The roles and opportunities for NGOs in supporting the livelihoods of the urban poor

A case study of Addis Ababa

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Abstract

The rapid increase in the numbers of poor people living in towns and cities and the insufficient attention being paid to this trend is a serious challenge for many developing countries. This dissertation therefore aims to assess what are the most appropriate ways in which local and international non-governmental organisations (NGOs) can support the livelihoods of poor inhabitants of Ethiopia’s capital city Addis Ababa, while respecting the roles and capabilities of other actors. In October 2009, the author conducted research in Addis Ababa among people working and some also living in the streets of the city and among NGO workers who are supporting the livelihoods of urban dwellers. He also reviewed over ninety resources, such as journal articles and reports, which alongside with his field research enabled him to write this study.

In order to achieve the aim, by using a livelihood framework, the study provides an account of how poor people living in Addis Ababa make their living, what positively and negatively influences their livelihoods and what challenges and opportunities they are facing. The main determinants of their livelihoods are the assets they poses or have access to (e.g. skills, health, motivation, political voice) and the external structures and processes which have impact on their lives. This means that livelihoods must be understood in much broader terms than just as monetary income.

International NGOs especially are often external actors who are operating in an environment that already has its existing structures (Government, traditional authorities, community groups, etc.) and processes (laws, development initiatives, customs). These structures alongside with local people have the primary responsibility of fulfilling the guaranteed rights of the ‘rights-holders’. They and the related processes also have the biggest potential for achieving a sustainable change in the lives of poor people. NGOs should therefore reconsider their role and pay more attention to building local capacity that these actors often lack. The NGOs can also support people’s livelihoods directly, for example by improving their access to financial services and providing non-financial services. However, such assistance should not completely bypass the existing governmental and non-governmental structures and has to be based on the priorities of those who are supposed to benefit from it.
**Acronyms**

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<th>Full Form</th>
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<tr>
<td>AKDN</td>
<td>Aga Khan Development Network</td>
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<td>ALDI</td>
<td>Agricultural Development Led Industrialization</td>
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<td>CSP</td>
<td>Charities and Societies Proclamation No. 621/2009</td>
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<td>DFID</td>
<td>UK Department for International Development</td>
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<td>EC</td>
<td>European Commission</td>
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<td>EU</td>
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<td>FHI</td>
<td>Family Health International</td>
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<td>HRW</td>
<td>Human Rights Watch</td>
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<td>ICCPR</td>
<td>International Covenant on Civil and Political Rights</td>
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<td>ICESCR</td>
<td>International Covenant on Economic, Social and Cultural Rights</td>
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<td>ICNL</td>
<td>International Centre for Not-For-Profit Law</td>
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<td>IIED</td>
<td>International Institute for Environment and Development</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>INTRAC</td>
<td>International NGO Training and Research Centre</td>
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<td>IRIN</td>
<td>Integrated Regional Information Networks</td>
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<td>MFA</td>
<td>Ministry of Foreign Affairs of Ethiopia</td>
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<td>MoFED</td>
<td>Ministry of Finance and Economic Development of Ethiopia</td>
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<td>NGO</td>
<td>Non-governmental organisation</td>
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<td>SC</td>
<td>Save the Children</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UN-HABITAT</td>
<td>United Nations Centre for Human Settlements</td>
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</tbody>
</table>
Acknowledgements

This dissertation represents the accomplishment of my studies at Oxford Brookes University. It has been a very fulfilling, beneficial and enjoyable time for me. I was able to experience it also thanks to the support of other people and therefore I would like to express my thanks and gratitude to them, especially to my family.

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I would like to note that many positive aspects of this study are thanks to my supervisor, Dr. David Sanderson. I appreciated having support from an expert on urban livelihoods. Thank you David for your ongoing support, positive attitude and the critical but at the same time encouraging comments you gave me.

This dissertation would hardly have been written as it is if it had not been for the people who helped me with my research in Addis Ababa, especially those about whom this dissertation is written. Even though many of them will not have a chance to read this, I would like to express here my thanks and wish them a happy and fulfilled life.

Petr Schmied

January 2010, the Czech Republic
# Contents

Abstract ................................................................................................................. i  
Acronyms ............................................................................................................ ii  
Acknowledgements ............................................................................................ iii  
Contents .............................................................................................................. iv  

Chapter One | Introduction ..................................................................................... 1  
1.1 | Background of the study .............................................................................. 2  
1.2 | The problem statement .............................................................................. 4  
1.3 | Research aim and objectives ...................................................................... 6  
1.4 | Scope and focus of the study ...................................................................... 7  
1.5 | Structure of the study .............................................................................. 8  
1.6 | Literature review ...................................................................................... 9  

Chapter Two | Methodology ............................................................................................ 15  
2.1 | Design of the study .................................................................................. 16  
2.2 | Understanding livelihoods ......................................................................... 17  
2.3 | Field research in Addis Ababa .................................................................. 21  
   2.3.1 Poor people’s livelihoods ....................................................................... 21  
   2.3.2 NGOs’ responses .................................................................................. 23  
2.4 | Ethical considerations .............................................................................. 23  
2.5 | Limitations of the study .......................................................................... 24  

Chapter Three | Living in Addis Ababa ............................................................................ 25  
3.1 | Welcome to Addis Ababa .......................................................................... 26  
3.2 | Assets of the urban poor .......................................................................... 29  
3.3 | Livelihoods strategies .............................................................................. 37  
3.4 | Processes and structures: barriers and enablers .................................... 40  
3.5 | Conclusion ............................................................................................... 42
Chapter Four | The role of NGOs in supporting urban livelihoods .................43
4.1 | The government and citizens ................................................................. 44
   4.1.1 The central government and citizens .............................................. 44
   4.1.2 The local government and citizens ................................................. 47
4.2 | The government and NGOs ................................................................. 50
   4.2.1 The attitudes and practice of the Federal Government ..................... 50
   4.2.2 The attitudes and practice of the local authorities ............................ 52
   4.2.3 The attitudes and practice of the NGOs .......................................... 53
4.3 | The citizens and NGOs .................................................................... 55
4.4 | Conclusion: the role of NGOs in supporting urban livelihoods .......... 56

Chapter Five | Opportunities for NGOs .............................................................. 58
5.1 | Strengthening the capacity of the ‘duty-bearers’ ................................. 59
5.2 | Enabling people to claim their rights ................................................... 60
5.3 | Empowering people to fulfil their rights ............................................... 61
   5.3.1 Improving access to financial services ............................................. 61
   5.3.2 Providing non-financial services ..................................................... 63
5.4 | Conclusion .......................................................................................... 64

Chapter Six | Conclusions ................................................................................... 65

Annex I | Interviews in the streets ............................................................... 70
Annex II | Interviews with NGOs ..................................................................... 72
References and bibliography ................................................................. 73

Table and figures

<table>
<thead>
<tr>
<th>Table/Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure one</td>
<td>Urban and rural population trends</td>
<td>2</td>
</tr>
<tr>
<td>Figure two</td>
<td>Population composition in Ethiopia</td>
<td>3</td>
</tr>
<tr>
<td>Figure three</td>
<td>Population increase in Ethiopia</td>
<td>3</td>
</tr>
<tr>
<td>Figure four</td>
<td>Livelihoods framework</td>
<td>19</td>
</tr>
<tr>
<td>Table one</td>
<td>Impacts of local governance actions on the assets of the urban poor</td>
<td>48</td>
</tr>
</tbody>
</table>
Although Ethiopia is one of the least urbanized countries in Africa, its urban population is rapidly growing.

South of Addis Ababa, Ethiopia
1.1 | Background of the study

World population growth has indeed been rapid – within the last sixty years, the number of people living on the Earth has almost tripled, from 2.5 billion in 1950 to a current population of over 6.9 billion. By 2050, it is expected to reach over 9 billion (UNDESA, 2008). We can see a clear urban trend: as the figure below illustrates, the major growth is occurring in towns and cities. The year 2008 was a turning point - for the first time in history, there were more people in the world living in urban areas than in the countryside (UNFPA, 2007). Even more interestingly, the world rural population is projected to start decreasing in about fifteen years. Population growth will therefore be a largely urban phenomenon. The United Nations Population Fund (UNFPA) forecast that this increase will be absorbed mainly in the developing countries: ‘By 2030, the towns and cities of the developing world will make up 80 per cent of urban humanity’ (UNFPA, 2007, p. 1).

While urbanization in Europe and other most developed regions was driven mainly by ongoing industrialization, many developing countries whose urban population is rapidly growing are not experiencing a significant overall development. This situation poses concern over what impacts increasing urbanization in developing countries will have on the well-being of their citizens. According to the United Nations Human

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1 Figure 1 was created by the author based on data from UNDESA (2008).
2 These predictions have been been questioned by many authors. Satterhwaite argues that ‘...the extent to which a nation urbanizes is strongly influenced by its economic performance ..., and many low-income, predominantly rural nations may have too poor an economic performance ... to mean that most of the population growth will be in urban areas’ (2004, p. 6). Another reason for why the urban population shouldn’t grow at as fast a pace as the UN predicts is because UN predictions are as Bocquier (2004) argues biased and overestimate urbanization trends. However, in the case of Ethiopia, the conclusions from both Bocquier’s and UN’s population projection models don’t show any significant difference. Furthermore, Ethiopia is a country with one of the largest economic growths in the world (CIA, 2009). Therefore although the UN predictions may not be ideal, they seem to be an acceptable source of data for this study.
Settlements Programme (UN-HABITAT), ‘the absolute number of poor and undernourished in urban areas is increasing, as is the share of urban areas in overall poverty and malnutrition, and the locus of poverty is moving to cities’ (UN-HABITAT, 2003, p. 26). We may therefore anticipate that urbanization will be one of the main challenges for developing countries.

The example of Ethiopia3, a country with 82% of its population living in the countryside (UNDESA, 2008), shows that this trend is becoming a growing concern as it is for countries which at present have low levels of urbanization. This East African country is ranked by the Human Development Index as one of the least developed countries in the world (UNDP, 2009). Over eighty percent out of its 85 million inhabitants live in the countryside where they are engaged mainly in agriculture. The capital of Ethiopia, Addis Ababa, is thought to have over four million inhabitants (UN-HABITAT, 2008a, 2008c) and the next ten largest cities altogether host less than 1.5 million of people.4 These figures do not suggest that urbanization should be an issue in Ethiopia, however, closer insight into the current trends in population growth show us a different perspective. As figures 2 and 3 illustrate, even though the urban population represents a minor fraction of the total population, within just over a decade, the population will increase more in the urban than in the rural areas. As figure 3 indicates, just within a few decades, almost all population increases in Ethiopia will occur in the cities and towns. An analysis of other developing countries with low levels of urbanization shows a similar trend.5

3 Full name is the Federal Democratic Republic of Ethiopia.
5 This analysis was conducted and the figures were created by the author based on UNDESA (2008).
1.2 | The problem statement

The demographic statistics and analytical forecasts indicate that in the coming decades with the growing world population the numbers of urban poor will also be dramatically on the increase. The world’s highest rates of urbanization are experienced by sub-Saharan countries – currently the least urbanized and also the poorest region in the world (UNDP, 2009; UNFPA, 2007).

Life in the cities brings many advantages to their inhabitants – for example, the availability of (but not necessarily access to) services is better than in the countryside and urban areas also offer wider choices of income-generating activities. UK Department for International Development (DFID) stresses that ‘...urban centres can be a positive force for national economic growth...’ (2000, p. i). UN-HABITAT acknowledges the positive role of cities when it states in its authoritative report The State of African Cities that ‘the cities of East Africa are, like elsewhere in the world, the national engines of modernization, industrialization, economic growth and development’ (2008b, p. 112). Urbanization therefore should not be seen as a negative phenomenon only.

However, seeing the current living conditions of many people in the sub-Saharan cities and considering how vast expansion will happen within just one generation makes us realize that without the appropriate response, urban poverty will increase as a serious world challenge. At present, in the urban areas of Eastern Africa only, official unemployment rates exceed 30% (despite it, many people show their ability to cope within the informal economy); millions of people have no access to toilets; the vast majority of people live in slums characterised by limited access to basic services such as garbage collection, water supply or health care (UN-HABITAT, 2008a; 2008b). UN-HABITAT warns that ‘Urban water and food security are becoming important factors that may dictate the very feasibility of the region’s cities in the very near future’ (2008b, p. 14).

Against this backdrop, it would be logical to expect that the governments of the sub-Saharan (and indeed also other concerned) countries, international donors, aid agencies and other actors will adjust their strategies to respond to the current trends, amongst others by supporting the livelihoods of vulnerable dwellers\(^6\) in order to

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\(^{6}\) The term livelihoods should be understood as described by Chambers and Conway ‘...livelihoods comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living...’ (1991, p. 6). It is crucial to understand the full meaning of the term livelihoods for this dissertation. Livelihoods if often wrongly perceived as being equated with a job. The methodology chapter therefore outlines a more comprehensive understanding of this term.
prevent urban poverty. However, as UN-HABITAT notes, ‘with insufficient political will, urban governance deficiencies continue to affect most African cities’ (2008b, p. ix). Satterthwaite observes that ‘much of the general literature on poverty assumes that there is an ‘urban bias’ in international agencies’ priorities that remains unproven – and is certainly at odds with our analyses, which show a very low priority given by most international agencies to urban poverty reduction’ (2004, p. 7). A number of studies analysing key development strategies (e.g. Poverty Reduction Strategy Papers) and the priorities and practice of the key actors confirm this opinion. They have concluded that there is only a limited focus on, and understanding of, urban livelihoods (UNFPA, 2007; Mitlin, 2004; Stuckey, 2004). A recent example confirms this opinion: the European Union (EU), the world’s largest aid donor, responded in 2009 to the soaring food prices that were also to a large extent affecting poor urban dwellers. Despite the fact that the EU was aware that urban dwellers rely primarily on market purchases for their food, most of the prescriptions focused on supporting rural food production, thus providing only limited assistance to the urban poor (EC, 2009; Cohen and Garrett 2009).

The United Nations Population Fund stated fourteen years ago that ‘the growth of cities will be the single largest influence on development in the 21st century’ (UNFPA, 1996, p. 1). Naturally, people wish to see positive development for the world. Very few people wish to experience urban conflicts, high criminality, lack of food and the other possible consequences of ignoring urban poverty. Supporting the livelihoods of the urban poor is one of the ways in which to tackle urban poverty. In order to do so, the first precondition is to understand the nature of livelihoods insecurity and then, based on this understanding, find an adequate response. Indeed, the citizens, their governments, international organisations, donors, non-governmental organizations (NGOs) and others have a massive task ahead.

To investigate this topic this dissertation will take the specific example of Addis Ababa and explore a direction which one of these actors – the non-governmental organizations – can take in addressing issues of urban livelihoods.

