



Pathways out of the Productive Safety Net Programme: Lessons from Graduation Pilot in Ethiopia

Working Paper

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Summary

In 2006 CGAP and Ford Foundation launched the CGAP-Ford Foundation Graduation Program, a global effort to understand how safety nets, livelihoods and microfinance can be sequenced to create pathways for the poorest out of extreme poverty, adapting a methodology developed by BRAC in Bangladesh. The CGAP-Ford Foundation Graduation Program is helping to implement ten Graduation Pilots in eight countries including in Ethiopia, in partnership with local organizations. Impact assessments and/or qualitative research are being implemented in all sites.

This paper presents findings from the Graduation Pilot in Ethiopia¹ through a narrative of participants' life stories. Faced with severe food insecurity and scarce livelihood opportunities, much of the rural population depends on the Productive Safety Net Programme (PSNP) administered by the Government of Ethiopia (GoE), for indeterminate periods of time. In response, Relief Society of Tigray (REST) is implementing the pilot in partnership with Dedit Credit and Savings Institution (DECSI). Overall, REST's intervention is a cost effective, easily scalable programme that has been very successful in creating credit worthy micro-entrepreneurs. Based on the results of a self evaluation exercise and participant evaluations by field staff, 3 types of respondents are identified: fast, slow and intermediate climbers. An in-depth qualitative analysis reveals that while participants' pre-existing circumstances are predictive of their livelihood performance, it is the programme's capacity to respond to peculiarities of each household which finally determines whether there is a *story of change*, or not.

All names have been changed for confidentiality.

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¹ For more details, please refer to <http://graduation.cgap.org/pilots/ethiopia-graduation-pilot/>

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Glossary

(in alphabetical order)

asveda – refers to non-staple household items, such as sugar, salt, coffee, soap, children's school expenses etc.

beh-teke – poorest of the poor

fereng – foreigner

gujji mitwutse – traditional wedding ceremony, in which both sets of parents provide the newlyweds with physical assets, food grain and other essential items to establish their household

injera – staple bread made of out of teff, a local grain

kushet – village hamlet

lifinti – informal contractual arrangement for sharing agricultural inputs (cattle, labour)

shewit – savings and lending association

tabia – village

tella – local alcoholic beverage prepared by female headed households

tsimdi – agricultural unit of measurement; 1 tsimdi is equivalent to 0.25 H of land as well as 2 oxen (0.25 :1 Tsimdi: 2oxen)

woreda – district

wot – sauce

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1 Introduction

Interventions aimed at reducing poverty require a nuanced understanding of its particular constraints. In recent years, it has been increasingly recognised that poverty is not simply a manifestation of material deficits (lack of income and assets). It is a multifaceted phenomenon, and reflects deficits in human resources (labour, skills, education) as well as social resources (obligations arising out of relations of solidarity and/or patronage). It is also widely acknowledged that due to inadequate material resources, poor households are compelled to rely largely on their human resources, mainly unskilled labour. This being said, ‘the poor’ are not a homogenous group. Poverty, in its extreme form, is a phenomenon that occurs when such resource deficits intersect with structures of inequality (Kabeer, N. et al 2011).

In Tigray, Ethiopia, households typically have a very few resources to draw upon – often landless, with many dependents², and suffering from chronic food insecurity. Apart from subsistence agriculture, alternative livelihoods are few, and most rely on casual wage employment for supplementing their income. In a context where everyone is ‘poor’, food insecure, prone to shocks such as war, drought and other natural/manmade calamities – **social networks** and **state support** have become vital coping mechanisms for the extreme poor. For many, the Productive Safety Net Programme (PSNP) administered by the Government of Ethiopia (GoE), is their main source of income; which covers their bare minimum food needs. Their only other source of material support is from their extended familial networks.

The two channels of support, however, have only succeeded in keeping them afloat – managing to avoid starvation or even death. In the absence of ‘exit strategies’, such as; wealthy, influential families to draw productive resources from (for eg. informal credit to start up a business); adequate economic opportunities (for eg. regular off farm employment), and habituated to long term dependency on the state for basic needs, these extremely poor households have been unable to ascend out of their poverty (Wood, G. 2003, Lind, J and Jallela, T. 2005).

This paper focuses on the Ethiopia CGAP – Ford Foundation Graduation Pilot in Tigray, which targets people living in these conditions of extreme poverty. It is the second paper of a wider series of qualitative research (the first study looked at similar projects in Sindh, Pakistan and West Bengal, India³). This programme is based on a successful intervention by BRAC, a larger non-government organisation (NGO) in Bangladesh, that address the multiple constraints embodied in an extreme poor household.

Section 1.1 of this paper explains the foundation of the Graduation programme, and Section 1.2 describes the methodology used for our research. In Sections 2 and 3, we describe the programme implementation in Ethiopia, and convey stories of ‘fast’, ‘slow’, and ‘intermediate’ performing participants. Finally, in Section 4, we analyse their life stories to draw out programmatic impacts on participants’ trajectories. Within these sections, we discuss the overall constraints that afflicted programme participants; the dynamics of extreme poverty among these participants and the role that the programme played within their lives; the overall changes that participants experienced, and Section 5 concludes by providing a summary of lessons learned and insights for future consideration.

² Average family size in Ethiopia is 6 (http://www.usaid.gov/our_work/global_health/pop/countries/ethiopia.html). Regional average for Tigray is five members per household (data provided by REST)

³ For more details on the pilots in Pakistan and India, as well as other Graduation pilots, please refer to: <http://graduation.cgap.org/pilots/>

1.1 Conceptualisation of the Graduation Programme

Despite the success of microfinance institutions (MFIs) in effectively expanding financial access to the poor, outreach to the *poorest* households has been considerably limited. State run social protection programmes (for eg. conditional cash transfers, social insurance etc) may fare better at targeting poorer households, but do not necessarily improve their abilities to build reliable income sources, accumulate assets and ensure long term food security. As an alternative solution, the Graduation programme offers a mix of interventions to facilitate the poorest households to climb, or '**graduate**' out of poverty. The programme is designed to create pathways towards sustainable livelihoods, and greater long term economic resilience and freedom through its five 'building blocks'; targeting, consumption stipend, savings, skills training and asset transfer (Hashemi, S.M. and de Montesquiou, A. 2011).

In keeping with its objective of 'reaching the poorest', targeting is a critical and exhaustive first step towards implementing the Graduation programme. Experience in Graduation pilots⁴ reveal that identifying the poorest depend on local indicators of poverty (ibid). The programme is usually implemented over a period of 24 months; an in-kind productive asset is provided as a grant to start up an enterprise, while a consumption stipend is given to stabilise consumption as they focus their resources on developing the enterprise. Services such as skills training on how to manage their assets, as well as mandatory savings accounts to instil regular savings behaviour are also provided. A key feature of this programme is weekly household visits by field workers. Field workers closely monitor enterprise development, and offer much needed moral and technical support to the participant.

The fundamental design of Graduation pilots is drawn from BRAC's 'Targeting the Ultra Poor' (TUP) Programme in Bangladesh. A brief discussion on origins of the Graduation Programme is given in Box 1.

Box 1: Learning from the BRAC experience⁵

For over two decades, BRAC, one of the largest Non – Governmental Organisations (NGO) in the world has attempted to tackle extreme poverty in Bangladesh. BRAC recognised that isolated safety net and microfinance programmes were ill equipped to effectively reach out to extremely poor households. In the early years, BRAC partnered with World Food Programme (WFP) to implement the Income Income-Generation for Vulnerable Group Development (IGVGD) programme which combined food transfers from WFP with skills training, microcredit and a mandatory savings component to accumulate a lump sum investment amount at the end of 24 months. The objective of this programme was to enable poor women to 'graduate' into their mainstream microfinance programme, while meeting their consumption needs.

After years of innovation and experiential learning, BRAC re-designed the programme and named it "Challenging the Frontiers of Poverty Reduction: Targeting the Ultra Poor" (CFPR/TUP). The TUP programme was based on the premise that, a strategic sequencing of inputs and services could address the multiple constraints that weakened the ability of these women to take advantage of economic opportunities, offered by the IGVGD programme (Matin, I. et al 2008; Hashemi, S.M. and Umaira, W. 2011). The CFPR/TUP programme begins with an intricate **mixed method targeting methodology**. This is a 3-pronged approach combining; geographical mapping to identify most food insecure areas of the country, participatory wealth ranking to identify the poorest households, and a survey to ascertain their program eligibility on the basis of clear inclusion/exclusion criteria. These steps are followed by household verification visits by the senior field staff.

⁴ Ten CGAP – Ford Foundation Graduation pilots have been implemented in the following countries in chronological order; Haiti, West Bengal (India), Andhra Pradesh (India), Pakistan, Honduras, Peru, Ethiopia, Yemen and Ghana.

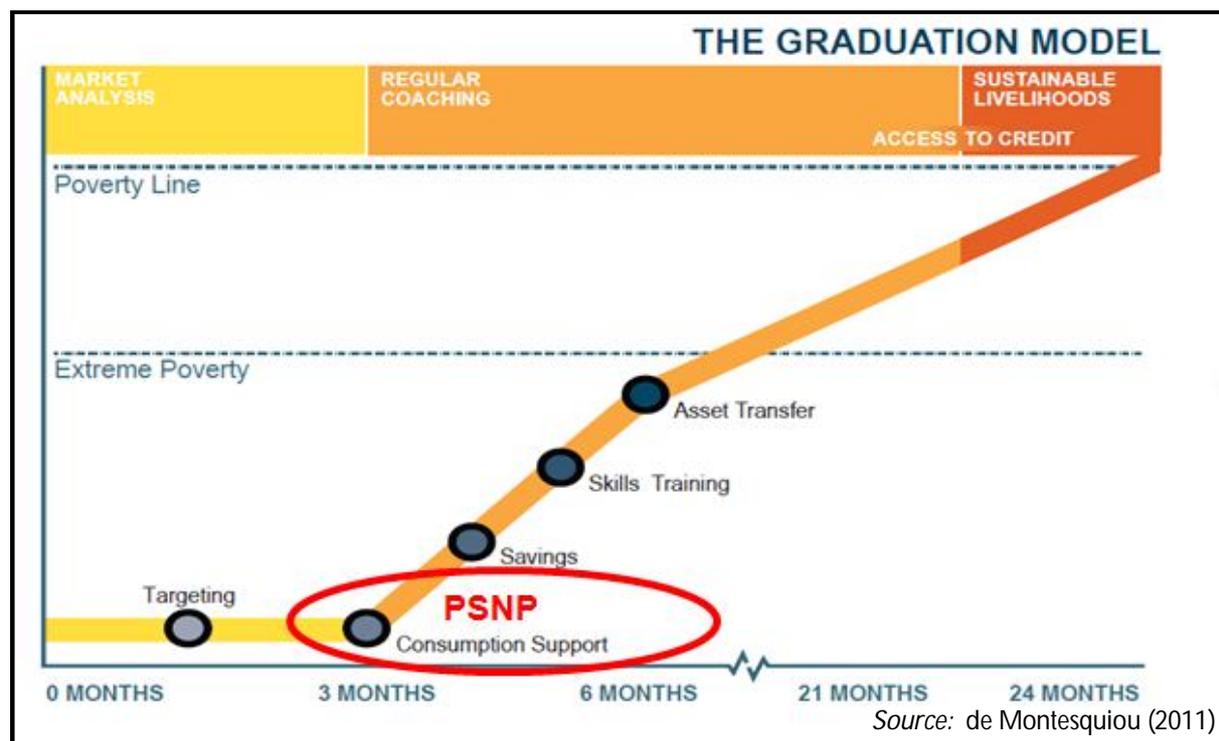
⁵ This section was adapted from Kabeer, N. et al (2011)

Next, **enterprise development** – through an **intensive process of interaction and training** to help them identify suitable livelihoods and a **transfer of productive assets** - forms the basis of creating pathways out of extreme poverty. Through the course of the programme, the field staffs are responsible for mentoring their members, to instil self-confidence and entrepreneurial spirit, as well as to increase awareness of their rights through *social messaging*. A **consumption stipend** is provided to programme participants, until their livelihoods have begun to yield an income. The stipend is disbursed in cash, and provides ‘breathing space’ to participants to cope with interim expenses, and also to improve their consumption levels.

The programme also has a **mandatory weekly savings requirement** to encourage participants to put aside part of their daily earnings as savings, which can be used to smooth consumption as well as boost their resilience against unforeseen events. Another essential component of TUP is **health support**, as BRAC realised that health related problems are usually a major drain on household resources and takes away from members’ productivity. Lastly, BRAC sets up the Village Assistance Committees (VACs) to **mobilise local elite support**, putting a positive spin on the traditional paternalistic role generally played by village elites. The Committee comprises of selected members of the local elite (e.g. teachers, local government officials, businessmen, etc), a TUP representative, and BRAC staff (Huda, K. et al 2006).

