ANALYSIS ON THE INCIDENCE AND DETERMINANTS OF URBAN HOUSEHOLD POVERTY: THE CASE OF DURAME TOWN, KAMBATA TAMBARO ZONE, SNNPRS, ETHIOPIA

M.A THESIS

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HAWASSA UNIVERSITY, HAWASSA, ETHIOPIA

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DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for an award of degree in any University and all the sources and materials used for the thesis have been duly acknowledged.

Name: Desalegn Liranso

Signature_____

February, 2019

Hawassa

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
CBN	Cost of Basic Necessities
CSA	Central Statistical Authority
DTAR	Durame Town Administration Report
DTMD	Durame Town Municipal Document
ECA	Economic Commission for Africa
FAO	Food and Agriculture Organization
FDRE	Federal Democratic Republic of Ethiopia
FEI	Food Energy Intake
FGD	Focus Group Discussion
FGT	Foster, Greer and Thorbecke
FHHH	Female Headed Households
GOs	Governmental Organizations
GTP	Growth and Transformation plan
HHs	Households
KI	Key Informant
LDCs	Least Developed Countries
LSMS	Living Standards' Measurement Survey
M.A	Master of Arts
MDGs	Millennium Development Goals
mm	millimeters
MoFED	Ministry of Finance and Economic Development
NGOs	Non-Governmental Organizations

NPC	National Plan Commission
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
PASDEP	Plan to Accelerate and Sustainable Development to End Poverty
PG	Poverty Gap
PPP	Purchasing Power Parity
PS	Poverty Severity
RLDS	Regional and Local Development Studies
SDPRP	Sustainable Development and Poverty Reduction Program
SGaDS	School of Governance and Development Studies
SNNPR	Southern Nations Nationalities and Peoples Region
VIF	Variance Inflation Factor
UNCTAD	United Nations Culture Trade and Development
UNDESA	United Nations Department for Environment and Social Affairs
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
WBI	World Bank Institutions

ABSTRACT

Poverty is a complex and multidimensional social problem in the world including Ethiopia. It has been a long time that the attention of the international community is drawn to alleviate it. However, poverty is still continued to be a challenge for global community. Recently, poverty is becoming a typical urban phenomenon due to rapid urbanization particularly in developing countries. Various factors could determine the incidence and extent of household poverty in urban areas. Studies that identified factors that determine the level and extent of urban household poverty particularly in small and medium towns were not adequate. The objective of this study, therefore, was to analyze the incidence and determinants of urban household poverty in Durame town with the specific objectives of measuring the incidence and extent of urban poverty using consumption expenditure approach, analyzing the determinants of urban household poverty, assessing the role of GOs and NGOs in reducing urban poverty and identifying the possible opportunities that enable reduce poverty in the study area. In order to attain these objectives, 227 sample households were selected using systematic random sampling method from two kebeles of the study town. Primary data was collected from the sample households using survey questionnaire. Key informant interview and FGD were also conducted as planned and these data were used qualitatively to substantiate the findings. Poor and non-poor households were identified by using preset poverty line of birr 5142.16 for the study area. Consumption expenditure per adult equivalent per year was computed against the predetermined poverty line to categorize poor and non-poor households. FGT method was employed to identify indices of incidence, gap and severity of poverty. The results revealed that about 29.9 % of the sample households' fall below poverty line with 5.9% and 2% poverty gap and severity respectively. Econometric results of binary logistic regression model demonstrated that sex and household size were found to be statistically significant determinants of poverty and have strong positive association with poverty status of urban household whereas education, income, access to safe water and electric energy were associated negatively with poverty status of the urban household at statistically significant level at 1 percent. The remaining predictor variables revealed as positively associated except credit which is negatively associated with poverty status of the household at statistically insignificant level. The findings of the study confirmed that the role of GOs and NGOs is not significant except providing some school materials for few poor households by some religious institutions. The GOs projects were mainly focused on upgrading urban infrastructure and social protection activities were not yet practical. As it was common elsewhere, the focus of NGOs is mainly rural than urban in the study area. As poverty incidence is higher in the study area, it requires greater attention to design pro poor projects to improve the living condition of poor urban households. Emphasis should be given to family planning strategies as the average household size is larger in the study area. In addition, adequate effort should be needed to improve the accessibility of safe drinking water and electric energy to poor households without which escaping poverty is difficult for urban households.

Key Words: *Urban poverty, Incidence, Determinants, Household, Binary logit model*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

As the urban population of the world increases, a major challenge remains coping with poverty. Cities all over the world have grown tremendously, and in many regions the locus of poverty has already shifted from rural areas to urban areas (WBI, 2001). In 1950s, 30 % of the world's population has lived in urban areas (World Bank, 2009). The same report indicated that currently, for the first time in history, more than half of the world's population is living in urban areas. The UNFPA 2007 report predicted that, by 2030, the towns and cities in developing countries would account for 80 % of the global urban humanity. It also claims that in many cases the economic circumstances of urban migrants are worse than those of rural peasants.