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7 The abbreviation NGOs refers in this thesis specifically to non-governmental relief and development organizations working on a non-profit basis.
1.3 | Research aim and objectives

The dissertation addresses the following question:

*What are the most appropriate ways in which the local and international non-governmental organisations can support the livelihoods of poor inhabitants of Addis Ababa, while respecting the roles and capabilities of other actors?*

The objectives are to:

1. explain why urban livelihoods is a topic worthy of consideration and support in today’s world,
2. describe the ways in which poor people in Addis Ababa make a living and what influences their efforts,
3. critically assess the role of NGOs in supporting urban livelihoods with regards to the roles and capabilities of other actors, especially the population of their concern and the Addis Ababa City Administration,
4. describe the ways in which NGOs can support the livelihoods of poor people living in Addis Ababa, based on the understanding of their livelihoods and the role of NGOs with regard to other key actors.

The methods for accomplishing the aim and the objectives are explained in chapter two: Methodology.
1.4 | Scope and focus of the study

The study is set within the broader context of world urbanization trends and one of its aspects – growing urban poverty. It is focusing primarily on the livelihoods of poor people in Addis Ababa and on the ways in which NGOs can support their efforts. This relatively narrow scope was chosen intentionally in order to provide a more in-depth study.

The choice of Addis Ababa seems to the author of this dissertation to be relevant – as was mentioned earlier, although Ethiopia is currently one of the least urbanised countries in sub-Saharan Africa, the number of people living in the urban areas is growing rapidly. Insight into ways in which it is possible to respond to this trend is therefore of high relevance. Even though the study deals with livelihoods in Addis Ababa only, its findings and conclusions are to a large extent also valid for other Ethiopian urban areas and partly also for other towns and cities in the developing world.

The decision to explore the role of NGOs was based on a pragmatic reason. First, NGOs have a good potential to support the capabilities of the citizens and their governments and to facilitate better communication between them. It is often this link that is missing and makes addressing the key issues difficult. Second, even though the author appreciates the significance of theoretical studies, he believes that academic work, especially in the field of relief and development, should have a practical application. This dissertation is an academic piece of work and one may therefore wonder about what its impacts will be. The author has therefore chosen to base his dissertation on a solid theoretical background but in the course of its writing to also bear in mind the possibilities for its application in field work (the author’s MA at Oxford Brookes University is about emergency and development practice – the practical focus of the dissertation is therefore fully in line with the direction of the course). The author believes that this study can find its biggest application among NGO workers (the author intends to share it with several development NGOs who have shown their interest and with other students – future NGO workers). Although the audience was not the main factor determining the focus of the dissertation, the fact that NGO workers can use its findings and conclusions in their field work enhanced the author’s motivation for focusing on the role of NGOs. In this way, the author hopes that the study will become more than just a bunch of papers lying in a library.
1.5 | Structure of the study

The first chapter of the dissertation places the topic of the dissertation into a broader context and introduces the aim and objectives of the study. Furthermore, it provides the reader with an overview of the relevant resources and the ideas they are presenting.

The second chapter describes the methodology on which this study is based. Importantly, it also explains the key term ‘livelihoods’ and presents the main theoretical framework which is used for understanding people’s livelihoods and later on for developing appropriate interventions. The ethical considerations of the research are described as well as its limitations and the possibilities for further development.

The third chapter introduces the main characteristics of Addis Ababa and provides a comprehensive account of how poor people in Addis Ababa make their living, what positively and negatively influences their livelihoods and what challenges and opportunities they are facing in their effort to make a decent standard of living. Where relevant and possible, the text presents the views of urban dwellers.

The fourth chapter discusses and later on defines the role of NGOs in supporting urban livelihoods with regards to the roles and capabilities of the population of their concern and the Addis Ababa City Administration. This delineation of their role alongside the information provided in the previous chapter allows the reader to move into the next section.

The fifth chapter describes the ways in which NGOs can support the livelihoods of poor urban dwellers living in Addis Ababa while at the same time not undermining the role of other actors.

The final chapter of the dissertation recapitulates the main discussions, findings and conclusions and provides a reflection on how the study achieved its aim and objectives. Furthermore, it highlights an area requiring further research.
1.6 | Literature review

This section aims to provide the reader with an overview of the existing literature that is relevant to the aims and objectives of this dissertation. It also allows seeing this study and its conclusions in relation to the opinions of other authors.

One of the most important terms in this dissertation is ‘livelihoods’. In order to fully understand its meaning, the author has reviewed several key resources which deal with this topic. Livelihoods has been often wrongly seen as synonymous with employment. However, in 1991, Robert Chambers’ and Gordon Conway’s influential paper ‘Sustainable rural livelihoods: practical concepts for the 21st century’ offered a much broader (and for development practice also more useful) perspective: ‘...a livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living...’. This definition alongside with other ideas presented in the paper found resonance with many key development actors such as DFID, academics and others. According to David Sanderson, the paper ‘...provided the basis for the development of livelihoods approaches for the following decade’ (2009, p. 23).

A further important input was provided by Diana Carney in her publication ‘Sustainable rural livelihoods. What contribution can we make?’ (1998). Carney proposed a new ‘Sustainable rural livelihoods model’ which was adopted by DFID and also found its audience among NGOs (Carney, 1999). This model represented a more comprehensive understanding of people’s livelihoods: it included the importance of their assets, vulnerability context (shocks, stresses and seasonality), the role of structures and processes and other aspects which influence people’s living. Carney’s model was largely promoted by DFID who published in 1999 the ‘Sustainable Livelihoods Guidance Sheets’, which became a widely used source of information for thinking about people’s livelihoods.

The latest significant contribution came from Sanderson (2009) who in his work developed a livelihoods framework that was able to overcome many of the shortcomings of the previous models. The framework is presented in detail in chapter 2.3 chapter of this dissertation.
The first objective of this study – to provide an explanation for why urban livelihoods is a topic worthy of consideration and support - is closely related to increasing urbanization in many developing countries. The first area of concern is the quantitative aspect of urbanization – to what extent the urban population will grow. The current projections on urbanisation are most frequently based on data from the UN Department of Economic and Social Affairs (UNDESA), especially the World Urbanisation Prospects\(^a\). UNDESA is predicting a near doubling of the world’s urban population by 2050. The accuracy of this estimation has been questioned by Philippe Bocquier (2004) who in his paper ‘World Urbanization Prospects: an alternative to the UN model of projection compatible with urban transition theory’ argues that ‘...the UN projections are biased and lead to a gross overestimation of urbanization trends. Contrary to common belief, the UN projections are not based on the extrapolation of historical trends’ (2004, p. 21). Bocquier argues that urban population could be as much as 1 billion less than expected, which means that the number of urban poor could also be much lower than expected. Although Satterthwaite (2004) argues the opposite – that the numbers of poor urban dwellers are systematically underestimated, his argument is not contrary to Bocquier’s opinions. The official numbers of poor people living in the cities and towns equal the number of people who in the statistics are labelled as ‘living in the poverty’ – meaning, below the official poverty line. However, as Satterthwaite notes, the poverty lines don’t accurately reflect the costs of ‘minimal needs’ (food and non-food essentials) of people living in the cities. ‘This helps explain why the proportion of urban dwellers living in poverty is often much higher than that suggested by poverty statistics’ (2004, p. 5). Therefore even if Bocquier is right and the UN predictions overestimate urban population growth it does not necessarily imply that the actual numbers of poor people living in the urban areas will also be lower than currently expected.

A large number of publications describe the qualitative aspect of growing urbanization – its impacts on people’s lives and the environment and responses necessary for preventing the negative consequences of this phenomenon. The most comprehensive studies were published mainly by the UN. UN-HABITAT, an agency dealing with one of the

\(^a\) UNDESA has been publishing and revising its World Urbanisation Prospects since 1991. The latest was released in 2008.
key assets in people’s lives – shelter, argues (2003) that both public and market responses to the poor conditions in which many people in the urban areas live today are inadequate. One of its key messages in its report on slums (which are at present home for over billion people) is that ‘...urban development policies should more vigorously address the issue of livelihoods of slum dwellers and urban poverty in general...’ (2003, p. xxvii).

Marc Cohen and James Garrett’s paper ‘The food price crisis and urban food (in)security’ (2009) warns that recent policy prescriptions responding to food and livelihoods insecurity in the developing countries have had only limited impact on preventing urban hunger (mainly due to its focus on rural-based food production). This evokes Amartya Sen’s (1981) argument that the key issue concerning food insecurity is people’s inability to get access to food, rather than failures in food supply. Jo Beall and Sean Fox (2007) point out that contrary to people living in the rural areas, urban residents rely primarily on a monetised economy. Even though urban dwellers have various non-monetary means of obtaining food (growing it, getting it as a gift), their access to food is to a large extent determined by their ability to buy food. The author of this dissertation therefore argues that prescriptions aiming to increase rural-based food production may improve food availability in the country but not necessarily improve urban dwellers’ access to food (even though they can decrease food prices and thus make food more accessible). Support to urban livelihoods is therefore crucial for preventing urban hunger.

When assessing people’s socio-economical well-being, perhaps more useful than thinking about their poverty (which is rather a static concept), is to consider their vulnerability. This opinion is highlighted in Caroline Moser’s influential paper ‘Reassessing urban poverty reduction strategies: The asset vulnerability framework’ (1998), in which she defines urban vulnerability as ‘...insecurity and sensitivity in the well-being of individuals, households and communities in the face of a changing environment, and, implicit, in this, their responsiveness and resilience, to risks that they face during such negative changes’ (Moser, 1998, p. 23). The concept of vulnerability has been also used by many authors to describe the challenges the urban dwellers are facing in their lives (e.g. CARE, 2006; Satterthwaite, 2004; Beall and Fox 2007).
The second objective of the dissertation – to describe the ways in which poor people in Addis Ababa make a living and what influences their efforts – is met predominantly by the author’s primary research in Addis Ababa. However, the author was also using a number of other primary and secondary resources and therefore would like to introduce some of the most relevant of these in this section. The majority of the reviewed resources focus on one aspect of people’s livelihoods only rather than providing a comprehensive overview.

One of the most complex studies describing factors influencing people’s livelihoods, An Overview of Urban Poverty in Addis Ababa, published by UN-HABITAT (2000), argues that weak institutional capacity and a lack of comprehensive and integrated policies aiming to reduce poverty in the city is a major weakness. Furthermore, this overview highlights the existence of several groups in the city that could be associated with social exclusion (beggars, street children). These people are facing multidimensional poverty and have very limited opportunities for improving their situation.

Studies describing urban livelihoods in greater detail were usually written within academia, specifically Addis Ababa University. By studying the livelihood strategies of rural-urban migrants in Addis Ababa, Lalem Berhanu (2002) identified the quality of a person’s social assets (e.g. membership in voluntary organisations, friendship etc.) as one of the key determinants of poor people’s ability to secure acceptable livelihoods.

A topic closely connected with urbanization – the expansion of Addis Ababa and its impact on the livelihoods of dislocated communities in these areas – has been researched by Feyera Abdissa (2005) who emphasised limited opportunities for relocated people to participate in the decision-making progresses. Abdissa argues that lack of political assets was one of the main reasons affecting people’s ability to re-establish their livelihoods strategies in a new environment.

There is a general agreement between the different authors that among the main determinants of urban poverty is educational attainment. However a certain disparity exists with another frequently stated determinant – the numbers of children in a household. While some authors (Birhanu, 2002; Pijakova, 2009) see larger numbers positively (children provide cheap labour, and can later on care for elderly parents), the prevalent opinion is that the higher the number of children in
a household, the higher the household’s vulnerability to poverty (Ellis & Woldehanna, 2005; Tsehaye, 2002; Assefa, 2003). UNFPA in its report State of World Population: Unleashing the Potential of Urban Growth (2007) argues that rather than preventing urban growth by discouraging rural-urban migration (e.g. by denying services to new urban dwellers), a better solution would be to enable women to ‘...avoid unwanted fertility and reduce the main factor in the growth of urban population – natural increase’ (2007, p. 3).

It is a common presumption that poor people don’t have adequate access to basic services because their governments do not have the financial capacity to provide them and the poor people are unable to pay for private services. However, Medhin Fissha (2006) and Aklilu Amiga (2002) argue in their studies investigating household willingness and ability to pay for improved solid waste management and improved water supply that poor households in Addis Ababa are willing and able to pay increased service charges for these public services on condition they are of better quality.

**The third objective** of this dissertation is to assess the role of NGOs in supporting urban livelihoods. This topic has undergone considerable development in the past decades. A report published in 2005 by the Ethiopian Ministry of Finance and Economic Development (MoFED) describes that it is often NGOs, ‘...and not city governments that achieve breakthroughs in the minimum provision of water or toilets to lower income areas of cities’ (2005, p. xxx). MoFED appreciates NGO efforts; however, it argues that ‘...in the long run there is no substitute for improved performance of the municipal governments in this regard’ (ibid). UN-HABITAT emphasises that unless the activities of the NGOs are coherent with the efforts at municipal level and realise the capacity of the community, ‘...NGOs’ efforts will only be the provision of short terms poverty alleviation mechanisms and not long run poverty reduction programs’ (2000, p. 48). The views expressed in a report of the development NGO Oxfam GB (Beall and Fox, 2007) agrees with these opinions and perceives the role of NGOs as promoting urban governance which is responsive to the concerns of urban dwellers. NGO Care confirms the effectiveness of this strategy: ‘...working to strengthen municipal "supply" of services achieved broader coverage than would have been possible by taking a community by community approach to strengthening "demand"’ (Stuckey, 2004, p. 14).
The fourth objective of this study – describe the ways in which NGOs can support the livelihoods of poor people living in Addis Ababa – is based primarily on the author’s primary research rather than on the existing literature. However, the author was using the internal documents of NGOs Care and Save the Children which perceive the economic empowerment of the urban dwellers and building local capacity as the key strategies for supporting urban livelihoods (SC, 2006; Stuckey, 2004). A similar orientation can be found also in the work of another NGO, the Ireland-based Concern (Concern, 2009). A large number of resources cover a related topic – small-scale agriculture in Addis Ababa. Urban agriculture is seen by many authors (Nichols & Hilmi, 2009; Jemal, 2002; Egziabher, 1994; Redwood, 2009) as an important source of food and eventually also income for urban dwellers. They argue that it decreases their dependence on the monetised economy, improves their nutritional status and enhances their skills and knowledge – a valuable human asset.
The author of this dissertation’s main area of interest in the course of his studies at Oxford Brookes University was livelihoods. Over two semesters, he studied the different livelihoods approaches and explored the practical experiences of different development actors in supporting the livelihoods of vulnerable people. At the beginning of July 2009, he left for Ethiopia for an internship with German relief and development NGO Welthungerhilfe. His main tasks were to develop a food security program proposal for nine rural areas in Ethiopia and conduct two evaluations of livelihoods-related interventions.

In the course of his four months long internship, he spent a considerable amount of time working and living in Addis Ababa, travelling by local public transport, walking in different parts of the city and shopping in local markets. This experience made him think about the livelihoods of people living in Addis Ababa. While much of the discussion among the development workers has been about rural livelihoods, less attention was paid to urban issues. This experience enhanced the author’s interest in urban livelihoods and motivated him to explore this topic in detail in his dissertation.