In Bangladesh, TUP has been a hugely successful programme scaling up to over 600,000⁶ households over the last 20 years. Inspired by the success in its country of origin, CGAP and Ford Foundation decided to pilot test ‘adaptations’ of the model in different contexts – to determine whether this could be a potential pathway out of extreme poverty across the world. The Graduation Programme is being piloted in eight countries across four continents, with earlier pilots currently in scale up phase. All pilots retained the core elements of the model, but further adapted it to their local context.

Figure 1: Conceptualisation of the Ethiopia CGAP –Ford Graduation Pilot



⁶ As posted by Mark Tran on The Guardian blog (13th February 2012). For the original article, please go to <http://www.guardian.co.uk/global-development/poverty-matters/2012/feb/13/brac-lifts-ultra-poor-out-poverty>

In the context of Ethiopia, the PSNP has been unable to adequately respond to the pressing needs of the rural communities, and it has become a huge structural cost for the government. The GoE is now eager to find an alternative – to allow these households to move from dependency on food aid and towards potential sustainable livelihood strategies. The Ethiopian Graduation pilot, implemented by Relief Society of Tigray (REST), a local NGO, in partnership with Dedebit Credit and Savings Institution (a Microfinance Institution, henceforth referred to as DECSI) are responding directly to this need⁷. A unique feature of the Ethiopia pilot design is that rather than multiplying services and inputs, it tactically builds off a government safety net programme, in this case the PSNP.

As REST management explains, their pilot has intended to target participants from a pool of ‘15% PSNP public works beneficiaries in Wukro who have not taken the PSNP Plus’ and are thus considered ‘most risk averse’. PSNP Plus⁸ is an extension of the Safety Net programme which aims to link extremely poor Safety Net beneficiary households to markets and microfinance. However as it is offered primarily as a credit package, a number of the poorest households have declined to participate largely due to lack of experience with credit or a history of bad loans⁹ (to be discussed further in Section 2.1.3). The Graduation Pilot has 500 PSNP members both male and female public works beneficiaries across 10 *tabias* in Wukro¹⁰ *woreda*. The programme is currently being implemented over a period of 24 months (March 2010 – March 2012).

1.2 Research Methodology: A Qualitative Approach

“Ultimately it is individual people who experience the deprivations of poverty, not countries or regions” (Hulme, D. 2003, pg. 4).

The narrative of this paper begins within the household. Over a period of 18 months (June 2010 – Oct 2011) we used a ‘phased life histories’¹¹ approach to capture participants’ trajectories – from early childhood up to point of programme entry, and thereafter at different points in the programme. The objective was to understand their experiences of the intervention – the intended and unintended changes in their lives, and whether the programme was able to adequately respond to their constraints. Alongside our qualitative research, Randomised Control Trials (RCTs) for large - scale impact assessment of the pilot is being conducted by Innovations for Poverty Action (IPA)¹².

During the research period, our local researcher and I gathered truncated life histories of 22 respondents on a quarterly basis. Other key informants, such as REST staff members, *tabia* administrators, government workers, and community members were also interviewed. Our respondents were a mix of Female Headed and Male Headed households (henceforth referred

⁷ Apart from CGAP and Ford Foundation, the programme is co – funded by the Italian Development Cooperation (ITC), European Commission (EC) and USAID. For more details on the pilot, please refer to <http://graduation.cgap.org/pilots/ethiopia-graduation-pilot/>

⁸ PSNP Plus is funded by USAID and implemented by CARE, REST, Catholic Relief Service (CRS) and Save the Children UK (SCUK). For further information, please visit <http://www.care.org/careswork/projects/ETH082.asp>

⁹ Source: Interview with REST Management in Mekelle, Ethiopia

¹⁰ Tigrignan name is Kilte Awaleo but more popularly known as Wukro, named after the rock – hewn church Wukro Chirkos

¹¹ The life histories approach has been our primary methodology across all our research sites; India, Pakistan and Ethiopia

¹² For further details on RCTs, please refer to: <http://graduation.cgap.org/topics/1-rcts/> and/or <http://www.poverty-action.org/ultrapoor>

to as FH and MH households), covering a cross-section of livelihoods in four *tabias* in Wukro. The study sites were carefully chosen on the basis of agro-climatic conditions, topography and proximity to market to represent maximum diversity. Two rounds of Focus Group Discussions (FGDs) were conducted with school going children (12 – 14 years old) over the course of the research, to gauge their contribution towards the livelihood as well as capture wider effects on the household.

The first set of interviews was conducted at the start of the project cycle. It was used to establish the early life history of each programme participant, and the processes through which they came into the programme. Later interviews, conducted at 2 – 3 month intervals, tracked their experience of the programme and the changes it had made – or failed to make. In addition, each respondent was asked at each interview to place themselves on a staircase representing their starting point, and thereafter the progress they had made over the life of the project. The bottom most step – Step 1, represented a state of extreme hardship, while the top most step – Step 10, represented a state of security and happiness. These self evaluations are supplemented with participant evaluations by the community facilitators. Clearly though, the staircase exercise represents a highly subjective evaluation on the part of a very small sample of participants. It does not lend itself to inter-personal comparisons, since one person's idea of what a particular step of the staircase represents is likely to be very different from another's (Kabeer, N. et al, 2011).

For the purposes of our analysis we have categorised them into three categories, based on the staircase exercise and programme evaluation of participants. The 'fast' climbers were those who progressed (or climbed up) by their own as well as by programme's standards – those who are unequivocally performing well. The 'slow' climber was one individual who has been performing poorly according to both personal and programme assessments. An 'intermediate' category emerged as necessary, as there were a handful of individuals whose personal evaluations of progress differed from that of the programme. The self evaluation results are reported in Table 1:

Table 1: Results of Self Evaluation Exercise

Name	Round 1	Round 2	Round 3	Round 4	Total change
Fast					
Desta (FH)	2	4	6	10	+8
Mulugeta (MH)	1	2	2	4.5	+4.5
Medhin (FH)	2	2	3	5	+3
Fisseha (MH)	3	6	6	6	+3
Brhane (MH)	3	4	4	6	+3
Mili (FH)	2	5	6	10	+8
Mehret* (FH)	3	3	4	6	+3
Asqual (FH)	3	3	5	8	+5
Sarah (FH)	1	1	7	10	+9
Kidane (MH)	2	3	3	5	+3
Hailemariam (MH)	2	2	4	5	+3
Tadesse (MH)	1	2	2	6	+5
Hailay (MH)	2	3	6	Wife passed away	+4
Samuel (MH)	4	4	8	Passed away due to illness	+4
Yonas (MH)	2	3	4	Went to Dubai to earn higher wages	+2
Sarah G/zeher (FH)	1	2	3	Is ill – sister is looking after assets	+2
Intermediate					
Dawit (MH)	1	2	3	3	+2
Atsbeha (MH)	2	3	3	4	+2
Shishay** (FH)	1	2	3	5	+2
Tsegey** (FH)	1	2	2	2	+1
Tekien` (FH)	4	4	6	7	+3
Slow					
Gebrekiros (MH)	2	2	1	1	-1

* Officially registered as FH household, although living with able husband

** Initially registered as FH households, but husbands returned post programme entry

As our analysis unfolds, programmatic impacts are unravelled using the lens of participants' stories. Given the macro-level resources and constraints (to be discussed in detail in Section 2.1), each household has distinct characteristics that define their starting point within the programme. While some households may have more resources (eg. mature children, sources of cash income) at their disposal, some enter the programme with more 'risks' (eg. absence of a male head, too many mouths to feed, sick family member). When any extreme poor household experiences a misfortune, it slides further into its poverty; however households with relatively more resources are able to draw on them and endure such misfortunes better than others. The obvious resources are tangible (such as sources of cash), but there are intangible resources as well, which distinguish individual participants from one another. Personal agency is an immense intangible resource that can be described as the sum of innate qualities – which are hard to measure; the ability to aspire and plan for their future, to be enterprising, to work hard, be self confident despite adversity etc. These positive traits (or even a slight glimpse of it) are usually developed through experiences in an individual's life before the programme, and can be a key driver of change.

Nonetheless, personal agency isn't enough to explain the whole story. As it unfolds, we observe that it is the nature of interaction between programme inputs and the household that really determines whether there is a *story of change* or not. It determines whether participants' life trajectories are 'strengthened', or 'reinforced'. REST designed a programme assuming participants have access to certain resources that they can draw upon to manage their chosen livelihood. Therefore, it is the programme's capacity to respond to household needs that facilitates personal agency; thereby enabling/disabling them to perform in their livelihoods.

2 The Pilot in Ethiopia

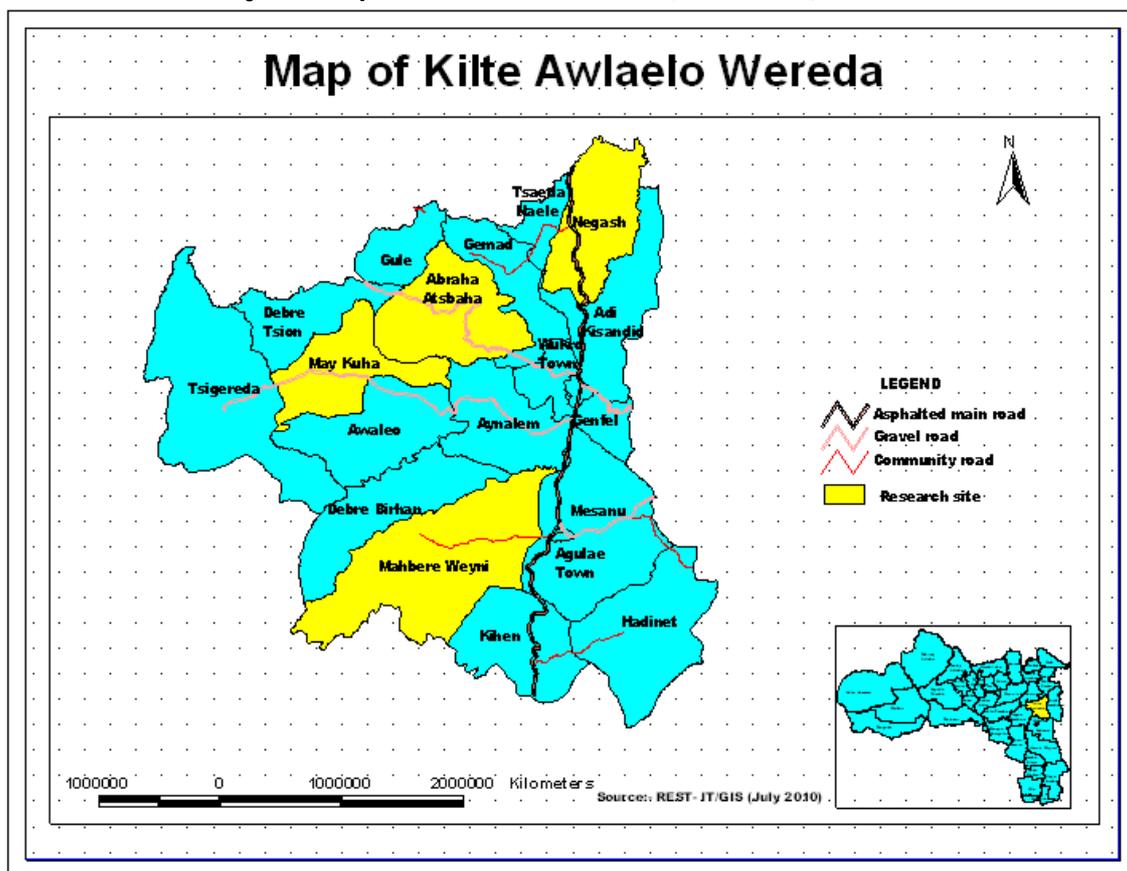
2.1 Context of the Research: Extreme Poverty in Tigray

2.1.1 Location of the Pilot

Wukro *woreda*, where the programme is being implemented, is situated in western Tigray, the northernmost state in the country. Wukro falls under 2 agro-climatic zones – dry and dry wet, the latter receiving more rain than the dry regions. Dry wet areas are relatively fertile with more flora and fauna, thus better suited for animal grazing and bee keeping. We picked two study sites from each region; Mahbere Woyni and Maykuha in the dry region; Abraha Atswa and Negash in the dry wet region. Pilot *tabias* have an approximate average of 600 households¹³, spread far and wide across the vast rocky areas. These *tabias* are, on average, over ten kilometres from the nearest big markets (which include major livestock markets in Wukro, Agulae, Tsigerada, Hawzien), and inhabitants are used to walking for hours over difficult terrain.

All the pilot sites have at least two schools – usually up to middle school, and at least one basic health post where healthcare facilities are provided at a subsidised cost. Mahbere Woyni and Abraha Atswa are considered model villages in terms of administration and infrastructure, and are assigned the status of ‘nodal *tabia*’ for each of their surrounding four *tabias*. Nodal *tabias* have more available facilities, such as an additional health clinic with maternal and child care units.