As indicated in UNDESA (2011), annual urban growth rate of Africa is very high (about 3.23 %) as compared with other continents. Correspondingly, the ECA report (2017) declares that Africa is undergoing a rapid urban transition and is set to be the fastest urbanizing region in the coming decades. The same report indicated that the share of urban population of the continent was 40 % in 2014 and it was projected to be 56 % in 2050. About 61 % of this population lives in small towns of the continent (Matuschke, 2009) and it is rapidly experiencing increasing inequality in its living standards (Girma, 2012).

Though urbanization in Ethiopia is about 20 %, it has one of the fastest growing urban populations in the world (World Bank, 2014). A study by the World Bank (2015) indicates that the rate of urban growth, in Ethiopia, will be even faster at about 5.4 % per year and the urban population will reach 30 % by 2028. As indicated in Ephrem (2015) these trends of rapid urbanization have implications for the nature and distribution of poverty, which is becoming an increasingly urban phenomenon.

According to the report of MoFED (2012), the proportion of urban population, in Ethiopia, who live below poverty line for the year 2010, was 25.7 % and that of rural area was 30.4 percent. The same report indicates that the incidence of urban poverty in Southern Nations, Nationalities and People's Regional state is 25.8 % and ranked as the 3rd largest urban poverty next to Amhara and Gambela regions. With an estimated of nearly 2.5 million urban population in the region (CSA, 2010), the above figure leaves more than half a million of the region's urban population trapped in absolute poverty. The relatively higher incidence of urban poverty in the region requires identification of the major causes of poverty and highly stricken part of the population (Mohammed, 2017).

In Ethiopia more attention was given to the rural areas and lots of research works have been carried out to study the poverty situation of the rural people. Few works were conducted in urban areas with particular interests of the regional capitals (Getaneh, 2017, Ephrem, 2015, Araya, 2010, Daniel, 2005). Esubalew (2006) notes that these studies were conducted in rural areas due to the fact that majority of the poor reside in rural areas. However, rapid urbanization combined with limited employment opportunities is leading to a more rapid urban poverty in urban areas than in rural areas.

Kambata Tambaro zone is one of the most densely populated zones in SNNPRS. The 2007 National Population and Housing census report indicated that more than 500 people per sq.km live in the zone. As a result, land size owned by most rural households is not more than 0.5 hectare. This situation presses many rural households' migrate to urban areas in search of paid jobs. The study conducted by Mohammed (2017) on measurements and determinants of urban poverty in SNNPR identified Kambata Tambaro zone as one of the zones characterized by higher incidence, gap, and severity of urban poverty. The same study calls for further study that identify why the incidence, gap and severity of urban poverty is higher in this zone.

The study area, Durame town, is serving as the political and administrative center of Kambata Tambaro zone. Currently, more than 83,000 inhabitants reside in the town. It is one of the rapidly expanding towns in SNNPRS. According to the town administration report (2017), inadequate physical infrastructure, shortage of residential houses, non-vibrant business activities and increasing number of job seekers are major challenges of the town administration. As a result, many youths and household heads migrate to other areas in search for paid jobs so that to

support the livelihoods of their household. This study, therefore, attempts to analyze the incidence and determinants of urban household poverty in the study town.

1.2. Statement of the problem

Poverty is a problem in almost all nations in the world (Kabuya, 2015). It has existed for a very long time, and it will remains to be a worldwide social evil still now in the 21st century (FAO, 2012). Even though, historically poverty borne by the rural areas, it is shifting to cities and towns (ADB, 2014). As a result, the nature and distribution of world poverty is becoming an increasingly urban phenomenon (Ephrem, 2015).

Unlike rural poverty, urban poverty is complex and multidimensional. While rural poverty is often marked by its connection with agriculture and land, urban poverty is said to be associated with heterogeneous economic and social factors (Mohammed, 2017). Even though urban poverty is mainly a monetary phenomenon, it extends beyond the deficiency of income or consumption to various forms of deprivations (ADB, 2014). Rapidly expanding urban centers are characterized with deficiency of physical infrastructures and basic services which adversely affect urban poor.

Despite the low level of urbanization (about 20 %), urban growth in Ethiopia is one of the fastest in the world. The World Bank report (2015) indicates that the rate of urban growth will be even faster, about 5.4 % per year, in the future. African Economic Outlook report (2016) warns that unless properly addressed the fastest urban growth in Ethiopia could pose significant development challenges. This rapid urban growth is associated with the increasing number of people living in urban areas and so is the number of the urban poor (Ephrem, 2015, World Bank 2014). According to the CSA survey (2012) about 25.7 % of the urban population, in Ethiopia, lives below the national poverty line and 46.4 % of this population is multi-dimensionally poor.

Most poverty studies on urban areas of Ethiopia were conducted mainly on large towns particularly focusing to regional capitals. Relatively few studies were undertaken in medium and small towns (Getaneh, 2017, Ephrem, 2015, Girma, 2012, Tesfaye, 2006). The nature and magnitude of poverty and the living condition of urban households vary greatly between large and small towns of the country. The results of national and regional studies on urban poverty

status did not reveal the realities of exact magnitude of poverty in medium and small towns in Ethiopia (Getaneh, 2017). In order to understand the incidence and determinants of poverty in these towns, studies that focus on urban poverty must be disaggregated considering the context and sizes of the towns.