2.1 | Design of the study

The study was undertaken by using an inductive approach which allows the analysis of specific data to form general conclusions which can later be applied to relevant situations. The data was largely collected in the course of the author’s primary research in Addis Ababa and by reviewing over ninety primary and secondary resources.

The primary research in Addis Ababa carried out in October 2009 involved semi-structured interviews with poor urban dwellers and representatives of local and international NGOs. The research (including the characteristic of the interviewees) is described in detail in sub-chapter 2.4. In order to get as comprehensive an understanding of people’s livelihoods as possible, the author used a version of the livelihoods framework developed by Sanderson (2009) as a theoretical base for the research. The rationale and application of this framework is described in the next sub-chapter.
The second most significant sources of information were published and unpublished primary and secondary resources: United Nations’ publications (published by UN-HABITAT, UNDP, UNFPA and other UN agencies), reports published by the NGOs (e.g. Care, Oxfam, INTRAC), articles and studies written within academia (the most helpful was research from Addis Ababa University), information provided by the Ethiopian authorities and other relevant resources. Because urbanization and issues related to this process are rapidly evolving, the author has paid special attention to using – where relevant - up-to-date resources which reflect the current reality.

Russell Bernhard in his authoritative book ‘Research Methods in Anthropology’ highlights another research method that has been used for this study – observation. As Bernhard writes, ‘Interviewing is a great way to ... find out what people think they do. When you want to know what people actually do, however, there is no substitute for watching them...’ (Bernhard, 2006, p. 413). Through observation the author gained insight into the livelihoods of urban dwellers which helped him in the course of his research.

The livelihoods framework is used for the analysis of the above stated data. The data are used to describe the ways in which NGOs can support the livelihoods of poor and vulnerable inhabitants of Addis Ababa.

2.2 | Understanding livelihoods

This study deals with people’s livelihoods and one may wonder what in fact the term ‘livelihood’ means. Some time ago, the author heard an opinion that a ‘livelihood is about everything’. Although it may seem absurd, it is not that far from the truth. In its most common definition, ‘...livelihoods comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living...’ (Chambers and Conway, 1991, p. 6). Therefore it would be a mistake to think that the term livelihood equates to a job that a person is doing in order to gain income. A livelihood is about much more than just a job. When we think about what contributes to the livelihoods we have, we come up with a long list of possible answers: our education, good health, the environment in which we live, support from our friends and family, position in the society, laws that influence our lives and many other factors. By taking into account this wide range of factors we gain a more comprehensive understanding of people’s livelihoods.
In order to be able to research the complexities of urban livelihoods, the author is using a livelihoods framework developed by Sanderson (2009). During the 1990s and early 2000s, several livelihoods models were developed (see the literature review). The author has analysed four of these models and for the following reasons evaluated Sanderson’s framework as the most appropriate for this study:

- Carney et al.’s review of existing experiences with livelihoods models concludes that: ‘Frameworks, such as the sustainable livelihoods framework, have remained too abstract for field level staff’ (1999, p. 13). Contrary to this, Sanderson’s framework is practical, understandable and does not require extensive reading of supporting information.

- At the same time, its comprehensive design captures the key aspects of people’s livelihoods. Furthermore, it also considers the external influences and processes that shape their livelihoods.

- People and the assets they have (e.g. knowledge, labour, social networks) rather than what they miss are at the starting point of the framework.

- It links micro-macro issues. This is particularly useful in assessments and designing of development interventions. Instead of focusing on the most obvious and pressing needs only (e.g. people do not have enough food), it allows to step back and consider also issues of access, governance, etc.

- It highlights the importance of assets and their role for reducing vulnerability to external shocks and stresses.

- It contains political assets – aspect which has been missing in other frameworks.

- It is relevant for urban as well as rural areas.

- Is applicable for different kinds of interventions: relief and development, disaster risk reduction, advocacy, resources management and others.

Based on this framework, this study will address two main issues: people’s assets (whether people have them or not, what is their importance, how do they obtain them, what constraints they are facing whilst obtaining them and others) and the structures and processes which influence their livelihoods. The author believes that approaching the research in this way ensures a comprehensive understanding of people’s livelihoods.
Figure 4 | Livelihoods Framework

Resources are used to build assets and meet people’s needs.

Access to resources may be hindered by discrimination due to position in the society (e.g. gender, ethnicity) or by excessive control of resources by structures (e.g. monopoly position of local ‘businessmen’ in access to water in slums) or processes (e.g. unfair regulations in the trade, excessive administration).

People’s rights/needs: Food, water, shelter, social life, dignity, etc.

People must meet their needs and try to build assets.

People use assets to access resources through production and exchange.

External shocks and stresses (sudden disaster – e.g. floods; illness; unemployment)

Assets

- Human, physical, financial, natural, social, political
- Assets are used to:
  - reduce vulnerability: protect household from shocks and stresses
  - build capacity: improve ability to access resources

The scheme was adopted from Sanderson (2009) and later on adapted by the author.
To ensure that this approach is well understood, the author would like to provide an explanation of the different kinds of assets – the ‘building stones’ of people’s livelihoods. There are six kinds of assets:

**Human assets:** skills, knowledge, education, good health, physical ability to work and other factors enable a person to earn money and achieve a decent standard of living. People who lack these assets are much more vulnerable to falling into the trap of urban poverty.

**Physical assets:** adequate access to services such as water supply and energy, land tenure, ownership rights to a dwelling, equipment for running a small workshop, existence of infrastructure for the transport of goods and other physical assets greatly influence people’s ability to secure an adequate living.

**Financial assets:** availability of cash or equivalent (e.g. jewellery) enables people to maintain an adequate standard of living, to cope with a shock (work injury reducing household’s income; sudden floods) and to recover their livelihoods. A lack of financial assets forces people to adopt harmful coping strategies such as selling productive assets (tools, livestock) or engaging in prostitution.

**Natural assets:** land, water, soil fertility and other natural assets are associated mainly with rural areas. However, natural assets are of a great importance also in the cities and towns – the prevalence of urban agriculture is an apt example of it.

**Social assets:** membership in a women saving group, remittances from a relative working abroad, useful advice from friends or mutual help within a neighbourhood all have one thing in common – a person benefits because of his/her relationship with another person or group of people. These social assets are arguably one of the most important aspects of the lives of poor urban dwellers.

**Political assets:** having a say in the decision-making processes that influence people’s life is a crucial asset. Unfortunately, it is often this voice that poor people miss and therefore have little influence on the decisions which are made in the ‘higher levels’. 
2.3 | Field research in Addis Ababa

This study is concerned primarily with three main groups – the poor inhabitants of Addis Ababa, the NGOs trying to improve their livelihoods and the local authorities. The field research was conducted within the span of three weeks and included the first two groups. Due to the tense political climate\(^\text{10}\) information concerning local authorities and their services were gathered from the interviewees and from secondary resources only.

2.3.1 Poor people’s livelihoods

As with the term ‘livelihoods’, the expression ‘poor people’ is extremely broad, even though it is limited to Addis Ababa dwellers only. Therefore the author used the following selection criteria for the selection of the interviewees:

1. economically active people with a very low income who were engaged in street ‘businesses’ - petty trading, shoe shining, begging and other (these ‘businesses’ are mostly done by the very poor and vulnerable people).
2. equal numbers of both men and women
3. representation of children

The research used random sampling (Sumner and Tribe, 2008) and the interviewer selected different parts of Addis Ababa for the interviews – city centre, main market area Merkato, slum area Kirkos and outskirt areas Hayahulet and Siddist Kilo. The research involved eighteen persons in total. Out of the eighteen interviewed people, 50% were female, 50% male, 23% were children. One third of them were engaged in begging, 39% in petty trade, two persons (11%) in shoe shining, two persons had various sources of income and one person was selling books.

To allow sufficient flexibility and at the same time adhere to the researched topics (derived predominantly from the livelihoods framework) the author was using semi-structured interviews. The list of the topics and interviewees is included in the Annex I. Each interview lasted between fifty to ninety minutes. The research was conducted with

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\(^{10}\) Ethiopia is in 2010 awaiting new national elections. The Ethiopian government is seen as by some people as authoritarian government which is crushing the opposition. A number of resources (see for example Dadge, 2009) are expressing their concern over whether the situation of the last elections when roughly 200 people were killed during protests against manipulated results could be repeated. In this climate it would have been very difficult to talk with local authorities about their role, the services they (don’t) provide, their relation to other actors and other issues which may be seen as political and therefore not appropriate for discussion.
the assistance of an interpreter who was able to interpret from/to two local languages, Amharic and Oromifa.

The biggest challenge in the course of the research was not so much finding people who would be willing to talk about their livelihoods as to find a place where it would be possible to talk about this topic. Each time that the interpreter, accompanied with the author of this dissertation – a white European, started to talk to a poor person living or working in the streets, within a short time it attracted the attention of other people. An interview with one person would shortly become a chaotic group meeting. Although group discussions would be a welcomed part of the research, the dynamic of these spontaneous discussions made it very difficult to get any in-depth information. The author alongside with the interpreter and interviewee would therefore always have to find a quieter venue where the interviewee felt comfortable and the atmosphere allowed conversation for an hour or so.

Some interviewed people initially hesitated to talk about their livelihoods as they thought that they did not have anything interesting to say. At the beginning of the interview, the interviewer therefore clearly explained the purpose of the interview, how gained information would be used, assured the interviewee about the confidentiality of the information and clarified that the meeting is only a one-off meeting and won’t have any follow-up. After this explanation, the interviewers asked the interviewee once again whether she/he agreed to having an interview and only at this time would the interview start. In the course of the interview, the author was using – if possible – a digital recorder that allowed him to focus on the answers of the interviewee rather than on note taking.

Later on, the author analysed the data by using the livelihoods framework. The author recognises that interviewing eighteen people and gaining qualitative in-depth information about the livelihoods of hundreds of people from primary and secondary literature is not a sufficient basis for a comprehensive analysis of the livelihoods of poor
people living in Addis Ababa. Nonetheless, the findings represent views held by those interviewed and alongside other relevant research these findings indicate that they have certain issues in common. More complex research would require much more time and also human and financial resources – which is was not within the scope of author’s possibilities.

2.3.2 NGOs’ responses

In order to meet the third and fourth objective of this study, the research involved in total five NGOs, two local (Alliance for Development, Jerusalem Children and Community Development Organisation) and three international (Oxfam Canada, Care Ethiopia and Concern Worldwide). The criterion for their selection was fairly simple: long-term experience in supporting the livelihoods of poor people living in Addis Ababa.

The author conducted semi-structured interviews either with the representatives of these NGOs or with urban livelihoods programme managers. Each interview lasted on average one and half hours. The list of the topics and interviewees is included in Annex II.

2.4 | Ethical considerations

An important preparatory part of the research was the elaboration of and subsequent following-up of a personal ethical ‘code of conduct’. There are several main reasons requiring an increased consideration of the ethical aspect of the research.

The research involved people who had been working in the streets of Addis Ababa – thus generating monetary income, an essential asset in their lives. In order to interview these people, the interpreter had to ask them to stop their small ‘businesses’ and spend an hour or so with the interviewers. This raises a question, whether it would be ethical to limit people’s income in order to get data which is beneficial not for them but for the researcher only. The author of this dissertation therefore decided to offer them a small amount of money as a ‘compensation’ of the income they might have lost while being interviewed. This may raise a concern about the objectivity of the interviewees’ answers. However, it was clarified right at the beginning of the communication that the interview was a one-off event only and wouldn’t have any follow-up, for example, in the form of any kind of assistance. The author therefore
believes that the interviewees had no interest in providing false information. Equally, by being transparent about the purpose of the research, the author believes that the interviews did not raise any unmet expectations.

As was mentioned in the previous section, the author assured the interviewees about the confidentiality of the information they provided and he also kept this assurance.

2.5 | Limitations of the study

Although this study has a relatively narrow focus (geographically, topic-wise, with regards to its audience etc.), it deals with a very complex topic and with population which even though is ‘hidden’ under one label ‘the urban poor’ is certainly not a homogenous group of people. It includes many different characters who are facing different challenges and opportunities in their lives. Those interviewed by the author do not represent a representative sample of Addis Ababa. However, they provide some anecdotal findings which are beneficial to this study. As was indicated earlier, a thorough livelihoods analysis and consequent recommendations would require much more time, human and financial resources. The author therefore had to accept this limitation and adjust the research to the possibilities he had. Hence he based the study on the characteristics which these people have in common.

Concerning the limitations of the field research, the major limitation was the necessity to communicate via an interpreter. Even though the author cooperated with a proficient interpreter, the communication between the author and the interviewee was inevitably more restricted than if the interview were done without an ‘intermediary’. As was already mentioned above, the presence of a white-male-European posed limitations on selection of the interviewees. However, with a little bit of thought these obstacles could be overcome.
Chapter Three | Living in Addis Ababa

Informal trade – livelihoods strategy for hundreds of thousands people in Addis Ababa
Kirkos slum area, Addis Ababa

Source: author
The objective of this chapter is to describe the ways in which poor people in Addis Ababa make a living and what influences their efforts. In order to meet the aim, the author first introduces the context of Addis Ababa. Next, by reflecting on the analytical framework of the livelihoods model, he focuses on three main topics: first, the assets of poor people and their significance with regards to reducing vulnerability and building resistance; second, the livelihoods strategies used for building new assets and meeting needs and the external barriers which stand in this effort; and third, the impact of processes and structures on people’s livelihoods. A concluding chapter follows.

3.1 | Welcome to Addis Ababa

Addis Ababa, in Amharic language meaning ‘new flower’, lies at 2400 meters above sea level and is situated in the foothills of the lush Entoto Mountains. The national capital of Ethiopia is sometime also called the diplomatic capital of Africa – it hosts the headquarters of the African Union and a number of other international organisations. The city is populated by people from different regions of Ethiopia, a country which has over 80 ethnic groups.

Addis Ababa is a bustling city where the day starts in the early morning, between 4 and 5am, when thousands of runners set out for their morning training and people in their dwellings slowly start to prepare for a new day. Just after the sun rises, the streets are already full of people rushing to their jobs or making their living in the streets of Addis, for example by selling biscuits and chewing-gums. Markets and tens of thousands of small shops open and offer almost everything from home-grown vegetables to fashionable clothes. Soon after, the pulse of the city speeds up and a visitor can see a number of people working as labourers on the constructions of new hotels and commercial centres, women carrying heavy loads of wood from the surrounding eucalyptus forests\(^\text{11}\) or a businessman in a Land Rover passing a man herding his goats to the market. The visitor can not only see but also smell the heavy traffic which makes the air in many parts of the city unpleasantly polluted.

