacent PAs or *kebeles*, depending on the number of eligible households within the PA or *kebele*. Finally in the fourth stage, 100 children of age 6 to 18 months and 50 children of age 7.5 to 8.5 years were selected randomly in each site. There was no non-response reported in Round 1. This is typical of Ethiopian surveys, where households are unlikely to refuse during the first round of data collection.

In Round 1 there were 26 communities which decreased to 24 in Round 2 as two communities were merged. In Round 3 the number of communities increased to 27 because three of the previous communities became six communities.

**Figure 1. Young Lives study sites in Ethiopia**



### *Comparison of Young Lives survey with nationally representative surveys*

A number of living-standard indicators from the Young Lives sample, with comparable indicators from two nationally representative Ethiopian samples, namely the Demographic and Health Survey (DHS) and the Welfare Monitoring Survey (WMS) were compared. For both the comparison samples (DHS and WMS) we used, the year 2000 is the closest data collection year to the Young Lives Round 1 survey (2002). In the absence of up-to-date census information, these two surveys are the most reliable available source of socio-economic characteristics of the Ethiopian population. These surveys present complementary information on different dimensions of well-being, which allows a better understanding of possible biases in the Young Lives sample. For instance, the DHS provides information on childcare practices and WMS provides more detailed information on household socio-economic characteristics.

The assessment of the 2002 sample indicates that it includes a wide range of living standards, akin to the variability found in the Ethiopian population as a whole. On average, Young Lives households appear to have a higher wealth index than the average Ethiopian household as measured by the nationally representative 2000 DHS sample.<sup>1</sup> These differences are partly

<sup>1</sup> See Appendix 2 for the calculation of wealth indexes and other composite variables.

accounted for by the higher proportion of urban sites in the Young Lives sample. Young Lives households are located at sites with relatively better access to services and utilities. However, Young Lives households are poorer – in asset terms – than the average Ethiopian household, as measured by the WMS sample. This is found to be consistent with the sampling methodology applied to the Young Lives Ethiopian sample, whereby in order to ensure the continuity of the study, more Young Lives sites were chosen from relatively accessible areas (close to roads), but according to the pro-poor aims of the study, sites were selected for their particular food-deficit status.

However, even if poor children have been deliberately over-sampled, the Ethiopian Young Lives sample covers the diversity of the children in the country in a wide variety of attributes and experiences. Therefore, while not suited for *monitoring* child outcome indicators, the Ethiopian Young Lives sample is an appropriate and valuable instrument in analysing *causal* relations and examining child welfare and its longitudinal dynamics. The Young Lives data are mainly suitable for within-sample descriptive and exploratory analyses, including causal analysis of sub-categories among poor and non-poor people.

## 2. Ethiopia country context

### 2.1 Overall context

Since the current Ethiopian government came to power in 1991, the country has made significant structural changes in terms of economic and political reforms. Proclamation no.7/1992 (TGE 1992a) provided the legal framework for establishing regional self-government in 1992, while Proclamation no.33/1992 (TGE 1992b) was the most important instrument for fiscal decentralisation. Thereafter the 1995 Federal Constitution adopted decentralisation as a national strategy, and devolved authority from the Federal State to the nine Regional States and two City Administrations in 1996 and then from region level to the district (*woreda*) level in 2002.

Ethiopia has implemented two Poverty Reduction Strategy Programmes (PRSPs), and is currently starting the implementation of the third. The first, the Sustainable Development and Poverty Reduction Programme (SDPRP), lasted for three years from 2002/3 to 2004/5, while its successor, the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), was implemented in the last five years (2005/6–2009/10). The third PRSP, called the Growth and Transformation Plan (GTP), with ambitious plans and targets for the next five years (2010/11–2014/15), has just been launched. PASDEP carried forward SDPRP's strategic direction, though with greater emphasis on the commercialisation of agriculture and the involvement of the private sector in the economy, and a scaling up of efforts to achieve the MDGs. Both PASDEP and the GTP are MDG-based plans that set out the integration of the MDGs in national development policies, strategies and sectoral programmes.

Although the GTP views agriculture as the main source of growth, it emphasises the expanding role of industry in encouraging export-led industrialisation and import substitution to transform the economy and overcome the current dependence on subsistence agriculture. The GTP has also proved ambitious by aiming to achieve all MDGs including national food self-sufficiency by 2015 (a challenging task) and envisions the country reaching the level of Middle Income Countries by 2025 by achieving a continuous and sustained growth rate of 15 per cent (a rare scenario except in a few Asian countries). Whereas the PASDEP alludes in its title to 'ending poverty' the GTP places emphasis on growth and transformation, indicating the strong desire of the Government of Ethiopia to achieve fast and broad-based economic growth that will result in the transformation of the economy by 2015.

The GTP aims to expand the coverage of infrastructure and social services and emphasises improvement in the quality of services. Massive infrastructure projects, including substantial expansion of hydro-power, roads, railways and telecommunications have been planned. Emphasis on encouraging saving and improving domestic resource mobilisation are also given prominence as areas where performance was previously inadequate.

### 2.2 Economic context

Ethiopia has reported a double-digit economic growth rate (around 11 per cent on average) since 2003/4 for about six years. The growth is broad based and pro-poor, as more than 60 per cent of government spending goes to what the government calls pro-poor sectors, namely education, health, roads, water and agriculture (Table 2.1).

Table 2.1. GDP growth and growth of major sectors (%)

	2003/4	2004/5	2005/6	2006/0	2007/8	2008/9	2009/10	Average (2006–2010)
GDP	11.7	12.6	11.5	11.8	11.2	9.9	10.1	11.0
Agriculture	16.9	13.5	10.9	9.4	7.5	6.4	6.0	10.1
Industry	11.6	9.4	10.2	9.5	10.0	9.9	10.2	10.1
Services	6.3	12.8	13.3	15.3	16.0	14.0	14.5	13.2
GDP per capita	10.7	9.0	7.9	7.8	7.1	6.0	8.3	8.1

Source: MOFED (2010b).

As the table shows, the growth rate of GDP per capita declined slightly from 2004 till 2008 but began increasing again after that. Per capita income (adjusted for inflation) was US\$235 in 2010, a significant increase from its low level of US\$100 in the previous decade, but still below the sub-Saharan average. The decline in GDP per capita may be attributed to population pressure that may have absorbed benefits gained over the past decades.

Many challenges persist, however. According to the government's recent report on the prospects for achieving the MDGs (MOFED 2010a), despite the growth recorded in the recent past, Ethiopia has experienced low levels of income and savings, low productivity in the agricultural sector, limited implementation capacity and unemployment, and had a narrow modern industrial sector base. As can be seen from the table, the growth rate in agriculture is declining while that for the service sector is rising faster, indicating the need to boost agricultural growth and productivity so as to achieve national food security.

Efforts to achieve growth during the PASDEP period (2005/6–2009/10) were also threatened by two problems of macro-economic instability: inflation (due to domestic causes as well as external causes such as oil and food price rises in 2008) and shrinking foreign exchange reserves. Inflation was high after 2006, reaching a historic peak of 64 per cent in July 2008, but had fallen to 23.7 per cent by the end of March 2009 (World Bank 2009). A fall in the price of food (mainly cereals) and tight monetary policy, combined with some fiscal policy adjustments by the government, reduced inflation to a single-digit level later that year (year-on-year inflation was 5.3 per cent in August and 7.5 per cent in September 2009). However, it has recently started to rise, reaching double digits (10.6 per cent) in October 2010.<sup>2</sup> The rise in inflation has continued since then, reaching 17.7 per cent in January 2011, with a food price inflation rate of 13.6 per cent, despite the recent government efforts to control inflation through price caps.

According to the 2010 IMF country report for Ethiopia (IMF 2010), the global recession has constrained export growth, but its impact on GDP has been modest, given the central role of subsistence agriculture in the economy. The report also stated that Ethiopia had been resilient to the on-going global crises because remittances had remained stable, foreign direct investment (FDI) had risen to 20 per cent and imports were lower in 2009/10. Strong donor inflows (more official development assistance), including IMF assistance, together with the recent rise in export earnings, enabled the country's foreign exchange reserves to remain at

<sup>2</sup> The 17 per cent currency devaluation in September 2010 is likely to be the main cause (together with inflationary expectations) for the rise of inflation to double digits.

more than two months of import cover as opposed to the situation in 2008/9, when exports only covered less than one month of imports.

All the same, low levels of agricultural productivity, domestic savings (which are currently at 9.4 per cent of GDP) and revenue (World Bank 2007); the global economic crisis with its impact on development finance; and the potential effects of climate change present major threats to achieving the GTP and the MDG targets and indicators.

In spite of all these challenges and problems, Ethiopia has, however, recently been ranked eleventh (out of a sample of 135 countries) in Human Development Indicators (HDIs), just outside the top countries showing the greatest progress in improving their HDI, based on an analysis of long-term HDI trends and progress made since 1970 (UNDP 2010). This is mainly due to improvements made in the health and education sectors, particularly in the last two decades.

### 2.3 Poverty and inequality

According to government figures (MOFED 2010b), poverty has been reduced from its high level in 1995/6, with 46 per cent of the population living below the poverty line, to about 39 per cent in 2004/5 – a notable achievement. Although the last estimate of poverty rates was carried out in 2004/5, the Ministry of Finance has projected the poverty headcount index to be about 29 per cent in 2010. Furthermore, the GTP has projected that the country will achieve the MDG goal of halving poverty by 2015.<sup>3</sup>

The incidence of poverty is higher in rural areas than in urban areas and the contribution of rural poverty to the national poverty level is also higher than that of urban poverty (partly due to fact that the majority of poor people live in rural areas). However, rural poverty is declining compared to urban poverty (MOFED 2008), which has been rising with inequality and increased urbanisation. Among their many other detrimental effects, poverty and inequality undermine people's health and longevity: they are underlying contributors to many maternal, infant and child deaths, and evidence shows that poor people have more than twice the risk of maternal, infant and child mortality than their rich counterparts (UNDP 2010).

**Table 2.2. Poverty indices and inequality**

		1995/6	1999/2000	2004/05	2009/10
Poverty headcount index (%)		45.5	44	39	29
Food poverty headcount index (%)		49.5	42	38	28.2
Gini coefficient	Rural	0.27	0.26	0.26	–
	Urban	0.34	0.38	0.44	–
	Total	0.29	0.28	0.30	–

Source: MOFED (2010b) and MOFED (2010c).

There has been a very slight rise in inequality at a national level accounted for by rapidly increasing urban inequality, whereas rural inequality is stable (see Table 2.2 above). Although Ethiopia is among the least urbanised countries in sub-Saharan Africa, there is a fast growth in major cities, notably the capital Addis Ababa, with parallel increases in urban poverty, slums and street dwellers, as well as inequality, although the government has taken measures to promote urban upgrading and provide condominium housing and social assistance to mitigate these problems.

<sup>3</sup> Food poverty and income poverty are projected to decline to 21 per cent and 22 per cent respectively.



The UNDP 2010 Human Development Report indicated that Ethiopia (out of 135 countries) had a very high incidence of multidimensional poverty with an MPI of 90 per cent, performing lower than the average of the other Sub-Saharan African countries considered (65 per cent) except Niger (93 per cent).<sup>4</sup>

## ***2.4 Risk, vulnerability and social protection***

Despite strong economic growth in the past seven years, there is still a problem of pervasive food insecurity and vulnerability to shocks. The increased droughts resulting from climate change, together with land shortage and constraints on agricultural production, make Ethiopia's economy vulnerable. Together with the global financial and economic crisis, climate change has adverse effects on economic growth and on the country's efforts to reduce poverty, which can have a negative impact on the lives of children. Within the Young Lives sample, rural children were more vulnerable to economic shocks than urban children (Woldehanna 2010b). Shocks affect household wealth and assets and sources of livelihood in general (particularly in rural areas), leading to child growth faltering, among other things. Economic shocks at birth have lasting impacts on children's health several years after the shock (Woldehanna 2010b) and are likely to affect family opportunities, thereby perpetuating poverty for generations.

Comprehensive risk-management strategies such as crop insurance, index-based weather insurance, and small-scale irrigation are not very well developed (World Bank 2007). The majority of farmers rely on rain-fed subsistence agriculture, which is highly vulnerable to drought, flooding, frost, pests and other risks. In response to these shocks and to avoid dependence on appeals after droughts strike, Ethiopia has been implementing the Productive Safety Net Programme (PSNP) that supports chronically poor people to mitigate shocks by addressing short-term consumption needs and protecting their assets from further depletion.

However, since the start of the PSNP, only a small proportion of households have 'graduated' from the programme and no longer require assistance. Rather, the numbers of beneficiaries has been increasing since the start of the programme and it is now even being extended to pastoral areas. This suggests the need for thinking beyond the PSNP to design and implement comprehensive risk-management strategies and programmes, and broader social protection measures, as well as initiatives for the promotion, creation and diversification of livelihoods, to complement the current agricultural and social development interventions.

In 2009, more than 5.2 million people were in need of emergency aid. This went down to 2.3 million people in November 2010.<sup>5</sup> One of the reasons for such a major reduction could be good rainfall, the absence of which is the major shock that represents a continuing risk to rural livelihoods. The Young Lives study also revealed that shocks, notably drought, affect the nutritional status of children negatively, which in turn has an impact on children's cognitive development, growth and health (Woldehanna 2011, forthcoming).

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4 Multidimensional poverty index (MPI) identifies deprivations across the same dimensions as the HDIs – health, education and living standards – and shows the number of people who are poor across multiple dimensions and the deprivations that they face at the household level. It uses ten indicators to measure poverty in the above three dimensions and differs from the one which uses only absolute income (as seen in Table 2.2 above) to measure poverty.

5 This figure doesn't include the 7.3 million PSNP beneficiaries, who are chronically poor. The figure of 2.3 million people is estimated based on belg season assessments and the number of relief beneficiaries is expected to go down further after the findings of the meher season assessment.

## 2.5 Social services and infrastructure

There is a massive expansion of social services, particularly in the health and education sectors, as well as infrastructure and communications, notably roads, water, sanitation, telecommunications and electricity services. The focus in the previous sectoral programmes (development programmes for education, health, roads, etc.), was more on access, and this will continue under the GTP but with the emphasis on quality and reaching the underserved areas.

### *Health sector*

Early in 1993, the government approved the National Health Policy and Strategy. Based on this, the 20-year Health Sector Development Programme (HSDP) was developed in 1996/7 with a series of four medium-term implementation phases and investment programmes. Currently, the HSDP is in its fourth phase, to be implemented during the GTP period.

Both the National Health Policy and Strategy, and the HSDP focus primarily on maternal and child health (reproductive health and immunisation), communicable diseases (especially malaria, TB and HIV/AIDS) and malnutrition. These are reflected in the GTP which states its main objectives in this area as reduction of under-5 child and infant mortality, improvement in maternal health, and the fight against HIV/AIDs, TB and malaria.

In terms of budget provisions, the government has taken steps not only to increase the overall share of health in the budget but also to allocate resources away from urban hospital-based curative services towards preventive care, with the emphasis on the rural population. According to the report *Countdown to 2015* (WHO and UNICEF 2010), around 10 per cent of the total budget of Ethiopia was allocated to the health sector in 2007.

Because of investments in health facilities all over the country, the proportion of the population living less than 10km away from a health post has increased and primary health coverage is projected to have reached 89 per cent (from its level of 30 per cent in 2005) (see Table 2.3). As part of the investment in health facilities, the Health Extension Programme (HEP) was started in 2002/3 as part of HSDP II, in order to achieve universal primary health care (PHC) coverage in all rural areas of the country.

As a community-based healthcare delivery system, HSDP is considered a very important institutional framework for achieving the MDG health targets. To meet the objectives of the programme, targets were set to ensure that two health extension workers (HEWs) were available per health post, or one HEW for 2,500 people. Training of HEWs and construction of a health post in each rural *kebele* of the country has been undertaken. In this regard, Ethiopia has shown substantial progress. When the HEP started in 2005 it trained 2,737 HEWs and deployed them to rural *kebeles*. This figure increased to 24,571 HEWs, resulting in coverage of one HEW for 3,265 people in 2008. Simultaneously, health post facilities increased by 86 per cent from 802 in 2005 to 11,446 in 2008. As a result of this community-based approach, the Health Statistical Abstract published by the Ministry of Health indicated that the percentage of Ethiopian people covered by primary healthcare services had increased substantially in the course of a decade, from 51 per cent in 1998 to about 90 per cent in 2008. The ratio of HEWs to population has improved dramatically, being reduced from one HEW for 26,687 people in 2004/5 to one HEW for 3,224 people in 2007/8.

At the end of HSDP III, in 2010, the total number of HEWs trained and deployed at village level reached around 34,000, a performance beyond the targets set for Phase III (MOH 2010). There are also new developments, since urban as well as pastoral HEWs have also been included in the programme.

**Table 2.3. Performance on selected health indicators**

	2000	2005	2010
Primary health care coverage (%)	–	30	89
Health extension workers to population ratio	–	1:25,000	1:2,500
Under-five child mortality rate (per 1,000)	167	123	101
Infant mortality rate (per 1,000 live births)	97	77	45
Maternal mortality rate (100,000)	871	673	590

Source: MOFED (2010c), MOH (2010) and MOFED (2010a).

Child mortality is associated with poverty,<sup>6</sup> maternal education, maternal fertility characteristics, maternal under-nutrition, intervals between births, access to adequate safe water and basic curative health services (Moore et al. 2008; MOFED 2010a). In Ethiopia, life expectancy at birth is still only 56.1, a little above the average life expectancy in sub-Saharan Africa (52 years) which is the lowest of any region in the world (UNDP 2010).

According to the 2005 Ethiopian Demographic and Health Survey infant mortality and under-five child mortality were 77 and 123 deaths per 1,000 live births respectively; this was projected to decline to 45 and 101 deaths per 1,000 live births respectively in 2010 (MOH 2010 and MOFED 2010a). The government has made efforts to address child mortality by designing child-related health policies and strategies such as the National Child Survival Strategy<sup>7</sup> (in 2005) with the overall objective of achieving MDG 4 (reducing child mortality by two-thirds), the National Nutrition Strategy (NNS) and The National Policy of Early Childhood Care and Education, in addition to implementing and incorporating issues arising from MDG 4 in the phases of its HSDP.