Existing studies on urban poverty were revealing different results regarding incidence and determinants of poverty in urban areas. The study conducted in Nekemte town indicated that about 42 % of the sampled households were identified as poor and the result is closer to double the national urban poverty level (Melese, et al., 2017). Another study in Wukro town, Tigray region, also indicated that about 34.5 % of the sample respondents were categorized as poor with the poverty gap of 8.5 % (Araya, 2010). Moreover, 52 % of the households in Wolyita Sodo town were reported as poor with 12.6 and 5.2 % of poverty gap and severity respectively (Frew, 2018). These evidences indicate that the incidence and magnitude of urban poverty is not the same in all urban areas and calls for studying the situation of each town rather than making generalization from national figures.

The incidence and extent of urban poverty is determined by various factors. Due to the focus of studies on rural poverty previously, factors that determine urban poverty, particularly in medium and small towns, are not adequately studied in Ethiopia. Methodologically, most of the studies conducted on incidence and determinants of urban poverty were mainly descriptive (Melese, et al., 2017). As poverty is complex and influenced by many interrelated factors that determine its incidence, analyzing it with both descriptive and econometric models will help for the better understanding of its nature.

Durame town, the study area, is one of the fastest growing towns in SNNPRS. The population of the town is rapidly increasing. The 2007 CSA census report indicated that the total population of the town was 24,454 and it was projected to be 52,084 in 2017. Nonetheless, the (2017) Finance and Economic Development office report of the town revealed that currently the total population of the town has reached 83,946 due to the expansion of administrative boundary of the town to establish Durame campus of Wachamo University.

Preliminary observations showed that provision of physical infrastructure, such as road network, clean drinking water and energy supply was not adequate in the town. The existing

businesses activities were not capable to absorb adult and young job seekers and as a result they migrate to other areas in search for paid jobs. For many households, it is not easy to own residential houses due to unaffordable land prices. Households who could not own their own house allocate considerable amount of their income for rent. Moreover, the study town is surrounded by highly populated areas whose farm production is not sufficient for its own household consumption. Due to these facts, households in the study area face relatively higher price of food commodities. The influence of these situations on urban households was not studied well in the study area. This study, therefore, attempts to analyze the incidence and determinants of urban households' poverty in Durame town using both descriptive and econometric model analysis.

1.3. Objectives of the study

The study has general and specific objectives

1.3.1. General Objective

The general objective of the study was to analyze the incidence of urban household poverty and its determinants in Durame town, Kambata Tembaro zone of Southern Ethiopia.

1.3.2. Specific Objectives

- To measure the incidence of urban household poverty in Durame town using consumption expenditure approach.
- To analyze the determinants of urban households' poverty in the study area.
- To assess the roles of Government and Non-government Organizations in addressing urban poverty in the study area.
- To identify the available opportunities to minimize the level of urban households' poverty in the study area.

1.4. Research Questions of this study

1. What is the incidence of urban households' poverty in Durame town?

2. How factors that determine urban household poverty affect household consumption in the study area?
3. Are government and non-government organizations playing effective roles in mitigating urban household poverty so far in the study area?
4. What opportunities are available to minimize urban households' poverty in the study area?

1.5. Significance of the Study

Literatures on urban poverty analysis, in Ethiopia, are mainly focus on larger towns. Both government and academia gave less attention to the situations of poverty in intermediate and small towns until recently. However, recent evidences indicate that urban poverty studies need to focus on medium and small urban areas which host considerable amount of urban poor. The issue of poverty may vary from town to town which requires studying the poverty situation of specific town based on its context rather than making generalization from the results of larger towns. Hence, the significance of this study in this regard is vital due the following reasons:

- As similar studies were not conducted in the study area as far as the researcher knows, the findings of this study contribute in narrowing this gap and help as the starting point for other researchers in the study area.
- The findings of this research will bring the attentions of government and researchers to focus on the poverty situations of medium and intermediate towns.

1.6. Scope of the Study

Since poverty is multidimensional and studying all these dimensions is beyond the scope of this study due to time and budget constraint, the researcher focused on the expenditure dimension of poverty as expenditure dimension is better measure of poverty than other dimensions . The level and extent of urban household poverty was measured by using consumption expenditure approach. For this purpose FGT method was employed. Variables such as: household demographic characters (sex, age, family size and marital status), socio-economic variables (income level of the households, educational level, health status of the household, occupation of the household, house ownership of the household, water, electric energy and credit access of

the household) were used as determinants or risk factors that influence a households' being poor or not. Geographically, this study was delimited to the administrative boundaries of the Durame Town Administration. The study was conducted within the two kebele administration named as Zararo and Lalo.

1.7 Limitations of the Study

Practically, no research is complete and free from limitations. This study, too, constrained by the following limitations:

- Due to the personal concerns of some variables such as consumption expenditure and property (asset), some households were not willing to respond exact amount and provided their estimation.
- The source of the sample frame was kebele registration which includes only those households who were registered. Those who were not registered in the list were not included in the study because there was no way to include them.
- Multidimensional and complex nature of poverty calls for more comprehensive analysis of it employing various variables. Due to time and budget constraint, the variables analyzed were limited in this study.
- As a strategy households were asked to mention both their income and consumption expenditure. Some households who mentioned exaggerated expenditure against their income were made to revise their responses during the collection of the questionnaires.
- The researcher tried to include in FGD some of the households who were not registered in kebele registration list and their views were analyzed qualitatively.
- As it is cumbersome to analyze all dimensions of poverty in this study, the researcher tried to select some major variables depending on literature and used the most important variables to analyze poverty in the study town.