\(^\text{11}\) Fast-growing eucalyptus was introduced to Ethiopia over a century ago as a response to massive deforestation around the city. Without available fire wood, the city would have had to be relocated.
In little over a hundred years, Addis Ababa has grown from a military camp to the biggest city in Eastern Africa, currently hosting more than four million people in an area of over 600km² (UN-HABITAT, 2008c).

Even brief insight into the life in Addis Ababa makes one conclude that it is a city of vast contrasts. A number of studies confirm such impressions. For example, UN-HABITAT (2007) warns that ‘...the concentration of resources is not well balanced in Ethiopia...’ and that Addis Ababa in particular is ‘...presently suffering from a host of social and economic problems including income disparity’ (2007, p. 1).

This disparity is clearly visible in Addis Ababa. On one side, the city offers a number of new hotels, high-rise apartments and large private houses, expensive restaurants, commercial centres, four-wheel car dealers and the other ‘necessities’ of a developed city. One can easily go out in the afternoon to a shopping centre and buy a dress from a local or Western designer, visit a beauty-salon for a manicure, and later go for dinner to an Italian restaurant and spend the rest of the night in an Ethiopian jazz club. Alternatively, the sporty person can enjoy professional fitness centres or large swimming pools.
However, such comfort is far from the realities experienced daily by most people in Addis Ababa. About seventy percent of all residents are estimated to live at or below subsistence level (UN-HABITAT, 2007). Many of them can therefore rarely eat in a restaurant - sometimes, their income does not allow them more than one meal a day (UN-HABITAT, 2008a). Every second resident do not even have water supply in her/his dwelling. Their dwellings – if they have one – are usually owned by someone else and more often than not are of a poor quality. Neither do they have cars – the more fortunate use donkeys for transporting goods, the rest have to carry it on their shoulders.

Even though these people often lack what would by many be perceived as a necessity for life, they are still able to cope with such unfavourable conditions, often with an admirable perseverance and joy. The following sections provide insight into how they manage to make their living and what influences their efforts.
3.2 | Assets of the urban poor

Poor people are sometimes seen as those who are passive or deprived. The advantage of the livelihoods approach is that it proposes thinking in terms of people’s strengths, in terms of assets which show what people have or what they can access rather than what they miss (Rakodi, 2002). This is certainly a more appropriate and useful concept than if we think about their needs only.

The following text draws on the research conducted by the author and on the available written resources. It describes the assets the poor people in Addis Ababa have, what their significance for reducing people’s vulnerability is and what the importance of these assets are from people’s points of view. It does not attempt to describe all the assets that the urban dwellers have. Neither does it try to provide a definitive statement about what assets are the most important. None of this would be possible within the scope of this study. This text highlights those assets that have been most emphasized by the interviewees and in other resources. By doing so it seeks to understand people’s strengths in order to identify what opportunities they have and where constraints may lie. The text also includes life-stories and opinions of the interviewees. Even though they are anecdotal examples rather than academically-sounding data, the author believes that they will help the reader to gain better insight into and understanding of the lives of in some aspects ‘less fortunate’ people living in Addis Ababa. They are therefore a beneficial part of the study.

One of the most obvious assets in Addis Ababa and other cities is money. Contrary to rural areas, people living in the urban areas are much more dependent on cash income. By reviewing studies of the expenditures of low-income urban households, Satterthwaite and Tacoli (2002) identified that urban households generally face particularly higher costs for housing (either rent or construction costs), access to water (which often has to be purchased from private vendors), sanitation from pay-as-you-use facilities, transport, food and other necessities for living in the towns and cities. This financial asset is therefore crucial for their living. In addition to meeting household’s needs, it also allows investment in productive assets that enable people to develop their livelihoods strategy. Likewise, savings play an important role in decreasing a household’s vulnerability to longer-term stresses (unemployment) and sudden shocks (floods).
People gain monetary income in most cases by selling their labour\textsuperscript{12}, which is one of their key human assets. The existing research suggests that over fifty percent of economically active labour force (majority of them are women) in Addis Ababa are working in the informal sector (UN-HABITAT, 2007). This is a result of limited opportunities offered by the formal sector rather than people’s choice. The unemployment rate is estimated to be between 30 and 40 percent (UN-HABITAT, 2008a; Bihon, 2006), women are affected more than men, youth more than middle-aged persons (Concern Ethiopia, 2009).

However, labour alone should not be seen as the main aspect of a person’s livelihoods. There are other human assets which influence the extent to which a person is able to benefit from her/his labour. Health is one of the key determinants of individual’s ability to use own labour to access income. In an extensive participatory research conducted in thirteen different towns and cities in Ethiopia, including Addis Ababa, its respondents identified illness as by far the most important reason for the deterioration of their well-being (Ellis and Woldehanna, 2005). Loss of a breadwinner’s income frequently means that the (often already low) living standard of a family further deteriorates. In the case of long-term illnesses (for example HIV/AIDS), this change may be permanent. The health risks in Addis Ababa are considerable – according to UN-HABITAT (2007) the adult prevalence rate as of 2007 year was 12.4 percent and the city had 40,000 AIDS patients occupying over half of hospital beds. Further factors are poor sanitation, polluted air and limited access to health care for certain groups of people (e.g. those not having local identity cards).

There is no doubt that education and skills are other human assets which have a major impact on people’s livelihoods. The higher the skills and education a person has, the wider are her/his opportunities to get a job. The labour market for positions which do not demand high level of education and skills (e.g. ordinary labour on constructions) is easily saturated in Addis Ababa because almost everyone can offer the required skills. The people living in Addis Ababa are largely aware of this. The above mentioned participatory research showed that school (and related access to education) is one of the most important institutions for poor people. The value of

\textsuperscript{12} Other options may be remittances given as gift from relatives working from abroad, pension or illegal activities (e.g. robbery).
education has been also emphasised by many interviewees during the author’s research. “I know how education is good. Because everybody who is flying in an aeroplane is the one who had got a good education. Even we talk with our friends sometimes that everyone who got education has a good position. That is why I want to study. I want to be as those people” explained a ten year old boy who came from rural Ethiopia to work in Addis Ababa. However, appreciating the value of education does not necessarily mean that children (as well as adults) attend the school.

The author identified several reasons for not attending formal education. First, although Addis Ababa has a relatively high concentration of schools, some young children and their parents find the nearest school too far to attend. Second, especially children coming from rural areas to work in Addis Ababa are sometimes facing administrative obstacles when they want to enrol for classes in a new school. Third, some children and their families are so poor that covering all expenses (e.g. uniform, transport) and losing potential labour force is beyond their financial capacity. A related reason is the attitude towards education: if the parents do not see the importance of education, they prefer a child to stay home and help the family (this is true especially for girls). Furthermore, children who are living without parents (orphans, migrants) may be under peer-pressure from their friends – for some working and living in the streets is more attractive than sitting in the classroom. Last but not least, children with mental or physical handicaps have limited opportunities of formal education.

Official statistics from 2005 show that 94% of children were enrolled for primary school but only two thirds of students continued on the secondary school (Bihon, 2006). However, this data may be underestimated due to the number of children who are coming to work in Addis Ababa and do not have any formal registration.

Education is not just a matter of attending classes at school. Especially adults often miss the opportunity to gain or enhance practical skills that would increase their chance of getting an adequate source of income. Although a number of different vocational trainings have been provided by the municipality and the non-governmental organizations in the past two decades (UN-HABITAT, 2000), the offer of and access to practical skills trainings has been for large number of people living in Addis Ababa insufficient.
Surprisingly, one crucial asset has not much been mentioned in the literature on human capital: a person’s motivation. The author of this dissertation argues that alongside the above mentioned assets it is the key pre-condition for the improvement of people’s livelihoods. A twenty year old partially-blind girl when asked whether she applied for any assistance from an NGO or the state replied: "I believe in myself. I believe that I can help myself. I do not want to ask for aid. My aim is to continue in my education and go to university." This ‘inner commitment’ largely depends on a person’s personality, however, the conditions in which the person lives are an equally important determinant. A twenty seven year old woman engaged in begging when asked about her wishes said: "I think only about what I can eat today, I am not thinking about future, and I do not wish anything from my future." Long-term deprivation can decrease people’s ability to see the possibility of a positive change and thus get them stuck in their unfavourable situation.

Other ‘building blocks’ of people’s livelihoods are natural assets. In the context of urban areas, natural assets are seen as less significant than in the rural areas (see for example, Rakodi and Lloyd-Jones, 2002). Despite this, their existence and especially their quality still play a considerable role in people’s livelihoods. Addis Ababa is characterised by highly polluted air which people breathe daily, dirty river water which they use for washing and also by contaminated land (UNHABITAT, 2007). All these factors have a direct impact on people’s health and therefore also on their livelihoods. A more positive example of the importance of natural assets is the existence of urban agriculture. A study conducted by Jemal (2002) has shown that households who grow their own food even on small area of land (gardens, hillsides, by the river) are less dependent on the monetised economy.

**Motivation, not money**

Nure came to Addis Ababa four years ago, at the age of thirteen. The reality of making a living in the city was much different than what he had imagined and he had to start begging. He was sleeping in the streets and his life could have gone the same way as the life of many street children if it were not for his drive and occasional help of other people.

He got a job in a fruit shop and the owner gave him after just a month of work some extra salary that provided him with a starting capital. What he sees as even more important is that many people helped him morally and advised him on how to start his own businesses.

Currently, he is selling tooth sticks, mobile phone cards, shining people’s shoes and offering passers-by the chance to weigh themselves on his weighing-machine. He is able to make savings and attends evening classes at school. Nure says: "I am proud that I changed myself."

Into the future, he plans to build a movable shop. "I do not want any money from anyone in order to expand my business. What I need is moral encouragement and advice to have enough motivation to improve my living."
According to Moser (1998), shelter is often one of the most important assets for the urban poor. This physical asset can provide income from rent and also a place for home-based enterprise. Furthermore, it supports human assets, for example by providing children favourable conditions for learning and the entire household with protection against ill health. The high importance of having a place to live in was also confirmed by the interviewees: “Having a room to stay in is for me a priority. I prefer to go hungry rather than sleep in the street. I am a girl and I cannot sleep outside on a veranda as others do” (20 years-old girl, engaged in petty trade). “Having a good place to stay overnight is more important than food” (two old men, engaged in begging).

Sanderson (2000) considers tenure as the key physical asset to acquire. Secure tenure of land and shelter allows the owners to make shelter- and land-related investments which in turn can increase their capital and decrease household’s vulnerability to sudden shocks (e.g. earthquake). Influential Peruvian economist Hernando de Soto sees the ownership rights for land and dwelling as an escape from poverty (see the box De Soto’s Mystery).

In the context of Addis Ababa, one of the key issues is access to shelter. Azeb Bihon, the head in the Addis Ababa city Administration Housing Agency, warns that ‘the housing condition of Addis Ababa is by far inadequate in quantity and quality terms to meet the need of the residents’ (Bihon, 2006, p. 3). She states that the estimated gap between housing supply and demand is well over one hundred thousand units. Alternatively, if we also take into account the need to replace those units which are in poor condition, the estimates rise to almost four hundred thousand.

De Soto’s Mystery

According to de Soto, people in the developing countries remain poor because they do not have formal property rights for their shelters and land – and thus cannot use them to obtain credit and kickstart a business. De Soto calls this ‘dead capital’ and in his book The Mystery of Capital he estimates its value at $9,3 trillion. His suggestion to formalize informal property rights and so unleash this capital has influenced a number of decision-makes worldwide.

However, not everyone shares his opinions. According to Green (2008), the de facto owners of land and shelters do not necessarily benefit from sudden land-titling. Moreover, he argues that the claim that distributing formal land titles will open the floodgates to credit has proved false because the banks do not like lending to poor people and poor people are often reluctant to risk putting up their titles as collateral.

Source: Green (2008), de Soto (2000)

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13 Land is often associated with natural assets. However, in urban areas, the author sees it as more appropriate to categorize it alongside shelter as a physical asset.
The Addis Ababa City Administration invested in the past decade substantial amounts and efforts into building new, subsidized housing and also adopted housing regulations. Their more intensive involvement is a positive step indeed. However, the calculations conducted by Bihon (2006) have shown that 92% of Addis Ababa residents cannot afford to comply with the housing regulations and build their own dwelling. UN-HABITAT’s estimates are even higher: 96% (UN-HABITAT, 2006). Similarly, 80% of the households do not have financial capacity and loan opportunity to purchase the city administration-built and subsidized units. In practice, it means that the poor housing situation of the vast majority of Addis Ababa residents is not addressed by the existing programmes (Bihon, 2006). According to Bihon, ‘the situation is going to be worse unless a way is devised to minimize construction cost’ (2006, p. 11).

With regards to the quality of existing housing units, over 80% is made of mud and wood. The majority is ‘in need of complete demolish and replacement’ (Bihon, 2006, p. 8). 40% of the units are rented from Kebeles (local administration) and are generally in poor condition. The majority of dwellings have two or fewer rooms (it is not uncommon that up to five people share one room), 38% have private kitchens, 95% have electricity and

Due to a lack of land tenure and the rapid development of the city, residents of Addis Ababa are at risk of eviction. Thousands of people were evicted for the building of the Sheraton Hotel (UN-HABITAT, 2008a).
although the municipal authorities have significantly improved potable water production capacities, over one-third of the city’s demand remains unmet (UN-HABITAT, 2007). One third of the city solid waste is not collected and the sewerage network is very limited. Furthermore, over one fourth of residents have no toilet facility – this means at least one million people in this city alone which have to use open spaces and rivers (ibid). One does not have to be too imaginative to realise what risks such poor sanitation poses to the health of people who are exposed to these conditions. Poor sanitation and sewerage problems were also the most common complaints in the urban areas of Ethiopia, including Addis Ababa (Ellis and Woldehanna, 2005).

People in Addis Ababa, but also in other places in the world are influenced by what and how their governments and local authorities do (or ignore to do). The extent to what these decision-makers are responsive to the demands of people (to what extent people themselves are able to influence the decision-makers) is by many seen as a crucial factor determining the quality of people’s living. Sadly, in the context of Addis Ababa and Ethiopia, whose political regime is diplomatically said ‘still on the way to democracy’, the accountability of the authorities is limited. The poor residents of Addis Ababa generally do not have the impression that they have a chance to influence the decisions made by the authorities. An older lady whose house was demolished due to the construction of a new road and who had been waiting for several years in a temporary house provided by the Kebele for the compensation for her old house said: “We do not have power to ask the Kebele for a house. It is their will.” A relationship where one side has little interest in the opinions of the other side which in turn feels that it has limited or no power to claim its rights is not an effective relationship. Political assets are therefore of utmost importance for people’s livelihoods.
Good friendship, supportive relations with neighbours, mutual support within the extended family, trust and sharing of common interests within a group of people and other so called social assets are not mentioned in the official statistics as the indicators of well-being. However, they play a great role in the livelihoods of many people. According to Berhan, a lady in her fifties, “helping each other is the culture of Ethiopian people. I thank God for such support. I am not afraid to die - my neighbours would take care of my children.” Virtually every interviewee when talking about her/his livelihoods appreciated the support of other people. This can take place in many forms. On the informal level, a few examples amongst many are information sharing about income-generating opportunities, advising others when they start new business, sharing of food and shelter, lending money or taking care of someone else’s children when their parents are working. The boom of saving and credit groups is an apt example of what positive impact social assets can have. In Addis Ababa, there are also a number of traditional systems which provide social and economical benefits to its members. Two of the most common, iddir and iqqub, are described below.