Figure 2: Map of research sites in Wukro (Kilte Awaleo) Woreda



¹³ Data provided by REST's Graduation Programme staff

2.1.2 Historical Context¹⁴

The region (as well as Eritrea – once part of Ethiopia), has been inhabited for centuries by the ‘Tigrignan’ community. Majority of the rural population are very religious Ethiopian Orthodox – the dominant religion, and are identified by their practice of religious scarring on their faces. This community is not new to suffering. All families alike still bear painful memories of the great famine of 1984/85 and two consecutive wars that continued for over 20 years, plunging them from a state of security into extreme poverty. The first was against their government – the Dergue, an oppressive violent dictatorship, after which Eritrea emerged as a separate country. This was followed by the second Ethio-Eritrean war in the late 1990’s – this time between former allies against the Dergue, which culminated in all ties being severed. Tigrignans suffered as their communities and families were separated across borders, and at the end, the severely resource poor country became landlocked.

Since the end of civil war in the early 1990’s, the country has been divided into ethno-centric regions. Tigrignans are a proud community of ‘highlanders’ – their heroic leaders overthrew an oppressive regime to become the next (and current) government¹⁵. Even today, they still dread their experiences of forced re-settlement to ‘*the jungles of south Ethiopia*’ during the past regime. They were unable to cope with living conditions in the sub-saharan plains, and were discriminated by the local population. Despite Tigray’s terrain and arid climatic conditions; recent resettlement plans of the present government have not been successful. These communities have remained insular, and have refused to relocate to more fertile areas of the country.

The consequences of war and environmental disasters have made it difficult to distinguish the poorest from the ‘not so poor’ in this context. As the civil war intensified in the 1980’s alongside the great famine, it resulted in a complete loss of assets for most households. As a participant’s father describes, “*There was the drought on one hand and war on the other. We didn’t migrate but there were days we were starving to the extent that we dug up the ground to find Ku’enti (a type of legume). We dug the ground like monkeys, looking for it*”.

According to another participant – “*....the drought of 1984/5 happened. Most of my sheep died and only remained with 5. I decided to give most of my food grain reserves to my ex-wife so she could feed the children....In 1986, I returned to my village to start farming again. But now I only had 0.50 hectares of land due to the Dergue regime’s land redistribution, and no animals.*”

Apart from the catastrophic episode which affected every family across the region, programme participants were further affected by government land reforms that gradually entrapped many households into extreme poverty. Despite a larger population now with access to land, land holdings are too insignificant in size, and crop production is too low to cover basic food needs (Devereux, S. 2000). As a participant poignantly remarks, “*The plot of a few hectares was divided amongst 18 of us – so my land can’t even be measured. It is just for mental peace*”.

¹⁴ This is a historical narrative as perceived by our respondents; who are at the centre of our story. This does not reflect opinions of the researcher.

¹⁵ Current government is led by Ethiopian People’s Revolutionary Democratic Front (EPRDF), formerly known as the Tigrignan People’s Liberation Front (TPLF) which spearheaded the civil war against the previous government led by infamous Mengistu Haile Mariam

Land redistributions¹⁶, which aimed at greater equity in land ownership, meant a gradual disappearance of land owning 'elites'. Loss of large land holdings, coupled with subsequent droughts, erratic rainfall and high soil infertility drastically impacted their **food security**. For poorer households, it closed a door of opportunity; a loss of strategic relationships with families of wealth and influence, for example, relatives who are socio-economically well off. As Wood (2003) suggests, the chronic poor have limited ability to change circumstances on their own, and often need these networks to create opportunities for themselves.

Against the historical backdrop, it can be observed that social structures in Wukro gradually evolved to the kind that exists today. With the class hierarchy diminished, peer and familial networks (including known neighbours and community members who are often referred to as 'relatives') have created a solid horizontal social support system. Secondly, vital relationships with better off, land owning households have been replaced by a strong ethno-centric affiliation to, and dependence on, the state for basic survival.

2.1.3 A vicious cycle of Food Insecurity

In order to tackle food insecurity, the GoE has been implementing the Productive Safety Net Programme (PSNP) since 2005, reaching more than 8 million Ethiopians each year (Sabates-Wheeler, R. et al 2009). There are 2 components of PSNP transfers – public works (Food/Cash-for-Work) and direct support for 'non-able bodied' beneficiaries (eg. chronically ill, disabled or aged). The government strategically utilises PSNP public works as an opportunity to organise low cost community infrastructural works (Lind, J. and Jallela, T. 2005). They have even attempted to encourage off-farm livelihoods (eg. bee keeping, animal fattening), in the form of micro-credit – known as Household Extension Packages (HEP), and 'Development Agents' (DAs) are appointed to provide technical assistance to the households to improve productivity.

Even so, the Food-for-Work Programme has remained a primary strategy for programme participants to meet a major portion of their annual food needs. On the other hand, HEP credit packages have not been successful amongst these vulnerable farmers, on account of rapid inflation, high interest rates and inflexible repayment schedules (Sabates-Wheeler, R. et al, 2009). None of the respondents (with previous microcredit experience) benefitted from the HEP package, and rather, were scarred from the experience. As a result, the majority of them joined REST's Graduation programme with a grave distrust of credit. A respondent who was forced to take a bee-keeping package, described her experience –

"It was very hard for us to repay the loan – we sold a cow and we tried to save money from my husband's Safety Net (cash-for-work) payment. It was not a good time for us. We finally managed to repay it in 2004/05. We are not thinking of another loan yet."

"....we did not take it willingly; it was a condition for joining the Safety Net. If we refused, we would have not been allowed to get on the Safety Net, and we would not have anything to eat. So even though we were given bee hives to look after, our main priority was the Safety Net. We had no training – we had no idea what to do."

At the heart of the problem has been the failure to shift the agenda of immediate food aid towards a longer term food security strategy (Devereux, S. 2000). Studies reveal that PSNP

¹⁶ First radical land reforms were executed by Dergue regime in 1975, followed by redistribution in 1991 by the current EPRDF government. An exhaustive review of land reforms was beyond the scope of our paper.

'food for work' concept has in fact contributed to the cycle of food insecurity. Years of public works have gradually weakened their incentive and capacity to become economically independent (ibid). In spite of usual delays in receiving food aid, they are obliged to provide labour and time to community asset building¹⁷. As a consequence, farmers are constrained in their ability to engage in paid work, whereas female heads are forced to carry out labour intensive activities (such as breaking and carrying heavy stones) that are unsuitable for them. Households with members who are ill and temporarily unable to work are the worst off. In these cases, PSNP participants must often take on the additional burden of working another person's shift in order to get enough grain to feed the entire household.

The GoE's focus and provision of other basic state services have also not been uniform. On one hand, the provision of education has improved greatly. Nearly half the respondents are illiterate, but all of their children under the age of 14 years are now going to school. On the other hand, health services still leave a great deal to be desired. Despite the presence of local health posts and clinics, participants still suffer from serious ailments that are beyond the capacity of health services to address. Moreover, their dearth of resources keeps them from addressing serious illnesses on time, and participants often seek out traditional healing/superstition to tackle their health constraints. A respondent very candidly explains, *"We don't have enough money for our children to get proper medical care. When my child falls sick I just tell myself he'll get better soon on his own and (we can) save the money"*.

Despite a proactive government, the nature of poverty in Wukro remains incredibly static. While Tigray is known for its rocky, mountainous landscape, inhabitants have remained isolated from urban centres, and alternative economic opportunities¹⁸ have been limited due to the location of these villages and infrastructure (transportation, bigger markets, etc). The less vulnerable households in our sample are able to cope by engaging in irregular paid work such as building construction, dam construction, seasonal employment (ploughing and harvesting on others' farms) etc., and borrowing in cash or kind from their social networks. The cash enables them to buy '*asveda*', or other basic household staples, and to pay for minimum health and education expenses. Given the frequent delays in food aid, it also plays the important role of smoothening consumption until the much needed food grain come in. However, those who lack adequate networks and avenues of cash are resigned to skipping meals, and selling a part of their food aid in order to cope.

To summarise, the state's failure to sustainably address chronic food insecurity has been exasperated by lack of alternative livelihoods and sources of cash income. These circumstances have left households in a state of limbo, where they are able to sustain by meeting their basic food needs, but unable to end their cycle of deprivation.

2.2 Programme Implementation: Adapting the Graduation model

2.2.1 Programme Design and Inputs

REST Head Quarters was responsible for adapting the Graduation model to the local context, and their field staff was responsible for implementation. REST defined its end goal in terms of

¹⁷ Observation from primary data

¹⁸ Farmers largely view their main constraint as livelihood security, rather than not having enough to eat (cited in Lind, J. And Jallela, T. (2005), Humanitarian Policy Group Background Paper, ODI) and observed from our primary data.

a specific pathway out of extreme poverty: graduating off of the PSNP and into DECSI's Microfinance programme. REST's 'single-minded' aim translated into a clearly designed intervention that focuses squarely upon economic transformation. As discussed briefly in Section 1.1, REST built in specific economic components of the Graduation model into existing government services for the rural poor, thus offering a minimalist programme design. This design is expected to lend itself to being replicable and easily scalable, which is the intention of a wide-scale government programme.

REST provides productive assets, skills training and weekly monitoring, while DECSI manages the financial components (savings, financial training, Voluntary Savings and Lending Associations) of the programme. The existing PSNP Food/Cash for Work helps to smooth consumption during the period of livelihood development. A description of programme inputs can be found in Box 2:

Box 2: Description of Programme Inputs

Targeting: In each *tabia*, REST asked the Food Security Task Force (FSTF)¹⁹ to identify the 100 poorest households on the PSNP public works beneficiary lists. This was followed by a community meeting for verification, where community members were asked whether they approved or disapproved of each household being on this list. The *tabia* administration had to approve the final list before submitting it to REST.

In order to qualify for the programme, participants had to be able bodied, landless or own less than 0.25 Hectares of land and/or 2 oxen. Those who were on the PSNP Direct Support (disabled, aged and chronically ill) were automatically excluded. In addition, those with access to formal credit (having an ongoing loan from a microfinance institution) were excluded. REST prioritised landless youths²⁰, and in particular female headed households during targeting.

Livelihood selection and asset transfer: Participants were offered 4 livelihoods choices²¹; shoats (sheep and goats) fattening, cattle fattening, bee-keeping and petty trade. For sheep and goat fattening (referred to as 'shoats' fattening), participants received 16 sheep or goats disbursed in two rounds; for cattle rearing, they received 2 oxen; and for bee-keeping, 2 bee-boxes and colonies were provided. Petty trade participants received cash in two trenches to buy their stock of goods for their shops. Facilitators supervised the first purchase of assets and directly paid the suppliers.

Livelihoods training and support groups There are 3 levels of training;

Classroom training – REST facilitators and government DAs trained participants in livelihood management skills in a formal classroom setting for 4 – 5 days. Bee keeping participants received specialised training for 9 days, consisting of both theoretical and practical lessons.. For instance, livestock participants are taught skills such as caring for livestock, preparing feed, when and how often to sell, while petty trade participants learn basics of market supply and demand, book-keeping, determining profit margin etc. Refresher classroom training was conducted a year and a half later.

¹⁹ Food Security Task Force is an appointed group of officials in charge of determining eligible PSNP beneficiaries. FSTF is organised at each tier of state administration; from *kushet* level to Federal state level

²⁰ REST qualifies landless youth as anyone who was under 18 and ineligible at the time of major land redistributions in 1991. Ever since, depending on land availability, eligible landless households are selected each year by a *tabia* level land redistribution committee and allotted small plots of land. As a consequence, people close to the age of 40 also qualify as 'youth'.

²¹ REST identified appropriate livelihood options on the basis of a USAID funded market analysis study conducted by Emerging Markets Group. For further reading, please go to: <http://www.microfinancegateway.org/p/site/m/template.rc/1.9.41168/>

Financial training – 6 months into the programme, participants were taught to strengthen savings behaviour, expand and diversify livelihoods etc. Participants were also taught to maintain basic record keeping and accounting.

Group Meetings and Peer Review Groups – REST emphasised the importance of peer-to-peer learning. In each *tabia*, monthly group meetings are held for all 50 participants, where participants discuss and debate their livelihood experiences. Participants are able to learn from 'strong' performers in the programme, and even visit their households for practical training. These participants are further divided into peer review groups. Each peer review group appoint a leader, who takes charge during emergencies, such as death of an asset. These leaders are usually literate and submit monthly reports on members' performance. These reports are used during the group meeting for further discussion. However, peer reviews groups are not systematised, and not a compulsory component of this programme.

Field assistance: A community facilitator is assigned to each *tabia*, having 50 participants.. Field staff visit households on a weekly basis to inquire after their assets, and to ensure that participants are adequately saving. They check the health and hygiene of livestock; if participants are frequently buying and selling their products; they also provide market tips and continuous practical training. For petty traders, facilitators ensure that they are maintaining detailed records of their transactions and keeping demandable goods. Bee-keeping participants require more hands on assistance due to the nature of their livelihoods, and facilitators often bring in DAs for assistance. DAs are also responsible for providing vaccinations and other veterinary services.