1.8 Organization of the Thesis

This thesis report was organized into five chapters. The first chapter of this study dealt with the background, statement of the problem, objectives, research questions, scope, significance and limitations of the study.

The second chapter consisted of the review of the literature. The conceptual, theoretical and empirical literature was reviewed in this chapter. Empirical evidences of urban poverty and its determinants, conceptual framework of the study, determination of poverty lines and roles of GOs and NGOs in minimizing poverty were also discussed in detail in this chapter.

The third chapter of this study contained brief description of the study area, methods and methodology of the study, design of the study, methods of data analysis and variable definitions and working hypothesis to various determinants of urban poverty. This chapter contained all methodological part of the thesis.

The fourth chapter dealt with the results and discussions of the findings of the study. The collected data was recorded coded and computed with the help of SPSS software. The processed data was presented and discussed in this chapter. The findings of the study were presented using tables and descriptions.

The fifth chapter of the thesis was devoted for the summary, conclusion and recommendation part of the study. The results and discussions of the thesis were summarized, concluded and some recommendations were forwarded in this chapter. The rest of the paper part contained the annexes of the thesis.

1.9 Operational Definitions of Terms

Operational definitions of the terms are not the same to the direct dictionary definitions of the terms, rather, these terms refers to the meanings and measures that the terms imply in the study. These terms should be stated in a more precise and easily understandable ways which will be used consistently throughout the thesis work.

Terms	Operational Definitions
Household	A household is a group of people living together in the same house who pool their earnings on the same table and regularly eat from the same pot (Tizita, 2013, Robertson, 1984).
Urban Households	Urban households are a group of people who live in the same house within authorized urban locations and spend their income for common purpose of the household (Beall and Kanji, 1999).
Poverty	Poverty is a condition that an individual or a household lack an opportunities or means to command resources for attaining minimum level of living (Beall and Kanji, 1999; World Bank, 1990).
Determinants	Determinants are demographic, economic and social variables that determine the condition of urban households being poor or not (Poverty manual, 2005).
Poverty Line	Poverty line is a measure that separates the poor from non-poor, those whose consumption expenditure falls below the line are poor and those above are non-poor. For the purpose of this study poverty line is birr 5142.16 which is adjusted for inflation based upon national poverty line (birr 3781) in 2011 by CSA (CSA, 2012).
Logistic regression	Logistic regression analysis studies the association between a categorical dependent variable and a set of independent (explanatory) variables. It is used when the dependent variable has only two values, such as 0 and 1 or Yes and No. For the purpose of this study, the logit model will be used to analyze the relationship between dependent variable/being poor or non-poor/ and independent variables/demographic and socio-economic/.

CHAPTER TWO

REVIEW OF THE LITERATURE

2.1 CONCEPTUAL LITERATURE

2.1.1 Definitions and Measurements of Poverty

While the alleviation of poverty is generally accepted as a central objective of economic and social policy issue, differences remain regarding its definition and measurement. Literatures on the definition of poverty provide many different interpretations (May, 2001). Some defined poverty narrowly as deprivation of income and others defined it as deprivations of not only income but also other basic necessities such as shelter, health, water, etc. (Getaneh, 2017).

As indicated in Townsend (2006) the first scientific method of measuring poverty was developed in England in 1901 by nutritionist Rowntree. He viewed poverty as lack of subsistence or nutritional insufficiency. The concept of subsistence was used to measure absolute poverty and the concept is related to the nutritional needs for physical efficiency or material needs for physical survival and efficiency. Thus, nutritionists developed the minimum monthly income needed to cover the minimum nutritional needs of a household. According to Townsend (2006) “families were defined to be in poverty when their incomes were not sufficient to obtain the minimum necessaries for the maintenance of merely physical efficiency”. Later the method was strongly criticized since the method relegates human needs only to physical needs ignoring other needs more specifically social needs.

Consequently, there was a shift in the 1970s from subsistence to basic needs approach to define poverty. In this approach poverty was seen as not only nutritional insufficiency but also lack of access to education, shelter, health and other services and the focus was on integrated rural development to surmount poverty. The concept of basic needs was introduced in the literature of poverty in the 1970s to overcome the shortcoming of the concept of subsistence in the definition of poverty and poverty reduction practices (Townsend, 2006). Getaneh (2017) in his doctoral dissertation on household poverty and livelihoods nexus in small towns argues that

both subsistence and basic needs approaches rely on income as a proxy of indicator to measure absolute poverty and focus entirely on head count ratio.

In the 1980s other dimensions such as powerlessness and isolation, vulnerability and insecurity, capability and gender were added to poverty and increased the complexity of its meaning. The other dimension added in the meaning of poverty in the 1990s was lack of participation and social exclusion (Maxwell, 1999).

Getaneh (2017), states that definitions and measurements of poverty were criticized due to their top-down approach. He explained that the World Bank developed another approach i.e. a participatory approach to define and measure poverty at the end of the 1990s. As a result, the poor themselves defined poverty as lack of material well-being (lack of food, water, health, clothe and shelter), lack of productive assets such as land and housing, unemployment, powerlessness, voiceless, hopelessness, marginalization, relying upon charity, lack of access to infrastructure such as roads, electricity, education, health and water and market places (not only mere absence but also quality of infrastructure), insecurity (crime and theft) and inadequate sanitation.