**Iddirs - Helping the Mourners**

Iddir is characterised as ‘self-help voluntary association which serves as economic and social insurance at times of death and other crises’ (Kebede and Butterfield, 2009, p. 357). Its main function and also common interest of its members is to help families to bury their dead. The support is provided to the members of iddir in the form of labour for digging graves, tents for the mourners where other people can come and provide them emotional support, financial support to meet the burial costs and other. Each member has to pay regular fees and assist in the ceremonies. Currently, there are over four thousand registered iddirs in Addis Ababa. NGOs have been exploring further ways of utilising the potential of iddirs, for example for literacy campaigns, micro-credit operations, HIV/AIDS awareness and other causes (AKDN and INTRAC, 2007).

**Iqqub – Indigenous Saving System**

Poor people often do not have bank accounts that would allow them to lay aside their savings. In Ethiopia, people found other way: iqqub, traditional rotating saving system in which a small group of friends or relatives save money to build each other’s financial capacity. The system is based on mutual trust, when a group of members contribute an agreed amount (their savings) on a regular basis (e.g. every week) and at the same time one member can withdraw the total sum. It means that for example in a group of four people, each member every four weeks gets a chance to obtain a larger sum of money that s/he can then use for example for the expansion of her/his business. This system is fairly common in Addis Ababa and people often appreciate it. According to eighteen years-old petty trader, “if God allows, I benefit a lot from my iqqub.”
3.3 | Livelihoods strategies

The previous section identified the importance of different assets for people’s livelihoods and the extent to which poor people in Addis Ababa can enjoy them. The following text explains how people use these strengths in their livelihoods strategies and what stands in the way of their efforts to meet their needs and build new assets.

Hundreds of thousands of poor people in Addis Ababa are engaged in the informal sector. Many of them have multiple sources of income. In the streets they offer various items for sale: biscuits, home-made sweets, roasted corn, chewing-gum, vegetables, tissues, soaps, cigarettes, books, maps, music CDs, brooms, clothes and a plenty of other goods. They also offer a number of services: shoe shining, tailoring or possibility weighing oneself. NGOs working in Addis Ababa bring evidence about much more alarming ‘services’ – a high number of women but also very young children are driven to prostitution (see IRIN, 2003 and FHI, 2002 for more information). Many poor people, mainly women, can be also found in domestic service where they often work for low wages or just for bed and board (Ellis and Woldehanna, 2005). Other people are selling their labour and working on construction sites, in the markets, urban agriculture, collect firewood or work as guards. Children as young as five year old are reported to be working in home-based enterprises (e.g. clothes production) for about 80 hours a week (Yadeta, 2002). Children also work as so called weyallas – they fill minibuses with passengers and collect fares (Abebe, 2008).

The majority of these livelihoods strategies have one thing in common: they require relatively few assets. The most obvious (but certainly not of only importance) are labour, small initial capital, know-how, motivation and often also good relationships – assets which are for many people possible to access. As a seventeen year-old petty-trader said, “money is a problem but if you work hard, you can get it if you are motivated enough.” Especially in the case of petty trade, the result of a high number of people doing similar ‘business’ is that the market is nearly saturated and therefore the profits are pushed to a very low level. Furthermore, they have no sickness or injury insurance.
However, generating income is not the only way in which people make their living. From the research conducted by the author and a study done by Ellis and Woldehanna (2005), it is possible to identify some of the strategies people use for dealing with unfavourable situations. One of the most common is skipping meals. When asked about how she is coping when she does not earn enough money, a twenty year old girl selling soaps in the street replied: "Normandy I eat bread and tea in the morning, I skip lunch and then in the evening I eat with my friends". Alternatively, people eat food of a lower quality, sleep to avoid feelings of hunger or ask others for food. Reducing the need of money of course is not their only one strategy. They are also generating income from other sources – for example, by collecting firewood for sale, doing petty trading, selling their personal items or borrowing money or food from relatives, friends or neighbours.

Whereas these strategies are responses to already existing hardship, poor people have also their ways of decreasing their dependence on monetary income in a longer-term. Contrary to other countries, in Ethiopia there is relatively little of frequent and more or less regular rural-urban migration (Ellis and Woldehanna, 2005). Bringing food from rural to urban areas and taking other goods back to the rural sites therefore is not a common strategy for obtaining goods, especially food. Nevertheless, Jemal’s research of agriculture in Addis Ababa has shown that even people living in the city can meet part of their needs by producing their own food – provided they have sufficient knowledge and skills, a small initial capital and at least a minimal area of land (staring from several square meters). As a result, they are less vulnerable to the fluctuation of food prices.

Although for some income-generating activities it is not necessary to have many assets, nearly one hundred thousand people in Addis Ababa are engaged in begging (Wamisho and Menore, 2009) and rely on what other people give them. There are various reasons why they beg. In the absence of any effective social security system, some people simply do not have any other option – they are old and too weak or handicapped and therefore not able to work. For a single woman with a baby, it may be difficult to do both – work and take care of her child. For some people is begging just a temporary solution before they manage to stand on their own, others perceive it as a preferred full-time work (ibid) or as a complement to other jobs. The stories on the following site aim to provide more detailed insight into these motivations.
Begging: the only possible livelihoods

Forty two-year-old Solomon was sitting in a wheelchair when he started to tell his story: “When I was a baby I became handicapped because there was not at that time any vaccination against polio. When I was five, I started begging. Even when I was older, it was difficult for me to find any other source of income.” In Ethiopia, the state provides very little support for people with a handicap. Although Solomon never wished so, begging became for him the only possible way to make a living.

Thousands of elderly people who are living alone face similar situation. Tafara, a sixty eight year old man, said: “I am an old man, I do not have any relatives and begging is for me the only way to get some money.”

Begging: the preferred livelihoods

The experience of an employee of a local NGO working in Addis Ababa with poor women shows another attitude towards begging: “Several years ago, we were offering assistance to women with children who were engaged in begging. The women could choose any vocational training and further kick-start support according to their preferences and children could get support in education and free-time activities. However, in the end, lots of women chose to continue in begging and did not send their children to school because without them they were getting less money.” In this case, the reliance on familiar livelihoods strategy was stronger than a will to change their living.

Begging as a transitory livelihoods

Atede (20) with her three-month-old son were sitting on the muddy ground by the walls of a church. When the interpreter introduced Atede to the research and asked for an interview, she hesitated: “I have nothing interesting to say” she told him, almost as if she would be saying ‘I am just a beggar, there is nothing worth talking about in my life’. After a while, when the interpreter left her alone to decide, we met her and her child in an ordinary cafe near the church. She slowly started to talk about her life.

Atede comes from Northern Ethiopia. When she was younger, she did not go to school. She helped her family, looking after her brothers and sisters or herding the goats they had. Later on, she started to live with her sister. A year ago, when Atede got pregnant and the father of the child did not show much interest in establishing a family, Atede’s sister told her to leave her house. Atede decided to go to Addis Ababa, a place where she has never been before but she had heard that one can easily make a good living there.

When she arrived, she did not know anyone, had only a little money and slowly realised that life in Addis would be much tougher for her than what she had expected. For the last six months, she and later also her baby have been living from what other people gave them. “If I am lucky, I get three birr a day. We can eat when we get something, otherwise we go hungry”, she says. To understand the value of three birr in Addis Ababa: in a shop, you can hardly buy more than a few rolls. This and some food that people give them occasionally may keep her and her son alive but it does not allow her to improve her livelihoods. As Atede explains, “I cannot spare any money because I have to give everything I can to my baby.”

Atede and her son sleep in the street, by the wall of a church. They do not have any shelter and if they want to have a shower or wash their clothes, they have to go to a polluted river or pay a fee in nearby public shower. Atede is not in touch with her family and except for a few friends there is no one who would be helping her: “Even when we die, there is no one to bury us”, she says.

However, she has a vision of what she would like to do: “I wish I could make and sell injera [traditional Ethiopian bread] and wash clothes so that I could earn enough money for me and my son”. Let’s wish her that it will not remain a dream only and her need to beg will be just a temporary livelihood.
3.4 | Processes and structures: barriers and enablers

Virtually any livelihoods strategy a person chooses is always influenced by a number of external factors. It is very useful to recognise what impact the macro policies, welfare programmes, international trade regulations, laws, local regulations, extent of bureaucracy, attitudes of those who have power toward those who do not, decisions of local authorities and non-governmental organisations and many other so called ‘processes and structures’ have on people’s livelihoods. They have the ability to constrain but also support the efforts of many people to make a better living. Their thorough analysis would require a separate study and this section therefore focuses on those aspects only which have been frequently mentioned by the interviewees.

The majority of the interviewees when asked about their experiences with local authorities started to talk about Kebele, the lowest level of city administration. According to the municipality, Kebele “…shall be the centre of development and direct popular participation as well as services may be delivered at that level” (Addis Ababa City Administration, 2009). The experiences of the interviewees of to what extent Kebele actually is the ‘centre of development and direct popular participation’ has varied. Some people appreciated Kebele’s material assistance (e.g. for HIV/AIDS positive people) and the low rent of Kebele houses. On the other side, there were also many complaints. Some of them could be excused because as a result of the recent decentralization process, “responsibilities and authorities are delegated to Kebeles, but capacities are not yet created at the Kebele levels” (UN-HABITAT, 2008c, p. 7). However, poor capacity cannot be the reason for all the problems people had been facing when coming in touch with the Kebele officials.

From the interviews several specific difficulties which are faced by poor people living in Addis Ababa emerged. Similar findings can be found also in other studies (Ellis and Woldehanna, 2005; Berhanu, 2002). The major one seems to be administrative obstacles in situations when people want to apply for what they are entitled to. Two poor elderly men in Addis Ababa coming from a rural area who were working for the army (and thus are eligible to get a pension) complained: “Local Kebele does not care about us. They told us that we have to have the ID [identity card] of the Kebele to prove that we live here and be able to get a pension. When we wanted to apply for an ID,
they asked us for transfer paper from the place where we come from – but we cannot afford to go there to get it.” Ownership of an identity card also means that the holder has easier access to the government services such as education or health care (Ellis and Woldehanna, 2005). In the context of Ethiopia, the seemingly straightforward procedure of getting an ID is very difficult to fulfil. As was mention above, in order to obtain an ID, one must bring a referral letter from the place where s/he was registered before. For many people it is unrealistic to return to their previous home – the travel costs alone can be as high as their quarterly income. Furthermore, according to Berhanu, if a person wants to obtain a Kebele ID, s/he has to “…present a letter from the previous locality stating that the person has relocated for good. Such relocation entails with it the loss of any land rights in the rural homeland, because according to the laws of Ethiopia all land belongs to the government…” (2002, p. 50). The consequence of this system is that many people, especially long-term migrants, do not have access to basic services (although they are entitled to them).

Another frequently mentioned complication was rather inadequate regulations concerning trade. As was already described, hundreds of thousands people in Addis Ababa are engaged in petty trade and services. However, their ‘business’ is de facto illegal because they do not have the licence that would allow them to work in the streets. When Hisbalem, a twenty year old street soap seller visited local Kebele to apply for the licence and so legalize her business, Kebele official refused her: “They told me that my business is too small to get a licence and that I also do not have the ID of their Kebele, therefore they will not give me the licence”. Ignoring the livelihoods of such a large group of people is neither beneficial to the sellers nor to the local authorities. “Sometimes the police force us to leave the streets. They say that we are illegal sellers that we are not allowed to sell in the streets because we do not have licence and do not pay taxes” Hisbalem explained.
3.5 | Conclusion

This chapter aimed to describe how poor people living in Addis Ababa make their living and what influences their efforts. The author identified as one of the main determinants of people’s livelihoods the assets they posses or have access to. Although the urban economy is highly monetised, there are a number of other assets than money which determine the quality of person’s living. Achieved education and acquired skills, ability to work, ownership of a land and shelter with access to services or a healthy environment are some of the most common indicators of well-being. No less important turned out to be a person’s motivation, trust and mutual support among a group of people (e.g. within a household, neighbourhood or a saving group) and also the ability to influence the decision-makers whose actions have impacts on people’s lives.

The assets that poor people living in Addis Ababa have, allow them to work mainly in the informal sector, for example as labours, petty traders, shoe shiners or domestic servants – i.e. occupations which do not require many assets. One of the results of this relative accessibility is high saturation of the market and as a result of it low profits for those involved. It is common that even young children are working in the streets. Lack of capital, motivation, practical skills and formal education are some of the reasons why people find it difficult to upgrade their livelihoods strategy.

There are also a number of external factors, so called processes and structures, which influence people’s living. Some of them have less direct impact (for example, macro policies or international trade regulations), others directly influence everyday life of Addis Ababa residents (local regulations, attitudes of officials, levels of bureaucracy). Because of their ability to either constrain or support people’s livelihoods strategies, it is necessary to consider them when thinking about people’s livelihoods.
Poor people are often able to take advantage of even the very little they have. Non-governmental organisations are one of the many actors who can enable them to improve their livelihoods.

Shola Market, Addis Ababa
In order to identify the role of the non-governmental developmental organisations in supporting urban livelihoods, this chapter has to first describe the role and relationship of the primary actors – the government and citizens. Based on this understanding, the role of NGOs in supporting the livelihoods of the poor urban dwellers can be outlined.

4.1 | The government and citizens

The government alongside citizens are the main ‘targets’ of NGOs’ interventions concerning advocacy and policy change and NGOs’ role therefore should be assessed with regards to them. The following two sections deal with two main government structures – the central and local.

4.1.1 | The central government and citizens

‘Effective, accountable states are essential for development. States ensure health, education, water, and sanitation for all; they guarantee security, the rule of law, and social and economic stability; and they regulate, develop, and upgrade the economy. There are no short cuts, either through the private sector or social movements, although these too play a crucial role’ (Green, 2008, p. 21).

This statement made by Oxfam GB’s Head of Research, Duncan Green, in his inspiring book From Poverty to Power is indeed true. Governments who represent states have a key role in tackling poverty in all its forms.

Governments and the citizens of their countries have the primary responsibility for the development of their country. Contrary to other development actors (e.g. international agencies), governments are also – or at least should be – directly accountable to the citizens. Citizens have a legally provided opportunity to influence their government and exert pressure on the government to do what it is obliged to do. Governments are also duty-bound by their constitutions and by international law to respect, protect and fulfil people’s rights. Furthermore, from a practical point of view, the government is the largest official structure in a country and has the biggest potential to ensure sustainability of any pro-development initiative.
In the case of Ethiopia, the Federal Government committed itself to guaranteeing certain rights to the Ethiopian people under the Ethiopian Constitution and a number of international human rights treaties\textsuperscript{14}. The following two paragraphs outline some of the rights which are officially guaranteed by the Government and are of significant relevance to the content of this dissertation\textsuperscript{15}.