Financial services: REST has made it mandatory for all beneficiary households to save at least 75% value of their assets over the 2 year period. This will be a closed savings account until they graduate, though participants are allowed to withdraw during health emergencies with approval from the facilitator, REST Headquarters and DECSI. In order to save the full amount (100% of asset value) by the end of the project cycle, participants need to make a quarterly deposit of at least 600 Birr (approx. 35 USD at the time). Petty trade participants are required to make a monthly deposit as they have daily sales, and animal fattening participants are required to make a quarterly deposit as they sell every 3 – 4 months. Bee keeping participants are allowed to save the amount on an annual basis over 36 months, as they can only sell their products once a year.

REST incorporated Voluntary Savings and Lending Associations (VSLA) into programme design. VSLAs are set up for participants to have a common safe place to pool in small denominations of money, and to regularise their savings habit. More importantly, this is a source for small credit at low interest rates. The rules of the VSLA are democratically decided by the members with guidance from the community facilitator. Participants contribute a nominal amount towards a 'crisis fund', from which donations can be made (by vote) to a member when they experience an economic shock. A year into the programme REST began encouraging participants, who feel ready, to access formal microcredit from DECSI.

Micro-gardens: Micro-gardening was brought into the programme for two purposes; in order to encourage diversity in household diet, as well as provide an additional source of cash for covering some '*asveda*' expenses. Seeds were distributed amongst participants, excluding those who live in rented homes.

2.2.2 Challenges in Implementation

Over the course of our research, several issues have arisen given the minimalistic approach, particularly in the way that concepts and inputs were communicated to participants. Firstly, in terms of targeting, REST did not conduct a thorough Participatory Rural Appraisal (PRA) with the local community, which is an integral step to ensuring that the process is free of bias and favouritism. Although targeting criteria for the programme were similar to the PSNP selection criteria, studies show that PSNP targeting lacks rigour and is coloured by favouritism (Lind, J. and Jalleta, T. 2005). According to top management, the PRA step was omitted due to time constraints. As the stories will disclose, Graduation participants are vulnerable but not necessarily always the most vulnerable within their context.

Next, participants were not consulted and given time to consider their livelihood choice. Instead, they were asked to choose on the day of public lottery²². For participants without long term vision, it is difficult to choose without a thorough comprehension of what each livelihood entails in terms of labour and costs. Some participants felt rushed into making a decision on livelihoods only to find later that they were 'locked in' to this choice, even though it did not suit their household. Although top management stated that participants were allowed to change their mind, this proved to not always be the case on the ground,

"...I was given no time to think and this is the first option that came to my mind. I assumed I was getting female sheep for rearing. Later, however, I was thinking of switching to taking cows but Haile (the facilitator) didn't allow me to do that." (Tekien, goat fattening participant).

As a result, only those with clear vision of what they wanted to do – typically the most enterprising of the lot – were able to make quick decisions and were satisfied with their choices. REST was quick to acknowledge this deviation, but insisted their decisions were in response to constant delays in programme implementation. Assets had to be transferred before the rainy season so that participants could use natural feed. Therefore, house-to-house consultations were deemed too time consuming to carry out.

A third and major challenge arose out of the strong mandate of savings and early access to credit. The GoE has a strong ethos towards self-reliance and not creating dependency among beneficiary households (Sabates-Wheeler, R. et al, 2009), and distributing 'free' productive assets is considered illegal. REST, therefore, require participants to save the initial value of their assets in 'closed savings' accounts. This has translated to participants being unable to access their savings to smooth consumption during crises, or invest into household needs. For health emergencies, withdrawal procedure is too lengthy a process. They have to rely upon other sources of cash, or use profits left over *after* saving the required amount. Some cash poor households even feel obliged to save at the expense of covering dire food and health needs.

Encouraging early access to microcredit challenges the notion that the extreme poor are not credit worthy. In lieu of its objective to mainstream Graduation participants into DECSI's Microfinance programme, REST created the perfect environment to train their participants for credit repayment. Apart from classroom training and weekly visits, the savings component is essentially designed as a 'no interest' credit scheme, and group meetings are organised for experience sharing amongst participants. For majority of respondents – REST exemplifies that with these elements, credit adverse participants can turn into successful borrowers *even prior to graduation*. As one of the fastest climbers explained, *"I think the point isn't whether it's a credit programme or if it's free – it is the training that makes the difference. Training is very important. Even with a free asset, one can be lost without training. With credit, of course there is a risk of being unable to repay – and that is what scares people, especially the risk of asset loss. But I keep insisting that even a loan can be made profitable if there is appropriate training (both classroom and weekly visits)."* In stark contrast are the most vulnerable households, for whom the overemphasis on 'training for micro credit' has proved to be problematic. Instead of reducing aversion to accessing credit, their obligation to make regular deposits in a closed account resulted in an unanticipated burden on their households (to be discussed in detail in Section 4.2).

²² For the purposes of the Randomised Control Trials for Impact Assessment, a public lottery was conducted to choose 'treatment' and 'control' groups.

REST's notion of facilitation differs greatly from BRAC's TUP programme. In the TUP programme, facilitators are required to focus on the livelihood, but also on household issues such as health, social awareness, and other 'personal' facets. In Ethiopia, no separate staff training was organised, as their role was conceptualised as an extension of their previous role as DAs. REST community facilitators are mainly expected to ensure that participants do not fall behind on livelihood development and savings. As a result, the quality of facilitation greatly differs from one facilitator to another, and is dependent on their inherent skills and qualities. As our analysis unfolds, it is evident that only those with a strong set of ingrained facilitation skills are especially significant to their participants. They transfer not just livelihood skills but also self-confidence, and strive to provide customised support to households.

Lastly, the micro-garden initiative has encountered a few problems. Although largely a successful scheme, many respondents claim it is not easily sustainable due to problems of water source, soil fertility, space, threat of destruction by animals etc., *"I started one but I couldn't continue since I don't have a donkey to help us carry enough water. So I only had it during the rainy season. My wife is only able to fetch enough water for our family."* More labour poor households are unable to maintain micro-gardens due to lack of support.

2.2.3 Graduation out of the Pilot

REST conceptualised graduation as similar to GoE's definition of graduation out of PSNP. Most respondents have been in the PSNP since its beginning in 2005, and can remain beneficiaries for an indeterminate period of time until they are deemed fit to graduate. The GoE has set the following criterion for graduation out of PSNP:

- Households must be able to meet 12 months of food needs and 'withstand moderate shocks';

The criterion is quite arbitrary²³ given the inclusion of 'withstand moderate shocks', and leaves room for bias and favouritism at the local administration level to come into play. As a respondent revealed, *"The kushet has selected me to be a potential graduate from the Safety net this year.....They are even considering my CGAP assets as an indicator. If they insist, I won't have any option but to leave. But I feel I should stay in the Safety Net until I'm self-sufficient."* Graduation out of PSNP thus falls short of well defined criteria and an explicit timeline.

To counteract such grave issues, REST set clear qualitative and quantitative criteria for graduation out of the pilot in 24 months from the date of asset transfer (36 months for bee keeping participants). At the end of project cycle, households are expected to graduate by meeting at least one of the quantitative criteria, in combination with one of the qualitative indicators;

Quantitative criteria

- Graduating to food security for 15 months of the year (equivalent to 12 months of food supply plus available reserves)
- Successfully saving an amount equivalent to at least 75% of the initial value of the asset

²³ Graduation Concept Note Draft (REST internal document)

Qualitative criteria

- Expanding and diversifying their livelihoods
- Readiness to access microcredit
- Approval from the community that the concerned household is better off

3 Participants' Experience of the Graduation Programme

3.1 Stories of 'Fast' Climbers

16 out of 22 respondents in our sample are considered fast climbers, which is a testament to the programme's achievements thus far. They have indubitably progressed, both by the programme's standards (due to strong asset performance and savings), as well as by their own standards. The narratives are drawn primarily from the experiences of younger (under the age of 35), landless participants and older FH participants, who together form the majority of our 'fast climber' respondents. These participants benefitted the most from programme inputs, and represent compelling 'stories of change'. Here we present five life stories to illustrate the diversity among the most dynamic of programme participants.

Hailay of Abraha Atswa is 27 years old and lives with five family members – his wife, child, younger brother and sister-in-law. His parents were farmers, and quite well off. Hailay was born during the great famine of 1984/85, but fortunately his parents' had enough livestock that they could sell for cash, and did not have to migrate like most others. He married Tsege in 2006, and received a cow and some grains for *gujji mitwutse*. Hailay completed his education till grade 10, and he has now taken on the responsibility of ensuring his younger brother and his sister-in-law attend school.

At the start of the programme, Hailay was landless, still waiting for the government to allot land to him. However, he had a calf, some cactus plants and even a donkey. He depended on odd jobs in nearby towns, such as construction, to earn cash for survival. Otherwise, he was seasonally employed by his uncle to work on his farm. He had taken a loan once to buy a cow, but it soon died, and he remained with the burden of repayment. Recently, his uncle suggested that he cultivate leased land during the off-season, and his father covered the rent for the land. He and other landless farmers of his village also started a sand collection cooperative²⁴, which is encouraged by the government to increase non-farm livelihoods amongst the youth.

When Hailay joined the programme, he placed himself on the second step:

"I'm healthy and I can work, and that is an asset. I even have a donkey and poultry, and grains to sustain for now."

Hailay chose bee keeping as his livelihood. He had been observing bee keepers for a while, and had even attended a training course. Once in the programme, he was unstoppable. He was ambitious, proactive and constantly looking for ways to expand and diversify. He started leasing more land for cultivation, earned an annual income from the sand collection co-operative, and even brokered deals with truck drivers for transporting sand. His cash income has significantly increased, so he bought an ox and he expanded his bee colonies from 2 to 4. Since he is educated, others in the community respect him, and Graduation participants appointed him as peer group leader. This further enhanced his self-confidence:

"I'm a peer review group leader. I try to identify strengths and weaknesses based on daily observations, as most are my neighbours. For e.g., if I notice a shoat fattening member is not taking proper care of his animals, I will record it. And I also record good practices. If there's a need for more support – in terms of skills, I try to help them to the best extent possible."

However, his wife's health began to deteriorate over the course of the programme. Despite visiting private clinics in Mekelle (the nearest big city, also where REST HQ is situated), they were unable to diagnose her condition until the last stages, when it became obvious she had cancer. She underwent surgery, but eventually died within a week. His facilitator was extremely supportive and instructed him to focus solely on his wife's health,

"Since June I had been telling him not to worry about the savings at all, to simply focus on his wife's health. When he earned 3300 Birr from selling honey, I encouraged him to keep all of the income with him and use it for healthcare costs."

²⁴ These co-operatives collect sand and sell it to construction companies in nearby towns and cities.

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In spite of his loss, Hailay did not have to sell his assets in order to pay for healthcare. He works whenever he can, and his school going sister-in-law has been helping as well. Now they're hoping to produce honey and sell it. During our last interview with Hailay, he placed himself on step 6:

"I'm free of debt (informal). Economically I'm better off – I'm starting to eat injera with wot rather than with salt as we did before. I've increased my assets; I now have additional 2 bee boxes, an ox and a cow. I'm also renting more land so I will have more food."

Sarah is single mother, aged 31, and lives with her 7 year old daughter, ailing mother and divorced sister. She hailed from a poor family which owned nothing but a minimum plot of land – 1 *tsimdi*. During the great famine her family temporarily moved to a shelter in Wukro town. Sarah eventually moved in with her relatives and attended school. She returned to her village after completing Grade 10, due to an unexpected pregnancy. *"I was extremely unhappy as I had planned to continue my studies."*

Once in the village, she made the most of her circumstances. She worked as a daily wage labourer to cover their household expenses. Food aid was a major source of income, but they only managed 2 meals a day. *"It is not enough but we are making it enough."* She had once taken a loan from DECSI to buy an ox, but sold it to cover her mother's medical expenses. Fortunately, being educated, she is appointed as Vice Councilor in the *tabia* administration. She is also appointed as Fore(wo)man of the Safety Net group in her area – so as part of the public works she is only required to maintain attendance registrars and organise meetings. She gradually developed good relations with the *tabia* administration that she could use to her advantage. As her mother's condition had got worse, she sought special approval from them that would allow her mother to avail health services at no cost.

At the start of the programme, Sarah was driven but landless, food insecure and with few sources of cash income, which could not cover medical and other essential expenses. Hence she put herself on the first step,

".....I don't have any assets, am landless and living as a dependent with my mother", and added, *"I'm usually not lucky so I'm happy I got a chance to be in this programme – it is a good omen for a good future."*

She chose bee-keeping as her livelihood. She had been observing and talking to bee keeping cooperatives, and realised this was a highly profitable business that she could manage as a single mother. At the time of asset transfer, she chose two weak colonies as strong bee hives were too expensive, but immediately sought the help of DAs. Soon she was producing honey and selling it at a high price, and was keen to expand her microenterprise into a bee keeping farm. She was elected as peer group leader, as well as treasurer for the VSLA. She also started a micro-garden, which not only supplemented their diet but was also sold for some cash. She bought hens with her profits, and started selling eggs as a source of income. Her objective was clear, *"I want to be rich because I have suffered for a long time because of my poverty – that is why it is so important for me"*.