Subsequently, the World Bank (2000) defines poverty as 'pronounced deprivation in well-being'. However, an important question being raised regarding such a definition is what the 'well- being' is and how it should be measured. In this regard, Tesfaye (2006) explains the concept of 'Welfarist' and 'non-Welfarist' approach. The welferist approach assesses well-being solely on utility information derived from the preferences of individuals themselves. The non-welferist approach, on the other hand, bases the assessment of well-being (welfare) on the attainment of certain basic achievements, such as, food, clothing and shelter.

The concept of poverty, its measurement and curative measures, are also changing through time and nowadays one can find a number of dimensions in the concept of poverty and different objective and subjective methods of the measurement of poverty (Getaneh, 2017). Afework (2003) in his thesis 'Poverty Reduction and Development Policy in Ethiopia' has tried to show the multi-dimensional nature of poverty. He argued as: ‘poverty is not only the material deprivation but also encompasses a range of deprivation such as low achievement in education and health, vulnerability and exposure to risk and voicelessness and powerlessness’. His

argument is that it is important to measure and analyze poverty considering both material and non-material deprivations.

Multi-dimensional concept of poverty is the concern of many contemporary poverty literatures (Mohammed, 2017, ADB, 2014, Bruck, 2013). Multi-dimensional nature of poverty is closely linked to social exclusion and is related to deprivation or the lack of access to certain goods and services considered necessary for society, whether a basic need or not. It is this nature of poverty that gives rich information that should be combined to obtain the most complete and general picture of poverty.

To sum up, conceptually definitions and measurements of poverty have varied for a decades. These differences in definitions and measurements on poverty enabled scholars to work for better understanding of the nature of poverty. Currently, poverty is perceived as complex and multi-dimensional in its nature. It needs multi methods to measure and analyze its effects on households' livelihoods and strategies to escape from poverty. In studies like the current one, it is not possible to address all the dimensioned of poverty due to various reasons and being specific is very important. As a result, to measure the level and poverty and to analyze its determinants, consumption expenditure dimension is used as it does not fluctuate through time and can be easily recalled by households.

2.2 THEORETICAL LITERATURE

Recent literature on poverty uniformly acknowledges different theories of poverty, but it has classified these theories in multiple ways. Virtually, all authors distinguish between theories that root the cause of poverty in individual deficiencies and theories that lay the cause on broader social phenomena (Ted, 2005). Scholars like Sameti, et al., (2012) categorized theories of poverty into three: as the theory of individualism, theory of structure of poverty and theory of culture of poverty. On the other hand, Elesh, (1970) has broadly classified poverty theories into two types: Cultural and Structural theories of poverty. Besides, Ted, (2005) categorized contemporary poverty theories into five types. According to this classification, poverty theories are stated as individual deficiency theory, culture of poverty theory, structural theory of poverty, geographical disparities theory of poverty and cycle of poverty theory. Theoretical literature of

this study focuses in these categorization of theories of poverty due to the fact that it gives detailed explanations on theoretical aspects of poverty.

2.2.1 Theory of Individualism

According to this theory poverty stems from individual's deficiencies. Sameti, et al., (2012), noted that the theory of individualism is rooted in American values and beliefs in the free market system, a system thought to provided opportunity for all. Theory of individualism focuses on the individuals as responsible for their poverty situation. Politically conservative theoreticians' blame individuals in poverty for creating their own problems, and argue that with harder work and better choices the poor could have avoided their problems. Other version of this theory also ascribes poverty to lack of genetic qualities such as intelligence that are not so easily reversed.

Ted (2006) notes that the belief of theory of individualism, places much emphasis on individual's hard work, and responsibility to acquire basic needs, including food, shelter, and health care services. Sameti, et al., (2012), also stresses that proponents of this theory argues that talent, virtue and hard work can lead to success and that individual poverty is an individuals' failing due to lack of motivation. However, Marton (1957) as cited in Sameti, et al., (2012), found little evidence that support this claim. The study found that the poor tend to emphasize hard work, dislike for welfare system, and personal responsibility to refute a societal belief in the negative individual attitudinal cause of poverty.

2.2.2 Cultural Theory of Poverty

This theory suggests that poverty is created by the transmission over generations of a set of beliefs, values, and skills that are socially generated but individually held. Individuals are not necessarily to blame because they are victims of their dysfunctional subculture or culture. Culture is socially generated and perpetuated, reflecting the interaction of individual and community. The theory argues that the poor become poor because they learn certain psychological behaviors associated with poverty from their community. This makes the "culture of poverty" theory different from the "individual" theories that link poverty explicitly to individual abilities and motivation (Ted, 2006).

Oscar Lewis, as cited in Ted (2006), was one of the main writers to define the culture of poverty as a set of beliefs and values passed from generation to generation. He writes as,

"Once the culture of poverty has come into existence it tends to perpetuate itself. By the time slum children are six or seven they have usually absorbed the attitude and values of their subcultures. Thereafter they are psychological unready to full advantage of changing conditions or improving opportunities that may develop in their lifetime."