According to the ‘Principles of National Policy’ expressed in the Ethiopian Constitution, ‘every Ethiopian shall be entitled, within the limits of the country’s resources, to food, clean water, shelter, health, education and security of pension’ (University of Pennsylvania, 1995, article 90, paragraph 1). The Constitution sets as a duty of the Federal Government to prepare and implement ‘...policy measures with respect to health, education...’ (ibid, article 51, p. 3). At the same time, ‘the State shall allocate progressively increasing funds for the purposes of promoting the people’s access to health, education and other social services’ (ibid, article 41, p. 4). The Constitution also specifies people’s participation in national development: ‘Citizens shall have the right to participate in national development, and in particular, to demand that their opinions be heard on matters of policies and of projects pertaining to the community of which they are members’ (ibid, article 43, p. 2). Furthermore, ‘the State shall support development activities by the people’ (ibid, article 89, p. 5). This and numerous other parts of the Ethiopian Constitutions clearly demonstrate that the Ethiopian Government committed itself to guarantee a number of social, economical and political rights.

As was mentioned above, Ethiopia is a party to several international human rights treaties, among others the International Covenant on Civil and Political Rights (ICCPR), International Covenant on Economic, Social and Cultural Rights (ICESCR). ‘A state that becomes a party to the Covenant agrees to take steps for the progressive realization of Covenant rights to the full extent of that state’s available resources’ (Clapham, p. 48). In the case of Ethiopia, one of the poorest countries in the world, this


\textsuperscript{15} This selection doesn’t make any attempt to present some rights as more important than others. The main purpose of this outline is to present the Government’s commitments to certain rights in order to provide a sufficient basis for the following text which is dealing with the fulfilment of these rights.
means that the state has a duty to respect, protect and fulfil the rights expressed in both Covenants but at the same it acknowledges that some of the rights (especially the social and economic rights - e.g. the right to education or health) may be (due to limited resources) difficult to achieve in a short period of time. Therefore it allows a progressive realization of rights but requires the states to fulfil their obligations as best as they can within their resources. To mention at least some of these rights, ICCPR contains for example the right to freedom of expression, right to freedom of association with others, right to take part in the conduct of public affairs (sometimes referred as a right to political participation) and others (ICCPR, 1966). The ICESCR contains for example the right for everyone to an adequate standard of living (including adequate food and water, clothing and housing), the right to be free from hunger, right to health, right to education and others.

However, the fact that a girl has a right to primary education will not help her when she has to work every day at home (Green, 2008). The key issue for all rights is the ability of people to exercise them. Therefore the practical realization of rights has to be of main concern. Governments (as well as other actors) undoubtedly have a crucial role in this process.

Since the 1990s, the Ethiopian Government has been pursuing the policy ‘Agricultural Development Led Industrialization’ (ALDI) which was perceived by the Government as ‘the engine for poverty reduction in Ethiopia’ (MFA, n.d.). With regards to the fact that agriculture accounts for about 45 percent of GDP and is a source of livelihood for about 80 percent country’s population (UN-HABITAT, 2007) the rural agriculture-oriented country development strategy is argued to be a logical approach that builds on the country’s strengths. On the other hand, such a strategy brings only limited benefits to the people living in the cities and towns. According to UN-HABITAT, ‘in keeping with the spirit of ADLI, Ethiopia’s poverty reduction program has until recently been giving emphasis to the welfare of the rural populace while giving inadequate attention to the problems of urban dwellers’ (UN-HABITAT, 2007, p. 5). UN-HABITAT goes on and argues that whereas rural poverty has decreased in the second half of the nineties, urban poverty rose by 4 percent (ibid).
Until recently, Ethiopia lacked a comprehensive urban development strategy that would set a way for the Government (and other actors) to enable citizens to exercise their rights. In 2005, the Ethiopian Ministry of Federal Affairs set out new national urban development policy. In doing so, it had several objectives in mind, for example: ‘to promote balanced urban growth by giving equal opportunity for growth and development to all urban centres and regions in the country; to design and implement an urban development strategy whose core objective is poverty reduction...; to ensure that urban development is people driven, designed and implemented in collaboration with the government based on the wants, abilities and sustainable participation of the citizens in a setting where good governance prevails’ (UN-HABITAT, 2007, p. 59-60). The coming years will show to what extent these positive-sounding objectives will be pursued.

4.1.2 | The local government and citizens
The term ‘local government’ refers in this dissertation to an elected or appointed city government and the related institutions (e.g. lower administrations units). The editorial of an edition of the journal ‘Environment and Urbanization’ points out the importance of these structures on the well-being of people living in the cities: ‘Urban poverty is much influenced by what city or municipal governments do – or do not do; also by what they can or cannot do. This is often forgotten – as discussions of poverty and the best means to reduce poverty tend to concentrate on the role of national government and international agencies’ (IIED, 2000, p. 3). This opinion is also supported by Satterthwaite (2004), who argues that ‘...good local governance, including support for urban poor organizations, can considerably reduce poverty, even if the urban poor’s incomes are not increasing’ (2004, p. 41). The practice of non-governmental development organization CARE shows that ‘poor governance – namely, the weak or absent relationships between authorities and the people they govern – is the primary cause of the creation and perpetuation of urban poverty’ (CARE, 2006).

By applying the assets/ vulnerability framework (see Moser, 1998) to urban governance and management, Devas (2002, p. 210-211) identifies the ways in which the local governance actions may enhance assets of the poor but also increase their vulnerability. His findings are summarised in Table 1 below.
### Table 1 | Impacts of local governance actions on the assets of the urban poor

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governance actions which may enhance assets of the poor</th>
<th>Governance actions which may increase vulnerability of the poor</th>
</tr>
</thead>
</table>
| Natural | Ensuring access to land with sufficiently secure tenure – the key asset in people’s livelihoods  
Environmental controls of water and air pollution and effective waste management | Minimum plot size regulations and construction standards which are unattainable by the poor  
Forced relocations and clearance of informal housing areas  
Upgrading projects which raise service levels and security to the point where the area becomes attractive to higher-income groups  
Failing to control pollution and waste disposal of where the poor live  
Restrictions on urban agriculture |
| Human | Universal, quality education  
Skills training related to real skills needs of the poor  
Accessible healthcare  
Food/nutrition support programmes | Imposing fees (official and unofficial) for primary education  
Imposing fees (official and unofficial) for primary health care |
| Financial | Providing access to suitable housing finance  
Providing access to financial services for the poor, including microcredit for informal businesses  
Provision of market facilities in suitable locations, with provision for small, informal sector businesses | Refusing to recognize informal housing areas or to resolve tenure insecurities  
Costly and cumbersome licensing requirements for traders  
Harassment of informal sector traders  
Local taxes which impinge negatively on the poor  
Unofficial charges, demands for bribes |
| Physical | Providing access to safe, reliable water supplies and safe sanitation  
Providing proper systems of waste management  
Providing drainage systems to prevent flooding  
Ensuring safe and reliable public transport  
Ensuring the availability of electricity supplies | Unsafe water, unreliable supplies  
Inadequate sanitation that creates environmental hazards and increase the vulnerability of women  
Inadequate waste disposal which creates environmental hazards and health risks  
Privatization which results in poor areas being excluded |
| Social | Helping to build community organizations among the poor  
Ensuring safety/security/freedom from fear of crime in poor areas | Creating dependence on external agents  
Forced relocation which destroys informal networks |
| Political | Mechanisms for participation  
Responsive systems  
Mechanisms to make decision-making and resource allocation more accountable and transparent | Service/resource providers not subject to democratic accountability  
Exclusion of certain groups  
Dependent relations with local politicians |
In the case of Addis Ababa, local governance is ensured by the Addis Ababa City Administration. The Administration is a constitutionally elected government which has a mandate to undertake decisions within its own jurisdiction (UN-HABITAT, 2000). Lower administration units organized by the City Administrations are Sub-Cities which administer the lowest units, Kebeles16.

The Administration, alongside the sector bureaus offices (e.g. Health Bureau, Education Bureau), agencies ensuring service provisions (e.g. Water and Sewerage Authority, Housing Agency) and other authorities, is ‘...responsible for implementing infrastructural development, promote investment, provide economic and social services and perform other regulatory functions’ (Addis Ababa City Administration, 2009). With regards to its political mandate and economic opportunities (collecting tax revenue, leasing urban land, participating in income generating activities, receiving donations and others), it is possible to say that the capacity of the Administration allows it to be a key actor in the addressing of urban poverty in all its manifestations. This capacity, though, is hampered by the limited cooperation and coordination of different departments.

The Sub Cities are supposed to provide a number of services, for example: lease land use, issue business licence permits or provide training (ibid). The official function of the lowest level of city administration, the Kebeles, is to ‘...be the centre of development and direct popular participation as well as services may be delivered at that level’ (ibid). However, as UN-HABITAT notes, these structures ‘...are political and have little resource and other capacity to deal with poverty on their own’ (UN-HABITAT, 2000, p. 41). This weakness is clearly limiting the opportunities for 'bottom-up' development initiatives. An extensive participatory assessment conducted in Addis Ababa showed that poor urban dwellers perceive Kebeles as the most important institutions for them (Ellis and Woldehanna, 2005). Sadly, Kebeles also have the least means to contribute to a positive change in people’s lives.

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16 There are ten Sub Cities and one hundred Kebeles in Addis Ababa (Addis Ababa City Administration, 2009).
4.2 | The government and NGOs

A number of resources show that the national as well as local government acknowledge the positive impact and value of NGO activities (MoFED, 2006; Thomas and Taylor, 2000; Edwards and Hulme, 1996). However, at the same time, some governments perceive NGOs as a threat (primarily due to political reasons) or at the least as organisations which are interfering in areas which are seen as the responsibility of the government. To explore the nature of these relationships in Addis Ababa, this chapter will explore the attitudes and practices of the Federal Government, Addis Ababa City Administration and the NGOs.

4.2.1 The attitudes and practice of the Federal Government

Ten years ago, the UK based research centre INTRAC published a study in which it stated that the ‘government has made it clear that it would prefer NGOs to carry out the role of relief and service provision only’ (Thomas and Taylor, 2000, p. 40). Such regulation would mean that NGOs wouldn’t be welcome to implement for example any advocacy activities – a crucial part of the development effort. Six years later, in 2006, the Federal Government adopted a new development strategy, the ‘Plan for Accelerated and Sustained Development to End Poverty’, which contains a number of references to the positive contributions of NGOs. One of the goals of the strategy was to ‘strengthen community and NGOs participation...’ (MoFED, 2006, p. 111). Does this mean that the Government has adopted a more open and welcoming attitude towards NGOs’ involvement? The recent introduction of the Charities and Societies Proclamation No. 621/2009, law aiming to regulate domestic and international civil society organisations, doesn’t indicate so.

According to Berahnu Adelo, an official in the Ethiopian Prime Minister’s office, ‘the non-governmental organisations [law] will redefine their areas of operation’ (cited in IRIN, 2009). In practice, this ‘redefinition’ means that the Government gained a very effective tool for restricting and controlling NGOs. The main areas of concern are:

- Only those Ethiopian NGOs which generate at least 90 percent of their funds from Ethiopian sources are considered to be ‘Ethiopian Charities’ or ‘Ethiopian Societies’ (Charities and Societies Proclamation, article 2, paragraph 2). This
means that any NGO is deemed to be foreign if it generates more than 10 percent of its funds from abroad. With regard to the limited funds available in Ethiopia for financing NGOs’ activities, if the Government rigorously enforces this controversial law, over 90 local NGOs would be considered as foreign charities (Dagne, n. d.).

- The main effect of the change is that these ‘foreign’ NGOs and NGOs coming from abroad are prohibited from engaging in any work related to advocacy, human rights, conflict resolution and governance – the key aspects of development work (Charities and Societies Proclamation, article 14, paragraph 2, j-n). Furthermore, the law cripples those ‘non-Ethiopian’ NGOs which are engaged specifically in advocacy or human rights.

- The law created a Charities and Societies Agency that oversees the performance of the civil society organizations. The Agency requires the NGOs to re-register every three years and can refuse or cancel the registration when ‘the proposed Charity or Society is likely to be used for unlawful purposes or for purposes prejudicial to public peace, welfare or good order in Ethiopia’ (ibid, article 69, paragraph 2). According to respected organization Human Rights Watch, such vague language gives the Agency ‘...the clear power to make such findings even where no law has been broken’ (HRW, 2008, p. 6). Furthermore, local NGOs labelled as foreign and NGOs coming from abroad have no right to appeal against any Agency decision in court (Charities and Societies Proclamation, article 104).

- The law imposes on NGOs a number of requirements: fulfil all accounting and financial reporting obligations; seek official approval from the Agency in case an NGO intends to establish a branch office or use any kind of symbol (e.g. display an advertisement board); establish a General Assembly as its supreme and final decision making organ; notify the Agency at least seven working days before the General Assembly holds a meeting and others (ibid). The Agency has a mandate to monitor whether NGOs and their employees fulfil the provisions of the Proclamation. ‘Any person who violates the provision of this proclamation shall be punishable in accordance with the provisions of the criminal code’ (ibid, article
102, paragraph 1). In practice, if the Agency finds any violation of any of the numerous provisions of the law, the employee can be punished by imprisonment and/or a financial fine (ibid, article 102, paragraph 2). Furthermore, such findings can mean the suspension of an NGO’s licence and thus also its existence (ibid, article 92).

The law has been met with strong opposition from some NGOs, human rights organizations and also a number of Ethiopian and foreign politicians. According to Human Rights Watch, the intended and actual result of this law is ‘...to make it nearly impossible for any civil society organization to carry out work the government does not approve of’ (HRW, 2008, p. 1). The organization is concerned that the law will ‘...result in the de facto criminalization of any and all independent human rights work that seeks to document or challenge the Ethiopian government’s appalling human rights record’ (HRW, 2008, p. 3).

Although the Ethiopian Government has an indispensable right to ensure that the activities of the non-governmental development organizations are in accordance with their pro-development objectives, the Charities and Societies Proclamation causes the opposite. Its restrictions, sanctions and excessive control violate the rights of the Ethiopian people which are guaranteed by the Ethiopian government under the Ethiopian Constitution and international human rights treaties.

4.2.2 The attitudes and practice of the local authorities
Addis Ababa City Administration, Sub Cities and Kebeles have in-depth knowledge about the environment in which they operate and about local residents. They are also very powerful actors. They issue formal permission for NGOs to work with a community, decide about overall development strategy for a certain area, about allocation of land, provision of services or the extent to which they will be responsive to the opinions of citizens and others. Therefore, they can be very useful to the activities of NGOs.