As part of its Health Care Financing Reform (HCFR), the government designed a number of interventions, including allowing health centres to retain revenue from user fees, improving the targeting of fee-waiver beneficiaries – although this can be problematic and administratively costly (Barnett and Tefera 2010) – and establishing a list of services that should be delivered free to all at the point of use at health-centre level. However, removal of user fees needs to be planned and combined with substantial increases in public health spending and alternative financing mechanisms in order to prevent negative consequences for the quality of healthcare and to avoid triggering growth in informal charges and other barriers to accessing care (Barnett and Tefera 2010). In addition, two components of health insurance programmes are planned, based on the health insurance strategy developed by the Ministry of Health. The first is Social Health Insurance (for public sector, NGO and private sector employees) and the second is a Community-Based Health Insurance (CBHI) system for informal sector operators and the rural population. CBHI is being piloted in a small number of woredas and it is important that issues of equitable access (especially in relation to children) mentioned above are taken into consideration within the health insurance design. Such schemes are also expected to increase children's as well as households' access to health services, in contrast to direct out-of-pocket payments, which usually deter people from accessing the services.

<sup>6</sup> The lowest quintile is associated with 32 per cent more child mortality than the highest.

<sup>7</sup> The National Child Survival Strategy was intended to address the major causes of child mortality that account for 90 per cent of under-five deaths, i.e. pneumonia, neonatal conditions, malaria, diarrhoea, measles, malnutrition and HIV/AIDS.

## Challenges

Ethiopia faces weaknesses in health outcomes despite the encouraging trends and progress toward achieving MDG 4 (reducing child mortality by two-thirds). The pace of the current progress in health outcomes seems insufficient to meet this goal within the timetable (WHO and UNICEF 2010). If community-based management of common childhood illness (being rolled out by the government) is implemented on time and to a high standard, it will help to alleviate some of the factors contributing to under-five and infant mortality. Reaching MDG 5 (reducing maternal mortality) by 2015 seems difficult given the lack of relevant infrastructure and skilled human resources.

Despite good progress on HIV/AIDS and malaria, mother-to-child HIV transmission service coverage and TB control require more focus. Mainstreaming HIV/AIDS in many non-public sectors remains a challenge. Controlling urban-to-rural transmission is vital so as to prevent the rural pandemic from increasing.

In general there is a challenge in meeting the different health MDGs, and performance differs across regions (in particular emerging regions and pastoral areas are behind others). There is significant urban and rural disparity in all of the above health indicators and outcomes. There are also rural–urban differences in terms of access to safe drinking water,<sup>8</sup> currently at 65.8 per cent for rural areas and 91.5 per cent for urban areas (MOFED 2010c).

## Children's nutritional status

Nutritional disorders are the main causes of morbidity and mortality in children (MOH 2010). The major problems are protein-energy malnutrition and micronutrient deficiencies such as vitamin A, iron, and iodine (MOH 2010). According to the 2005 Ethiopian Demographic and Health Survey, nearly half of all Ethiopian children under the age of five (48 per cent) are stunted, about 39 per cent are underweight, and about one-tenth (11 per cent) are wasted. Controlling for wealth, stunting increases with child age and child birth order, but decreases with increasing birth intervals and increasing levels of mothers' education (World Bank 2009). Lack of household resources, low parental education and high food prices are identified as key determinants of chronic malnutrition in Ethiopia, while maternal nutritional knowledge and community ability to diagnose growth faltering also play an important role (Christiansen and Alderman (2004).

The malnutrition rate of rural children is nearly double that of urban children. Stunting, due to chronic malnutrition, is more prevalent in highland and rural areas than in lowland and urban areas. Children are also affected by nutritional deficiencies that arise due to lack of awareness on the part of parents. There is a need for better education about infant nutrition since less than half (45 per cent) of children are given the first breast milk, called colostrum, which is crucial for babies to start their lives with necessary nutrients and protection from infections. The proportion of children suffering from iodine deficiency is very high (83 per cent) and 39 per cent already have goitre. Furthermore, more than half the children aged 6–59 months are also classified as anaemic (MOE, MOH and MOWA 2010).

The Government's National Nutrition Strategy (NNS) and National Nutrition Programme (NNP) are intended to accelerate progress and address malnutrition with a comprehensive and harmonised approach. They focus on the immediate causes of malnutrition by supporting a basic package of high-impact interventions such as Vitamin A supplementation, de-worming,

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<sup>8</sup> Access to services and performance in urban areas are higher than in rural areas

screening and targeted supplementary feeding. The NNP also addresses the underlying and basic causes of malnutrition through a comprehensive, preventive, community-based, nutrition intervention package, linked to humanitarian food security interventions and the Productive Safety Net Programme (PSNP). As malnutrition is clearly correlated with household poverty/wealth measures, to address poverty as well as provide social assistance is crucial (Woldehanna 2009).

### *Education*

Based on the 20-year Education and Training Policy, prepared in 1994, successive five-year nationwide Education Sector Development Programmes (up to ESDP III) have already been implemented. All the programmes accorded high priority to the expansion of basic education, as reflected in the national plans. More recent ESDPs, however, have given increasing relative weight to other sub-sectors (technical and vocational education and training and now especially to tertiary education), although the declared political commitment to basic/primary education remains clear.<sup>9</sup> There has been a massive expansion of higher education over the last five years,<sup>10</sup> taking the largest proportion of the education budget. Under the GTP the government is intending to expand higher learning institutions (and improve their quality), with special focus on science and technology.

Enrolment in pre-school education is extremely low – at 4.2 per cent (MOE, MOH and MOWA 2010) – and is mainly concentrated in urban areas. The GTP promised that the early childhood care and education system would be made cost effective and more participatory and expanded in both the formal and non-formal education delivery mechanisms. The target for the pre-primary gross enrolment rate by the end of the GTP period is 20 per cent. In contrast to this, Ethiopia's performance in improving access to primary school education is remarkable and its effort to improve access to secondary and tertiary education is also encouraging. In 2010 the gross primary enrolment rate is projected to reach 94 per cent, from its level of 80 per cent in 2005. However, the completion rate is much lower, at 71.6 per cent (for Grades 1–8) and 46 per cent (for Grades 9–12). According to World Development Indicators (World Bank 2011), net primary school enrolment<sup>11</sup> for Ethiopia (71 per cent) remains significantly below that of Burundi (81 per cent), Kenya (86 per cent), Rwanda (94 per cent) and Uganda (95 per cent). The drop-out rate from primary school (i.e. from Grades 1–8) was 18.6 per cent for the year 2008/9, while it was 28.1 per cent for Grade 1 students (MOE, 2010). The gender parity index at primary level (Grades 1–8) has almost been met (93 per cent) while more effort is needed to achieve parity at secondary school, which is currently at 74 per cent.

**Table 2.4. Performance on selected education sector indicators**

	2000	2005	2010
Primary education gross enrolment rate (%)		79.8	94.2
Primary education net enrolment rate (%)	33.8	68.5	87.9
Ratio of students to books		2:1	1.25:1

Source: MOFED (2010a) and MOE (2010).

9 PASDEP states that primary education is accorded top priority in the education sector while the GTP (through ESDP IV) plans to address regional as well as rural–urban inequalities in access to education services and gives focus to emerging regions and pastoralists as well as to early primary education.

10 Currently there are 22 public universities with some additional 9 universities under construction.

11 Gross enrolment captures the number of children in school. Net enrolment adjusts this to capture children at the right stage of education for their age (therefore not average).

Although there has been good progress over the past decade, both the gross enrolment (39.7 per cent) and the net enrolment ratio (12.6 per cent) at the secondary school level (Grades 9–12) in 2010 were lower than the primary school rates.

Despite investments in improving the numbers and the qualifications of teachers and the availability of equipment, student achievement has not improved sufficiently (MOE, MOH and MOWA 2010). Hence, the MOE with its development partners initiated a General Education Quality Improvement Package (GEQIP) which began implementation in 2009. A school grant is one component of GEQIP, intended to improve the quality of education by providing resources for the implementation of School Improvement Plans (SIPs)<sup>12</sup> prepared at woreda level by experts in consultation with communities. The Young Lives schools survey carried out in 2010 will provide useful data on this issue. Improving the quality of education is emphasised in the GTP (with its sectoral programme ESDP IV where GEQIP is further enhanced).

Areas of focus in terms of quality improvement include enhancing teachers' capacity; addressing gaps related to students per teacher, students per text book, and students per classroom ratios, increasing primary and secondary completion rates, notably for girls at secondary level; improving school facilities; and expanding pre-primary schools, particularly in rural areas. There is also a need to exert efforts to raise the literacy rate (currently 36 per cent), which is below the sub-Saharan average (38 per cent).

The government's strategy of leaving the expansion of pre-school education to private sector organisations, NGOs and community-based institutions may have reinforced urban–rural disparities. In the absence of pre-school provision in rural areas, the expansion of other kinds of non-formal education became critical. Because of this, the government introduced Alternative Basic Education (ABE) programmes, especially in rural communities, for both adults and children (World Bank 2005).

## *Challenges*

The poor quality of education is recognised as a major priority for government, together with equity issues (i.e. narrowing rural–urban disparities and regional disparities by focusing on emerging and pastoral regions and gender disparities). The low level of pre-primary school provision is another important challenge, as is adult literacy.

## *Infrastructure*

There is improvement in increasing access to safe drinking water, which has important health impacts (by reducing illness and deaths related to water-borne diseases). However, there is a large rural–urban difference in terms of access to safe drinking water, which is 65.8 per cent for rural areas compared to 91.5 per cent for urban, as shown in the table below.

During the last five years considerable progress was made in the expansion of infrastructure provision. Massive investments were made in the power/electricity, road and telecommunications sectors, leading to significant increases in coverage (with further expansion planned during the GTP period) that will be the foundation for the future transformation and development of Ethiopia, both economically and socially.

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<sup>12</sup> School grants are dedicated to addressing priority areas identified in the SIP (i.e. for equipment aimed at improving the quality of education, like teaching aids, laboratories, libraries, etc.).



**Table 2.5. National infrastructure expansion, 2005–2010 (by sector)**

		2005	2010
Sector	Indicator		
Water	Access to safe water (%)	36	68.5
Roads	Road density (km/1,000 km <sup>2</sup> )	33.6	44.5
Electricity	Access to electricity service (%)	16	41
Telecoms.	Mobile users (millions)	0.56	6.52
	Internet users (millions)	0.02	0.187

Source: MOFED (2010c).

## **2.6 National institutions and policies on children**

The Ministry of Women, Children and Youth Affairs (MOWCYA), until recently known as the Ministry of Women's Affairs, is the lead government agency with regard to children's issues. Within MOWCYA, the Directorate of Child Rights, Promotion and Protection is the main responsible department. The change in the name of the ministry, to include children and youth, and the establishment of the directorate are significant indications of government commitment to address children's issues. In 2006 MOWCYA took over responsibility for most aspects of policy relating to children from the Ministry of Labour and Social Affairs (MOLSA), which remains responsible for a few children's issues including child labour, trafficking, children with disabilities and social protection. Other government organisations with key sectoral responsibilities for children include the Ministries of Education, and Health and Justice, the Human Rights Commission, the Ombudsman, the police and the courts.

Ethiopia has in the past ratified several international agreements that address the rights of children, including the Convention on the Rights of the Child and the African Charter on the Rights and Welfare of the Child. Some major international agreements, however, still remain to be ratified, including the Hague Convention on Protection of Children and Cooperation in Respect of Inter-country Adoption; the Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography; the Optional Protocol on the Involvement of Children in Armed Conflict and the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

Ethiopia has a National Plan of Action for Children (2003–2010 and beyond) but there has not been any specific policy on children so far. MOWCYA has however recently developed a Draft Comprehensive Child Policy (currently under discussion) which is expected to integrate all children's issues into one policy. The government has also developed guidelines for alternative childcare and for the provision of services to orphans and vulnerable children (OVC), and a National Action Plan on Sexual Abuse and Exploitation of Children (2006–2010). In addition, many other Ethiopian policies, strategies, plans and guidelines contain goals and activities that are addressing issues of central concern for children, among others the Education and Health Sector Development Programmes, Development and Social Welfare Policy (1996), the Ethiopian Strategic Plan for Intensifying Multi-Sectoral Response to HIV/AIDS (2004–08) and the Early Childhood Care and Education Policy Framework (2010).

MOWCYA also intends to develop a new National Plan of Action for OVC (as the first one expired in 2006) which will be based on the results of a planned situational analysis of OVC. MOLSA together with MOFED is currently revising the Development and Social Welfare Policy and a Social Protection Platform has been formed to support the government technically in the



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revision of this policy. Furthermore, MOLSA has developed a draft National Plan of Action on Child Labour.

Moreover, the Ethiopian government recently recognised the importance of children in the GTP (MOFED 2010b) by setting specific and clear targets for addressing children's vulnerability. The targets qualitatively stated in the GTP include: (1) mainstreaming children's affairs in all sectors; (2) support and care for vulnerable children and those at risk; (3) introducing community-based care and support initiatives for children at risk; (4) reducing the rate of sexual assault and abuse of children at work; (5) reducing illegal child migration and trafficking; and (6) reducing the rates of abduction, early marriage and female genital mutilation. These targets will be implemented as part of government's Comprehensive Child Policy, which is due to be adopted over the next five years.

## 3. Young Lives survey results and discussion

### 3.1 General description of the sample household

The Young Lives study in Ethiopia has conducted three rounds of surveys. The first survey was carried out in the last quarter of 2002, sampling 1,999 children aged 6–18 months (referred to as the Younger Cohort –YC) and 1,000 children who were 7.5 to 8.5 years old (referred to as the Older Cohort – OC). The second round survey was conducted in 2006 and the third round in 2009. In all three rounds the survey was carried out in the same season, in the last quarter of the year. Between Rounds 1 and 3, 72 of the children from the Younger Cohort and six children from the Older Cohort died. The total attrition rate over eight years is 2.15 per cent for the Younger Cohort and 2.10 per cent for the Older Cohort, indicating an annual attrition rate of 0.27 per cent, which is extremely low (see Table 3.1 for details).<sup>13</sup>

**Table 3.1. Summary of attrition in Round 2 and Round 3**

	YC	OC	Total
Initial sample size (2002)	1,999	1,000	2,999
Found R2 (2006)	1,912	980	2,892
Died up to R2	61	6	67
Refused up to R2	3	6	9
Untraceable up to R2	23	8	31
Attrition rate R2 (%)	1.30	1.40	1.33
Found R3 (2009)	1,884	973	2,857
Died up to R3	72	6	78
Refused up to R3	10	7	17
Untraceable up to R3	33	14	47
Attrition rate R3 (%)	2.15	2.10	2.13

The general characteristics of sample households and children are summarised in Table 3.2. In Round 3 53 per cent of the children were boys, while 61 per cent lived in rural areas. About 60 per cent of the children are distributed equally in the three largest regions, Tigray, Amhara and Oromia, while 25 per cent are found in SNNPR and the rest (15 per cent) in the capital city, Addis Ababa. While the majority of the children come from male-headed households (80 per cent), a significant minority (20 per cent) come from households headed by a female. Most of the parents are Orthodox Christians (71 per cent) followed by Muslims (16 per cent) and Protestants (11 per cent). The level of education of the caregiver is very low overall, with half of them having no education at all. Only 35 per cent of the caregivers have completed lower primary education (Grades 1–4) and 25 per cent upper primary education (Grades 5–8).

<sup>13</sup> The attrition rate is defined as the number of children who were untraceable or refused to answer the questionnaire divided by the total number of children. Attrition does not include deaths, as the number of children who die is registered as a finding.

**Table 3.2. General characteristics of Young Lives Ethiopia sample households and children in Round 3**

Groups	Younger Cohort		Older Cohort		Total	
	(n=1882)	%	(n=971)	%	(n=2853)	%
Gender of child						
Boys	992	52.7	496	51.1	1,488	52.1
Girls	890	47.3	475	48.9	1,365	47.8
Location						
Urban	742	39.4	403	41.5	1,145	40.1
Rural	1,140	60.6	568	58.5	1,708	59.9
Region						
Addis Ababa	267	14.2	146	15.0	413	14.5
Amhara	379	20.1	189	19.5	568	19.9
Oromia	382	20.3	201	20.7	583	20.4
SNNPR	472	25.1	235	24.2	707	24.8
Tigray	382	20.3	200	20.6	582	20.4
Caregiver's education						
No education	966	51.3	465	47.9	1,431	50.2
Lower primary	260	13.8	155	16.0	415	14.6
Upper primary	215	11.4	84	8.7	299	10.5
More than 8th grade	441	23.4	267	27.5	708	24.8
Household head						
Female	359	19.1	259	26.7	582	20.4
Male	1,521	80.9	711	73.3	2,270	79.6
Religion of child						
Orthodox	1,327	70.6	697	71.8	2,024	71.0
Muslim	311	16.5	156	16.1	467	16.4
Protestant	202	10.8	106	10.9	308	10.8
Other	40	2.1	12	1.2	52	1.8

Note: The small variation in the total number of children given here compared to the attrition table (YC=1884; OC=973; Total=2857 children) is due to missing data on some caregivers. There appear to be a proportionally low number of children in rural areas (compared to the population in general) due to the sentinel surveillance approach used select regions and sites

### 3.2 Household wealth and its dynamics

To measure household wealth, we use consumption expenditure and the wealth index. Consumption expenditure is considered a smoothed version of household income that is relatively accurately reported by households. Over the long term, households can consume more by using their savings or borrowing or deferring consumption by saving for future consumption. Hence we use consumption expenditure as a long-term estimated measure of household income and a better measure of welfare. In order to adjust for inflation, we deflated the 2009 consumption expenditure per capita to 2006 levels and hence call it real consumption per capita (i.e. consumption levels in 2006 real terms). The per capita household consumption at 2006 constant prices (real consumption per capita) is provided in Table 3.3. The real consumption per capita was 142 birr in 2006 and increased by 6 per cent over three years, reaching 150 birr in 2009, indicating an annual average increase of 2 per cent. Urban households had higher real expenditure than rural households in both 2006 and 2009, but the gap is narrowing slightly, indicating higher growth of real consumption per capita in rural areas. Possible reasons for the difference in the growth rate of real consumption per capita could be increased agricultural production and the intensification of the PSNP, which operates only in rural areas. Farmers who produce a marketable surplus may have benefited from increased food prices during 2006/7–2007/8 and may have more income to spend, although

there are significant net buyers of cereals in rural areas. The food aid programme given to urban households in 2008 was limited to Addis Ababa. When we compared households across regional states, we found that sites in Amhara were the poorest, followed by Tigray and SNNPR in 2006. However, in 2009, we found the lowest average household real consumption expenditure per capita in SNNPR and Tigray indicating that the increase in household real consumption per capita was greatest in sites located in the Amhara Region. The highest real average consumption expenditure per capita was registered in Addis Ababa in both 2006 and 2009 and showed a small increase (only 5 per cent) over time, but higher than the increase in general for urban areas in our sample (which increased by only 2.5 per cent) because of better employment opportunities and subsidised food provision for the poor households in 2008. While real consumption expenditure in Tigray increased marginally (3 per cent), it declined in SNNPR. The second-highest real average household consumption expenditure per capita is found in sites located in the Oromia Region. While real per capita consumption expenditure seems strongly related to the education level of mothers/caregivers, the relationship to the gender of the head of household is small, but higher for female-headed households, both in absolute value and growth over time. One possible reason for female-headed households having higher real per capita consumption expenditure is their higher participation in the PSNP. Households where caregivers had no education fared much better over time than those with lower and upper primary education. Although this requires further investigation, the increased participation of uneducated people in the PSNP could be one possible reason.