Over the duration of the research, she quickly became eager to come off the PSNP, as she did not consider herself poor anymore, *"I want to graduate since it is a matter of pride. Now that I am owner of a bee keeping business, how can I be considered as poorest of the poor? Instead it is important to let others who really need the Safety Net to become a beneficiary. I want to be an example to the council and to others – to show that you can drastically change their economic condition if one gets the right kind of support such as this."*

At the end, she no longer worries about minimising her mother's medical expenses, nor about food expenses. Given her determination to be rich, she stills works as a daily wage labourer whenever possible to earn extra cash. She has 10 bee colonies and is considering hiring an assistant. Sarah now plans to enrol into specialist courses for bee keepers, and train others one day. She is already raising awareness on how microcredit can create viable business opportunities for other young, landless villagers. She puts herself on the top most step,

"Now I feel confident that I can provide for my daughter in all ways – material and otherwise. I can even cover the cost of long term study. I can buy her enough clothes. Now I want a separate house and stop crop-sharing. I want to buy oxen and hire paid labourers instead."

Mili is a young, single mother. She is 27 years old, and lives in Abraha Atswa with her 7 year old son. Mili's parents were moderately well off; they had many cattle, sheep and land. She remembers very little of that time, but knows they lost a lot of their animals during the great famine. As a child, Mili helped her mother with household chores; she looked after the animals, fetched water, cooked etc, and even attended school till Grade 3. At the age of 16, she was married to Gebreselassie. The marriage, however, didn't work and she moved to Addis Ababa to live with her uncle. There she learned to manage her uncle's shop. After a few years she returned to her village,

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and met her second husband Gebreziabher, a soldier stationed at Wukro. They had a child together, Nathaniel, but they lost touch soon after he was transferred to another region.

Mili never felt ready to take a loan as she did not own any assets. Her father gave her a hut to live in, and she registered for the PSNP public works programme. She even sold *tella* and worked as a construction worker to earn cash. At the start of the programme, she was not worried if the Safety Net was to stop, as instead she could engage in more paid work. Mili started on Step 2, *"I am healthy and have physical strength, and I have house in which I can live...If I was weak (physically) I would put myself on Step 1"*.

At the time of choosing her livelihood, she was clear on what she wanted. She did not have a courtyard to keep goats, or any animals. According to her, petty trade was suitable for female heads, and her house was conveniently located on the main road so she could attract customers for both *tella* selling and petty trade. She also had an added advantage of past experience of running a shop, *"Petty trade livelihood option was in my mind for long period of time because I learnt it in Addis when I lived with my uncle"*.

Mili did not face a problem of low sales, and neither did she feel threatened by the presence of established competitors. She developed clear goals, *"I would like to be out of Safety Net and be able to eat better quality food. Right now, I have to eat injera out of wheat but I prefer to eat injera made out of teff. I would like a better bed and also a TV. And I want to be free from constant tension and frustration. Lastly, I just want my son to be educated to the highest level possible. After that I assume he would get a job in the city. I don't want him to be a farmer since it is such a difficult life – and I want him to have an easier life"*.

She had one major challenge. Despite being literate, she was reluctant to maintain records of her sales, income and expenses; a vital element of any successful shop. At this point, the facilitator regularly followed up, up to 3 times a week, to ensure she was making at least making an effort to learn book-keeping. Today, her working capital has doubled and she owes it all to her facilitator's determination, *"When we doing our business, he will come and observe – and he keeps telling me that if I keep working like this, I have a very promising future. A little kid will succeed in school if you tell him he's doing well in school, not if you tell him that he's not doing well – then that determines his fate"*. She has even begun a grain trading business on the side.

At the end of research, she has already achieved a few of her goals; she has bought a large bed, complete with pillows and bed sheets. They have been eating three full meals a day in spite of Safety Net delays, and there has been significant change in the quantity and variety of meals, *"For instance, we rarely ate meat in the past, and when we did the quantity was very small. We usually eat meat on holidays – in the past I would buy meat worth 15 Birr, now I can buy worth 50 Birr!"* She has applied for a loan to her VSLA, to expand her grain trading business. She puts herself on Step 8, *"How well my business is doing reflects how well I'm doing. I am now more confident as a person, I'm happier and more peaceful."*

Asqual of Abraha Atswa is a 37 year old female head. She lives with her two young children, and her oldest son is studying in Wukro. Asqual's parents were quite well off, but during the great famine her father passed away, and they lost most of their animals. Her mother was left on her own, with very few assets to fend for the family. Asqual never attended school, and at the age of 17 she was married to Halefom. Halefom was a TPLF soldier and mostly away. During this period, other male members of the community ploughed Asqual's land. Unfortunately in 2001, Halefom died while fighting against Eritrean troops.

Since her husband passed away, Asqual had been receiving a pension from the government. She leased their small landholdings to her brother, Meuz, to cultivate in exchange for straw and half the harvests. This made it difficult for her to feed the only cow she had left. For cash, she rented out her second hut to government workers. She also relied heavily on the Safety Net food aid, even though she was not keen to engage in strenuous public works *"Given the situation – the Safety Net programme has proved to be useful. As a female though, it is very difficult to carry out the physical labour required for it....Nonetheless, it helps to fill food gaps and save up seeds for the next round of cultivation."*

She was active within her community, and was part of a *shewit* for female heads. Yet she never felt comfortable with the concept of credit. *"Some time ago – there was a ferenj programme which gave us money 'free of interest' to buy an asset. I bought a cow thinking it wasn't a loan, but after awhile the woreda administration was asking us to repay the money. Now some others and I who have suffered don't trust these sorts of programmes"*. At the start of the programme, she also had a deteriorating eye problem which affected her vision. Although it was getting worse, she was unable to leave her young children and go to Kwiha, a far off *tabia*, for treatment. She was especially reluctant to leave her son Kimfe, who has epilepsy.

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She started out on the third step. According to her terms, she was not the worst off within her community *"I don't think I'm the poorest because there are many who are the 'beh-teke'....there are those who are landless"*.

Despite being illiterate, she was determined to run a petty trade as her livelihood. Other female heads who had small shops convinced her it was a viable trade. She seemed hopeful, and assumed that her older son could teach her basic numeracy skills required for the business. However, she was struggling. She set up her petty trade in the hut that was previously rented out, but it wasn't attracting enough customers due to its location. She did not have enough money to rent a shop room on the main road. Her young children kept picking at her goods, and her older son was not around to help her with daily book keeping. DECSI was pressurising her to save. This scared her, and based on her previous experience she was reluctant to save at DECSI. She was distraught, *"I'm not happy with my decision – apart from not being allowed to choose what I wanted to (grain trading), the products in the shop are fragile, easily picked by the children."*

After the first five months, there was a change of facilitator. The new facilitator strived to find an answer to each of Asqual's problems, and helped her develop entrepreneurial confidence. At present, her petty trade has not expanded, but she has maintained it well. Instead, she prefers to use part of her profits for the household, especially on her children. She doesn't hesitate to save anymore. She even has a micro-garden that it used for household consumption. Fortunately, things outside of the programme have been going well too. Her pension has increased from 140 Birr to 200 Birr. She started a bee keeping cooperative through a microfinance scheme offered by the EPRDF Women's Association. She is enjoying the new business venture with her friends, *"The business is really promising – I'm hoping that we will sell the honey, and do well in my petty trade as well!"* Most importantly, she feels much healthier now, as the *tabia* administration organised eye surgeries for anyone with eye problems in the village.

She now places herself on Step 8, *"In the past, I was always uneasy in the community since I had to seek help from others – I just felt bad on my own that's all. But now, I have stopped it, and most importantly I'm very optimistic now – optimistic that my life will change!"* Moreover, community members consider her rich as she always has *'ferengs'* visiting her house. Now her dream has got bigger – she wants a house with a TV and sofa – and she is certain she will achieve this dream.

Desta, is a 38 year old female head with 4 children (aged 18, 16, 13, and 9 years) from Negash. She grew up in a well to do family with many animals, land and a bee keeping business. Although they sold some of their animals during the great famine, unlike most, they were not adversely affected. In her childhood, she looked after her family's animals and helped with household responsibilities. As her parents aged, their assets depleted due to lack of care, and some were distributed amongst Desta and her siblings for *gujji mitwutse*. When she was only 16, Desta was married to Hagos Tekkes. However, her husband abandoned her early into their marriage for another woman. To cope, she began braiding women's hair for additional grain, and then sold it for cash.

Desta is fortunate to receive a great deal of support from her parents, and she has been living with them since her divorce. She was even allotted a tiny plot of land by the government. Her children are an important household resource, but she has big dreams for them as well as for herself, *"My dream is to educate my children so they can get good jobs in the government or private companies, and get out of collecting stones. I also want to buy cows, have a big house in town, and to start a grain trading business. I've seen others do it and improve their living conditions."*

At the start of the programme, Desta was afraid of credit, as she was once arrested for a loan that her ex-husband had defaulted on. She even took a Safety Net package but eventually sold her working capital to repay the loan. She mainly depended on food aid, though she still skipped meals in order to feed her children.

Yet, she recognised she was not among the poorest in her community. She started off on Step 2: *"I am healthy, and with the support of my parents, I am able to educate my children. This separates me from the poorest in my community."*

Given her childhood experience with livestock rearing, she was clear on her decision to choose cattle fattening. However, she received her cattle during the rainy season when natural fodder (straw) was not yet available. She was extremely stressed, but finally took a loan from the local priest. *"I told him (the facilitator) – 'I'm suffering since I don't have straw to feed my oxen, we don't have money so what shall we do?' He said 'Just figure out a way to feed them – you can even borrow money and feed them.' So that is what I did."*

She diligently followed instructions given during classroom training, and was termed a strong performer by her facilitator. Desta's children were also determined to see her succeed. Her older son helped with the business,

while her daughter took over most of the household responsibilities. As she gained confidence, she expressed a desire to use the money to start a grain trading business instead of depositing it in the savings account, *"...before the programme I could not think of it realistically since I had no cash in hand but now I'm able to earn money – I would like to sell food grain like the others."* She wished to move to Wukro town where she could run a shop and her children could continue their studies. She even started making injera plates²⁵ and selling them, after she noticed some of the women doing the same at the marketplace.

Her profits are high so she is able to save, buy feed if required as well as use the rest to cover her children's school expenses. They now eat full four meals a day, and she does not have to borrow from her parents or her brother. She has applied for a loan in the VSLA to finally start her grain trading business. She also already has a poultry business on the side. This year, she decided to miss public works for 3 months as it was not essential. She has plans to 'self-graduate' (in other words, move out) from the PSNP in the near future.

As expected, she now puts herself on Step 10: *"I'm not poor anymore – at the beginning I didn't even own hens but now I have many! I had simply bought one with part of my profits, and now they've increased in number. Before I had nothing, and now all that I have is because of this programme!"*

3.2 Story of the 'Slow' Climber

There was only one 'slow climber' in our sample of respondents. Gebrekiros from Negash was considered a poor performer by the programme mainly due to his inability to save on schedule and grow his enterprise as expected. Gebrekiros felt an enormous amount of pressure to save his meagre profits, at the expense of adequately providing for his household.

Gebrekiros is 58 years old, and lives with his wife and 4 younger children (aged 16, 10, 6 and 2 years). He has 2 older sons from a previous marriage, one running a small shop, and the other living on the streets. Gebrekiros's parents were neither poor nor very rich. His father passed away while he was still very young. His mother soon re-married, and Gebrekiros moved in with his paternal uncle. He inherited part of his father's land, 6 cows and a donkey. In 1977/8, he married Tadalech, though their marriage did not last.

During the great famine, he lost most of his animals and sold the rest. His land had already been reduced to half a hectare by the Dergue regime. Instead, Gebrekiros worked as a daily wage labourer in Mekelle to ensure he could buy enough food for his ex-wife and children. A couple of years later, he married again. During his second wedding, Sellasie and Gebrekiros received some land and cattle for *gujji mitwutse*.

At the start of the programme, they remained with only a couple of ewes, which he considered as his 'security deposit'. He and his family are extremely food insecure and relied heavily on the Safety Net. It was painful for him to not be able to feed his children – his youngest daughter was only 2 years old and suffering from malnutrition. *"All our children are sickly, and need to be taken for check up and treatment – but we just cannot afford to."* He felt stigmatised as he is poor, and hardly interacted with the community. He also felt he had nothing to offer. Despite having land, the lack of oxen was of great difficulty for Gebrekiros – he was forced to rely on neighbours and relatives for ploughing and harvesting his crops. There was never any guarantee that he will get the oxen on time, which adversely affected his crop production. Yet, in return he either worked on their land or gave food grains from his meagre harvests.

They had once taken a DECSI loan to buy an ox, which he also used it to buy seeds, shoats and repay informal debts. As interest accumulated, Gebrekiros got nervous and sold the ox to repay the loan. Despite his burdens, Gebrekiros put himself on Step 2 of the staircase exercise, saying *"I have land, I have my eyes and legs, I can work – I'm better off than some others"*

Sellasie attended the public lottery when they were asked to choose livelihoods. She chose sheep assuming they were being offered ewes for rearing – which she had good experience of. However, Gebrekiros wanted oxen so he could maximise his harvests, *"I would have preferred to use half the money to buy some shoats and the rest to buy cattle. I suffer because I don't have oxen to plough my land."* At training it was explained they would receive sixteen rams for fattening. This worried them as they had never fattened before, and because their small courtyard was not big enough to keep a large number of sheep.