In practice, this relationship is very complex and often depends on the attitudes of different officials. A study by INTRAC describing amongst other the relationships between the local authorities and NGOs in Addis Ababa, reported an excessive interference of Kebele officials in the selection process of beneficiaries and in
determining the types of activities to be implemented. However, the same report describes the attitude of another Kebele administration which offered an NGO an exceptionally good reception and was more development oriented than others in the area (Thomas and Taylor, 2000). One factor which influences this relationship is the frequency of the contact between local authorities and NGOs. The contact is characterized more on a project-by-project basis and only a few NGOs maintain a long-term link once the immediate need to be in touch has expired. According to the study, a high turnover of Kebele and Sub City officials ‘...makes the maintenance of stable relationships difficult whilst high rates of staff turnover waste invested educational resources by the NGO’ (ibid, p. 21).

4.2.3 The attitudes and practice of the NGOs

According to Lewis and Kanji (2009), NGOs tend to be known for undertaking two main forms of activity: the delivery of basic services to people in need, and organizing policy advocacy and public campaigns for change. In the case of Addis Ababa, the most common means of intervention is service delivery and training, especially in the sectors of education, health care and income-generating activities. These activities are assisting tens of thousands of people living in Addis Ababa and such efforts should be appreciated. Among the least frequent activities have been networking, research and advocacy (author’s research; Thomas and Taylor, 2000). The limited attention paid to advocacy – a crucial part of the development effort - is caused amongst other by a long-term unfavourable political climate where advocacy by NGOs is seen as a threat to the government rather than something beneficial for the society. This situation is also reflected in NGOs’ minimal involvement in the key issue of land access and tenure. As Thomas and Taylor note, ‘...the political significance of land means that for many NGOs the issue is seen as non-negotiable’ (ibid, p. 18).

The reason why NGOs – irrespective in which developing country they work - have been so extensively engaged in service delivery is simply because they recognize that these essential services are not accessible to many people or are of a poor quality. Lewis and Kanji distinguish the motivations for an NGO to become involved in this sector: the first is because an NGO wants to meet previously unmet needs, the second
is because an NGO is ‘contracted’ by the government to take over the delivery of services which were formerly provided by the government (Lewis and Kanji, 2009). Although the first attitude seems to be absolutely correct – to meet the needs of those who are in need – it represents one of the key concerns in development practice.

The question is whether the NGOs while providing services alongside governments are ‘...supplementing, undermining or replacing public services. There is the long-term problem that governments become ‘let off the hook’ and no longer feel obliged to provide for people’ (ibid, p. 95). Even if governments do feel their obligations, NGOs may not be helpful: instead of strengthening government capacity, some NGOs bypass government and provide assistance by themselves.

There is also another concern: according to Edwards and Hulme, ‘the accountability of a non-elected NGO when providing services to “clients” is very different to the formal relationships established between governments and citizens...’ (1996, p. 967). Although some NGOs adopted self-regulating measures to increase their accountability to the population of their concern (see for example the Humanitarian Accountability Partnership initiative) and some NGOs may be even more accountable than many authoritarian governments, the (in)ability of the ‘service users’ to claim their rights remains a highly relevant topic.

This is not to say that the government should have a monopoly of provision of services and other pro-development actions. NGOs are no doubt providing vital assistance to many vulnerable people. However, meeting current needs should not compromise the efforts to address the roots of the problems which developing countries are facing.

In the context of Ethiopia, such a ‘do no harm’ approach is hampered by the rather negative attitude of the government. According to Thomas and Taylor, ‘NGOs in Ethiopia have traditionally been regarded as a sector of civil society in conflict with the state’ (2000, p. 11). In such an environment, closer cooperation with the local and national authorities may be difficult; however, as the author will argue in chapter 4.4, not impossible.
4.3 | The citizens and NGOs

Poor urban dwellers often display a remarkable ability to cope with the unfavourable conditions in which they live. They adopt a number of ways which help them to meet their needs and build their assets. However, although many people are very capable, in order to escape from the circle of poverty, they need their rights to be realized. Although the primary ‘duty-bearer’ is the state, NGOs are one of those who also have the ability to contribute to the fulfilment of people’s rights. They do so in a number of ways – improving access to education and health care, building capacity of the community-based organizations or facilitating the communication between the citizens and local authorities.

In fact, there are thousands of ways by which people’s rights can be fulfilled but one always stays the same: this is a process of a mutual relationships. In any good relationship, the opinions of both sides matter. In the case of NGOs activities, the opinions of those who are supposed to benefit from them matters twofold given the fact that the assistance provided has direct impact on their lives. The way in which planning and provision is exercised can often cause more good or harm than the assistance itself (Chambers, 1997; Easterly, 2006). It is therefore absolutely crucial that any assistance provision is based on the priorities of the intended ‘beneficiaries’ rather than on the opinions of the NGO workers about what these priorities are.

NGOs in Addis Ababa have been largely aware of this and have therefore to a varying extent involved the population of their concern in the process of planning and implementing the provided assistance. However, based on the author’s experience in Addis Ababa, it is possible to say that there still exists a gap between the practice and the desired ideal of having ‘people-driven’ interventions. However, rather than see it necessarily as something negative, it represents a challenge for NGOs which is worth meeting.
4.4 | Conclusion: the role of NGOs in supporting urban livelihoods

The previous sections of chapter four outline the relationships between the key actors of this study: the central government, local authorities, citizens and NGOs. They specify the function of the government and highlighted the active role of citizens. Furthermore, the attitude and practice of NGOs was explained, with regards to the political context of Ethiopia. The author believes that this information provided a sufficient basis for identifying the role of NGOs in supporting the livelihoods of vulnerable urban dwellers.

NGOs have traditionally concentrated on the direct provision of services and other aspects of their development projects and programmes. They have been doing what in many developed countries is ensured by the governments and often supplemented by the private sector (for example, ensuring health care, building infrastructure or providing assistance to farmers). Later on, the emphasis shifted to the ‘demand side’ when NGOs were assisting people to claim their rights from the ‘duty-bearers’, the governments. When thinking about the role of NGOs in supporting urban livelihoods, this rights-based approach becomes a very inspiring concept.

According to Green, ‘the underlying purpose of a rights-based approach to development is to identify ways of transforming the self-perpetuating vicious circle of poverty, disempowerment, and conflict into a virtuous circle in which all people, as rights-holders, can demand accountability from states as duty-bearers, and where duty-bearers have both the willingness and capacity to fulfil, protect, and promote people’s human rights’ (2008, p. 27). From this explanation, we can see that the key issue is not only the citizens’ ability to demand their rights (which has received support by some NGOs) but also the actual ability of the duty-bearer to fulfil its obligations. Especially social and economic rights – which are crucial for people’s livelihoods - are very demanding to fulfil and the state may simply not have the capacity to respond to the demands the citizens make. Therefore, the author of this study argues that in order to realize the fulfilment of people’s rights, NGOs should in addition to their support to right-holders pay more attention also to the capacity of the duty-bearers. Understanding the constraints they face and working together on enhancing their capacity can help them to fulfil their function more effectively (Care, 2006). Long-term experience of the relief and development NGO Care has shown that ‘...working to strengthen municipal
"supply" of services achieved broader coverage than would have been possible by taking a community by community approach to strengthening "demand" (Stuckey, 2004, p. 14). The United Nations Development Programme (UNDP) supports this opinion when in its Poverty Report it states that ‘...institutional strengthening of local government would take longer than conventional targeted schemes to benefit the poor – but the eventual benefits would outweigh the costs’ (UNDP, 2000, p. 64). This does not mean that NGOs should not directly provide services – this is one of their key contributions to decreasing the vulnerability of many people. However, it should be seen as the temporary bridging of a gap which should be terminated once the government has the capacity and willingness to fulfil its function. Alternatively, when some government structures are not willing to fulfil the rights of a certain group of people (e.g. an ethnic minority) and advocacy is constrained by their negative attitude, NGOs should also consider supporting other existing structures, for example traditional community-based organizations. If this does not happen, NGO services will become a long-term policy option which – unless is explicitly desired by the governments and citizens – will pose concerns with regards to its sustainability, ownership and accountability.

The author acknowledges that the above proposed role of NGOs is easy to describe but in some countries much more difficult to put into practice. In Ethiopia, where the government does not welcome NGOs unless they work according to its wishes, advocating for people’s rights and engaging in government’s capacity can be met with resistance rather than a good reception. However, neither central nor local government are an anonymous entity which are impossible to approach. Government and all related institutions are represented by people - high ranking politicians, ministry officials, decision-makers at the city level, representatives of the lowest administrative level and others. Even though these people to some extent follow the official doctrine, they are nevertheless just people who often have an interest in the quality of the work they do. The author therefore believes that NGOs can engage with the government structures at a personal level, by creating a transparent and long-term working relationship between the NGO representatives and government officials. We may not call it an advocacy or rights-based approach but in effect NGOs can achieve similar results to what they sometime achieve by their advocacy campaigns.
Enabling people to learn practical skills and gain knowledge necessary for running their own enterprises is one of the ways in which NGOs can support people’s livelihoods.

Vocational training, Addis Ababa
The previous two chapters look at the livelihoods of poor people living in Addis Ababa and discuss the role of the non-governmental organisations. This provides a sufficient basis for presenting the opportunities NGOs have in enabling urban dwellers to improve their livelihoods. When thinking about the opportunities NGOs have, one could easily come up with hundreds of possible interventions. As we can see above, everyone’s livelihoods is dependent on a number of assets and is influenced by many external factors on the macro, meso and micro level. A detailed description of all the opportunities NGOs have would require a very comprehensive study which is not within the scope of this dissertation. This chapter therefore focuses specifically on three approaches which NGOs in Addis Ababa can take in their interventions. First, strengthen relevant authorities’ capacities to ‘supply’ services to the people living in Addis Ababa. Second, assist people to claim their rights from the ‘duty-bearers’, the relevant authorities. Third, economically empower people to fulfil their rights and meet needs through their own effort.

5.1 | Strengthening the capacity of the ‘duty-bearers’

In the case of Addis Ababa, strengthening the capacity of especially local authorities is a huge transition for NGOs in their role. NGOs have been directly providing services and other assistance for many years and the (at least partial) shift to supporting official authorities is for many of them relatively new approach. The specific way of in which they support a local authority depends largely on NGOs’ capacity, the context in which operate and the particular need which they aim to meet. NGOs today usually do not have the capacity to fund large infrastructure projects but they can assist the authorities for example to improve their capacity to engage with local residents or find more constructive and participatory mechanisms for planning of their pro-development actions.

Whatever the content of the cooperation is, there are certain principles derived from existing good practice which should be followed: the authorities themselves have to be interested in their capacity building and they have to have an active role in all aspects of the process, including its design; a long-term dialog is necessary; the authorities should not see NGOs’ involvement as a threat that is trying to undermine their authority; and the local population has to see themselves as right-holders rather than as subjects dependent upon the decisions and charity of others (Stuckey, 2004).
5.2 | Enabling people to claim their rights

As was explained in the fourth chapter, one of the effects of the Charities and Societies Proclamation No. 621/2009 (CSP) is that approximately ninety percent of all development NGOs working in Ethiopia is prohibited from engaging in any work related to advocacy and human rights. With regards to the repercussions of violating this law, it may seem a risky strategy for an NGO to encourage people to claim their rights from the local authorities. This is indeed true for visible campaigns which put pressure on the authorities. However, people can be assisted to claim their rights even without high profile campaigns. The following text shows a specific example of this.

In Addis Ababa there is a high concentration of hospitals, schools, Kebele offices but despite it all many people are unable to access the services they provide and so exercise their rights. The reasons for this are often very simple: as was described in chapter 3.4, people often lack the necessary documents (e.g. ID, transfer letter) and do not have the financial or intellectual capacity to obtain them. This is not anything unusual, similar situations can also be found in many developed countries. However, contrary to the developing countries, people can use the social services of the governmental and non-governmental organisation to get these documents (by providing advice, accompanying them to the offices, covering necessary costs, etc.). In Addis Ababa, such services are not common. Therefore if NGOs get inspiration from the social services provided by many NGOs in other countries, such case work could help at least some people to gain what they are eligible to and what the state/ Kebele is already providing to others. Although case work is a relatively expensive approach, the benefits for individuals can be significant – pension or support from Kebeles, access to health facilities and education and other services. At the same time, NGOs are not putting high pressure on the relevant authorities and thus are not at great risk of being accused of violating the law.

Though, this does not mean that NGOs should work within the existing ‘menu’ of state/ Kebele services only. The CSP de facto hampers fulfilling human rights and NGOs have to weigh carefully the pros and cons of (not) being at least indirectly involved in human rights issues and advocacy. In the course of their analysis of people’s livelihoods, they may discover institutional constraints and addressing these through sensitive longer-term dialog with the relevant authorities could help to eliminate them.
5.3 | Empowering people to fulfil their rights

Especially in the case of social and economic rights, it is not realistic to expect that the state alone should be responsible for their fulfilment. Its role is in some aspects crucial (e.g. establishing and supervising a system of medical and educational facilities, creating favourable conditions for businesses) but often citizens themselves can determine to what extent they will be able to exercise their rights and meet their needs. One of the reasons for why many poor people cannot do this is because of their lack of political and economic power. Political issues were reflected in the previous sections and this chapter will therefore focus specifically on economic empowerment.

Concern Ethiopia, an international development NGO, conducted research where they asked people living in the western part of Addis Ababa what they see as the main challenges hindering the improvement of their livelihoods. The results showed that the main constraints are lack of access to credit, access to skills, access to improved technology, access to working and selling venues, access to markets and limited political power (Concern, 2009). Accordingly, the interventions of many NGOs have been trying to address some or all of these challenges. The aim of these actions is usually to ensure that household’s members or individuals can support themselves economically (SC, 2006). The following text focuses on two commonly used approaches: improving access to financial services and providing non-financial services.

5.3.1 Improving access to financial services

Poor people are often unable to access formal saving and credit services which would help them to improve their financial capacity and decrease their vulnerability to external shocks and stresses. As an employee of Concern Ethiopia noted, ‘poor people cannot go to a bank to deposit one birr’ [Ethiopian currency, 1 birr = 0.05 £]. Banks and other financial institutions are also often unwilling to give credit to people who have only small and uncertain incomes. Having access to a facility where a person can make regular savings and take credit, as for example when s/he needs to expand an enterprise, can make a considerable difference in the lives of poor people.

Many NGOs have been aware of this and came up therefore with various ways in which they could make these services accessible. One of the most common
approaches has been the saving and credit self-help groups (or cooperatives, associations, etc.). These groups have been either developed from other existing, often traditional groups (e.g. iddir) or were created based on an NGO’s initiative and people’s interest. Alternatively, an already existing saving and credit group was supported. These groups are managed by the members themselves (but initially supported by an NGO) who also set its norms and rules. The vast majority of the members are women who share the same interest – which is one of the reasons why these groups have been often very successful. The members regularly save small amounts of money (depending on their options) which they usually deposit in a collective bank account. When they accumulate a sufficient amount, the members are eligible to apply for a credit (depending on the financial capacity of the group) and after a certain period of time, they are required to pay it back alongside interest.