**Table 3.3. Real per capita household consumption expenditure (birr per month)**

	R2	R3	Percentage change
Location			
Urban	187	192	2.5
Rural	112	122	8.9
Region			
Addis Ababa	202	213	5.0
Amhara	110	142	29.4
Oromia	167	170	2.1
SNNPR	130	123	-4.7
Tigray	120	124	3.3
Mother's/caregiver's education			
No education	109	120	9.3
Lower primary	143	136	-4.6
Upper primary	180	179	-0.4
More than 8th grade	190	206	8.5
Household head			
Female	143	156	9.3
Male	141	148	4.7
Average	142	150	5.7
Total no. observations	2,853	2,852	

Note: Consumption expenditure was not collected in Round 1. The consumption expenditure per capita is computed as consumption in 2006 constant prices divided by the household size.

## *Dynamics of consumption*

In order to assess changes in consumption related to wealth categories, first we divide the sampled households into five equal parts based on their real consumption per capita for 2006 and 2009. Then we identify households that moved to the higher and lower quintiles of real consumption per capita in order to compute the proportion of households who moved up and down across consumption quintiles. Overall the proportion of households that moved up and down across the consumption quintiles is the same (33 per cent), but the differences are noteworthy when we compare within and across rural and urban areas (Table 3.4). A higher proportion of households have moved up across the consumption quintiles in rural areas than in urban areas. In rural areas 35 per cent of households moved upward while only 31 per cent did so in urban areas. Furthermore the proportion of households who moved down the consumption quintile is 29 per cent for rural households and 37 per cent for urban ones.

**Table 3.4. Mobility across consumption quintiles between R2 and R3 (%)**

	Total	Urban	Rural
Moved upward	33	31	35
Stayed constant	34	32	36
Moved downward	33	37	29

There are different reasons for households moving into or out of the consumption quintiles, which also implies movement in and out of poverty. The qualitative sub-study done in some of the communities indicates that combinations or series of shocks contributed in large part to households moving into a lower consumption quintile and hence into poverty. These could be area-wide shocks related to drought, hailstorms or the widespread death of livestock through drought. Other shocks may be more idiosyncratic, involving death or illness of household members. Some illustrative case studies are presented for some of the shocks that pushed households into poverty.

The first illustrative example comes from a rural community in Oromia where a household that had already been affected by drought was further hit by the loss of livestock and illness of a child.

### **Box 3.1. How shocks combine to create poverty**

In 2008, the family's dairy cow died and two oxen were stolen from the fields. The father spent more than six weeks searching for the lost oxen. When he found them, he was asked to pay 1,600 birr as a reward by the people who claimed to have saved the oxen from 'being slaughtered'. He had to get loans from the local Iddir (funeral association) and relatives to pay this. The loss of the oxen had a double negative impact. Firstly, it was too late to farm as the father had had to go and search and had no oxen during the critical farming period. Secondly, he had to pay a huge amount to get them back.

The family was further hit by when one of the children fell sick. Their son had an ear infection and was not able to attend school. They had to take him to a private hospital as his illness was serious, and had to pay about 200 birr, which they borrowed. As a consequence of these shocks, the household was left with heavy debts and uncertainty about their future as they had missed one farming season.

This case study suggests that the household was initially relatively better off, owning a cow and two oxen, which are reliable indicators of wealth in rural areas, but slipped into poverty owing to the cumulative effect of shocks.

Another example of a single mother from a Tigray site indicates how divorce and long-term illness of her father affected the household and led to poverty.

### Box 3.2. How family circumstances and long illness affect family income

"I have divorced twice. I divorced my second husband, the father of my child, because he was not happy that I had to care for my sick father at home. I stopped working for wages because I had to look after my father. I rented out my land, which is a quarter of a hectare, but have got very little produce as there was drought. My daughter does wage labour and I got some support for my father through the safety net direct support programme but this is very small.

The mental illness of my father has drastically affected my life. At one point I considered committing suicide but hesitated because I have to live for my children. If it is the will of God that my father dies then I will work for the rich and get some income. This is my wish."

On the other hand, some households have shown positive changes in their economic status. Our qualitative data indicate that in rural areas some households have achieved significant wealth mainly through diversifying their sources of income. In a situation where environmental shocks are common, those who pursue a variety of income-generating options seem to fare better. Our first example is of a man from a community in Amhara.

### Box 3.3. Diversifying income sources and hard work

"When I started my life here some years ago, this house was very small and had a thatched roof. I opened a tearoom and started selling tea, other drinks and bread. I then met and married my wife. Since our marriage, we have consulted each other on every issue. We never fight. My wife is very clever and wise.

We breed sheep and goats for sale. We started with four sheep and one goat; now we have around 20 sheep and 16 goats. We have beehives and sell honey. We grow different types of crops. We still have a tearoom. We give loans with 10 per cent interest to some community members. We have many things because I work harder than ever before.

Our children also work with us, although they find it a burden. They help us with various tasks both at home and in the field, for example herding cattle. These days it is difficult to get a servant. Three or four years ago, there were poor children who could be employed in people's houses. Now they are all in school and it is difficult to get a servant or labourer. We had a housemaid we used to pay 150 birr per month but she left this year after two years working for us."

By not relying on the scanty rains and, as the example shows, through hard work from all family members, the household was able to diversify its income opportunities. Livestock breeding, beehives, a tearoom business, lending money, and various agricultural activities gave the household the opportunity to move out of poverty in the last couple of years.

In urban communities those who reported having improved their economic status were involved in various businesses; their household members got new jobs or sent remittances from abroad. For example, a household from an Addis Ababa site reported that they were better off in recent years because of new jobs as well as remittances from a daughter working in Kuwait.

**Box 3.4. New employment and remittances**

"We may not save money but we have enough to eat. My husband is working and my children have small jobs. One of them has finished school recently and the younger one will also graduate this year. My first daughter lives and works in Kuwait. She sends some money. So, we are living helping each other. We have a TV, fridge and sofa. We have a good house we rented from the government at a rate of 50 birr per month. But we do not have any savings."

*Wealth index*

Another measure of household wealth is the household wealth index, which reflects the welfare of the household members.<sup>14</sup> The average wealth index for the whole sample was 0.21 in 2002. It increased slightly to 0.29 in 2006 and reached 0.34 in 2009, indicating 58 per cent growth between the Round 1 and Round 3 surveys. The wealth index is higher for urban areas than for rural areas, but the growth in the wealth index is much higher for rural areas (at 114 per cent) than for urban areas (22 per cent), which is consistent with the country's policy of agricultural-development-led industrialisation (ADLI).

Looking at the wealth index by region, sites found in Addis Ababa have the highest wealth index followed, in Rounds 2 and 3, by those in Oromia and SNNPR. The sites found in Amhara and Tigray are roughly comparable and sites in Amhara had the lowest wealth indexes in Rounds 2 and 3. The wealth index has grown fastest in Amhara and Oromia. Female-headed households appear to be wealthier than male-headed households, which is consistent with surveys conducted by the Central Statistical Agency of Ethiopia (MOFED 2008). The reason is that female-headed households tend to spend more on food items and household durables and are more likely to live in urban rather than rural areas and to receive support from the government and NGOs, which constitutes consumption expenditure and is reflected in the wealth index.

In all rounds, the wealth index increases as the level of education of the mothers increases, while the growth of the wealth index from Round 1 to Round 3 is inversely related to the level of mothers' education, indicating that the gap in wealth between educated and uneducated mothers is narrowing.

In general the growth in the wealth index is remarkable, and one of the main reasons for the wealth increase of households in rural areas is the increase in the ownership of consumer durables, which is due to increased income from production and support programmes provided by government, followed by increased access to services such as credit, electricity, water and sanitation facilities.

<sup>14</sup> The index is composed of housing conditions (the number of rooms and the materials the wall, roof and floor of the house are made of), ownership of durable goods (such as a radio, fridge, bicycle, TV, motorbike/scooter, motor car/truck, electric fan, mobile phone, landline phone, modern bed, table or chair and sofa) and access to services such as electricity, water, sanitation facilities and cooking fuels. This index ranges between 0 and 1, with a higher value reflecting more wealth.



**Table 3.5. Wealth index by location, region, maternal education and gender of household head (mean of Younger and Older Cohort)**

	R1	R2	R3	Growth (%) from R1 to R3
<b>Location</b>				
Urban	0.39	0.44	0.47	22.8
Rural	0.11	0.19	0.24	114.7
<b>Region</b>				
Addis Ababa	0.42	0.47	0.49	15.8
Amhara	0.15	0.23	0.27	84.2
Oromia	0.17	0.31	0.38	121.5
SNNPR	0.18	0.26	0.30	70.9
Tigray	0.21	0.24	0.29	37.2
<b>Mother/caregiver's education</b>				
No education	0.15	0.22	0.27	79.8
Lower primary	0.21	0.31	0.35	63.3
Upper primary	0.28	0.37	0.41	45.1
More than 8th grade	0.31	0.39	0.44	40.9
<b>Household head</b>				
Female	0.25	0.31	0.36	42.9
Male	0.21	0.28	0.33	61.5
Average	0.21	0.29	0.34	58.4
Total no. observations	2,853	2,853	2,853	

### 3.3 Poverty dynamics

In order to look at the dynamics of households in poverty, we use three measures: wealth index categories, the consumption poverty headcount index (absolute consumption poverty) and relative consumption poverty. These are useful to compare levels of poverty across all survey rounds. We categorise households as extremely poor, poor and non-poor based on their wealth index: extremely poor for households with a wealth index of less than 0.2, poor for those with a wealth index between 0.2 and 0.4 and non-poor for those with a wealth index greater than 0.4. Table 3.6 shows that 63 per cent of households were below the threshold of 0.2 in Round 1 compared to only 46 per cent in Round 2 and 35 per cent in Round 3. This indicates that extreme poverty has declined over time. For the category of non-poor we also see improvement over time. However, the proportion of poor households is also slightly increasing over time, which makes the decline in overall poverty smaller than the decline in extreme poverty (also affected by the fact that those ceasing to be in the extremely poor group, are then likely to move into the poor group).

**Table 3.6. Percentage of extremely poor, poor and non-poor children in sample**

Level of wealth	R1	R2	R3
Extremely poor (WI<0.2)	63.4	45.7	35.0
Poor (0.2<=WI<=0.4)	24.1	34.4	38.9
Non-poor (WI>0.4)	12.4	19.9	26.1

WI: wealth index

When we consider the overall dynamics of poverty based on the wealth index (i.e. mobility across the three groups), we see that slightly more than half (55 per cent) of the households remain in the same position, while 42 per cent of the households increase their wealth level (Table 3.7), whereas the proportion of households that became poorer is extremely small (3 per cent).

**Table 3.7. Movement into and out of wealth index based poverty categories, 2002–2009 (%)**

Moved up	42
Stayed constant	55
Moved down	3

The second measure we use to measure poverty is the consumption poverty headcount index, one of the three measures proposed by Foster, Greer and Thorbecke (1984). The poverty headcount index is the share of the sample of households whose consumption expenditure per capita puts them below the poverty line; that is, the share of the population that cannot afford to buy a basic basket of food and essential non-food items. The poverty line is defined as the amount of money required to purchase 2,200 kilocalories per adult plus essential non-food items, as defined, in this case, by the Ministry of Finance and Economic Development (MOFED 2008).

Table 3.8 presents the poverty line levels by region, while Table 3.9 presents patterns of absolute consumption poverty, showing that overall, 72 per cent of the Young Lives households were absolutely poor (that is, living below the poverty line) in 2006. In 2009, the proportion of poor households had declined by 4 percentage points and reached 68 per cent. In both Rounds (2 and 3), rural poverty was higher than urban poverty, but the reduction in poverty was higher for rural areas (7.5 per cent) than for urban areas (2.5 per cent), indicating a convergence trend in poverty between rural and urban areas.

Looking at the distribution across regions, poverty is highest in Addis Ababa followed by Amhara and Tigray. The decline in poverty is highest in Amhara followed by Oromia and Tigray, while poverty declined by only one percentage point in Addis Ababa and SNNPR. One of the main reasons for higher poverty in Addis Ababa is that the cost of living is higher than in any of the other regions. Poverty hardly declined in Addis Ababa despite the food aid distribution provided in 2008 to reduce the impact of inflation.

**Table 3.8. Poverty line levels by region\* (birr)**

	Poverty line	
	2009 prices	2006 prices
Addis Ababa	8,622	4,992
Amhara	3,129	1,810
Oromia	2,929	1,625
SNNPR	2,544	1,398
Tigray	3,411	1,851

\*Defined as expenditure required for 2,200 kilocalories per adult per day plus essential non-food items

**Table 3.9. Patterns of absolute consumption poverty, R2–R3 (%)**

	Absolute poverty		
	R2	R3	%age change
Location			
Urban	66	64	-2.5
Rural	76	71	-7.5
Region			
Addis Ababa	94	93	-1.0
Amhara	83	71	-14.8
Oromia	50	47	-5.9
SNNPR	62	61	-1.4
Tigray	80	77	-4.5
Younger Cohort	72	68	-5.2
Older Cohort	72	67	-6.7
Average	72	68	-5.7
Total no. observations	2,853	2,853	

Although poverty declined overall by four percentage points over a period of three years, some people became poorer. Table 3.10 shows that among those who were non-poor in 2006, 40 per cent moved into poverty and among those who were poor, while among those who were non-poor in 2006 only 21 per cent moved out of poverty. There is considerable rural / urban difference in the movement of households across the poverty line, with higher mobility observed for rural areas than for urban areas. In rural areas, 49 per cent moved into poverty and 22 per cent moved out of poverty whereas in urban areas these figures are 30 and 17 per cent, respectively. We can also compute the proportion of households from the total sample who moved into and out of poverty between 2006 and 2009 which gives the same pattern as in Table 3.10, but different percentages, as these are computed out of the total sample, not out of those who were poor or not poor (see Table 3.11).

Overall, the proportion of households who moved out of poverty is higher when we use the wealth index measure of less than 0.2 than when we use consumption expenditure because the wealth index captures the use of services, which has improved since Round 2.

**Table 3.10. Movement of households into and out of consumption poverty, R2–R3 (%)**

		Round 3		
		Non-poor	Poor	
Round 2		Total		
	Non-poor	60.3	39.7	
	Poor	21.1	78.9	
	Total	32.0	68.0	
		Urban		
	Non-poor	70.4	29.6	
	Poor	17.0	83.0	
	Total	35.3	64.7	
		Rural		
	Non-poor	50.8	49.2	
	Poor	22.4	77.6	
	Total	29.0	71.0	

**Table 3.11. Movement into and out of consumption poverty 2006–2009 (%)**

	Total	Urban	Rural
Moved out of poverty	15.2	11.2	17.2
Stayed constant	73.7	78.7	71.3
Moved into poverty	11.1	10.1	11.5
Total	100.0	100.0	100.0

The third measure we use to estimate poverty is relative consumption poverty – the proportion of households with below half of the median consumption per adult – which captures the inequality among households in per capita consumption. Relative poverty in Young Lives sites declined by 16 per cent between 2006 and 2009, perhaps mainly as a result of the decline in relative poverty in rural areas and Addis Ababa City Administration. While relative poverty increased overall in urban areas, it declined in Addis Ababa sites. Therefore, we can see that relative poverty in smaller towns has increased substantially. Among the rural sites, relative poverty also increased in those located in Oromia, which requires further explanation. However, generally rural relative poverty declined because of the fact that land is relatively equitably distributed in rural areas, and poor people access better support programmes, such as the PSNP. Since 1995/6 the increase in inequality has been an issue of concern in Ethiopia (MOFED 2008). According to a study by MOFED (2008), inequality was unchanged in rural areas, while urban inequality, as measured by the Gini coefficient, increased between 1995/6 and 2004/5. The fact that relative poverty declined in the Young Lives sites in Addis Ababa differs somewhat from the MOFED findings because our study includes only three poor sites there, while households in MOFED's study are fully representative of Addis Ababa, which includes both extremely poor and extremely rich inhabitants. Our study indicates that in the sites located in Addis Ababa, relative poverty (an indirect way of measuring inequality) declined from 11 per cent in 2006 to 8 per cent in 2009 (Table 3.12), but MOFED's study suggested that the Gini coefficient (a measure of inequality) increased from 0.35 in 1995/6 to 0.46 in 2004/5 (MOFED 2008: 36).

**Table 3.12. Patterns of relative poverty in 2006 and 2009 (%)**

	Relative poverty		
	R2	R3	%age change
Location			
Urban	13.7	14.6	6
Rural	6.6	4.8	-27
Region			
Addis Ababa	11.2	7.7	-31
Amhara	6.0	5.8	-3
Oromia	8.5	9.6	14
SNNPR	9.2	8.5	-8
Tigray	5.3	2.7	-48
Younger Cohort	9.7	8.7	-10
Older Cohort	10.2	7.1	-30
Average	9.8	8.2	-16
Total no. observations	2,853	2,852	

### 3.4 Shocks and vulnerability

Vulnerability is a major cause and consequence of poverty and results in significant welfare costs for adults and children. Therefore reducing vulnerability is increasingly seen as an important aspect of poverty reduction objectives. Vulnerability reflects both the exposure of households to adverse events – ‘shocks’ – and the ability of households to cope with these shocks, either ex ante or ex post. Shocks can be covariant and common, affecting the whole community, or idiosyncratic to individuals or households, affecting the economic condition of family groups and undermining the welfare of children. Common shocks include environmental events such as drought, outbreaks of pests and diseases or, flooding; or political incidents such as war or inflation. Idiosyncratic shocks include bouts of sickness, death, changes in a household’s income, accidents such as fire, or the sudden loss of assets, such as the death of livestock.