²⁵ Colourful woven plates for keeping injera

Yet, he was hopeful as he now owned assets. There was a sliver of confidence that he could soon start to feed his children. However, six months later he still had not sold his sheep, as he lacked resources to buy feed on time. *"The lack of money to buy animal feed has delayed the fattening and selling process"*. He even lost two sheep due to illness.

Over the next year, Gebrekiros's family met with a series of personal misfortunes. His youngest daughter, Shishay, died of pneumonia in early 2011. The health clinic had prescribed medicines, but she died within 3 days. Gebrekiros borrowed 500 Birr from his neighbour to cover healthcare and funeral costs. During this period, the facilitator insisted he keep on track with his savings schedule. So he decided to borrow cash from his relative, and deposited it in his savings account. Consequently, his step father passed away, his younger son fell sick, his older son was jailed, and his half brother was missing and presumed dead. These events caused him severe stress and he was unable to focus on his livelihood. At this time there was a change in the facilitator, so there was no one to visit them during this critical period.

A year and a half into the programme, they still eat one meal a day. For nearly 2 –3 weeks during the rainy season, they shared one *injera* amongst the five of them on a daily basis. They don't feel they're part of the 'CGAP group' in Negash, as they have not received any kind of support from them. The new facilitator ranks them as the weakest performer in their *tabia*, saying *"There are others in the neighbourhood who lost their wives, but they moved on. He spends too much time mourning."* He constantly reminds them that they're lagging behind in their savings *"He doesn't pressurise us but keeps telling us that we're lagging behind. Since he keeps telling us, we decided to put part of the principle in the account instead of investing it."*

They are still indebted to their neighbour, and they are even indebted to the extended family for food grain. By the end of our research, he placed himself at Step 1,

".....I'm below Step 2. Now I have so many debts accumulated, I'm not sure if I can repay them. I am upset that this repayment may take time, and this affect my performance in this new livelihood. My profits have been low. I also lost my daughter- the root problem is my crisis – I got into debts, and if you use up your resources for such health problems, you cannot move up, you can only move down."

3.3 Stories of 'Intermediate' Climbers

The intermediate climbers represent a unique category of respondents whose personal evaluations of progress differ from that of the programme. Four of the five individuals have adhered to the programme's mandate of saving and investing, and are thus considered to be 'strong performers' according to field staff's evaluations. Although they did experience programmatic gains, their own ascent on the staircase reflects very slow progress, and household sacrifices were made to meet the programme's requirements. One respondent, however, has an opposite story; he went against programme instructions to meet his immediate concerns, and was termed the 'weakest' performer in his village.

Tsegey, 27, lives in Negash, with her husband and 2 children (aged 9 and 3 years). She was born during the great famine, when her family was left with only a small plot of land. Since early childhood Tsegey was in charge of household responsibilities, as her mother was sick. She had been married twice, and left each husband after bearing a child. Her second marriage was to Abraha, whose parents insisted she stay within the family even after separation. She moved in with her brother-in-law's family, while Abraha continued to live with his parents.

At the start of the programme, Tsegey was considered a female head. Being landless, she relied on her parents and the Safety Net. She had a few irregular cash sources; at times she worked as a casual labourer, and when in serious need she borrowed from her brother, Tesfai. She had no experience of credit as she did not feel ready to access it.

Despite her supportive family, she was keen to get back to her husband and establish an independent household. It troubled her to be entirely dependent on others, and her first wish was to be economically independent. She put herself on Step 1, *"I am poor. What do I have? I have only hope for my future – to have a better life."*

She chose cattle fattening owing to her experience of rearing cattle, and assumed shoats or bee-keeping would require more 'man-power'. She would have also liked to have more time and discuss her options with Tesfai. At first, she could not afford to buy materials needed to prepare modern types of feed that quicken the fattening

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process. She borrowed money from her brother, as well as from her neighbours. Once she started earning, it was easier to buy feed. It was also a challenge to manage the cattle on her own and at times, her daughter skipped school to help her. Soon after, community elders intervened to resolve matters between Tsegey and her husband. Their reconciliation proved to be a big bonus, as she now had someone to support the livelihood.

Over time, Tsegey and her husband has skillfully adopted the technical skills that her facilitator imparted, and they are confident of engaging with wholesalers at the market. The facilitator advises them adhere to instructions that were given at the beginning; to buy and sell every 3 months, and not to take them out grazing. As they follow programme instructions without question, they deposit all their income in to the savings account, *"I understand that whatever we earn – we must save it, a little can be used for animal feed."* *"Since they say we have to deposit – we deposit. Otherwise we could've used it for other business activities."*

By the end of programme, the main changes she notices are only in regard to her livelihood; she now owns assets, has gained market experience and has a savings account. They are still cash-strapped, and mainly depend on the food aid to cover their food needs. Once the Safety Net has stopped, they can only manage to eat one meal a day, and her aspiration of economic independence is still a farfetched dream, *"We are working day and night at the public works, but we're still not secure. At any point this govt may stop this. But if we're economically independent, we can be stable for long."*

In terms of her life, she feels very little had changed, and puts herself on Step 2, *"– it's the same year, how can you expect me to feel any different! I will only feel different once I've paid back – I have to wait another year to move up a step."*

Tekien is 37 years old and lives with her 3 children in Negash. She lives with her brother, Gebremedhin's family on the property that once belonged to her parents. Her parents were quite well off; they sold sheep for cash, owned cattle and land, and even engaged in salt trading. During the great famine they lost all their animals, and were forced to depend on food aid provided by an NGO.

After a couple of years, her father resumed salt trading and recovered some of his assets. As her parents grew older, their animals were distributed for *gujji mitwitse*. Tekien was married when she was 16, and she had never been to school. Unfortunately, she was neglected by her husband and she decided to return home. Over time, she had 3 children with 3 different partners, all of whom are married and have not taken any responsibility for their children.

At the start of the programme, she depended on her brother to plough her small plot of land in exchange for straw. Her main source of income was the Safety Net food aid. For cash, she borrowed some from her partner or usually sold part of the food aid. In order to minimise cash expenses, she refrained from seeking goitre treatment for her children. She is a member of a Tsebel (prayer group), and has good relations with her neighbours. They often share food – though she still can't arrange for more than 2 meals a day as everyone is equally poor. For Tekien, the biggest constraint is in being a female head, as she is poorer than any male headed household, *"Even today, women cannot plough their land, or build their own houses since it isn't culturally accepted. I cannot go somewhere else to work as a daily wage labourer"*. Her dream was to have a house of her own, so she could feel secure and independent. She put herself on Step 4, since she is healthy and physically able.

Tekien chose sheep on the day of the lottery – and assumed they were to be reproduced and sold. She had in fact asked for cows, which could be a source of food (milk, butter) as well as cash income. Nonetheless, she remained hopeful that her older son and her brother would help with the business. During our second visit, she was struggling to manage her sheep, her young children and her household chores. Collecting feed from public area enclosures²⁶ had been especially difficult. Her older son moved to Kalamino, a school for the brightest minds, but it meant losing a reliable person who could assist in managing assets and even book keeping. She seemed confused and frustrated, yet eager to be successful, *"They're giving you assets, how can you refuse? When someone approaches you and gives you that opportunity –"how can you refuse when you requested it and God provided it", after all it will improve your life. This is my chance."*

We noticed a very gradual process of change. At the beginning, she barely had any memory of what they were taught during classroom training. But through regular visits and continuous training by the facilitator, she picked up skills required for animal fattening. She learned to plan her day so she could better manage her activities, and

²⁶ Grazing pastures are divided into area enclosures for separate households.

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the facilitator advised her to involve her younger children. She even started going to the market on her own if her brother was not around. She started maintaining her savings schedule as well – and the programme evaluated her as a good performer.

At the end of the research, she has learned to better manage her livelihood, though household constraints remain. It is difficult to spend cash on modern feed, since her profits are not enough due to price hikes. She prefers to divert a portion of her income buy food grain as needed, but does not keep track of her expenses. Her assets have reduced to nearly half, although she is much happier looking after these few. She feels there is little change in what they eat and still refrains from taking her children to the clinic. She is unsure of whether she will ever own a house, and even lacks the confidence to self-evaluate, *“I’m better off than before – (randomly puts Step 7) – but I’m at a loss for more words, these questions baffle me. We have too many things to think of, but we are uneducated”*.

Dawit is 33 years old, and lives with his wife and four children (aged 8, 5, 3 years and 6 months) in Mahbere Wwoyni. His oldest daughter, the only mature one, lives with her maternal grandparents. As a child, Dawit was left to his own devices due to the untimely death of his father. When his mother remarried, Dawit preferred to move in with a rich family to work as a domestic worker. During 1984/85, Dawit did not feel the effects of the famine since the family had enough food reserves and sold animals for cash. Once he was old enough, he arranged his own marriage to Giday.

At the start of the programme, they ate two small meals a day. Dawit had a small landholding relied on others for oxen. He did not have very good relations with his neighbours, as they suspected him of stealing animals. Dawit, on the other hand, felt he lived on very disadvantageous terms within the community. He was forced to borrow oxen in order to plough and harvest his crops, and in return spent a major portion of his time working on other people’s farms, *“If I have my own oxen – I can spend that time as a paid laborer. Now I don’t have to work on other people’s land in exchange for oxen”*. He also worked as a labourer for salt traders or in building construction to earn cash. He had never taken credit as he did not like the concept.

He put himself on Step 1, *“I’m the poorest since I have no assets and I don’t have enough to eat.”*

Dawit chose shoats fattening, thinking it meant looking after a few goats. During classroom training, he discovered he would receive sixteen goats which had to be kept indoors. Dawit grew concerned and regretted his choice, *“It will be a new experience to feed goats at home. Is it possible to keep goats like that – I’ve never seen it before”*. Dawit also faced problems of rising prices, and two goats died of a diarrheal disease. He quickly approached the veterinary clinic for vaccinations, which he had learned during weekly visits. He also learned to how to prepare feed, how to keep their shelter clean and look after them.

During the harvesting season, Dawit sold his shoats and bought an ox. He was able to borrow oxen on the ‘lifinti’ system, instead of working on people’s land. While Tigray experienced the best rainfall in the past decade, Dawit was able to reap his harvests to the fullest extent. *“This year I have harvested 300 Kgs of food grain – which is enough for my family. Due to the rains, we have managed to collect enough straw, so we are very happy”*.

Subsequently, Dawit bought back his goats under pressure from his facilitator. He spent most of his time looking after his goats or engaged in casual work, while his wife covered the public works for 6 household members. Dawit was also unhappy about the closed savings and started saving his income at home, *“We raised the issue about being pressurised to save everything while we suffer at home. It may be possible for those with alternative sources of cash, but what about people like us?”*. The facilitator attempted numerous ways to get him ‘on track’, but failed to grab Dawit’s attention. According to the facilitator, Dawit seemed to lack any business acumen to sustain a singular livelihood. He switched to oxen again, then to horses, donkeys and back to goats. His actions went against strict programme instructions, and Dawit was labelled the weakest performer.

At the end of the programme, his grandfather has suddenly fallen ill, and Dawit spends most of his time at the Holy Waters. Giday is responsible for all household responsibilities and looking after the animals. They only have five goats at the moment, and there is no one to keep track of his frequent transactions. As they have been constantly warned by the programme, Dawit has put all of his income including part of the working capital into his savings account. They started a micro- garden, but animals destroyed it as there is no one to keep close watch.

Although Dawit is not faring well on his livelihood, he is pleased to see that his family is eating more than last year. Dawit and his wife put themselves on Step 3, *“Before the programme – we were eating only once a day, this year we have been eating 2 – 3 times a day”*.

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The pilot in Ethiopia began with a number of advantages on their side (in comparison to other country pilots that have been researched). In Tigray, the state has very high visibility in the lives of the extreme poor. Its most obvious forms are PSNP food aid and the provision of basic services such as school and healthcare facilities. But as life stories illustrate, the government has been effective in other ways, for example, financing non-farm co-operatives; providing pension support to families of ex-veterans; providing veterinary support for livestock, etc.

Given the state's presence in a wide range of support services for the rural population, REST was able to concentrate solely on its mission – getting participant households to accumulate a critical threshold of assets so that they can graduate off the PSNP, and forge a future of economic independence. Instead of injecting multiple inputs in to the household, REST designed the programme assuming all participants could draw on available resources to perform well; existing government services, REST's other programmes, as well as social structures and networks. This brings us to the key question of our narrative; was the programme intervention able to transform lives? When did it create a shift in their trajectory, and when did it fail to create that shift?

4.1 Trajectory of Fast Climbers

Against a more dynamic background, the intervention successfully shifted or '**strengthened**' trajectories of the fast climbers. What set the fast climbers apart is that they are not the most vulnerable; most respondents recognised this, and hence did not place themselves on the bottom most step of the staircase exercise. In other words, they did not perceive themselves as the poorest in their community.