When these groups are established, NGOs support them in a number of ways. In the first stage, they support groups in setting their own rules, provide training on leaderships skills, accounting, management, conflict resolution and others. Some NGOs also provide a group with an initial capital which allows more members in a short period of time to apply for credit. Other NGOs avoid providing any direct financial support to the group and prefer it when the members themselves build the capital. Later, they pay more attention to assisting the group to become self governing and able to work effectively without any external assistance (SC, 2006). They also facilitate creating linkages with formal micro-finance institutions in order to enable groups to access bigger capital. Furthermore, if a group is performing well, some NGOs support their networking with other groups for learning, experience sharing and mutual support (ibid).

The underlying idea behind all these activities is that available capital can allow the members to improve or start up their own income-generating activities and invest in productive assets. For this to be successful, capital alone would not be enough. NGOs therefore provide a number of non-financial services which pursue the same aim – to ensure that people can economically support themselves. These services are explained in the following section.
5.3.2 Providing non-financial services

Lack of financial capital is not the only one constraint that hinders improvement of people’s livelihoods. Equally or even more important are a person’s knowledge and skills. Poor people often have the remarkable ability to make a living from even the very little they have but this ability alone may not be sufficient for the actual development of their livelihoods. NGOs therefore have an opportunity to fill this gap by increasing their knowledge and skills. In practice, this is often done by:

- Providing training to motivated individuals on a number of practical topics: vocational trainings (carpentry, hairdressing – often done in cooperation with existing entrepreneurs), basic business skills trainings (for example, with a help of ILO methodology Generate Your Own Business Plan, Start and Improve Your Business or Expand Your Business), marketing training or training of basic literacy and numeracy.

- Increasingly common is conducting value-chain analysis, a tool used to assess how products gain value as they pass from their conception to a final consumer. By identifying the value added in each stage, it is possible to find an entry point for activities that have the biggest potential of increasing income.

- Some NGOs provide advice concerning affordable technology – for example, a woman selling home-baked food can benefit a lot from a fuel-saving stove which will reduce her fuel costs.

- Also important is providing information concerning relevant local regulations and possibilities of accessing market infrastructure (e.g. market stalls).

- NGOs frequently integrate into their work awareness rising about some cross-cutting issues, for example about the risk of HIV/AIDS which has a great impact on people’s livelihoods.

Irrespective of what kind of support is provided, it should always be based on the preferences, abilities and motivation of the intended beneficiary. Furthermore, the business should be demand and not supply driven and wherever possible the intervention should seek to support the local capacity (of authorities, civil society, etc.)
5.4 | Conclusion

The wide range of factors which influence people’s livelihoods means that NGOs have many opportunities for enabling people to improve their living. The author described three basic approaches which they can use for their actions.

The first approach aims to assist poor people by strengthening relevant authorities’ capacities to ‘supply’ the services to which these people are entitled. This is a relatively new strategy for many NGOs and requires a long-term approach which gradually builds a constructive relationship with the authorities. Issues of mutual trust and authorities’ active participation in the preparation and implementation of the action have to be carefully considered.

The second approach aims to enable people to claim their rights from the ‘duty-bearers’, which are in many cases the local Kebeles. Although the new Charities and Societies Proclamation prohibits many NGOs to be engaged in advocacy and human rights issues, the author believes that by sensitive dialogue with the officials of the relevant authorities (which does not have to be called advocacy) they can enable people to get at least of some of their entitlements (health care, education, pension).

The third approach has been enjoying the most attention from NGOs: economic empowerment of people which allows them to fulfil some of their rights and meet needs through their own effort. This direct provision of services to the population of NGOs’ concern is an area where NGOs have substantial experience and where they are able to make a tangible change in people’s lives. Therefore it would be worth exploring how their know-how can be better integrated with the experiences and capacities of the official authorities. Eventual institutionalisation and extension of such good practices could mean that more people would be able to benefit.

Rather than interpreting these three approaches as one better than another, they should be complementary and depend on the context of the intervention and on the priorities of those who are supposed to benefit from them. In any case, it is crucial for NGOs to realise that building local capacity should always be their priority if they want to achieve a long-term change in the lives of those whom they aim to help.
Chapter Six | Conclusions

Although they are often labelled under one category - poor people - many are rich in personality and all of them have their dignity. This is the priority to keep in mind in any intervention.

Street market, Addis Ababa
Many developing countries currently experience a rapid increase in the number of people living in towns and cities. Furthermore, they are facing a growing incidence of urban poverty. Life in towns and cities brings to its residents a number of advantages but at the same time it poses considerable challenges which are for many difficult to overcome. People’s dependence on monetary economy is higher than in the rural areas and competition for this vital asset is keen. However, it would be a mistake to assume that money alone is that which decides the quality of a person’s livelihoods. Money is a crucial asset that serves as a means for accessing what a person needs but an exploration of the livelihoods of poor Addis Ababa dwellers showed that their living is also determined by a number of other factors.

The first group of these factors are assets which a person possesses or has access to. This study has presented a number of real life examples. Some poor people perceive that having a strong motivation for creating or developing a business is more important than having financial capital. Good relationships with neighbours and friends for many people represent one of the most beneficial assets in their livelihoods. Reliable rent or secure tenure of a shelter can decrease person’s vulnerability to ill health and provide a safe place for children’s education or a home-based enterprise. On the other hand limited labour, for example, due to ill health, handicap or old age is for many a major constraint to being able to make a good living. For others, poor access to education and occupational skills training means that they do not have much choice in their occupation and therefore have to rely on low-paid work in the informal sector.

Another group is that of the external processes and structures which influence people’s livelihoods. Processes can be on a number of levels and in various forms, for example: conditions of international trade which often disadvantage developing countries, agriculture-led national development policy limiting the attention paid to urban issues or an effective traditional system of mutual support among people. One of the main issues concerning structures such as governments, local authorities or community based organisations is to what extent they are responsive to the needs and rights of people who are supposed to benefit from their work. Therefore it is important for people to have a political voice so that they can influence those who are making the decisions which have an impact on their lives.
From this information it may be possible to say that urban poverty can be reduced and people’s livelihoods improved even without interventions which directly aim to increase a person’s income, for example through improving access to services (e.g. health care which limits the risk of losing one of the key assets – labour), through developing a person’s asset base or through political empowerment which would allow people to negotiate with the decision-makers. Non-governmental organisations are one of the actors who can contribute to such a difference. However, prior to starting to think about what specific activities NGOs can do, the question needs to be posed of what the actual role of NGOs is in this process?

Many developmental NGOs working in developing countries come from abroad and operate in an environment where established structures and processes exist which are – with varying degrees of commitment and success – already making efforts to (amongst others) improve the livelihoods of poor people living in the urban areas. As in other countries, in Ethiopia there also exists a legal relationship between the Government structures and the citizens: the Government’s official commitments to fulfil the rights of the ‘right-holders’. Although the capacity and in some cases also willingness of the Government structures to do so is sometimes rather weak, they have the biggest potential to ensure a long-term positive change in people’s lives. Their potential to reach large numbers of people is high and their presence in a particular place is usually much longer than is the case of NGOs who are dependent on relatively short-term funding. NGOs should therefore reconsider their role and pay more attention to building the often lacking local capacity of these actors. With regards to the distrustful attitude of the Ethiopian government towards NGOs this may not be easy but the author believes that it can be achieved by a long-term, transparent and constructive relationship with the relevant authorities.

Based on this understanding, it is possible to fulfil the aim of this dissertation - to assess what the most appropriate ways are in which the local and international non-governmental organisations can support the livelihoods of poor inhabitants of Addis Ababa, while respecting the roles and capabilities of other actors. The author proposes three complementary rather than mutually exclusive approaches: strengthening relevant authorities’ capacities to ‘supply’ the services to which people are entitled,
enabling people to claim their rights from the ‘duty-bearers’ and economic empowering of people which allows them to fulfil some of their rights and meet needs through their own effort. The exact way in which NGOs can provide their support depends largely on their capacity, the context in which they operate and the particular need which they aim to meet.

In the course of writing this dissertation the need for further research was made evident. There is a very good theoretical rationale for encouraging closer cooperation between the local structures and NGOs which are supporting the livelihoods of poor urban dwellers in the urban areas of Ethiopia. However, there is only a limited amount of written evidence about the extent to which different forms of such cooperation are applicable in the current socio-political context of Ethiopia (or even Addis Ababa alone), how particular structures perceive this cooperation and what the main existing challenges and opportunities are. Due to its partially political nature, this topic is somewhat sensitive and eventual research would require a careful and insightful approach. The outcomes of such research could further expand the recommendations proposed in this dissertation and assist NGOs in developing effective strategies for urban livelihoods programming.
Annex I | Interviews in the streets

This annex outlines the topics of the semi-structured interviews conducted with the target group. Furthermore, it presents a list of all interviewees.

The exact wording of a particular question depended on a number of factors: age of the interviewee, her/his livelihoods strategy, experience, content of her/his previous statements and others. The same apply for the topics: the author often saw it as more appropriate to skip some questions and add others, depending on the context and course of the interview. In every case, he was trying to be as comprehensive as possible and at the same time be sensitive towards the statements made by the interviewee.

Topics of the semi-structured interviews:

- *introduction* of the interpreter and author, explanation of the research (purpose, use and confidentiality of the date, clarification of eventual expectations), possibility of using a recorder, eventual questions by the interviewee
- *basic data*: first name, approximate age, occupation, living and working area
- *initial insight* into person’s income-generating activity: its duration, existence of other complementary income-generating activities, previous occupation(s), self-perception of and satisfaction with the existing activity, eventual constraints
- *human assets*: education achieved and skills, their self-perception, motivation
- *social assets*: with how many people a person lives, extent to which s/he share her/his assets (food, advices, income) with others, specification of the mutual support, participation in various groups (iddir), person’s perception of the groups and their benefits
- *physical assets*: access to shelter, security of tenure/ rent, costs, satisfaction with the living conditions, access to related infrastructure
- *financial assets*: main sources of income (incl. non-monetary income), proportion of different sources on the overall income, daily wages, vulnerability to seasonal changes, what the income (does) not allow, access to credit, ability to make savings, main expenses and their proportion of overall income
- **political assets**: interviewee’s experiences with the local (or other) authorities, perception that s/he can influence their decision/s, opinions about their work

- **visions**: (non)existence of vision’s of what the interviewee would like to achieve (e.g. graduate at the university and find a job), what does the person miss in order to achieve it, how /she want to achieve it

- **any further questions** and statements of the interviewee (anything what the interviewee would like to talk about but was not mentioned in the previous questions) and interviewer (e.g. concerning interviewee’s perception of her/his vulnerability, influence of external factors)

- **appreciation** of person’s willingness to take part in the interview

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**List of the interviewees**

<table>
<thead>
<tr>
<th>First Name</th>
<th>Sex</th>
<th>Age</th>
<th>Main livelihoods strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asrat</td>
<td>male</td>
<td>16</td>
<td>Sale of chips</td>
</tr>
<tr>
<td>Asofa</td>
<td>male</td>
<td>21</td>
<td>shoe shining, petty trade, occasionally labour work</td>
</tr>
<tr>
<td>Atede</td>
<td>female</td>
<td>20</td>
<td>engaged in begging</td>
</tr>
<tr>
<td>Berhan</td>
<td>female</td>
<td>50s</td>
<td>washing clothes, support from children</td>
</tr>
<tr>
<td>Hisbalem</td>
<td>female</td>
<td>20</td>
<td>sale of soap</td>
</tr>
<tr>
<td>Kubro</td>
<td>male</td>
<td>13</td>
<td>selling chewing-gums</td>
</tr>
<tr>
<td>Lemlem</td>
<td>female</td>
<td>27</td>
<td>engaged in begging</td>
</tr>
<tr>
<td>Mathias</td>
<td>male</td>
<td>10</td>
<td>shoe shining</td>
</tr>
<tr>
<td>Merry</td>
<td>female</td>
<td>23</td>
<td>support from Kebele and an NGO</td>
</tr>
<tr>
<td>Nafisa</td>
<td>female</td>
<td>21</td>
<td>engaged in begging</td>
</tr>
<tr>
<td>Nure</td>
<td>male</td>
<td>17</td>
<td>shoe shining, sale of tooth sticks and other goods</td>
</tr>
<tr>
<td>Seble</td>
<td>female</td>
<td>18</td>
<td>sale of biscuits, nuts and other goods</td>
</tr>
<tr>
<td>Shesam</td>
<td>male</td>
<td>26</td>
<td>sale of books</td>
</tr>
<tr>
<td>Solomon</td>
<td>male</td>
<td>60</td>
<td>engaged in begging</td>
</tr>
<tr>
<td>Solomon</td>
<td>male</td>
<td>42</td>
<td>engaged in begging</td>
</tr>
<tr>
<td>Tafara</td>
<td>male</td>
<td>68</td>
<td>engaged in begging</td>
</tr>
<tr>
<td>Tanu</td>
<td>female</td>
<td>50s</td>
<td>washing clothes, help at ceremonies</td>
</tr>
<tr>
<td>Tedu</td>
<td>female</td>
<td>20</td>
<td>sale of biscuits, tissues and other goods</td>
</tr>
</tbody>
</table>
Annex II | Interviews with NGOs

This section provides an overview of the key themes that were covered by the semi-structured interviews with NGO representatives. Furthermore, it lists all interviewees.

**Topics of the semi-structured interviews:**

- organisation’s approach to addressing urban livelihoods
- evolution of their understanding of urban livelihoods and the role of NGOs
- targeting (area and target population identification, child labour issues)
- participation of the population of their concern
- their relations to the relevant authorities
- opinions concerning the main challenges the poor people in Addis Ababa face
- strengths and weaknesses of NGOs’ strategies

**List of the interviewees**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Interviewee</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care Ethiopia</td>
<td>Mr. Gobena Seboka</td>
<td>Urban Livelihoods Specialist</td>
</tr>
<tr>
<td>Concern Worldwide</td>
<td>Mrs. Endanchiyelem Mekonnen</td>
<td>Addis Ababa Coordinator</td>
</tr>
<tr>
<td>Oxfam Canada</td>
<td>Mr. Ato Feleke Tadele</td>
<td>Country Director</td>
</tr>
<tr>
<td>Alliance for Development</td>
<td>Mr. Sahle-Marian</td>
<td>Director</td>
</tr>
<tr>
<td>Jerusalem Children and Community Develop. Org.</td>
<td>Mr. Hailu Tafesse</td>
<td>Livelihood Programme Team Leader</td>
</tr>
</tbody>
</table>
References and bibliography

The following list uses the Harvard referencing system. Publications written by Sellar (2008) and Gaspar (2009) were used as guiding documents.


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