Young Lives has documented a variety of shocks affecting both the household and children’s welfare, including (1) economic shocks such as changes in prices or employment, and asset disputes; (2) environment events such as weather extremes, changes in land conditions and pests or diseases that may have affected crops and livestock; and (3) family events such as births, deaths, illnesses and injuries (Table 3.13a). The survey also registered (1) whether the household had been the victim of any crimes such as theft and vandalism; (2) the occurrence of regulations or actions by authority that had a negative impact on the household, such as land redistribution, forced eviction or movement, restrictions on movement or forced contributions; and (3) events that impacted negatively on livelihoods such as fire or the collapse of buildings (Table 3.13b).

**Table 3.13a. List of economic, environment and family adverse events/shocks in Round 2 and Round 3**

Economic	Environmental	Family events
Large increase in input prices	Drought	Death of child’s father
Large decrease in output prices	Too much rain or flood	Death of child’s mother
Increase in the price of food bought (only asked in Round 3)	Erosion, cracks or landslide	Death of another person from the household
Livestock died	Frosts or hailstorm	Illness of child’s father
Loss of job /source of income/ family enterprise	Pests or diseases that affected crops before they were harvested	Illness of child’s mother
Disputes with neighbours/PA members regarding land or assets	Crops failed	Illness of other household member
	Pests or diseases that led to storage losses	Divorce, separation or abandonment
	Pests or diseases that affected livestock	Birth/new household member
		Child’s school enrolment – having to pay school fees

**Table 3.13b. List of crime, housing and regulation-related shocks**

Crime	Housing	Regulation
Theft or destruction (e.g. of cash, crops, livestock or housing)	Fire or collapse of building	Forced contributions or arbitrary taxation or protection money

Table 3.14 documents the percentage of households affected by economic, environmental and family-related shocks in 2002 (Round 1), 2006 (Round 2) and 2009 (Round 3). We note the need for caution in using this data to show the level of changes as there are differences

in the definitions of some of the indicators (in particular food price increases was not covered as a specific shock in the questionnaires for Rounds 1 and 2). In 2002, about 58 per cent of the households were affected by economic shocks. The incidence of economic shocks appeared to decline slightly in 2006, but increased in 2009 (in the table this reached 95 per cent. Removing food price inflation from the measure still showed a substantial increase to 61 per cent of households being affected by these types of shocks, Dornan 2010). The main reasons for this were the occurrence of drought in 2009, inflation since 2006, especially food price inflation, and global food price inflation and economic crisis. The incidence of economic shocks was higher for rural households than for urban households in both 2002 and 2006, but slightly higher for urban households than for rural households in 2009, perhaps mainly because of increased pressure of higher levels of inflation. The distribution incidence of economic shocks is similar across regions, except that in Addis Ababa the incidence was relatively low in 2002 and 2006, but skyrocketed in 2009, reaching levels similar to other regions, probably because of inflation.

The incidence of environment-related shocks shows a similar pattern between rural and urban areas and among sites located in different regions, with the exception of Addis Ababa. Contrary to the level and trend in the incidence of economic shocks, the incidence of environmental shocks in Addis Ababa was very small, although it increased slightly from 2002 to 2009. The same is true for urban areas as a whole, where they increased from 10 per cent to 16 per cent. Therefore, one can conclude that in Addis Ababa and other urban areas, inflation was a major factor accounting for shocks that affected household welfare negatively although loss of jobs or enterprise is also a reason.

The incidence of family-related events or shocks was much smaller in 2002 (36 per cent). It increased substantially in 2006 (reaching 58 per cent) and stayed constant in 2009. This incidence was slightly lower in rural areas than in urban areas in 2002, but the rural incidence increased in 2006 and surpassed the level reached by urban areas. The distribution of incidence of family shocks is more or less similar across sites located in different regions except that sites located in SNNPR have a somewhat higher incidence in 2006 and 2009 (10 percentage points higher).

Since many of the economic and environment-related shocks are area-wide, there seems to be no visible difference in incidence between poor and non-poor households although non-poor households could have a better ability to cope with the shocks. Even if the family events are idiosyncratic in nature, surprisingly the incidence is only slightly higher for the poor than for the non-poor households.

**Table 3.14. Households affected by economic, environmental and family event shocks (%)**

	Economic shocks			Environmental			Family events		
	R1	R2	R3	R1	R2	R3	R1	R2	R3
Location									
Urban	43.8	39.6	97.1	8.4	10.4	16.1	43.4	53.4	55.8
Rural	66.5	60.1	94.2	66.0	71.4	76.8	31.5	60.8	60.1
Region									
Addis Ababa	40.9	25.7	95.9	1.7	1.7	2.2	42.1	54.0	53.8
Amhara	53.1	51.9	97.7	42.2	61.4	60.0	36.6	56.0	61.4
Oromia	69.5	52.2	90.6	58.3	48.2	53.5	35.2	53.9	50.1
SNNPR	57.3	68.2	96.2	44.8	52.4	55.4	38.8	70.0	74.7
Tigray	65.7	50.1	96.6	66.4	57.6	75.8	27.6	51.5	47.3
Poverty level									
Non-poor		52.0	94.3		41.7	45.5		57.9	56.9
Poor		51.9	95.9		49.2	55.6		57.9	59.1
Average	58.3	51.9	95.4	45.1	47.1	52.4	35.8	57.9	58.4
Total no. obs	2,853	2,853	2,853	2,853	2,853	2,853	2,853	2,853	2,853

Note: The high level of economic shocks in Round 3 include food price increases which were not included in 2002 and 2006. Stripping those out, we still see an increase to 61% of households experiencing economic shocks (Dornan 2010).

As Table 3.15 shows, the incidence of crime-, regulation- and housing-related shocks is extremely small. The overall incidence of crime-related shocks was 8 per cent in 2002, 14 per cent in 2006 and 10 per cent in 2009. Regulation-related shocks were in the order of 3 to 4 per cent and have shown an increase in rural areas and decline in urban areas both extremely small. The incidence of shocks related to fire and the destruction of housing was 3 per cent in 2006 and declined to 1.6 per cent in 2009, which is similar across rural and urban areas and across regions except for a slightly higher incidence for sites located in SNNPR. As with the other types of shocks, we could not observe much difference in the incidence of crime- and housing-related shocks between poor and non-poor households. The non-poor households seem affected more than the poor households by regulation-related shocks.

**Table 3.15. Households whose welfare was affected by crime, regulation and housing (fire/destruction) shocks (%)**

	Crime			Regulation		Housing	
	R1	R2	R3	R2	R3	R2	R3
Location							
Urban	4.4	10.8	7.9	3.9	3.1	2.7	1.4
Rural	9.8	15.9	11.5	3.6	5.0	3.2	1.7
Region							
Addis Ababa	2.2	6.6	8.2	1.5	1.2	2.0	1.2
Amhara	4.9	15.5	15.0	2.5	6.7	4.8	3.9
Oromia	14.0	11.1	12.2	3.1	4.3	1.9	1.9
SNNPR	10.7	24.1	11.3	6.4	4.2	4.3	0.8
Tigray	5.1	7.7	2.9	3.8	4.0	1.5	0.2
Poverty level							
Non-poor	–	–	10.1	5.7	4.7	3.0	2.0
Poor	–	–	10.1	3.0	4.0	3.0	1.4
Average	7.9	13.9	10.1	3.7	4.2	3.0	1.6
Total no. observations	2,853	2,853	2,853	2,853	2,853	2,853	2,853



### 3.5 Access to services: safe water, sanitation facilities and electricity

Access to safe water, electricity and sanitation facilities are among the key Ethiopian public services that are provided mainly by the government. These facilities are also crucial in improving children's health and their achievements in education.

#### *Access to safe drinking water*

Our survey shows that Young Lives households' access to safe water increased from 11 per cent in 2002 to 17 per cent in 2009 (Table 3.16) due to an increase in urban areas. The same trend can not be observed in both rural and urban areas between 2002 and 2006, where in rural areas there was a slight decline from 2006 to 2009. In 2009 according to our measure (those who are using water from a common distribution point or water piped into the dwelling), 39 per cent of households in urban areas and 2.3 per cent of those in rural areas had access to safe water. Although the figures still seem small, we have observed a growth of 5 percentage points in access to safe water from 2002 to 2009. The regional disaggregated results of access to safe water showed a small increase between 2002 and 2006 and a greater increase between 2006 and 2009 in all regions except sites in Amhara, where access increased dramatically, then decreased to below Round 1 levels, and Addis Ababa, where it went down then up again.

Results from our community-level survey reinforce this finding as the number of communities with access to drinkable water increased from 16 to 23 between Rounds 2 and 3. In rural areas the proportion of households who have access to safe water facilities increased from 1.2 per cent to 2.3 per cent while in urban areas it increased from 27 per cent to 39 per cent. However, the non-poor households have significantly better access to safe water than the poor households. Despite the limited change in access to safe water in both rural and urban areas, the rural-urban differential is substantial. In 2002, urban people's access to safe water was 26 percentage points higher than that of rural people. In 2009, the difference in access to safe water widened and reached 37 percentage points. Therefore, as with its efforts to improve sanitation facilities, the government may have to prioritise building water infrastructure in rural areas in order to reduce the gap in access to safe water between rural and urban areas.

**Table 3.16. Access to safe drinking water (average %)**

	R1	R2	R3
Location			
Urban	27.1	27.0	39.2
Rural	1.2	4.0	2.3
Region			
Addis Ababa	31.6	22.8	36.8
Amhara	13.7	19.5	10.9
Oromia	5.9	13.3	17.1
SNNPR	9.0	10.1	12.8
Tigray	2.4	2.4	12.2
Poverty level			
Non-poor	.	22.5	25.9
Poor	.	9.2	12.2
Average	11.2	12.9	16.6
Total no. observations	2,854	2,852	2,853

### *Access to sanitation facilities*

In 2009, about 58 per cent of the Young Lives sample households had access to sanitation facilities (a pit latrine or flush toilet). The access to sanitation facilities was 22 per cent in 2002 and 58 per cent in 2009, representing an improvement in access by 172 per cent over the seven-year period. The improvement is much greater for rural areas than for urban areas and represents a complete elimination of the rural–urban gap that existed in Round 1. In rural areas access increased from 14 to 67 per cent, while it increased from 34 per cent to 45 per cent in urban areas. While the increase is very small for sites in Addis Ababa, it is more than double for sites in Amhara (244 per cent), Oromia (155 per cent), SNNPR (232 per cent) and Tigray (152). However, as with the results for access to safe water, the non-poor households have on average better access to facilities than the poor households. The remarkable improvement observed in access to sanitation facilities may be attributed to the expansion of health extension services, which provide education for rural households to help them take preventive measures to improve their health, including the hygienic preparation and maintenance of private and communal toilet facilities. The Health Extension Programme has assigned two health extension workers (HEWs) to each rural *kebele* since 2005/6.

**Table 3.17. Access to sanitation facilities (%)**

	R1	R2	R3	%age change R1– R3
Location				
Urban	34.1	39.8	45.1	32
Rural	14.2	40.7	67.3	372
Region				
Addis Ababa	15.7	17.1	19.1	22
Amhara	13.0	39.8	44.7	244
Oromia	26.6	54.4	67.9	155
SNNPR	22.9	59.7	76.5	235
Tigray	26.9	19.6	67.9	152
Poverty level				
Non-poor	.	58.3	71.3	
Poor	.	33.4	52.2	
Average	21.5	40.3	58.4	172
Total no. observations	2,853	2,853	2,853	

### *Access to electricity*

A major focus of the government since 1990 has been the provision of access to modern energy sources, such as electricity from hydroelectric power, in order to reduce dependence on traditional energy sources (such as fuelwood, charcoal and animal dung), which have negative impacts on the environment. Access of Young Lives sample households to electricity showed a moderate improvement between 2002 and 2009. It increased from 35 per cent in 2002 to 50 per cent in 2009, showing an improvement of 43 per cent. Results from the community questionnaire reveal that six localities have gained access to electricity services within the last five years.

Although urban households had a higher level of access than rural households in Young Lives sample sites, rural households' access to electricity tripled between 2002 and 2009 (rising by 351 per cent). However, only about one-fifth of households (21 per cent) had access. The access of urban households improved by only 6 per cent but rose to over 90 per cent. There is also a marked difference among sites located in different regions. As might be expected,

97 per cent of the households located in the capital city – Addis Ababa – have access to electricity. Young Lives sample households living in Oromia have a relatively higher access to electricity (65 per cent) than households located in Amhara (36 per cent), SNNPR (35 per cent) and Tigray (32 per cent). There is also a clear difference in access to electricity between non-poor and poor households, with the poor households having less access to electricity by 15 percentage points.

**Table 3.18. Access to electricity (%)**

	R1	R2	R3	Percentage change, R1–R3
<b>Location</b>				
Urban	88.2	91.5	93.2	5.7
Rural	4.6	11.9	20.6	351.7
<b>Region</b>				
Addis Ababa	98.8	99.5	97.3	–1.5
Amhara	20.9	22.7	35.6	70.0
Oromia	20.5	48.4	65.4	218.9
SNNPR	31.9	34.5	34.8	8.9
Tigray	20.9	30.9	32.3	54.4
<b>Poverty level</b>				
Non-poor	–	56.3	60.1	
Poor	–	38.6	44.9	
Average	34.9	43.5	49.7	42.6
Total no. observations	2,853	2,853	2,853	

### 3.6 Social protection

In this section we document the participation of households in the biggest social protection programme in Ethiopia, the PSNP (Productive Safety Net Programme). The PSNP started in 2005 after decades of implementation of various types of employment generation schemes (EGSs) known as ‘food for work’ and ‘cash for work’. The PSNP has two components: Public Work (PW) and Direct Support (DS).

The PSNP was launched by the Ethiopian Government in 2005 and backed by donors including the Canadian International Development Agency (CIDA), the UK Department for International Development (DIFD), Irish Aid, the Swedish International Development Agency (SIDA), the United States Agency for International Development (USAID) and the World Bank (Woldehanna 2009). The Public Work component provides employment for poor people nominated as eligible by the community. The work is supposed to be labour-intensive, community-based activities and is designed to create jobs for people and assets for the community. The PW component pays daily wages (either in cash or in kind) to participants in the PSNP who are chronically food-insecure. The work focuses on improving public facilities, such as roads, terraces, water points, watersheds, health posts and schools. The Direct Support component provides free food aid to poor households who are not able to work, such as those headed by disabled or elderly people, or pregnant or breastfeeding women.

Since Round 2, the Young Lives household survey has asked whether any of the family members earned any income from a list of activities, of which PSNP is one, in the last 12 months. From this, both the proportion of households of the Younger Cohort children participating in either of the components of PSNP and the amount of average income earned were calculated. These statistics are presented from Table 3.19 to Table 3.22. As can be seen in Table 3.19, in Round 3, about 41 per cent of the rural sample households and 7 per cent of

the urban sample households participated in the PW, while the proportion of beneficiaries of the DS component is 13.5 per cent for rural and 4.6 per cent for urban sample households. Although the PW programme is basically designed for rural areas, we see that some urban households have also participated, especially those in the SNNPR and Tigray. However rural people benefit more than their urban counterparts. In Round 2, about 47 per cent of the sample households in rural areas were involved in PW while about 21 per cent of the rural sample households received cash/food aid support (DS) for 12 months.

According to our results, there has been a fall in the participation rate of sample households in both the PW and DS programmes. The fall in participation is bigger for DS than for PW. The main reason for a fall in the proportion of households participating in PW is stated to be graduation. Of the rural households who withdrew from PW, more than half (65 households) withdrew because of graduation. However, these graduated households responded that the consequence of graduation from PSNP was food insecurity, indicating that their graduation may not be sustainable.

**Table 3.19. PSNP beneficiary households in 2005/6 (R2) and 2008/9 (R3) by poverty status, region, caregiver education level and gender of household head (%)**

	Public work (PW)				Direct support (DS)			
	Rural		Urban		Rural		Urban	
	R2	R3	R2	R3	R2	R3	R2	R3
Region								
Addis Ababa	-	-	0.0	0.0	-	-	26.0	1.5
Amhara	45.6	32.9	2.8	0.0	22.7	5.6	39.2	0.7
Oromia	39.9	38.9	1.9	0.0	29.3	2.6	25.3	1.3
SNNPR	14.6	10.0	2.1	3.5	23.8	29.5	12.9	2.5
Tigray	87.9	81.5	60.1	47.9	6.8	16.0	38.5	24.7
Mother/caregiver's education								
No education	52.5	46.2	16.1	13.7	19.4	13.1	29.1	7.0
Lower primary	42.6	34.1	10.3	8.2	23.7	11.1	30.0	5.9
Upper primary	22.8	25.0	5.5	4.3	21.3	25.0	24.5	3.2
> 8th grade	9.1	9.1	1.2	0.0	13.6	9.1	18.2	1.3
Household head								
Female	58.8	55.9	16.9	14.3	22.3	18.0	35.6	9.0
Male	45.0	38.3	5.2	3.9	20.3	12.7	21.6	2.6
Poverty level								
Non-poor	30.7	29.0	5.9	2.6	23.0	12.1	20.5	3.1
Poor	52.2	44.7	10.6	9.4	19.6	13.9	29.0	5.4
Average	47.1	41.0	8.8	7.0	20.6	13.5	25.9	4.6
No. observations	1,733	1,719	1,158	1,136	1,733	1,719	1,158	1,136

Note: Total number of observations is 2,891 (1,733 rural and 1,158 urban) in Round 2 and 2,853 (1,717 rural and 1,135 urban) in Round 3.

Unlike the participation rate, the mean income that beneficiary households receive from the PSNP has increased, but not as substantially as may appear because of inflation (Table 3.20, see also Table A3.2 to A3.3). Over a period of 12 months (from Round 3 data), the average nominal mean income of the rural sample households generated from the PW and DS programmes were 2,208 birr and 599 birr, respectively. For urban areas the figures are 1,241 birr and 926 birr, for PW and DS, respectively.