At the start, a few pre-existing resources put these participants on a stronger footing, and thereafter they were able to reap benefits of the programme. So the question is – *what held them back all this time?* Despite pre-existing advantages, reliable long term economic strategies remain limited in the area. **Lack of adequate material resources**, along with their reluctance to move away from their ancestors' land – kept them from fully exploring alternative livelihood opportunities. They also lacked **technical knowledge** and the **confidence** to start up a micro-enterprise. While **aversion to credit** was an obvious impediment to slow and intermediate climbers (to be discussed later), it was a critical barrier even for fast climbers; lack of understanding of what it entails to access credit for a productive enterprise, rather than for smoothening consumption.

REST's programme components were explicitly designed to respond to such economic constraints, and their 'minimal inputs' approach lent itself well to these households' circumstances. The interaction of the two culminated to an evolved sense of personal achievement amongst participants, which in turn translated into a rapid progression on the staircase exercise, as well as by programmatic standards.

To begin with, REST deliberately targeted the 'landless youth' population (both male and female) in the area, who rely on highly irregular and seasonal livelihoods to cover their most basic needs. Amongst them, we observed that younger respondents such as Hailay, Sarah and Mili, possess the dynamism and spirit that often seem diminished in older heads of households. Fortunately the young were spared of the trauma of the 1980's, had access to basic

facilities such as formal education which were absent before their time²⁷, and were exposed to urban, non-farm livelihoods. They yearned to be self reliant, *".....since I'm an adult – I told myself that I won't ask anyone for help – and I would refuse even if my parents offered"*. They were certain of what they wanted, and how they could achieve their goal of economic independence. These participants displayed an innate entrepreneurial spirit, and the programme came along at the right time.

Even before the intervention, Sarah and Hailay were engaging with bee-keeping co-operatives to learn more about the livelihood. Amaze, a petty trade participant, had past experience in grain trading. He was familiar with the market and its dynamics. As a single, landless youth – it made perfect sense to grab an opportunity to move away from agriculture. Others with past experience were also able to anticipate potential challenges, and navigate around them, as did Mili, *"....usually when I felt some days will be very good for business – I prefer staying at the shop instead of going to public works. For eg. if I know alot of students are going to come, then I stay back."*

Younger respondents possess basic literacy skills, which easily placed them in a position of leadership in their villages. Hailay and Sarah, both of whom have completed Grade 10 and are active within the community, were naturally elected as group leaders for the programme. It was easier for literate respondents like Mili to develop key business skills such as book keeping. Today, she firmly believes that book keeping has been vital to her success, and it has only enhanced her confidence.

REST also targeted older female heads, like Asqual and Desta, as they are typically labour poor, have restricted mobility and many children to look after. It is culturally taboo to engage in ploughing activities, and it is difficult for them to travel long distances to work as a daily wage labourer. Instead, they rely heavily on their familial and community networks, especially male relatives. In the context of limited economic outlets, their main source of income is the Safety Net food aid. However, contrary to popular perception, their experiences as a single headed household made them inherently resilient. Prior to the programme, Desta for example, was extremely innovative in finding a source of income (braiding hair for other women in her village). Unlike younger respondents with explicit livelihood plans, it was her past coping strategies that hinted at a latent entrepreneurial spirit.

In the absence of the livelihood consultations, the onus fell on participants to ensure their chosen livelihoods matched their available labour resources. These resources are within the household, or even 'outside the household' – in the form of social networks. Within the household, having fewer dependents is a palpable advantage; Mili benefitted from having only one dependent; she did not feel over –burdened with feeding a large family, and could focus on her livelihood. However, REST challenged the perception of many children being 'dependents' and therefore a burden. This programme effectively turned mature, school going children into a key resource for the livelihood. For older, illiterate participants, these children have been their eyes and ears. They maintain records, and look after the animals before and after school hours. Households with many children can divide the work load depending on their school shifts. Female heads often rely on their older sons for support while going to the

²⁷ Based on concepts of life course theory. Elder Jr. G.H (1994) succinctly explains *"Especially in rapidly changing societies, differences in birth year expose individuals to different historical worlds, with their constraints and options"* (pg. 5)

market. *“One of my sons is in Wukro, if he comes home on Saturdays he accompanies me to the market. Otherwise, I go on my own....My son also keeps track of prices in Wukro – when I go to the market in Sinqata, my son lets me know if prices are higher in Wukro and tells me to demand that price!”*

In the absence of adequate household support, female participants turned towards their extended family to manage labour intensive livelihoods (mainly shoat fattening). Sarah Gebrezeher, a single young woman living on her own, found it extremely difficult to manage her goats. She was terrified of having her assets stolen at night. Her uncle stepped forward in time, and arranged a shelter at his house where she could keep her goats at night. Sarah’s sister moved in with her so she could look after the goats in her absence. Sarah was relieved, and gradually grew confident about her livelihood. *“I am confident about everything except managing them at night, since my sister stays with my mother at night. I sleep alone, so I keep them at my uncle’s.”*

On top of an appropriate livelihood choice, REST provided a combination of training by staff as well as peer-to-peer learning. These services simply accelerated the progress of participants who were already set to do well. Sarah (bee keeping participant), with constant technical guidance from her facilitator and DAs, has reached a point in her life where she feels confident enough to joining specialist courses on bee keeping.

REST’s zealous focus on building credit confidence was another key reason for accelerated performance. The strategic design of the savings component as a ‘no interest’ scheme, combined with constant training and emphasis on microcredit in various forms (classroom training, financial training, weekly visits, group meetings), has led to these households being ready within a year. In just 18 months, the fastest climbers in our sample are Sarah and Mili who feel they have already reached Step 10. They attribute much of their progress to a combination of training, peer-to-peer learning and their increased ability to earn a profit and save. These programmatic inputs have given them the confidence that they can productively handle microcredit. Halika, a cattle fattening participant, encapsulates factors for their current success in a single sentence, *“If you are clear from the very beginning about what you want to do, and what you want to achieve – then if you are trained and there is regular follow up – a loan can be profitable”.*

Over the duration of the project cycle, access to a few sources of cash and physical assets, lessened their need to urgently access the closed savings account. Regardless of age and gender, fast climbers had access to these resources whether borrowed or their own, which acted as a much needed cushion when food aid stopped or in case of emergency. At the start of the programme, Asqual had a few safety nets in place. Since she owned a tiny plot of land, she did not starve when the food aid was not distributed. She had regular sources of cash (pension, rent from government workers), which were enough to cover part of her cash expenses. She also had strong social networks that she could draw upon during an emergency (borrowing cash/food grains from her neighbours). Younger participants frequently moved to towns to earn cash, *“I work on an as needed basis – when we really need cash, I look for work”.* Fisseha, a landless youth, leased land from his parents and shared the harvests equally amongst themselves.

Notably, strong facilitation created drastic shifts in respondents’ trajectories. Asqual, with the support of the facilitator, was able to employ her children as a productive resource during out-of-school hours, as well draw on her social networks to increase her sales. Her relationship with her neighbours transformed from being a mere coping strategy to a profitable business arrangement. Desta’s transformation by the end of our research has been remarkable; she

changed from a distressed, unhappy person to someone who is tidy, cheerful and extremely confident. As she learned to plan in this programme, she was able to plan her agricultural activities and maximise harvests. In both their experiences, the facilitator not only transferred technical livelihood skills, but also guided them in developing softer skills; positive disposition, increased self confidence, ability to plan, ability to identify new business opportunities etc. Gradually, female heads such as Asqual and Desta have developed the confidence to enter a predominantly male domain; the market. Most importantly, they are no more dependent on others for cash or food grain. Strong facilitators also enabled a process of strengthening inter-personal relationships amongst members, during group and VSLA meetings. At the tragic death of Samuel, one of the fastest climbers, participants donated 50 Birr (approx. 2.9 USD) from the crisis fund to his ailing grandmother, who now lives on her own.

Without question, the facilitator has been an indispensable element of their story. Despite programme's clear economic objectives and emphasis on standardisation – some facilitators are able to use their discretion, and put forward their personal objectives in order to provide customized support to such households. Hailay's story exemplifies the significance of a personal relationship with the facilitator. Once his wife fell critically ill, his facilitator went beyond programme objectives, and acted as a key figure of personal support. At a time of disillusionment and grief, he appropriately advised Hailay so that he did not feel more strained. This truly 'strengthened' his trajectory; unlike before, Hailay was able to cope with a tragic event without becoming financially worse off.

At the end, their aspirations have turned into achievable goals. A common aspiration is to see their children highly educated, and earning a regular income through salaried employment or business ventures. Through this programme, REST creates pathways not just for participants, but potentially for their children too. By strategically giving assets to the household, rather than to the participant – it gives way to interesting inter-generational impacts²⁸. An inspiring example is that of Hadera, son of a shoats fattening participant. He has not only learned to manage goats at home, but has also learned to buy and sell goods at the market. His parents encouraged him to start a small business of his own, and so he bought a hen to start selling eggs. He already has his future planned, *"I want to be a big businessman!"*

Fast climbers especially aspire to quickly graduate out of the Safety Net, and the programme poses as a 'real' opportunity. For example, as public works is too physically demanding for women, female participants are determined to move away from such disadvantageous circumstances. In just 18 months into the programme – they are willing and almost ready to graduate off the Safety Net. As Desta exclaimed, *"I didn't work between Jan – March. We had enough food so I decided to focus most of my time on my cattle fattening instead, and in activities that can earn money. As you know, I weave and sell injera plates, and braid hair. If possible, I want to stop going to the public works in the very near future"*.

4.2 Trajectory of Slow and Intermediate Climbers

Along the spectrum of programme participants, slow and intermediate climbers entered the programme feeling they were the poorest, the worst off within the community. At the beginning, most placed themselves on Step 1 of the staircase exercise. The main point of diversion between 'slow' and 'intermediate' climbers is how the programme evaluated them, on the basis of livelihood performance and savings. While Gebrekiros was unable to live up to

²⁸ Impact of the programme on inter-generational transmissions (IGT) of poverty is beyond the scope of our paper but presents an opportunity for future research.

programme expectations, most intermediate climbers ensured they did not 'disappoint' the programme. Dawit, who cared less about programme instructions and more about his immediate household strain, felt he fared marginally better on his own terms despite poor livelihood performance.

Here the question is – *Why didn't their trajectories shift after programme intervention?* To begin with, these participants had a number of pre-existing constraints that outweighed programme resources. Urgent needs and unforeseen mishaps caused participants to maintain a slower pace (based on self evaluation and relative to fast climbers) in the programme. Thereafter, owing to programme's strict implementation of closed savings, these participants perceived very few or no tangible changes over the duration of the research. Their life stories expose a major limitation of such a programme; it fails to enhance the ability of extremely vulnerable households to meet their **critical short term cash and food needs**. While fast climbers were able to utilise programme resources to their advantage, as well as perform in the livelihood, majority of slow and intermediate climbers attempted to adhere to programme instructions, at the expense of meeting their immediate basic needs. Apart from socio-economic constraints, the most vulnerable respondents had deep rooted **intangible constraints (psycho-social constraints, lack of self confidence, extreme fear of credit)**.

It was beyond the programme to address constraints which did not necessarily fall within the purview of REST's concrete objectives. The gaps in conceptualisation and implementation (as discussed in Section 2.2) further proved to be an obstacle for more vulnerable households. As REST's programme components unfolded in their lives, their sense of achievement only slightly evolved, or devolved (as seen in the case of the slow climber). This was reflected in the staircase exercise, wherein participants marked very gradual progress. Hence, their trajectories are considered '**reinforced**'.

At the start of the programme, Tekien, believed she was not in a position to do as well as others simply because she was illiterate, and always pointed it out as her weakness. *"I don't really remember what they taught us – I vaguely remember it was about fattening the shoats. I cannot read or write"*. Thus, even before asset transfer, her low self-confidence became a (mental) obstacle to her programme performance. As Tekien's story shows, the lack of basic literacy skills also affected their business acumen as they tend to shirk book-keeping, and rarely keep track of their income and expenses. In a typically patriarchal world, Gebrekiros's self-esteem was crippled by his inability to look after his family – to be the man. His moving statement revealed his deep psychological scars, *"I have a feeling of shame, because my children need more food, new clothes but I'm unable to provide. I have accepted my poverty as my fate decided by God"*.

Their lack of confidence was compounded by a lack of business experience. Dawit and Gebrekiros had been farmers all their lives, and associated oxen only with agricultural activities. As there was little clarity at the start on the livelihoods that were offered, they were hesitant, and even regretted their choices. Dawit chose shoats on the day of the lottery but later wished to change to cattle fattening, *"I never consulted the facilitator and I wasn't advised on what to do. But now I want to change to cattle fattening since I'm thinking I can keep 2 cows there – (pointing to the shed), rather than 16 shoats"*.