Lewis further mentions that the poor learn not to study hard, not to plan the future, to have unprotected sex, and to spend money unwisely. Lewis pointed out that poverty is transmitted from generation to generation because children are socialized with values and goals associated with poverty.

Ted (2006) continues to explain the views of culture of poverty theoreticians that they argue government anti-poverty programs reward people who manipulate the policy and stay on welfare. These theoreticians contend that government welfare programs perpetuate poverty by permitting a cycle of "welfare dependency". Thus, they complain that welfare programs are not necessary and should be kept at the minimum. Even though, culture of poverty theory significantly influenced many social policies in 1960's, empirical evidences revealed that the theory failed to hold its merits. These empirical evidences show that it is the absence of economic opportunities that perpetuate poverty rather than the subculture of the community.

2.2.3 Structural Theory of Poverty

Larger economic and social structures have been found to account for poverty. Perspectives regarding structural factors argue that capitalism creates conditions that promote poverty. Beeghley (2000), cited in Ted (2006), noted the effect of economic structure stating that irrespective of individual effort (hard work, skill); the structure of the United States economy ensures that millions of people are poor.

As indicated in Ted (2006), theorists in this tradition look not to the individual as a source of poverty, but to the economic, political, and social system which causes people to have limited opportunities and resources with which to achieve income and well-being. Much of the literature on poverty now suggests that the economic system is structured in such a way that

poor people fall behind regardless of how competent they may be. Partly the problem is the fact that minimum wages do not allow single mothers or their families to be economically self-sufficient. The problem of the working poor is increasingly seen as a wage problem linked to structural barriers preventing poor families from getting better jobs, complicated by limited numbers of jobs near workers and lack of growth in sectors supporting lower skilled jobs.

Ted, (2006) further explains that elimination of structural barriers to better jobs through education and training have been the focus of extensive manpower training and other programs, generating substantial numbers of successes but also perceived failures. However, in spite of perceived importance of education, funding per student in less advantaged areas lags that which is spent on richer students, teachers are less adequately trained, books are often out of date or in limited supply, amenities are few, and the culture of learning is under siege. This systemic failure of the schools is thus thought to be the reason poor people have low achievement, poor rates of graduation, and few who pursue higher education.

2.2.4 Geographical Disparities of poverty Theory

Rural poverty, ghetto poverty, urban disinvestment, Southern poverty, third-world poverty, and other framings of the problem represent a spatial characterization of poverty that exists separate from other theories. While these geographically based theories of poverty build on the other theories, this theory calls attention to the fact that people, institutions, and cultures in certain areas lack the objective resources needed to generate well-being and income, and that they lack the power to claim redistribution (Ted, 2006).

Ted (2006) argues that poverty is most intense in certain areas and explanations abound in the development literature about why regions lack the economic base to compete. Recent explanations include disinvestment, proximity to natural resources, density, diffusion of innovation, and other factors can affect competitive capacity of the regions. The economic agglomerations, concentrations of firms and strong industrial clusters attract supportive services and markets. This further attracts more firms. While competitive areas attract business clusters, drawing away from impoverished communities, the propinquity of poverty and the conditions leading to poverty or the consequences of poverty (crime and inadequate social services) generate more poverty. According to this theory, social services and other infrastructures

concentrate in central part of urban areas and poor households cannot afford the costs of living in these areas. As a result, poor households are forced to live in the periphery of the city where basic services are inadequate and lack of these services promotes poverty.

2.2.5 Cycle of Poverty Theory

According to Ted (2006) the cyclical poverty theory explanation explicitly looks at individual situations and community resources as mutually dependent, with a faltering economy, for example, creating individuals who lack resources to participate in the economy, which makes economic survival even harder for the community since people pay fewer taxes. The theory has its origins in economics in the work of Myrdal (1957), as cited in Ted (2006), who developed a theory of "interlocking, circular, interdependence within a process of cumulative causation" that helps explain economic underdevelopment and development.

Myrdal notes that personal and community well-being are closely linked in a cascade of negative consequences, and that closure of a factory or other crisis can lead to a cascade of personal and community problems including migration of people from a community. Thus the interdependence of factors creating poverty actually accelerates once a cycle of decline is started. For example, at the community level, a lack of employment opportunities leads to outmigration, closing retail stores, and declining local tax revenues, which leads to deterioration of the schools, which leads to poorly trained workers, leading firms not to be able to utilize cutting edge technology and to the inability to recruit new firms to the area, which leads back to a greater lack of employment.

Myrdal (1957) as cited in Ted (2006), stress that this cycle also repeats itself at the individual level. The lack of employment leads to lack of consumption and spending due to inadequate incomes, and to inadequate savings, which means that individuals can not invest in training, and individuals also lack the ability to invest in businesses or to start their own businesses, which leads to lack of expansion, erosion of markets, and disinvestment, all of which contribute back to more inadequate community opportunities.

This brief description of the cycle of poverty incorporates many of the previous theories. It shows how people become disadvantaged in their social context which then affects

psychological abilities at the individual level. The various structural and political factors in the cyclical theory reinforce each other, with economic factors linked to community and to political and social variables. Perhaps its greatest value is that it more explicitly links economic factors at the individual level with structural factors that operate at a geographical level. As a theory of poverty, the cyclical theory shows how multiple problems cumulate, and it allows speculation that if one of the linkages in the spiral was broken, the cycle would not continue. The problem is that the linkages are hard to break because each is reinforced by other parts of the spiraling system (Ted, 2006).