Compared to the mean income earned by beneficiaries from PW during Round 2, earning in Round 3 has increased by 190 per cent for rural areas and 120 per cent for urban areas. For direct support beneficiaries, the increase was 13 per cent for rural areas and 139 per

cent for urban areas (Table 3.20). This indicates that, like the participation rate, the mean nominal income from PW enjoyed by rural households is much higher than that of their urban counterparts. However, the rate of increase in income from PW in general is not much higher than inflation.<sup>15</sup> It therefore seems that the government has not responded to suggestions of previous studies indicating that if the intended goals and objectives of the PSNP are going to be achieved, the PSNP transfers have to be sufficiently large. However, whether this small (in real terms) increased transfer has resulted in improved child welfare (school enrolment, reduced drop-out from school, improved nutrition) needs to be assessed and subsequent studies may be needed to examine this issue.<sup>16</sup>

There are also differences among sites located in different regions. Although there are some kinds of employment generation schemes (EGSs) in Addis Ababa, our survey did not find any kind of public work programme that resembles direct support except free food aid. Therefore, the reported participation and income from PW for households in Addis Ababa are zero. As a result, the distribution of participation in the PW component of the PSNP across regions is limited to the four regions. When we compare the income rural households obtained from PW (only for those who participated in the PSNP), we found the highest average income from PW was also observed in Tigray (2,819 birr) followed by Oromia (1,671 birr), Amhara (1,549 birr), and SNNPR (1,357 birr). Although lower, the same pattern of income was observed in Round 2. For urban areas, only one site in Tigray and one site in SNNPR obtained income from public work. For the DS component of PSNP in rural areas, the highest mean income in Round 2 was observed in sites located in Amhara (816 birr) followed by Oromia (712 birr), Tigray (283 birr) and SNNPR (120 birr). For urban areas, the highest mean income from the DS sub-programme is obtained in sites located in Amhara Region (3,240 birr), followed by Oromia (1,650 birr), Tigray (952 birr), SNNPR (573 birr) and Addis Ababa (560 birr). One possible reason for Tigray having a higher income from PW is that people are much poorer in Tigray than in the other regions. However, since resources for the PSNP are very limited, poor households in Tigray have to be given smaller amounts from the DS component of the PSNP.

Tables 3.19 and 3.20 present PSNP participation by gender of the household head, poverty and education of the mother. For both PW and DS, the participation rate and the mean income obtained from PSNP are lower when the households are non-poor, the mothers are more educated and the head of the household is male (except that female-headed households have a lower mean income from PW in rural areas than male-headed households), suggesting the more vulnerable groups such as the poorest groups, female-headed households and uneducated mothers are benefiting more than the less vulnerable groups namely the non-poor, male-headed households and educated mothers. The difference between the vulnerable and less vulnerable groups is not limited only to participation rate and amount of income obtained from PSNP, but is also noticeable in the percentage of increased income from PSNP between Round 2 and Round 3. The increase in income from the PSNP is higher for uneducated mothers than for educated mothers, suggesting that the PSNP is becoming more effective in benefiting the more vulnerable groups such as those with little or no education.

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<sup>15</sup> The inflation rate for food items was on average about 178 per cent for Young Lives sites between 2006 and 2009.

<sup>16</sup> A study on the impact of PSNP on child work and education is underway by Young Lives researchers.

**Table 3.20. Mean nominal income (birr) of PSNP beneficiaries over 12 months in 2005/6 and 2008/9 by poverty status, region, caregiver education level and gender of household head**

	Public work				Direct support			
	Rural		Urban		Rural		Urban	
	R2	R3	R2	R3	R2	R3	R2	R3
Region								
Addis Ababa	–	–	–	–	–	–	429	560
Amhara	526	1,549	83	–	816	1,066	199	3,240
Oromia	986	1,671	660	–	712	1,124	767	1,650
SNNPR	305	1,357	483	921	120	336	453	573
Tigray	856	2,819	581	1,287	283	833	187	952
Mother/caregiver's education								
No education	749	2,362	673	1,342	557	713	229	821
Lower primary	794	1,822	409	1,177	560	393	329	1,099
Upper primary	771	1,587	561	1,012	281	346	573	772
> 8th grade	1,114	2,050	314	.	113	1,520	554	1,133
Household head								
Female	741	1,970	577	1,133	922	854	308	996
Male	766	2,269	541	1,412	454	536	447	824
Poverty level								
Non-poor	783	2,214	469	992	818	577	592	1,409
Poor	757	2,207	589	1,277	427	605	309	782
Total	761	2,208	563	1,241	531	599	388	926
No. observations	813	704	100	80	352	232	296	284

Note: Total number of observations is 2,891 (1,733 rural and 1,158 urban) in Round 2 and 2,853 (1,717 rural and 1,135 urban) in Round 3.

Although the PSNP is one of the biggest social protection programmes, there are many other programmes that operate in Ethiopia. Some of the main ones are (1) Agricultural Extension Programme, (2) Credit and Savings Programme, (3) HIV-related education, (4) Family Planning Programme, and (5) and Health Extension Services, part of the Health Extension Programme (Table 3.21). Health Extension Services (HES) is the most recent and most popular programme, and provides extensive training mainly for rural mothers on preventive health.

Our data show that 28 per cent of our sample households have been beneficiaries of the HES in 2009, while the percentage of beneficiaries of this programme was less than 2 per cent in 2006 during our Round 2 survey. As noted before, the expansion of the HEP between Round 2 and Round 3 could explain the substantial increase in access to improved sanitation facilities in our Young Lives sample households since the Round 2 survey.

**Table 3.21. Proportion of households participating in government support programmes in 2008/9 by rural/urban location (%)**

	Rural	Urban	Total
Agricultural Extension	27.5	1.9	17.3
Credit and Savings	18.4	9.4	14.8
Education about HIV	12.8	31.5	20.2
Family Planning	27.4	36.2	30.9
Health Extension Services	30.9	19.9	26.5

Although HES is also a community-level intervention, we still see differences in participation between educated and uneducated people, male- and female-headed households, and poor and non-poor households (see Table A3.4 to Table A3.7 in the appendix). The rate of participation in HES is higher for the non-poor or male-headed households, or for

households with educated caregivers than for poor or female-headed households or those with uneducated caregivers, respectively, mainly in rural areas, indicating that the HES are benefiting the better off. In urban areas, the difference between the rate of participation of poor and non-poor households in HES is not all that significant.

Family Planning, Agricultural Extension, Credit and Savings, and education about HIV are some of the other big programmes in which Young Lives sample households are participating. The Agricultural Extension Programme is mainly providing technical support for households who are engaged in farming, and 28 per cent of the rural households are participating in it. Although the Credit and Savings, education about HIV and Family Planning programmes are equally available in both rural and urban areas, the proportion of households participating in the Credit and Savings programme is higher in rural areas (18 per cent) than in urban areas (9 per cent), while the proportion of households participating in education about HIV and Family Planning is higher in urban areas than in rural areas.

Though the PSNP seems to be reaching some of the poorest Young Lives households, the Family Planning, Agricultural Extension, Credit and Savings and education about HIV programmes seem less progressive in their reach. There is a varied participation rate among different socio-economic groups. Non-poor, male-headed, and educated households have a higher participation rate than poor, female-headed and uneducated households, respectively.

The PSNP focuses on poor people and vulnerable groups and, as result, the potential for reaching vulnerable children is very high. However, the other programmes such as Family Planning, Agricultural Extension, Credit and Saving and education about HIV programmes are not specifically targeting poor and vulnerable groups. Hence, the ability of these programmes to reach vulnerable children will be limited. Therefore, it would be advisable to adapt these programmes so that they also target poor households and vulnerable groups.

The PSNP generally targets households and assumes that all household members including children will benefit from the programme. To assess whether the benefits of the PSNP also reach children, Woldehanna (2009) assessed the impact of the PW and DS components of the PSNP on children's time use for work and schooling using Round 2 Young Lives data for the Older Cohort (then aged 12). The findings may not be conclusive as the Round 2 survey was carried out less than one year after the implementation of the PSNP. However, they suggest that direct support was more advantageous to children than the public work scheme in terms of reducing child labour and increasing the time children used for schooling and study. The PW programme increased demand for labour and hence was not as successful as the DS programme in reducing child work and increasing time spent on schooling. However, the data used for this study were collected before the PSNP was fully implemented and hence may understate the benefits of the programme for children and households involved in the programme.

This report provides a broad range of descriptive data regarding the programme and its association with Young Lives households' socio-economic characteristics and locations. Therefore further efforts must be made to assess the impact of the PSNP on children's welfare, notably in relation to child work, malnutrition and children's achievements in school.

### ***3.7 Nutritional status and health***

In this section we present changes in the incidence of stunting and thinness across rounds (Rounds 1, 2 and 3) when Younger Cohort children were 1, 5 and 8 years old respectively.



Moreover, we compare the prevalence of stunting and thinness of the two cohorts at the same age but in different years (2002 and 2009) to assess changes over the seven-year period. We calculated the two main statistics that are used in the literature to measure malnutrition among children, namely, stunting and thinness, as well as severe stunting and severe thinness. Stunting refers to low height-for-age (or shortness) and measures long-term malnutrition and poor health and living conditions. It is identified by a z-score of height-for-age of more than two standard deviations ( $<-2$  SD) below the median of the WHO reference population. Severe stunting is an extreme form of stunting which refers to extremely low height-for-age and is defined based on a z-score of height-for-age of more than three standard deviations ( $<-3$  SD) below the median of the WHO reference population. Thinness is a measure of low relative body weight adjusted for child age and sex. Thinness can be the result of undernourishment. A z-score of BMI-age of more than two standard deviations ( $<-2$  SD) below the median of the WHO reference population classifies thinness and a z-score of below three standard deviations ( $<-3$  SD) severe thinness.

Tables 3.22 and 3.23 show observed patterns of linear catch-up growth of children who were stunted in previous rounds. . In 2002 (Round 1), 35 per cent of the 1-year-old Younger Cohort children were stunted. When these same children reached the age of 5, a small proportion showed catch-up growth so that only 31 per cent of this group was stunted. By the age of 8, the proportion of stunted children in this cohort had gone down to 21 per cent. Table 3.23 shows, at the age of 1, 16 per cent of the Younger Cohort were severely stunted, while at the age of 5, it was only 8 per cent, and at the age of 8, only 5 per cent of them were severely stunted. When we compare the stunting and severe stunting of the Older Cohort as 8-year-olds in 2002 with that of the Younger Cohort aged 8 in 2009, we see a remarkable improvement in nutritional status. While the stunting of 8-year-olds in 2002 was 31.4 per cent, it was 21 per cent in 2009, indicating that stunting declined over time. Severe stunting was also lower in 2009 in 8-year-olds (5 per cent) than in 8-year olds in 2002 (12 per cent).

The rural–urban differential in stunting and severe stunting is high, with rural areas having higher levels of stunting at all ages (1, 5 and 8) and in both cohorts (8-year-olds in 2002 and 2009). The changes in stunting and severe stunting across cohorts (Younger Cohort in 2009 and Older Cohort in 2002 both at the age of 8) are greatest in Tigray and Amhara. Stunting and severe stunting rates are higher for children of uneducated and poorer mothers than for children of educated and richer mothers in all survey rounds and both cohorts, indicating the importance of education and wealth for variation in stunting (and therefore, nutritional status). Although the extent is not substantial, there seems to be a difference in stunting and severe stunting between boys and girls, with girls being less stunted at all ages except at the age of 8 in 2002. Higher stunting levels in boys have been observed in other studies in low-income countries and higher levels of physical activity or biological factors have been proposed as explanations.

Table 3.22. Stunting of the same children over time and of both cohorts at the age of 8 (%)

	R1 – YC	R2 – YC	R3 – YC	R1 – OC
	1 year old (2002)	5 years old (2006)	8 years old (2009)	8 years old (2002)
Location				
Urban	25.1	23.4	14.4	22.3
Rural	41.4	36.2	25.0	37.5
Gender				
Boys	39.5	32.8	23.2	31.2
Girls	29.6	29.3	18.3	31.7
Region				
Addis Ababa	21.8	20.9	10.1	18.7
Amhara	47.0	31.7	23.7	41.1
Oromia	38.9	42.1	19.1	31.7
SNNPR	31.2	32.1	28.7	24.2
Tigray	32.9	25.7	17.6	40.3
Mother/caregiver's education				
No education	41.4	37.2	25.6	37.0
Lower primary	32.0	27.3	15.4	35.4
Upper primary	25.5	29.0	16.3	26.8
More than 8th grade	22.8	21.3	15.9	21.1
Poverty level				
Non-poor	.	25.8	16.2	.
Poor	.	33.2	23.0	.
Average	34.8	31.2	20.9	31.4
Total no. observations	1,816	1,881	1,879	939

Table 3.23. Severe stunting of the same children over time and of both cohorts at the age of 8 (%)

	R1 – YC	R2 – YC	R3 – YC	R1 – OC
	1 year old (2002)	5 years old (2006)	8 years old (2009)	8 years old (2002)
Location				
Urban	9.7	4.6	2.4	7.4
Rural	19.2	10.4	6.6	14.6
Gender				
Boys	18.5	8.1	5.7	13.3
Girls	12.1	8.1	4.1	10.0
Region				
Addis Ababa	8.4	3.0	1.5	3.6
Amhara	18.3	4.5	5.8	15.7
Oromia	18.4	12.4	5.0	10.6
SNNPR	17.4	12.3	7.4	12.5
Tigray	12.4	5.8	3.4	14.0
Mother/caregiver's education				
No education	18.2	10.8	6.4	13.4
Lower primary	14.3	6.2	3.8	15.0
Upper primary	12.6	4.2	2.3	9.8
More than 8th grade	8.3	5.2	3.6	7.7
Poverty level				
Non-poor	–	5.5	3.2	–
Poor	–	9.1	5.8	–
Average	15.5	8.1	4.9	11.7
Total no. observations	1,816	1,881	1,875	939

Tables 3.24 and 3.25 summarise wasting and severe thinness of children at different ages and for the two cohorts at the same age (8 in 2002 and 2009). It is useful to know that wasting indicates a short-term measure of nutritional status and hence wasting/thinness of the same children over time indicates the effect at that particular time of the nutritional situation on the children's weight. Rates of thinness of the Younger Cohort children in 2002 (at the age of 1) and 2009 (at the age of 8) were much higher than in 2006 (when they were 5) because there were droughts in 2002 and 2009 (although the 2009 drought was less severe than that of 2002) as well as inflation, while 2006 was a relatively good year, with bumper harvests and modest inflation. We see the same pattern for severe thinness, in the sense that severe thinness was lower in 2006 (when the children were aged 5) than in 2002 (when they were 1) and 2009 (when they were 8). The same patterns are observed for gender, location and regional differences in wasting and severe wasting.

**Table 3.24. Wasting of the same children over time and of both cohorts at the age of 8 (%)**

	R1 – YC	R2 – YC	R3 – YC	R1 – OC
	1 year old (2002)	5 years old (2006)	8 years old (2009)	8 years old (2002)
Location				
Urban	14.0	8.1	18.4	23.5
Rural	25.6	8.8	23.1	31.4
Gender				
Boys	22.5	8.6	22.4	28.9
Girls	19.2	8.4	19.9	27.1
Region				
Addis Ababa	9.1	8.2	21.7	18.0
Amhara	17.2	13.5	31.6	23.8
Oromia	26.5	3.4	11.8	24.6
SNNPR	28.1	6.1	14.1	41.5
Tigray	18.1	11.8	28.9	25.1
Mother/caregiver's education				
No education	26.6	9.6	24.6	32.7
Lower primary	18.1	6.2	21.5	29.2
Upper primary	14.7	6.0	18.2	14.4
More than 8th grade	9.0	8.6	15.2	19.2
Poverty level				
Non-poor	–	5.0	14.4	–
Poor	–	9.9	24.4	–
Average	20.9	8.5	21.2	28.0
Total no. obs	1,721	1,882	1,866	843

**Table 3.25. Severe wasting of the same children over time and of both cohorts at the age of 8 (%)**

	R1 – YC	R2 – YC	R3 – YC	R1 – OC
	1 year old (2002)	5 years old (2006)	8 years old (2009)	8 years old (2002)
<b>Location</b>				
Urban	5.6	2.0	4.2	13.4
Rural	10.9	2.3	3.5	12.0
<b>Gender</b>				
Boys	9.6	2.1	4.1	14.0
Girls	7.6	2.2	3.4	11.1
<b>Region</b>				
Addis Ababa	1.8	2.2	4.9	7.2
Amhara	5.8	3.2	5.8	3.3
Oromia	8.6	0.5	1.6	5.1
SNNPR	16.6	1.5	2.1	32.8
Tigray	5.9	3.7	5.2	5.9
<b>Mother/caregiver's education</b>				
No education	11.4	2.4	4.6	14.1
Lower primary	7.2	1.2	3.1	13.5
Upper primary	6.3	1.9	1.9	8.0
More than 8th grade	2.3	2.5	3.4	8.2
<b>Poverty level</b>				
Non-poor		1.0	1.7	
Poor		2.65	4.74	
Average	8.7	2.2	3.8	12.6
Total no. obs.	1,721	1,882	1,866	843

### 3.8 Enrolment in primary school and education

Now that human rights are enshrined in law in most countries, including Ethiopia, children have the right to get access to education while parents and the state have an obligation to create the means for children to go to school and learn. Hence the enrolment of children in school by itself represents progress. The education sector is also essential for building people's capacity and enhancing the human development as well as the economic growth of a country. Its decisive role in equipping individuals to participate actively in the development process of their countries is widely acknowledged.

Ethiopia has made substantial progress in terms of physical access to schools for its school-age children compared to ten years ago. Historically, school facilities were located out of reach of most Ethiopian children. As evidenced by Ministry of Education data, for decades there were fewer than 10,000 primary schools in the country. However, over recent years, the number of primary school facilities has increased from 11,000 in 1997/8 to 25,000 in 2008/9, thereby almost doubling within a decade. As a result, the net enrolment rate in primary school increased from 21 per cent in 1995/6 to 83 per cent in 2008/9.