As discussed earlier, the closed savings component did not bode well for households with negligible sources of cash. Tsegey and her husband relied on casual labour to earn cash to cover *asveda*. However, given the absence of regular wage employment, they sold part of their food aid for cash, and were forced to eat even less. *"I usually buy my asveda by selling part of the food aid."* Cash was also required for covering school expenses for their children, which is

considered an essential expense. For this, they resorted to buying school materials on credit, or if possible, borrowing from their extended families. Once in the programme, there were no changes in their consumption patterns as they continued to rely on the same sources.

In a context where households rely heavily on social networks, poor relations with their neighbours and community members is a critical aspect of one's poverty (Wood, G. 2003). This was the case for Dawit and Gebrekiros, both of whom had insufficient financial resources within the household. The lack of favourable social networks restricted their access to cash and physical assets, and instead these relationships were based on conditions that worked to their detriment. Hagdu, borrowed oxen to plough his land, and in turn worked on other people's farms. As narrated in his life story, he vehemently viewed this arrangement as unfair since it took away time from productive opportunities. Gebrekiros, in order to cultivate his land, was forced to borrow oxen from others on inequitable terms. Even during the programme, he was constantly trapped in a cycle of indebtedness. As his story reveals, when faced with shocks and setbacks, the most vulnerable of respondents struggled by not being able to access their savings.

Thus, implementation of savings and livelihoods components rested on a number of assumptions that did not hold true for *all* participants. Owing to this nature of the programme, slow and intermediate climbers faced serious problems. Since they were given little time to decide, participants without a coherent plan experienced difficulties in choosing a livelihood that matched their available labour resources. They naturally chose livestock as they were used to rearing animals since childhood. Tekien chose shoats as it was the first thing that crossed her mind. But as a female head without adequate support within the household, as well as from her extended family, she found it extremely difficult to manage and feed sixteen goats, *"It was very tiring to search for feed and takes away time from my HH chores. I would keep coming back to my house with my shoats and going again in order to manage both. My children would be at school, my brother is busy with his daily work as a laborer – so it has been very difficult"*. In order to cope with asset management, she gradually reduced the number of goats to a convenient size.

Top management timed the asset transfer during the rainy season, when there is an abundance of grass. Apart from natural feed, participants need to purchase additional items required for modern methods of feed preparation (used to fatten animals to their fullest in a short period of time). Hence participants who were landless and with few sources of cash, and female heads could not venture far distances to collect grass, faced the problems with arranging adequate feed, *"..... I learned how to prepare and provide alternative feed. But I've only given straw since the alternative requires more money"*. This in turn, delayed the entire livelihood process and their savings schedule. These respondents were forced to borrow cash, or sell part of their food aid in order to buy feed,

I paid Birr 120.00 to buy the materials required to prepare feed. For this, I sold 30 kgs of my Safety Net food grain for 90.00 Birr, and the oil that we received for 30.00 Birr.....For the second round, I borrowed from my uncle."

Next, most respondents entered this programme with a fear that they were stepping into a credit trap, Participants either had a history of 'bad' loans, or had no experience of credit at all *"Most of us are still not clear on whether this a credit programme or not. I didn't even know what will happen to the savings which should equivalent to the initial capital. Will REST get it or will I?"* Interviews showed that only after approximately 6 months of being in the programme, participants finally began to realise that the savings was theirs, and did not have to be repaid to REST. Yet, slow and intermediate climbers continued to view this programme as synonymous to a microcredit package. This was mainly due to the fear tactics used by

facilitators to keep them 'on track' the savings schedule (participants are told if do not save the entire amount of the asset, it will be converted to a loan).

According to REST's higher management, the lack of transparency regarding the savings component lent itself well to creating the ideal training ground for risk-averse participants. However, such tactics failed to constructively influence household behaviour, and these participants decided to forego consumption to avoid any kind of default on their savings schedule. As Shishay, another intermediate climber, explains, "*During training – we were told not to divert these funds – we signed and agreed to this, so we are trying to stick to this.*" Gebrekiros, instead of being able to withdraw from his savings account at a time of crisis, instead borrowed money and even used part of his working capital to deposit the required savings amount.

In the midst of the aforesaid challenges, strong facilitation could potentially have shifted their trajectories. Unfortunately, it was not the case. Gebrekiros's example showcases the worst case scenario of weak facilitation. Gebrekiros's family faced a series of unfortunate events, and he was forced to borrow to cover his daughter's medical and funeral costs. As he was unable to engage in his livelihood and gain experience, his self-confidence remained deflated. At this point, the facilitator fulfilled his duty of transferring technical knowledge, but failed to engage with Gebrekiros on a personal level. Instead, he insisted on ensuring that he meet the 'programme requirements', i.e, buying and selling their assets on a regular basis, and maintaining the savings schedule. Moreover, despite the formation of peer review groups in most *tabias*, these groups did not necessarily evolve into strong support networks for the extremely vulnerable. Events which were beyond Gebrekiros's control greatly affected his programme performance, and in the absence of personalised facilitation and support, his trajectory remained 'reinforced'. In the end, Gebrekiros's low self confidence remains unchanged, he is still credit averse and his family is still highly food insecure.

Tekien, whose initial starting point is similar to Asqual and Desta (fast climbers), also experienced very little change though she was considered 'on track' by the programme. As her story suggests, she gained key livelihood skills which puts her in a position to cope better than before. But, without close and customised facilitator support to guide her on how to manage and track her income and expenses, it is uncertain if she will maintain or consume her assets in the long run. Over the duration of our research, Tekien was unable to self evaluate her progress (using the staircase exercise) with clarity and conviction. A year and a half into the programme, Tekien still cannot articulate with certainty whether her life has changed, and her aspirations have not yet turned into concrete goals.

External factors further inhibited the steady growth of livelihoods (except bee-keeping). Market saturation and rising prices have affected most participants, but have been particularly difficult for the more vulnerable participants. Livestock participants are often unable to buy or sell on time as they cannot negotiate a favourable price in the midst of many buyers/sellers. Petty traders are unable to buy as many goods for their shops, and face stiff competition from established traders. In addition, the high inflation environment has led to a sharp increase in prices of assets, "*...at the beginning 4700 Birr (initial capital value) was enough to buy 2 oxen. But now prices have shot up, and this is the price of one!*" Shoaat fattening participants are finding it increasingly difficult to maintain an asset base of sixteen sheep or goats. As a result, slow and intermediate respondents struggle to meet their savings requirement, and hardly earn extra profits (over the savings amount) to spend on the household.

Thus a major impasse that remains for these households is their short term food needs. Landless respondents with smaller families, such as Tsegey's, rely primarily on the PSNP to

meet their minimum food needs. Once the food aid stops during the year, they only manage to eat once a day. These participants still continue to eat just once, or a maximum of twice a day, and prefer to save all of their income from the livelihood. Gebrekiros's story portrays a typical extremely poor male headed household with a large family and small landholdings. Such households are severely constrained in their ability to earn enough to be food secure. They are especially impoverished in time; caught between covering public works for all their family members, working as a casual labourer for minimal pay or in exchange for agricultural inputs. Even then, he is able to provide for just one meal a day, and even less during the rainy season. While REST programme focused on building long term resilience, they did not necessarily respond to the main constraints of the household. Thus Gebrekiros was unable to materially gain from this programme.

In the face of constant delays in receiving food aid or being landless, those with fewer or no children may find it easier to sacrifice their meals in order to meet programme requirements. As Shishay explains, *"Eating once a day is a problem – but it is still not a major stress that requires using this money"...So what is worse? Worse is starving"*. However, for participants with many very young children, they have little choice but to prioritise their immediate concerns. Dawit's story is the perfect example of this. In terms of food security, Dawit feels he has slightly moved up the staircase, though his facilitator feels otherwise. The basis of his actions was simple; to cover household needs. Dawit timed his purchase of oxen with the rainy season, so he could plough his land and secure his food needs. At other times, he bought and sold whichever asset fetched him quick cash. Though he has been termed the weakest performer, Dawit finally found a way to secure at least part of his household's basic needs.

At the end of our research, the interaction between programme implementation and their household had failed to transform participants' aspirations into achievable goals, as Tsegey admits, *"I don't think I'll be out of the Safety Net in the near future – "For the landless, till he/she gets another source of income for living, it's like having land. And it will take 10 years to make enough money to get out of the Safety Net"*. A point to note, however, is that except for the slow climber – participants moved up, rather than down the staircase exercise. They refused to quit in spite of all odds, and what has kept them in the programme is their optimism. The rationale behind such participant behaviour is that **the end justify the means**, as a respondent aptly explains, *"It is temporarily painful for us, but in the long run it will help us. We will get a big amount at the end, and it can solve our problems."* While they are hopeful, it remains to be seen whether their trajectories will indeed experience a radical shift (in a positive/upward direction), once they are allowed access to their accumulated savings.

5 Lessons Learned and Further Insights

All in all, the success of REST is commendable, which is primarily because their energy and focus has not been diluted by the provision of too many services, and they have delivered on their promises. A telling quote from a respondent captures the very essence of the programme,

“I value this programme for giving us ‘moya’ (the opportunity to earn), and not just consume...”

Even before the completion of 24 months, REST has created a majority of successful, credit worthy entrepreneurs out of vulnerable and relatively inexperienced participants. As for fast climbers, younger, literate respondents are naturally dynamic, and being landless, have an affinity towards off-farm livelihoods. Through this programme, they are able to capitalise on their strong entrepreneurial qualities. Older female heads, with an appropriate livelihood, training and customised support from the facilitator, are able to drastically transform their previous trajectory. In other words, programme inputs matched their pre-existing resources and constraints.

The stories of Hailay, Asqual, and others like them demonstrate how appropriate interventions can initiate a life-changing experience for an extreme poor individual. **The right kind of intervention**; providing the right assets; transferring new technical and financial skills; building confidence, and harnessing their pre-existing resources, finally enables them to realise their own potential. Their coping ability is transformed into a productive, dynamic quality that can sustain their lives in the long run. This is what strengthens their life trajectories and creates pathways out of their poverty.

The stories of the slow and intermediate climbers (though few in number) divulge a very different side of the programme. In short, REST’s standardised implementation overlooked the constraints of more vulnerable households. Participants like Tsegey can be considered good ‘textbook cases’ – they do everything they are told, and are therefore labelled ‘strong’ by the programme. Yet, on closer look, very little change has been witnessed by the participants themselves. These participants started off with livelihoods ill matched to their pre-existing resources and numerous constraints. While the programme progressed its strict requirements further exacerbated their predicament. As a consequence, their trajectories are reinforced and they are yet to envision a pathway out of the PSNP.

Although a very successful endeavour, following insights are intended to highlight issues that may be taken into consideration during scale-up phase:

- **Expanding agenda beyond ‘economic transformation’:** given that the Graduation model targets the ‘extreme’ poor, there are some dangers to having an agenda so purely focused on economic transformation. While the programme was privy to long term economic constraints, part of its design was unable to recognise the other types of non-economic deficits (human and social), as well as psycho-social constraints that keep them trapped in extreme poverty (it must be acknowledged, however, that certain mental and attitudinal constraints are beyond the programme’s remit to address). Thus, while majority are irrefutably ‘strong’ performers in this programme, it is those few most vulnerable households which need special attention and care. If these challenges are recognised in time, field staff can be better prepared for adverse situations which fall beyond livelihood management.

- **Need for more uniform facilitation and mentorship:** going through stories of fast, slow and intermediate climbers, it can be clearly gauged that whereas some households had a strong facilitator presence, for others they remained a detached figure, more along the lines of any government worker. A major reason for variance is that the quality of facilitation differs from area to area, and in rare cases from household to household (this was usually when the facilitator was only able to constructively guide those already set to do well). In the absence of staff training, community facilitators are left to use their own discretion on whether or not to customise their response to each household's constraints. If facilitators are uniformly equipped with skills to support extremely poor households, chances of achieving graduation can be optimised.
- **More nuanced understanding of household's short and long-term needs required:** The assumptions underpinning the programme are not always accurate at the household level. REST assumes that government services are sufficient to cover food and other non-economic needs (social awareness, health support, education etc) of the household, and therefore, focuses specifically on livelihood and financial components of the programme. But as the stories of slow climbers illustrate, this trade off between a minimalistic, easily scalable approach vs. a holistic, intricate approach had its repercussions on more vulnerable households. REST's programme design and implementation also implicitly assumes that all participants have similar access to adequate social networks, and enough cash sources to cover their daily needs as well as supplement unexpected or ad hoc expenses (for eg. health expenses, food expenses when food aid is delayed). Thus a more nuanced understanding of each participant household's pre-existing resources and constraints, i.e., sources of cash/kind income, health problems, labour resources, kinship relations, etc can potentially minimise any incongruity between programme inputs and household needs.
- **Possibility of 'early' graduation for fastest climbers:** fast climbers expressed a wish to access their savings earlier in the programme, so that they could invest in expansion and diversification of their businesses. As one of the fastest climbers laments, *"We feel you should be able to access it now instead of keeping it idle in the bank account, with only 4% interest"*. The statement throws up a question of whether the most successful performers (in terms of livelihood) can benefit from having scope for 'early' graduation, or be allowed monitored access to their savings. This, perhaps, will not only act as an incentive for others, but will enable REST to streamline efforts and resources towards their 'least successful' performers.

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