



Tropentag, September 18-20, 2019, Kassel

“Filling gaps and removing traps
for sustainable resource management”

Reaching the Ultra-Poor through Livelihood Asset Transfer: Impacts on Rural Income Diversification and Migration in Ethiopia

TADIWOS ZEWDIE, JAMES WARNER, GETAW TADESSE

International Food Policy Research Institute (IFPRI), Africa, Ethiopia

Abstract

Social protection programs in Africa and South Asia are relatively successful at reaching moderately poor households but ultra-poor tend to be inadequately served or bypassed. In view of this, Ethiopia has piloted innovative livelihood asset transfer programme between 2016 to 2018 to enhance the rate of graduation from the national Productive Safety Net Program (PSNP). It provides a direct transfer of a livelihood investment grant together with human resource development training. Similar programs are already being replicated in several other countries. Little is known whether the programme has the potential to help the ultra-poor move onto a sustainable trajectory out of poverty. Using a household panel data and difference-in-difference estimation approach, we examined the impact of the livelihood transfer programme on economic improvement of ultra-poor households. The results show that the livelihood transfer has a positive and statistically significant effect in increasing household income diversification and per capita cash income; and reduced rural migration. Further analysis by gender indicates that female-headed households gain higher per capita income than male-headed households. However, the latter have gained more diversified income (or new investments from the transfer resource) than the former. We also find evidence that per capita income gains and rural migration reduction from programme participation is statistically significant across income groups implying that the programme is indeed pro-poor. Thus, it can help to enhance the rate of graduation from social protection supports. Overall, the pilot livelihood asset transfer programme impacts have proven to be potentially scalable in the country and elsewhere.

Keywords: Ethiopia, income diversification, livelihood asset transfer, migration, ultra-poor