In our Young Lives sample households, the enrolment rate of 8-year-olds in Round 3 reached 77 per cent for the whole sample, with urban rates (89 per cent) significantly higher than rural rates (69 per cent). Addis Ababa (95 per cent), Tigray (93 per cent) and Amhara (83 per cent) registered the highest enrolment rates. Parental education was observed to have a positive association with child enrolment. Once again non-poor households (81 per cent) fare better than poor households (75 per cent). The gender bias in primary school enrolment is slightly in favour of girls. When we compare enrolment rates of the Younger Cohort in 2009 with that

of the Older Cohort in 2002 (when each cohort, respectively, was aged 8) there have been improvements across all categories reported in Table 3.26 except for the urban enrolment rate and the enrolment rate in SNNPR. Between 2002 and 2009, rural enrolment levels of 8-year-olds rose by 18 percentage points, girls' enrolment increased by 10 percentage points and regional figures showed a tremendous increase in enrolment rates. One of the main reasons for increased enrolment is not only the increased awareness of parents about the usefulness of education, but also an increase in the number of primary schools in Young Lives sites. In 2002 (Round 1 survey), there was only one primary school per rural site; in Round 3 (as documented in our community questionnaire) the number of primary schools in our survey sites substantially increased, reaching up to between five and seven first-cycle primary schools (Grades 1 to 4) per site.

**Table 3.26. Enrolment of children in school (Older Cohort, and Younger Cohort, R3) (%)**

	R1 – OC 8 years old 2002	R2 – OC 12 years old 2006	R3 – OC 15 years old 2009	R3 – YC 8 years old 2009
Location				
Urban	89	98	96	89
Rural	51	97	85	69
Gender				
Boys	64	97	88	75
Girls	68	98	92	78
Region				
Addis Ababa	91	00	97	95
Amhara	69	99	87	83
Oromia	58	92	88	70
SNNPR	59	98	90	54
Tigray	61	98	88	93
Mother/caregiver's education				
No education	58	98	87	70
Lower primary	66	97	91	80
Upper primary	81	99	98	86
More than 8th grade	75	97	91	86
Poverty level				
Non-poor	.	95	92	81
Poor	.	98	89	75
Average	66	97	90	77
Total no. observations	970	944	970	1,880

Even though enrolment rates testify to a marked improvement in educational coverage in all of the survey categories, enrolment alone is not a sufficient indicator to capture recent changes in attendance at school and the education sector. In this respect, assessing drop-out rates is more illuminating. The survey indicates that there is an 8 per cent overall drop-out rate observed within the last three years (which looks quite small compared to the national average of 18 per cent). The rural drop-out rate (12 per cent) is much higher than the urban rate (4 per cent). The gender bias is still in favour of girls with fewer girls (7 per cent) than boys (9 per cent) dropping out, but the primary school completion rate is higher for boys than for girls. Tigray (11 per cent), Amhara (10 per cent) and Oromia (9 per cent) are the regions with the highest drop-out rates, while Addis Ababa had the lowest (3 per cent). Children from poor households (9 per cent) and with parents who had had no education (11 per cent) also had higher drop-out rates.

The qualitative sub-study suggests that children often drop out of school because of their parents' poverty, a need to work (on both family and income-generating activities) and illness. As shown in Box 3.5 below, for example, a 15-year-old boy from Oromia suggests that his lower achievements relate to his repeatedly dropping out of school to do different activities to support his family, who had experienced certain shocks. The boy usually registered for school at the beginning of every year but found it difficult to continue further. At the age of 15, he had only reached Grade 2.

### Box 3.5. Dropping out of school to work

"My father was imprisoned twice for allegedly being responsible for the lost water pump from the place where he was working as a guard. He also had to pay a fine of 500 birr. There was nobody to help my family and my mother told me to drop out of school and work to earn some income. I was engaged in fishing, farming activities and wage labour. I catch fish from the nearby lake for sale at market. I also work as a wage labourer on private irrigated land, which involves hoeing, weeding and watering."

The overall primary school completion rate of the Older Cohort at the age of 15 is 18 per cent, which is by far below the national primary school completion rate for all ages (72 per cent). Children from Addis Ababa (36 per cent), other urban areas (29 per cent), non-poor households (24 per cent) and with parents with better education (24 per cent) recorded comparatively better primary education completion rates.

Table 3.27. Drop-out rate and primary school completion rate for 15-year-olds (%)

	Drop-out rate R2–R3, OC (2006–09)	Primary school completion rate – R3, OC (2009)
Location		
Urban	4	29
Rural	12	10
Gender		
Boys	9	19
Girls	7	17
Region		
Addis Ababa	3	36
Amhara	10	20
Oromia	9	16
SNNPR	7	9
Tigray	11	17
Mother/caregiver's education		
No education	11	11
Lower primary	6	21
Upper primary	1	24
More than 8th grade	7	27
Poverty level		
Non-poor	6	24
Poor	9	15
Average	8	18
Total no. observations	970	971

The other indicator used in this report for measuring educational attainment is literacy rates, where literacy rate is defined as the proportion of children who can read a simple sentence in their own language. Unlike enrolment rates, school completion and drop-out rates, literacy rates do not show a similar pattern across the different groups in the sample. Overall there has

been a slight increase (2 per cent) in the literacy rate between the Older Cohort in Round 1 and the Younger Cohort in Round 3 (when both cohorts were aged 8), although the difference is not very significant. There also seems to be no change in rural literacy rates. Literacy rates in SNNPR, and for children with lower parental education were lower in 2009 than in 2006. One of the possible reasons for the absence of improvement in literacy rates could be increased enrolment of children in school without associated expansion of qualified teachers and resources.

**Table 3.28. Literacy rate of 8-year-old children, 2002 and 2009 (%)**

	R1 – OC 8 years old 2002	R3 – YC 8 years old 2009
Location		
Urban	24	31
Rural	6	5
Gender		
Boys	12	15
Girls	14	16
Region		
Addis Ababa	43	52
Amhara	10	16
Oromia	2	5
SNNPR	13	6
Tigray	6	11
Mother/caregiver's education		
No education	8	8
Lower primary	16	15
Upper primary	17	23
More than 8th grade	20	28
Poverty level		
Non-poor	.	16
Poor	.	15
Average	13	15
Total no. observations	969	1,875

### 3.9 Child work and time use

In the section, we deal with children's use of time and the way they divide it between work, schooling and study. This is fundamentally different for Younger and Older Cohort children, therefore, we present the findings separately for the two cohorts.

#### *Younger Cohort time use*

More than 90 per cent of the Younger Cohort children surveyed in Round 3 (when they were 8 years old) were involved in some kind of paid or unpaid work (Table 3.29). Household chores took up the biggest proportion of children's time, followed by childcare activities<sup>17</sup> and unpaid work for the family business, such as farming and cattle herding. Children's participation in childcare is higher in rural areas, for girls and in poor households than in urban areas, for boys and in non-poor households. Children's participation in childcare is lower if their mothers are more educated. Children in Addis Ababa sites have the lowest participation rate in work,

<sup>17</sup> We also provided participation of children in either child care or household chores in order to see to magnitude of participation in home activities.



reflected in the rural–urban differences. Among the more rural regions, although Tigray seems to have the lowest rate of participation of children in work and Amhara the highest, regional disparities are not observed among the other regions. As far as unpaid work for the family business is concerned, children in rural areas, boys and children from poor households have a higher participation rate than children in urban areas, girls and the non-poor, respectively. Children’s rate of participation in this kind of work varies greatly according to the level of education of their caregivers. Only 7 per cent of those whose caregivers were educated beyond the eighth grade do unpaid work for the family business, compared with 54 per cent of those whose caregivers had no education.

There is virtually no difference between the time spent on household chores by children from poor households and those from non-poor ones. Children from SNNPR spend nearly twice the amount of time on household chores as those in Tigray region. Overall, the participation rate of children in paid activities at the age of 8 is not only low (0.3 per cent), but also lower than the rate observed in 2002 for 8-year-old children (Round 1, Older Cohort), which was 8 per cent (Woldehanna et al. 2008), indicating a decline in participation of 8 year old children in work for pay over time.

**Table 3.29. Participation of Younger Cohort children (8 years old) in different activities in R3 (%)**

	Childcare	Domestic chores	Childcare or domestic chores	Unpaid family business	Paid work	Any kind of work
Location						
Urban	29.5	80.9	83.8	10.5	0.3	85.0
Rural	54.7	76.2	85.8	62.0	0.4	97.9
Gender						
Boys	37.9	70.1	78.5	52.1	0.6	91.5
Girls	52.3	87.2	92.1	29.6	0.0	93.9
Region						
Addis Ababa	22.0	80.6	83.6	0.7	0.4	83.6
Amhara	48.8	82.1	90.5	47.8	0.5	98.2
Oromia	43.9	86.3	90.0	45.3	0.5	96.3
SNNPR	56.7	90.3	92.8	42.3	0.2	96.2
Tigray	42.4	49.5	65.7	58.9	0.0	85.6
Mother/caregiver's education						
No education	49.8	75.8	83.8	54.0	0.3	94.8
Lower primary	45.4	82.0	88.5	40.4	0.7	93.9
Upper primary	39.0	79.0	84.5	23.1	0.0	89.3
More than 8th grade	25.0	79.9	83.2	7.1	0.0	83.7
Poverty level						
Non-poor	36.1	78.6	84.4	22.6	0.2	88.3
Poor	48.6	78.0	85.2	50.0	0.4	94.7
Average	44.7	78.2	85.0	41.4	0.3	92.7

We computed the average hours per typical day children aged 8 spent on different activities, namely childcare, household chores (such as fetching water, collecting firewood, and preparing food), unpaid work in the family business (such as non-farm family business work, farm work, and cattle herding), schooling, and studying at home. The reported figures are the mean hours spent by children who have participated in that activity (Table 3.30). The time children spend on the different activities is significantly higher in rural areas than in urban ones, except for schooling and study, with children from urban areas spending more hours

on these than those from rural areas. From a gender perspective, the results indicate that on average boys tend to be involved more in unpaid family business activities and paid activities, while girls participate on average more in childcare activities and other domestic chores, in accordance with the customary gender division of labour. A regional breakdown of time use reveals that children in Addis Ababa are less involved in most types of non-school activity.

Among the largely rural regions, the average hours children spent on childcare is the highest in SNNPR (3.7 hours per day) and lowest in Tigray (2.8). The greatest number of hours spent on unpaid family business activities is reported for Amhara and Tigray regions (4.2 and 4 hours per day, respectively), while children in SNNPR spent far fewer hours on this (2.9 hours per day). The average number of hours spent on paid work is highest in Oromia region (7 hours per day) and close to zero in Tigray, although the qualitative findings suggest that the time children spent on paid activities is actually much higher than this.

The qualitative evidence confirms children's role in family activities and also provides examples of young children involved in paid work. A young girl in Oromia, whose mother was married to her deceased husband's brother according to the custom of widow inheritance, had to live with her maternal grandmother in another area. She was required to do all the household chores and sometimes generate income through wage labour. She said:

"I live with my grandmother, a long way from my family. My mother sent me to help her mother (my grandmother). I do household chores. I make *wot* (stew), bake *kita* (flat bread), clean the house and fetch water. I also do wage labour. I weed and hoe on a private farm. I give some of the money to my grandmother and send the rest to my mother. I sometimes miss classes to do the work at home, usually when my grandmother gets sick." Bizunesh, age 9

Such rare examples indicate how some vulnerable children are obliged to do heavy work at a very young age, which can affect not only their schooling but also their health.

Parental education (indicated by the level of education of the caregiver) is found to have a positive correlation with children's time use in different types of work. The more educated the mother, the less time children tend to spend on domestic chores and the more time they spend in school. (It is worth noting that mothers' education and wealth levels are closely associated – so more educated mothers are also probably wealthier.) We do not see a significant difference between non-poor households and poor households in children's time use in different activities including schooling and studying.

**Table 3.30. Mean hours spent per day by Younger Cohort children on various activities in R3 (age 8)**

	Childcare and domestic chores	Unpaid family business	Paid work	School	Study
Location					
Urban	2.4	2.5	3	6.6	1.6
Rural	3.3	3.7	5	5.4	1.4
Gender					
Boys	2.4	4.1	4.3	5.9	1.5
Girls	3.4	2.7	.	5.9	1.5
Region					
Addis Ababa	1.5	5	1	7.9	1.4
Amhara	2.9	4.2	3	5.1	1.5
Oromia	3	3.4	7	5.4	1.3
SNNPR	3.7	2.9	5	5.7	1.4
Tigray	2.8	4	.	5.8	1.7
Mother/caregiver's education					
No education	3.3	3.8	4	5.6	1.5
Lower primary	2.9	3.4	4.7	5.8	1.4
Upper primary	2.5	3		6.3	1.5
More than 8th grade	2	1.9		6.9	1.6
Poverty level					
Non-poor	2.7	3.5	5	5.7	1.6
Poor	3	3.7	3	6	1.4
Average	2.9	3.6	4.3	5.9	1.5

Note: Only children engaged in a particular task are included.

### *Time use by Older Cohort Children*

More than 98 per cent of the Older Cohort surveyed in Round 3 (at the age of 15) are involved in some kind of paid or unpaid work (Table 3.31). Participation is the highest in household chores and childcare, followed by childcare activities and unpaid family business activities such as farming and cattle herding. The number of children caring for siblings is higher in rural areas, among girls than boys and in poor households than in urban areas respectively. Sites in Tigray and Addis Ababa again have the lowest rates of participation in childcare while sites in Amhara and SNNPR are significantly higher.

As far as unpaid work for the family business is concerned, children in rural areas and boys have more likely to be doing this than children in urban areas or girls. Children's involvement in this kind of work declines if their caregivers are more educated. Only 15 per cent of children whose caregivers were educated beyond the eighth grade do unpaid work for the family business, compared with 45 per cent of those whose caregivers had no education. There was some difference in involvement in household chores between girls and boys and between children from poor households and those from less-poor ones. Girls' participation is higher than that of boys. Children from SNNPR and Oromia have the highest participation in household chores, while children from Tigray have the lowest participation rate. Participation of children in unpaid family business activities is the highest in Oromia (55 per cent), and the lowest in Addis Ababa (7.8 per cent) and SNNPR (36.5 per cent).

For paid work, the highest participation rate is observed in Amhara and Oromia (10.6 per cent and 10.1 per cent, respectively). The overall rate of participation in paid work of young people in this cohort is 8.6 per cent. This is slightly higher than their participation rates at the ages of

8 and 12, which were 8 and 6 per cent, respectively (Woldehanna et al. 2008) indicating, in conjunction with data on school drop-out rate and primary school completion, that as children grow older, they drop out of school and are more involved in labour that generates additional income for the household.

**Table 3.31. Participation of Older Cohort (15 years old) in different activities in R3 (%)**

	Childcare	Domestic chores	Childcare or domestic chores	Unpaid family business	Paid work	Any kind of work
Location						
Urban	40.3	93.3	94.4	19.5	9.5	97.2
Rural	47.1	89.2	90.9	54.0	8.1	99.8
Gender						
Boys	33.1	83.4	85.7	58.4	10.9	97.8
Girls	56.0	98.7	99.4	20.8	6.3	99.8
Region						
Addis Ababa	33.3	94.3	96.5	7.8	9.2	97.9
Amhara	50.3	91.0	92.1	39.2	10.6	100.0
Oromia	42.9	95.5	96.0	55.1	10.1	100.0
SNNP	55.2	95.9	96.3	36.5	8.7	100.0
Tigray	34.8	78.1	81.6	52.7	5.0	95.5
Mother/caregiver's education						
No education	43.7	88.7	90.1	44.8	8.4	98.3
Lower primary	43.2	90.8	92.1	41.3	10.6	99.0
Upper primary	49.6	97.6	98.4	33.9	7.1	100.0
> 8th grade	43.8	94.5	97.3	15.1	5.5	98.6
Poverty level						
Non-poor	40.8	94.7	95.3	40.8	6.3	99.4
Poor	46.1	89.1	90.9	39.6	9.8	98.5
Average	44.3	90.8	92.3	40.1	8.6	98.8

We have also computed hours per typical day spent by young people aged 15 on different activities, namely childcare, household chores, unpaid family business activities (such as farm work, and cattle herding), schooling, and studying at home. The reported figures are again the mean hours spent by children who have participated in that activity (Table 3.32). Data from the qualitative sub-studies provide some illustration for this statistical evidence.

Table 3.32. Average hours spent per day by the Older Cohort on different activities in R3 (age 15)

	Childcare and household chores	Unpaid family business	Paid work	School	Study
Location					
Urban	3.2	2.7	4.1	6.4	2.3
Rural	3.9	3.5	5.4	5.9	2
Gender					
Boys	2.6	3.8	4.7	6	2.2
Girls	4.4	2.1	5	6.28	2.1
Region					
Addis Ababa	2.5	2.1	3.6	7.7	2
Amhara	3.7	3.7	3.9	5.4	2
Oromia	3.3	3.5	4	5.8	2.1
SNNPR	4.2	2.7	5.4	5.9	2.2
Tigray	3.8	3.6	8.4	6.2	2.3
Mother/caregiver's education					
No education	3.8	3.5	5.8	6	2.1
Lower primary	3.4	3.3	3.8	6.2	2.2
Upper primary	3.3	2.9	4.1	6.4	2.1
> 8th grade	2.7	3	.	6	3.2
Average	3.6	3.4	4.8	6.1	2.1
Poverty level					
Non-poor	3.5	3.2	4.5	5.9	2.4
Poor	3.6	3.4	4.9	6.3	2
Average	3.6	3.4	4.8	6.1	2.1

The example presented in Box 3.6 below from the second round qualitative fieldwork in 2008, illustrates a case of an Older Cohort boy (aged 14) from an urban site in SNNPR who stated that he was working for five hours per day.

### Box 3.6. Working five hours a day

"In what ways do you have the obligation to support your parents?

It is in terms of work.

What work do you do?

I look after the sheep, buy fodder and feed them. I fetch water and I sometimes guard the house if nobody is around. I occasionally work at the family shop.

How long do you work on a given day?

I work up to five hours a day.

Does this work have any impact on the way you want to lead your life?

No.

Have you ever been involved in paid work?

No.

Does the work you perform affect your schooling?

No! I study during the evenings.

Was there any work that had an impact on your health?

No.

What do your parents expect from you?

They expect me to learn and work. That is it!"

Parents have a strong expectation that their children should work for the family. The work the children do can require long hours, sometimes leaving limited time for study or leisure.