In summary, theories of poverty have changed as the understanding of the complexity of poverty changed through time. Individuals' motivation based theory of poverty traces its origin on individuals' themselves that their deficiency is the main cause of their poverty. This theory was criticized due to its failure to consider the economic and social systems that determine the attempts of the poor to escape poverty. Economic opportunities may stand in favor of certain group of the society. The disadvantaged groups of the society fail to access the important resources required to escape poverty and stay to be poor in the society. For the purpose of this study, structural theory of poverty is relevant that economic and social structures have greater influence for a household being poor or not.

2.3 EMPIRICAL LITERATURE

2.3.1 Global urban poverty

According to UN-HABITAT (2010), 3.56 billion or 51.5 percent of the global population live in urban settlements, towns, and cities; this has led international development organizations to focus on the previously ignored area of urban poverty**.** The developing world is also becoming more urban. It is estimated that by 2030, 60 % of the global population will live in urban areas. Many regions have seen their urbanization rates stabilize, such as in north America, Europe, and Latin America where 75-85 % of the population already live in urban centers. The growth in urbanization in the next few decades is predicted to be concentrated in Asia and Africa.

Ravallion (2007) argues that urbanization is a generally positive factor in overall poverty reduction. He also acknowledges the emergence of new urban problems in poor and rapidly

urbanizing countries. Similarly, UNCTAD (2016) indicates that the continuing demographic swing from rural to urban settings poses risks regarding an increase in slums. The report also emphasized that rapid urbanization will pose significant infrastructural challenges, particularly in Africa and Asia, where projected population growth will be largest. According to this report providing sufficient durable housing with basic services, such as clean water and good quality sanitation will be a major challenge.

The UN Human Settlement Program, (UN HABITAT, 2014) estimated that 881 million people or 30 % of developing country's urban population live in slums. The report also estimates that this figure could rise to 3 billion or 60 % by 2050. Cities with high slum concentrate sever crimes and violence which disproportionately affects the urban poor. Most slum dwellers depend upon precarious employment in the informal sector, characterized by low pay and poor working conditions.

Evidence shows that while 75 % of the developing world's poor still live in rural areas, the share of the poor living in urban areas is rising, and in a number of countries, it is rising more rapidly than the population as a whole. During 1990–2008 for which a disaggregated rural–urban poverty numbers are available, the urban share of the Asia's poor has risen from 15.7 % to 21.9 %, with the urban share of the population having risen from 38 % to 43 % over the same period. Moreover, while poverty incidence has declined across rural and urban areas in Asia, the rates of decline are far slower for urban poverty than for rural poverty (ADB, 2014).

According to UN-Habitat (2008a) urban growth combined with limited employment opportunities in cities is leading to a more rapid increase in poverty in urban areas than in rural areas. The same report indicated that a massive 43 % of Africa's urban populations live below the poverty line. In several Sub-Saharan nations that share even exceeds 50 % and Africa's urban slum populations continue to grow: About 69 % of all households in Addis Ababa, 65 % in Dar es Salaam and 50 % in Kampala and Nairobi are slum households.

Improving provision of clean water and sanitation is one of the global targets of sustainable development goals. The UNCTAD report (2016) indicates that globally the proportion of people with access to clean and safe drinking water sources increased from 76 % to 91 % between 1990 and 2015. The proportion of people access to clean drinking water is about 68 % in sub-

Saharan Africa. The data for eastern Asia region is about 96 % which is very impressive compared to sub-Sahara region. The report also indicated that almost one in three people living in least developed countries (LDCs) still do not have access to clean, safe water. On the other hand, 34 % of world's population lacks basic sanitation facilities. Despite improvements, sub-Saharan Africa still suffers from very poor sanitation services, with more than two thirds of the population without access to proper facilities.

2.3.2 Urban poverty in Ethiopia

National poverty level was 44.2 % in Ethiopia in 2000 and the share of poverty reduced to 29.6 % in 2011 by national poverty measure. With the international poverty line (US$1.90/day in 2011 purchasing power parity (PPP)), poverty fell from 55.3 % in 2000 to 27.2 % in 2015 (World Bank Group, 2016). The proportion of urban poor who live below national poverty line reduced from 33.2 % to 25.7 % in the same period (CSA, 2012). Though the rate of urban poverty is in a declining trend, the urban poor almost stayed constant between 2005 and 2011 which accounted for 3.2 million (World Bank, 2015).

On the other hand, recent studies conducted in specific towns in different regions of the country reported that urban household poverty is increasing rather than declining. The study conducted by Melese et al., (2017) in Nekemite town, Oromiya region, indicated that 42 % of the households were identified as poor. Similarly, Frew (2018), in his study undertaken in Wolaita Sodo town, reported that 52 % of the households were classified as poor. Moreover, the incidence of poverty in Wukro town of Tigray region is reported to be 34.5 percent (Araya, 2010). These studies indicate that the proportion of urban poverty in specific towns is remarkably higher that the national urban poverty level.