Regional disparities are again evident, with young people in Addis Ababa spending the most time in school (7.7 hours a day). In Tigray and Oromia young people spend a total of over six and a half hours a day doing household chores, childcare and unpaid family business activities, while in Addis Ababa they spend less than five hours on these activities.

In contrast to the results for the 8-year-olds, there seems no correlation between caregiver education and hours spent on study and in school for the 15-year-olds. Similarly we could not see any significant difference between time use by children from poor and non-poor households for different activities. On a typical work day, children from both non-poor and poor households spend around six hours in school, and perhaps a further two hours studying at home. They will fit in an average of more than four of paid work and just over three hours of work on unpaid family business activities, spread unevenly across different days. They participate in household chores and childcare every day for an average of 3.6 hours.

During the qualitative fieldwork we observed some of the Older Cohort working for cash. In urban communities, the jobs young people do are washing cars, selling *injera* (local pancake-like bread) or sugar cane, working in shops, or helping parents who do some type of income-generating work. Bereket's story<sup>18</sup> from Addis Ababa is presented in Box 3.7 below and shows how children in urban areas work for cash and that this can significantly affect their schooling.

#### Box 3.7. How work can affect schooling and health

Bereket is an orphan who lives with his grandmother and siblings. He attends school until 3:30pm every day and then washes cars until 7.30 in the evening. He started this work when he was only 8 years old. He earns a minimum of 20 birr per day. He spends much of the money on his schooling and living expenses but also saves some money, which his grandmother keeps for him.

He believes that the work has helped him to develop his confidence, learn new skills and help himself economically. Now, he knows how to do a little mechanics and can drive a car (although he does not have a driving licence).

Last year, his hand was injured when he was changing a tyre at work. He was hospitalised for two months. He paid 200 birr for treatment, which was refunded by his boss. Because of the injury he dropped out of Grade 7. He says that that time in his life was very traumatic because he stopped working and going to school at the same time. He has fallen behind by one grade.

This case study suggests that work may affect education and health but at the same time can be the main source of income for young people's schooling and healthcare.

In rural areas work for income often involves wage labour in the fast-growing number of private enterprises including working at stone-crusher plants, helping with irrigation on private farms, picking haricot beans, weeding, fishing, selling stones and related activities. The activities depend on the available sources of work in their respective communities. For example, in one of the Young Lives sites in Tigray, private stone crushers are present and attract child labour. The story of a girl who is involved in such activities is presented in Box 3.8 below.

<sup>18</sup> Pseudonyms are used throughout this report to preserve the anonymity of respondents.

**Box 3.8. Dropping out of school to work in bad conditions**

Haymanot, age 15, is a paternal orphan living in a rural community in Tigray. She used to live with her aunt in a local town and was attending school there, but when her mother had a heart attack, Haymanot had to return home to assist her mother and two siblings. She registered to attend school but after a few months realised that she could not continue her education. There was no food at home and her siblings found it difficult to go to school. She dropped out of Grade 5 and got a job at a private stone-crusher plant.

She works every day except Sunday, for about nine hours per day. She earns 14 birr per day, with estimated total earnings of 300 birr per month. She says the work is very difficult and she also experienced a finger injury while working. She hates carrying stones and pushing the cart. She has no time to rest or meet up with her friends. But she reports that she is happy because she is able to feed her family and her siblings are going to school. She is saving some money and if her mother gets better, she might go back to school in future.

Haymanot's story illustrates how young people are pushed into wage labour. Having no father and being from a poor family, the illness of her mother and the lack of adult labour in the household meant that Haymanot was not able to combine both work and school. She had no alternative but to drop out of school and start work full time.

Of course, many children have the opportunity to work while attending school. Although their school performance is often greatly affected, they seem to manage both working and going to school. An example is this is drawn from the qualitative data gathered in 2009 in Amhara.

**Box 3.9. Combining work and school**

Mulatuwa is a 15-year-old girl whose father died when she was 9. She lives with her mother and her siblings and goes to school in a nearby village. She is an eighth-grade student. Her free time is used for paid work, mainly picking haricot beans. She works alongside her sisters and her mother.

If there is no extra class after her scheduled classes she attends from 1pm to 6pm daily, she works five hours per day and ten hours per day at the weekends.

She says that picking the haricot beans is impeding her performance at school; it is also causing her health problems because the place they work is not set up to help the workers be comfortable and healthy. They sit bent over all the time. Her father died six years ago and his death affected her life negatively. If her father were alive she would not be picking crops. The amount she gets is very little despite the hard work. She gets 16 birr for picking a quintal of haricot beans, which takes her four days.

In general the qualitative data suggest that all children do some sort of work (paid, unpaid or household chores). But the types of work they do depend largely on the economic and health status of their caregivers, their age, gender, location, types of income-generating opportunities available, and other similar reasons. As indicated in the survey, girls are less likely to drop out of school because of work because they are usually more able to combine both.

**3.10 Children's perceptions of well-being**

One of the approaches to measuring childhood poverty is the assessment of individuals' subjective well-being. One such measure included in the Young Lives survey is the 'ladder' question, where caregivers and children are asked to indicate where on the different steps of a ladder they feel they currently stand. The results from the Round 3 survey reveal that the majority of caregivers feel that they are leading neither a good life nor a bad life (steps 4 to 6 on the ladder) while almost one-third of them feel they are leading a bad life (steps 1 to 3 on the ladder) (Table 3.33). The percentage of caregivers claiming to lead a bad life is slightly



higher for poor households, urban dwellers and households in SNNPR and Addis Ababa, but lower for rural households and households in Tigray. When compared with results from the previous round, however, there has been a marked reduction in the proportion of caregivers claiming to belong in the lower rungs of the ladder. There has not been a change in the number of people feeling they are on the top three steps of the ladder, indicating that the shift is mainly from the feeling of leading a bad life to the feeling of belonging to an average level of well-being.

**Table 3.33. Perceptions of caregivers on their quality of life (%)**

	Good life		Bad life	
	R2	R3	R2	R3
Location				
Urban	1	3	58	35
Rural	2	4	42	29
Gender				
Boys	2	3	49	30
Girls	1	3	49	33
Region				
Addis Ababa	0	4	57	34
Amhara	2	2	41	30
Oromia	2	5	47	26
SNNPR	1	3	58	33
Tigray	2	2	40	34
Poverty level				
Non-poor	2	5	44	21
Poor	1	3	51	36
Average	2	3	49	31
Total no. observations	2,853	2,853	2,853	2,853

Note: The question was presented as follows: 'There are 9 steps on this ladder. Suppose we say that the 9th step, at the very top, represents the best possible life for you and the bottom step represents the worst possible life for you. Where on the ladder (scale of 1 to 9) do you feel you personally stand at the present time?' Bad life = steps 1 to 3; Good life = steps 7 to 9.

The second measure of subjective well-being used in this report is the questionnaire filled in by 15-year-old young people about their perceptions of their own happiness, whether they worry and the way they are treated by their parents and caregivers. In Round 3, two-thirds of the sampled children felt their parents (or caregivers) treated them fairly, while 62 per cent of the children (65 per cent of boys and 59 per cent of girls) felt able to speak about their feelings with their parents/caregivers (Table 3.34). Over 28 per cent of the young people said they were often unhappy, downhearted or tearful, while 14 per cent of them said they worried a lot. The survey reveals that fewer girls seem worried and unhappy than boys, but the difference is very small. However, girls feel more fairly treated when they do something wrong, while more boys seem able to speak about their feelings with their parents/ caregivers than girls.

**Table 3.34. Perceptions of 15-years-olds on relations with their parents/caregivers and on their own happiness (%)**

		Certainly true for me	A little true for me	Not true for me	Does not apply to me
I usually feel able to speak about my feelings with my parents/ caregivers	Boys	65.1	21.0	12.5	1.2
	Girls	58.9	22.5	18.3	0.2
	Total	62.1	21.7	15.3	0.7
Most of the time I feel my parents/ caregivers treat me fairly when I do something wrong	Boys	61.3	25.8	11.5	1.2
	Girls	71.2	16.4	12.2	0.2
	Total	66.1	21.2	11.8	0.7
I worry a lot	Boys	16.3	27.2	56.3	0.0
	Girls	12.4	19.4	68.2	0.0
	Total	14.4	23.4	62.1	0.0
I am often unhappy, downhearted or tearful	Boys	31.3	31.3	56.9	0.0
	Girls	25.5	25.5	53.9	0.0
	Total	28.4	28.4	55.4	0.0

In the qualitative sub-study carried out in 2007, we asked children to draw pictures of children of their age and gender living a 'good' or 'bad' life in their respective communities. The purpose of the exercise was to understand their perception of their well-being. Following the individual drawings, a group discussion was held among Older Cohort children (then aged 13) to establish the commonalities and differences.

Table 3.35. 13-year olds' perceptions of well-being and ill-being (2007)

	Indicators of well-being	Indicators of ill-being
Addis Ababa – girls	Access to education Educational materials and adequate food Having a good house and good clothes	No access to education Not having educational materials Having inadequate food
Addis Ababa – boys	Good education Having a balanced diet Going to entertaining places	Losing parents Lack of education Being badly behaved Lack of proper education
SNNPR, urban – girls	Acquiring knowledge/education about health issues such as sanitation Open discussion within family Access to basic necessities	No access to schooling Lack of love for family and country Poverty/lack of financial resources or lack of basic necessities
SNNPR, urban – boys	Having a house and food (no life without food)  Having good clothes, including clothes to protect against malaria and colds Access to education in order to have a better life in the future	Gambling (leading to bad behaviour), no access to education and not thinking about the future Lack of money to meet basic needs (possibly leading to criminal activity) Not having a house, inability to get food
Oromia, rural – girls	House with corrugated iron roof (protects from malaria) Having cattle Having a donkey for loading things (reduces burden)	Shortage of food Living in a hut (exposure to cold, disease and malaria) Shortage of clothes / wearing old clothes
Oromia, rural – boys	Having land and livestock Having a corrugated iron roof and food crops Producing vegetables such as tomatoes, onions and peppers	Shortage of land for farming and housing Shortage of livestock (leading to insufficient income for medication) Not having a house or enough clothes for the family
Amhara, rural – girls	Having new and clean clothes Having a clean house Having a big house with a kitchen and a good garden	Having a damaged (yeferarese) house Having dirty, old clothes Being thin and having a weak physical appearance
Amhara, rural – boys	Being fat Having a balanced diet Working and going to school simultaneously Wearing good clothes	Being thin, not having a balanced diet, not going to school, shortage of clothes Being unhappy (yekafew), bad weather, lack of family assets Living in a thatched house
Tigray, rural – girls	Looking pretty, having a good posture Having enough to eat Having well-dressed hair Having nice, neat and new clothes	Not having enough food, being thin Being badly dressed. Having dirty, dry hair Wearing worn-out clothes
Tigray, rural – boys	Having good food and good clothing, being healthy and obedient, having good peaceful family relations, having parents Attending formal school Cattle-herding	No access to education, no family, being ill, having a poor family, being disobedient, being in conflict with peers, being a thief, being unclean Not having good clothes Being foolish

As Table 3.35 indicates, for young people, well-being involves material, social, psychological and developmental aspects of their lives. Having material resources such as land, livestock, housing, income, clothing and other necessary items suggests that children are living well. Having parents and good relationships, as well as the means for good physical and mental

development, namely health and education, are also viewed as aspects of well-being. Good behaviour and respect for others are believed to be part of a good life too.

By contrast, the opposites of well-being indicators are seen to indicate a bad life. Having no material resources or limited ones; having no parents or having bad relationships; being unable to go to school or lacking school materials; and being disobedient or undisciplined suggest the young person is living a bad life.

However, such perceptions vary between children, depending on the type of community they live in and their gender. For example, for the rural children agriculture-related material resources were perceived as indicators of well-being. Having land, livestock, and hygienic or sturdy housing with sufficient rooms stand out as key requirements. For the urban children, education seems more strongly suggestive of a better life.

Some rural girls seem to attach importance to looking good, neatness and good clothing for having a better life, whereas lacking these was indicative of a bad life. On the other hand, boys also seem to focus on good family relationships, being obedient and having good behaviour as indicators of well-being.

Data from individual interviews with caregivers indicated that parents have somewhat different views of their children's well-being. They tend to focus more on relationships, children's behaviour and hard work. For example, they suggested that to live well, a child has to have good family relationships, a good character, respect for their parents' instructions, and good friends of the same gender. They also indicated that a child should attend school, and get proper food, healthcare and clothing. Moreover, children from urban families who have a good income and housing were said to be living good lives. Caregivers from the rural communities suggested that children from families who had enough land and livestock and good housing lived better lives. For caregivers from urban areas, in contrast, children living a bad life are those who have lost their parent/s through death and lack support (from relatives or neighbours), those who do not attend school and those who lack basic needs (food, clothing, healthcare), but above all those who are lazy and disobedient. Generally, poverty and, in rural areas, shocks such as death of livestock and crop failure, were believed to be signs of a bad life.

## 4. Summary and conclusions

This report, using three rounds of Young Lives surveys, provides preliminary analysis of changes that occurred from 2002 to 2009 in the lives of children and their caregivers. The analysis was done at both household and child level. The household-level analysis looks at changes in household wealth, consumption, poverty (absolute and relative), and exposure to shocks, while the child-level analysis examines nutrition, education, time use and subjective well-being. The analysis was also carried out in terms of rural–urban differentials, gender of children, levels of caregiver education, and wealth categories of households.

Overall the improvement experienced by Young Lives households and children in access to services such as electricity, sanitation facilities, clean water, health and primary education is substantial and consistent with the overall progress reported by the Government of Ethiopia. Progress in reducing malnutrition (measured by stunting), increasing school enrolment rates, and providing electricity and clean water as well as sanitation facilities has been very good, as is confirmed by the recent Human Development Report (UNDP 2010). Our results indicate that Young Lives sample households and children have been beneficiaries of these improvements. However, while improvement in the households' wealth is consistent with the overall economic growth Ethiopia registered over the last five to ten years, increases in per capita consumption and the reduction of poverty are less consistent with it. It is well known that Young Lives sample households are located in food deficit areas which are more vulnerable to drought, shocks and food price inflation (resulting from drought and the global food price crisis), which have had a very negative effect because many of the households are net buyers of food. Given the series of economic and environmental shocks, it is not surprising to see that the welfare of Young Lives households has not improved as much as might be expected, and this highlights areas for policy attention.

In all three rounds of the Young Lives survey, urban households were found to have a higher level of wealth and access to services than rural households; however over time rural people's access to services and income have been increasing, thereby narrowing the gap. Historically, Ethiopian policies were pro-urban until 1992. Since then, the Ethiopian government has followed a pro-rural policy – the Agricultural-Development-Led Industrialisation (ADLI) strategy – which is one of the reasons for the narrowing gap between rural and urban areas. While ADLI has benefited the rural population, progress in reducing urban poverty has not been encouraging, because of increasing inequality. Therefore, urban-focused social protection programmes similar to the social protection programmes operating in rural areas should be implemented in order to mitigate poverty and inequality in urban areas.

Given that the country's GDP grew by more than 10 per cent over the last decade, the decline in the poverty headcount index is very small. The proportion of households who have moved into poverty is small when measured according to the wealth index (in which access to services dominate); however a substantial proportion of households moved into poverty when we measured poverty based on consumption expenditure, indicating that the improvement is mainly in access to services. Despite the visible overall economic growth, expansion of rural roads and electricity and wide area coverage of the PSNP, the achievement in terms of poverty reduction is not encouraging. The main reasons include frequent droughts, inflation, and family-related events such as the illness and death of household members.

Access to safe drinking water, sanitation facilities and electricity increased in both rural and urban areas, although the growth was greater in rural areas, although from a very low level. However, considerable rural–urban differences in access remain. This correlates with poverty levels since the non-poor households have significantly higher access to safe water than poor households, implying the need for government to expand water infrastructure to close the rural–urban gap and reach the poorest households. It is also important to ensure that more or better infrastructure should be effectively used and maintained.

The incidence of economic shocks declined slightly between 2002 and 2006, falling from 58 per cent to 52 per cent, but had increased substantially by 2009, with 61 per cent of households reporting being affected. In contrast to the level and trend of economic shocks, the incidence of environmental shocks was limited, although it increased slightly between 2002 and 2009. Therefore, inflation was the major factor accounting for economic shocks that affected household welfare negatively, especially in urban areas and especially in 2009. Although the incidence of family-related events was slightly higher in urban areas than in rural areas in 2002, the incidence of shocks related to family events in rural areas increased in 2006 and surpassed the level reached in urban areas. Since many of the economic and environment-related shocks are area-wide, there seems to be no visible difference in incidence between poor and non-poor households, although non-poor households may have a better ability to cope with the shocks. This implies that the current social protection programme targeting poor people should include those who are close to the poverty line, but are considered non-poor, as they are equally affected by the shocks, and may be pushed into poverty, especially if shocks combine.

Comparing the two cohorts at the same age in 2002 and 2009, we see that stunting of children has declined substantially over time. Furthermore, a considerable proportion of children have recovered from their stunting and severe stunting. However, the rural–urban differential in stunting and severe stunting remains high, with rural areas having higher levels of stunting at all ages. Stunting and severe stunting are higher for children of uneducated and poorer mothers than children of educated and richer mothers in all years and for both cohorts, indicating the importance of education and wealth for reducing stunting. Therefore expansion of adult literacy, and increases in household wealth and poor people's income are key areas for government to focus on to address child malnutrition.

Although Young Lives sample children also showed considerable progress in terms of enrolment in school (also suggesting many had started school early), some children have dropped out between the ages of 12 and 15. Moreover, 21 per cent of the 8-year-olds are still not in school and the gap between rural and urban areas in drop-out rates is still significant. The primary school completion rate is extremely low, with fewer girls completing primary school than boys. No change was observed in rural literacy rates over the past 10 years. Therefore, greater efforts are required by the government to improve the quality of education and the literacy rate. The government has put in place a quality of education programme known as GEQIP, which can be expected to help improve the quality of education and literacy rate.

Despite the increase in the number of children enrolled in school and the expansion of the PSNP, children are substantially involved in work, especially in the form of unpaid family work and work for cash in the informal labour markets. On average children work for more than two hours per day, which can affect their education. Therefore, the government should focus on reducing child work at least to extent that it does not have detrimental effects on children's

education. While the GTP sets out plans to reduce the rate of sexual assault and abuse of children while at work, reducing children's involvement in unpaid family labour seems to have been overlooked.

Our evidence suggests that the PSNP has partially addressed the food needs of the poor households. Compared to 2006, the nominal income of PSNP beneficiaries from the public work programme has increased substantially, but not much in real terms because of huge inflation. Although children do benefit from food transfers from the PSNP, in some instances it has affected their schooling and exposed them to becoming involved in the public work programme. Some children reported dropping out of school because of their involvement in the PW and others because of economic problems. This suggests that children have to be considered as an important group among the vulnerable sections of the society, and hence children's vulnerability needs to be addressed through the development of child-focused social protection programmes.

Despite the overall improvement in the welfare of households and children between 2002 and 2009, the findings of this study highlight significant differences in wealth levels, vulnerability to shocks, access to services, involvement of children in work, and access to and status of children in health and education between urban and rural areas, wealthier and poorer households, and households where mothers have more education and those where they have less. Therefore, a concerted and collaborative effort among government, donors and NGOs is crucial to further reduce poverty, inequality and vulnerability to shocks, as well as to close the gaps between rural and urban areas, and between children with educated and less educated mothers, notably in wealth, vulnerability to shocks, and access to safe water and electricity.

The GTP, in addition to its ambitions to stimulate growth and transform the economy, promises to promote reductions in poverty and inequality. More specifically with regard to children, it undertakes to develop a child-focused national policy and sets out targets to reduce the vulnerability of children at risk. It is anticipated that, once the implementation of the GTP is properly underway, it will contribute to the well-being of children in the coming years. Potential changes to the lives of households and children resulting from interventions will need to be assessed in the forthcoming rounds of the Young Lives study.



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# Appendix 1. Supplementary tables

**Table A3.1. Mean nominal income (birr) of all households (including non-beneficiaries) from PSNP over 12 months**

	Public work (PW)				Direct support (DS)			
	Rural		Urban		Rural		Urban	
	R2	R3	R2	R3	R2	R3	R2	R3
Region								
Addis Ababa	–	–	0	0	–	–	110	8
Amhara	240	509	2	0	185	60	77	23
Oromia	391	649	13	0	202	29	194	21
SNNPR	43	135	10	33	28	99	57	14
Tigray	752	2297	346	617	19	133	72	235
Mother's/caregiver's education								
No education	392	1092	107	184	106	94	66	58
Lower primary	337	621	41	96	131	43	98	65
Upper primary	176	397	31	43	60	87	138	25
> 8th grade	101	186	4	.	15	138	98	14
Household head								
Female	433	1,101	98	162	206	153	109	90
Male	344	870	27	55	91	68	95	22
Poverty level								
Non-poor	240	641	26	25	186	70	118	43
Poor	394	987	62	120	83	84	89	42
Total	357	904	49	87	108	81	99	42
N	1,733	1,719	1,158	1,136	1,733	1,719	1,158	1,136

Note: Total number of observations is 2,891 (1,733 rural and 1158 urban) in Round 2 and 2,853 (1,717 rural and 1,135 urban) in Round 3.

**Table A3.2. Percentage change between Round 2 and Round 3 in the proportion of PSNP beneficiary households**

	Public work (PW)	Public work (PW)	Direct support (DS)	Direct support (DS)
	Rural	Urban	Rural	Urban
Region				
Addis Ababa	–	–	–	–94.2
Amhara	–27.9	–100.0	–75.3	–98.2
Oromia	–2.5	–100.0	–91.1	–94.9
SNNPR	–31.5	66.7	23.9	–80.6
Tigray	–7.3	–20.3	135.3	–35.8
Mother/caregiver's education				
No education	–12.0	–14.9	–32.3	–75.9
Lower primary	–20.1	–20.9	–53.3	–80.4
Upper primary	9.7	–22.9	17.2	–87.0
> 8th grade	0.0	–100.0	–33.3	–93.0
Household head				
Female	–4.9	–15.4	–19.3	–74.7
Male	–14.9	–25.0	–37.4	–88.0
Poverty level				
Non-poor	–5.5	–55.9	–47.4	–84.9
Poor	–14.4	–11.3	–29.1	–81.4
Total	–13.0	–20.5	–34.5	–82.2
N	–0.8	–1.9	–0.8	–1.9

**Table A3.3. Percentage change in mean nominal income (birr) of PSNP beneficiary households over 12 months**

	Public work (PW) Rural	Public work (PW) Urban	Direct support (DS) Rural	Direct support (DS) Urban
<b>Region</b>				
Addis Ababa	–	–	–	30.5
Amhara	194.5	–	30.6	1,528.1
Oromia	69.5	–	57.9	115.1
SNNPR	344.9	90.7	180.0	26.5
Tigray	229.3	121.5	194.3	409.1
<b>Mother/caregiver's education</b>				
No education	215.6	99.4	28.2	259.1
Lower primary	129.6	187.5	–29.8	233.8
Upper primary	105.8	80.5	23.3	34.7
> 8th grade	84.0	–	1,241.2	104.6
<b>Household head</b>				
Female	165.9	96.4	–7.4	223.4
Male	196.2	161.0	18.1	84.3
<b>Poverty level</b>				
Non-poor	182.8	111.5	–29.5	138.0
Poor	191.5	116.8	41.7	153.1
Total	190.1	120.4	12.8	138.7

**Table A3.4. Percentage of households participating in government support programmes (by education of mother)**

	Agricultural Extension	Credit and Savings	Education about HIV	Family Planning	Health Extension Services
			Rural & Urban		
No education	20.2	16.9	18.0	29.9	28.9
Lower primary	19.1	13.9	17.9	29.0	27.1
Upper primary	12.0	12.7	28.8	36.9	25.9
> 8th grade	4.7	9.7	24.9	31.9	13.2
Total	17.3	14.8	20.2	30.9	26.6
			Rural		
No education	25.1	19.1	12.9	26.1	27.9
Lower primary	30.8	17.2	11.5	27.1	33.9
Upper primary	35.3	16.9	16.9	36.0	44.1
> 8th grade	40.9	18.2	4.5	40.9	40.9
Total	27.5	18.4	12.8	27.4	30.9
			Urban		
No education	2.9	8.9	36.4	43.5	32.3
Lower primary	2.3	9.2	27.1	31.7	17.0
Upper primary	0.7	10.7	34.5	37.4	17.1
> 8th grade	1.3	8.9	26.8	31.1	10.6
Total	1.9	9.4	31.5	36.2	19.9

**Table A3.5. Percentage of households participating in government support programmes (by gender of the household head)**

	Agricultural Extension	Credit and Savings	Education about HIV	Family Planning	Health Extension Services
			Rural & urban		
Female-headed	7.2	14.2	22.4	25.1	19.3
Male-headed	20.0	15.0	19.6	32.4	28.5
Total	17.3	14.8	20.2	30.9	26.6
			Rural		
Female-headed	16.1	21.6	11.0	20.0	22.7
Male-headed	29.5	17.9	13.1	28.7	32.4
Total	27.5	18.4	12.8	27.4	30.9
			Urban		
Female-headed	0.6	8.8	31.0	28.9	16.7
Male-headed	2.4	9.7	31.7	39.3	21.3
Total	1.9	9.4	31.5	36.2	19.9

**Table A3.6. Percentage of households participating in government support programmes (by poverty level)**

	Agricultural Extension	Credit and Savings	Education about HIV	Family Planning	Health Extension Services
			Rural & urban		
Non-poor	19.8	16.4	22.2	34.8	31.1
Poor	16.1	14.1	19.2	29.0	24.4
Total	17.3	14.8	20.2	30.9	26.6
			Rural		
Non-poor	34.1	19.4	12.0	32.0	40.6
Poor	24.8	18.0	13.1	25.4	26.8
Total	27.5	18.4	12.8	27.4	30.9
			Urban		
Non-poor	1.7	12.7	35.2	38.5	18.9
Poor	1.9	7.7	29.4	35.0	20.5
Total	1.9	9.4	31.5	36.2	19.9

Table A3.7. Percentage of households participating in government support programmes (by region)

	Agricultural Extension	Credit and Savings	Education about HIV	Family Planning	Health Extension Services
			Rural & Urban		
Addis Ababa	0.5	2.9	14.4	13.0	1.7
Amhara	2.3	19.2	1.2	0.9	0.9
Oromia	4.1	12.6	12.8	43.8	40.0
SNNPR	6.8	5.3	39.9	46.4	46.9
Tigray	5.6	32.8	25.9	41.0	30.7
Total	7.3	14.8	20.2	30.9	26.5
			Rural		
Amhara	2.8	25.1	0.7	0.7	1.2
Oromia	45.7	12.8	9.7	41.0	52.6
SNNPR	41.3	1.2	27.4	37.6	47.1
Tigray	20.6	34.3	13.0	30.2	23.1
Total	27.5	18.4	12.8	27.4	30.9
			Urban		
Addis Ababa	0.5	2.9	14.4	13.0	1.7
Amhara	0.7	1.4	2.8	1.4	0.0
Oromia	2.6	12.2	21.2	51.3	5.8
SNNPR	4.6	11.7	59.0	59.7	46.6
Tigray	0.7	28.1	64.4	73.3	53.4
Total	1.9	9.4	31.5	36.2	19.9



## Appendix 2. Definitions of key outcome variables

Outcome variable	Description	Calculation	Component description	Detailed estimation - for all rounds
Wealth Index (WI)	Composite index that reflects the welfare of household members in terms of the quality of the dwelling, use of durable goods, and access to basic services	HQ=Housing quality index  CD=Consumer durables index	Simple average of scaled number of rooms per person (capping at 1.5), material of walls, material of roof, material of floor	HQ1 = (Number of Rooms/ Household size)/1.5 HQ2 = 1 if Wall's material = Brick or concrete HQ3 = 1 if Roof's material = Concrete, corrugated/ galvanised iron, asbestos sheets, or tiles/ slates. HQ4 = 1 if Floor's material = Cement, tiles, stone/ brick, granite/ marble/polished stone
			Scaled sum of 9 consumer durable dummies, all of which are consistent across rounds	CD1= 1 if household owns a radio CD2= 1 if household owns a refrigerator CD3= 1 if household owns a bicycle CD4= 1 if household owns a motorcycle CD5= 1 if household owns a car CD6= 1 if household owns a mobile phone CD7= 1 if household owns a land line phone CD8= 1 if household owns a fan CD9= 1 if household owns a television
		SV=Services quality index	Simple average of drinking water, electricity, toilet and fuel; all of which are 0-1 variables	SV1= 1 if household has electricity SV2 = 1 if water is piped into dwelling, yard, or plot. SV3 = 1 if household has own toilet facility (flush toilet, septic tank, pit latrine in household) SV4 = 1 if cooking fuel is gas, electricity, kerosene or paraffin

Outcome variable	Description	Calculation	Component description	Detailed estimation - for all rounds
Real monthly consumption per capita	Sum of estimated value of food and non-food consumption, deflated by the Consumer Price Index (CPI base 2006) - of the month of the interview-, divided by the household size. The consumption aggregate is only constructed for R2 and R3	FCons= Food consumption	Sum of estimated value of consumption of food items	<p>FCons1=Sum(food bought and consumed in the past two weeks)*2 [excluding oil seeds]</p> <p>FCons2 = Sum (food consumed from own harvest or stock)*2 [excluding prepared food, packaged sweets, coffee, tea, soft drinks, alcohol]</p> <p>FCons3 = Sum (food consumed from gifts, transfers, aid)*2</p>
		NFCons= Non-Food consumption	Sum of estimated value of non-food items	<p>EduCons= Sum (expenditure in education items in the last 12 months)/12 [excludes schooling fees or donations to school for adults]</p> <p>MedCons = Sum (expenditure in medical treatment in the last 12 months)/12 [excludes expenditure on prescriptions]</p> <p>ClothCons= Sum (expenditure on adults and children's clothing and footwear in the last year) /12</p> <p>OthCons1 = Sum (expenditure in personal care items, internet, public transport, cigarettes &amp; tobacco, kerosene, firewood, gas, etc in the last 30 days)</p> <p>OthCons2= Sum (expenditure in rent, cleaning materials, water rates, electricity rates, telephone rates, vehicle maintenance, fees and paper work, legal advice, festivals and celebrations, and family events in the last 12 months) / 12</p> <p>OthCons3= Sum (expenditure in cinema, entertainment, presents for children, and any other transport cost in the last 12 months) /12</p>
		CPI	Monthly regional CPI (base 2006)	

Outcome variable	Description	Calculation	Component description	Detailed estimation - for all rounds
Absolute poverty	Percentage of households/ YL children living with a consumption level below the national poverty line	Proportion of households with a total real monthly per capita consumption below the national poverty line (estimated at 2006 prices). The poverty line varies according to region and urban/ rural characteristics		
Relative poverty	Percentage of households/ YL children living with a consumption level below the relative poverty line	Proportion of households with a total real monthly per capita consumption level below 50% of the median consumption for all households		
Subjective poverty	Percentage of households that perceived themselves as poor	Proportion of households reporting to be among the poorest or the poorest compared to other households in their community/ suburb		

Outcome variable	Description	Calculation	Component description	Detailed estimation - for all rounds
Shocks		Percentage of households that have suffered negative changes in their livelihoods due to crime, regulation, economy, environment or family-related shocks		
		Crime-related shocks	Percentage of people who experienced crime-related shocks since last interview	Crime related shocks include destruction or theft of tools or inputs of production, theft of cash, crops, livestock, theft or destruction of housing or consumer goods, and crime resulting in death or disablement of working adult household member
		Regulation-related shocks	Percentage of households that experienced shocks related to government regulations	Regulation related shocks include land redistribution, resettlement or forced migration, restrictions on migration, forced contributions or arbitrary taxation, and eviction
	Percentage of household experiencing any shocks in the past 4 years (last interview)	Household economy-related shocks	Percentage of households that experienced shocks that affected negatively the household economy	Household economy-related shocks include large increases (decreases) in input (output) prices, death of livestock, destruction of place of employment, job-loss, industrial actions, contract disputes, credit source disbanded, confiscation of assets, disputes with family members of neighbours regarding land or assets. R3 also includes increases in food prices
		Environment-related shocks	Percentage of households that have experience shocks related to sudden changes in the environment	Environment-related shocks include droughts, too much rain or flood, erosion, frosts or hailstorms, pests or diseases affecting crops or livestock, crops failure, and pests and diseases that led to storage losses. R3 also includes storm
		Dwelling-related shocks	Percentage of households that experienced a shock that has affected the dwelling	Dwelling-related shocks include fire and building collapse
		Family health-related shocks	Percentage of households that have experienced deaths or illnesses in the past 4 years	Family health-related shocks include death or episodes of illness of child's parents or other household member
		Family circumstances-related shocks	Percentage of households that have experienced changes within the family in the past 4 years	Family circumstances-related shocks include divorce or separation or abandonment, birth of new household member, child's school enrolment, imprisonment of a household member, conscription, abduction or draft of any working adult household member

Outcome variable	Description	Calculation	Component description	Detailed estimation - for all rounds
Access to electricity	Percentage of households with access to electricity			
Sanitation facilities	Percentage of households with adequate toilet facilities	Proportion of households with flush toilet, septic tank, or pit latrine in household		
Access to safe drinking water	Percentage of households with access to safe drinking water	Proportion of households with water piped into the dwelling, bottled, bought from private or public services, coming from tube well, public pipes or protected well, or clean rain water		
Enrolment	Percentage of children currently enrolled in school	Proportion of children who are currently enrolled in formal education. For 5 year-olds (R2) the question 'has child begun formal school' is used this is the age in which children transit from pre-primary to primary education		
Stunting	Percentage of children with low height for age (or shortness)	Proportion of children with a z-score of height for age of more than two standard deviations (<-2SD)		
Literacy	Percentage of children able to read and write	Proportion of children who reported being able to read and write without any difficulties		

Outcome variable	Description	Calculation	Component description	Detailed estimation - for all rounds
Underweight	Percentage of children with low weight for age	Proportion of children with a z-score of weight for age of more than two standard deviations (<-2SD)		
Wasting	Percentage of children with low BMI	Proportion of children with a z-score of BMI of more than two standard deviations (<-2SD)		
Child paid work	Percentage of children performing paid activities	Proportion of children who use a positive amount of time per day working for payment outside household, or for someone not in the household		
Time use	Time spent in different activities on a typical day	Average number of hours that YL children spend in running household chores, taking care of family members, performing domestic tasks, at school, studying outside school, performing paid activities and in leisure activities on a typical day. The denominator is the total number of children performing the activity		

## Appendix 3. Young Lives publications on Ethiopia (most recent first)

Dornan, Paul (2011, in press) *Growth, Wealth and Inequality: Evidence from Young Lives*, Policy Paper 5, Oxford: Young Lives

Pells, Kirrily (2011, in press) *Poverty, Risk and Families' Responses: Evidence from Young Lives*, Policy Paper 4, Oxford: Young Lives

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- Camfield, Laura and Yisak Tafere (2009) *Community Understandings of Children's Transitions in Ethiopia: Possible Implications for Life Course Poverty*, Working Paper 41, Oxford: Young Lives
- Woldehanna, Tassew (2009) *Productive Safety Net Programme and Children's Time Use between Work and Schooling in Ethiopia*, Working Paper 40, Oxford: Young Lives
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**Young Lives is a long-term international research project investigating the changing nature of childhood poverty in four developing countries – Ethiopia, India (in Andhra Pradesh), Peru and Vietnam – over 15 years, the timeframe set by the UN to assess progress towards the UN Millennium Development Goals.**

Through interviews, group work and case studies with the children, their parents, teachers and community representatives, we are collecting a wealth of information, not only about their material and social circumstances, but also their perspectives on their lives and aspirations for the future, set against the environmental and social realities of their communities.

This report presents initial findings from the third round of data collection by Young Lives in Ethiopia, carried out from late 2009 to early 2010. It gives a broad outline of some of the key indicators of childhood poverty and changes that have taken place in the children's lives between the earlier rounds of data collection in 2002 and 2006 and this third round. In particular, we are able to make comparisons between the older children at age 8 in 2002 (in Round 1), and the younger cohort at age 8 in 2009 (Round 3) – to highlight changes that have happened in the children's lives and their communities over that time.

The Young Lives survey team in Ethiopia is based at the Ethiopian Development Research Institute and works alongside a team of qualitative researchers. Policy and communications staff are based within Save the Children UK.

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