With regard to multi-dimensional poverty, one indicator of the magnitude of urban poverty is the proportion of the urban population that lives in slums – about 70% of the urban population is estimated to live in slum areas (MoFED, 2012). Access to potable water supply in urban areas is 52.5 % in 2016. Coverage for sanitation services is low, even by Sub Saharan African standards with a municipal sewerage system only in Addis Ababa serving only 10 % of the city's population. Urban areas in many parts of the country are struggling to manage solid

waste, which is often dumped into open spaces, endangering public health (World Bank Group, 2016).

CSA report (2014) indicated that urban unemployment has declined from what was 21 % in 2005 to 17.4 % in 2014. However, urban unemployment of women and youth is disproportionately high. Majority of job seekers join informal sector due to job inadequacy in formal sector. According to World Bank Group report (2016), low level human development and uncompetitive private sector are the binding constraints to reduce unemployment. The urban labor market is evenly split between wage employed and self-employed workers. In relative terms, workers with post-secondary education are in most demand followed by workers with just primary education. Results from a labor matching exercise suggest that there are not enough urban job opportunities for those with primary and secondary education.

World Bank group report (2016) reveals that the proportion of food poor people in urban areas is 27.9 % in 2010/2011. According to the report, majorities of urban dwellers are net food buyers and spent a large part of their budget on food. It also indicates that food inflation constitutes about 53 % of the average household consumption basket. As a result, urban households' income is highly affected by food inflation raised by some food related commodities still show inflationary pressure.

According to Ministry of Finance and Economic Development of Ethiopia (MoFED, 2012), Southern Nations, Nationalities and Peoples' Region (SNNPR) has the third largest urban poverty incidence of 25.8 percent next to Amhara and Gambella regions. The study conduct by Mohammed (2017) on measurements and determinants of urban poverty in SNNPR state revealed that the incidence of urban poverty in the region has declined from 25.8 % to 18.02 % in 2016. The same study shows that Kambata Tambaro Zone is one of the zones that have urban poverty incidence higher than the regional average of 18.02 % i.e. 29.3 percent.

To summarize, urban poverty is considerably high in Ethiopia. The prevailing poverty in urban areas is also fueling by the natural growth of the urban population and rural to urban migration. The existing situation in urban areas is incapable to meet the needs of its residents such as decent jobs, housing facilities and overall physical infrastructures. Small and medium towns in the country do not have any types of social security that support urban poor households. The

institutional setup in the urban areas is not strong enough to address these problems. Moreover, low attention that given to urban areas in the past has adversely affected urban developments in the country.

2.3.3. Empirical Evidences on the Determinants of Urban Poverty

Poverty is complex and multi-dimensional. The basic idea of multidimensional poverty is that the well-being of a household/individual depends not just on income or consumption, but also on several other dimensions or capabilities such as health, education, and standard of living (including assets and housing quality). The multi-dimensional poverty measure is more likely to underpin long-term poverty, whereby variables such as literacy or tangible assets are much more reasonable methods of poverty assessment (Bruck and Sindu, 2013).

Prevalence of poverty is determined by various variables. Demographic, socio-economic and institutional factors may determine the welfare status of households. A study by Esubalew, (2006) on determinants of urban poverty revealed that average monthly income, family size, education level and disease incidence are significant determinants of urban poverty. Similarly, another study by Akinbode (2013) on profile and determinants of poverty among urban households' in South-West Nigeria found that education level of households head, household size, headship of the household, dependency ratio and access to credit exerted significant effect on household welfare. In addition, a study by Melese, et, al. (2017) in Nekemte town showed that family size and rural-urban migration have positive and significant effect on probability of a household being poor or not. Moreover, sex of the household head, education level, and salary employment were found to have negative and significant effect on poverty.

Urban poverty is a multi-dimensional phenomena characterized by cumulative deprivation where one form of deprivation leads to another. The various dimensions of urban poverty include: income, health, education, tenure insecurity, personal insecurity and disempowerment among others (Esubalew, 2006). As noted in Tizita (2001) urban poverty is multi-faceted in its nature and characterized by unemployment, lack of wage employment, failure to send children to school, lack of access to health facilities, sanitation, potable water, electric services and good housing. Thus, analysis of urban poverty will be more plausible if it uses mixed variables such as economic, demographic and social variables to identify a household as poor or not.

2.3.4 Determination of poverty line

In essence, poverty line in its simplest term is a demarcation line that separates the poor from the non-poor. Ravallion (1998) defined poverty line as a monetary cost to a given person at a given place and time, of a reference level of welfare. People who do not attain that level of welfare are deemed poor, and those who attain are not poor. Thus, construction of poverty line is inevitably a precondition to go further in poverty analysis. There are two main ways of defining poverty lines, absolute and relative.

2.3.4.1 Absolute Poverty Line

According to Ravallion (1998), absolute poverty line should not be defined as stringent (survival) poverty line. Rather, it should be the one which is fixed in terms of the living standards indicator being used and over the entire domain of the poverty comparison with two persons at the same real consumption. Thus, an absolute poverty comparison level to both is either poor or non-poor irrespective of the time or places being considered and with or without policy changes within the relevant domain.

Ravallion (1998) argues that one of the common weaknesses of an absolute poverty line is it does not change with the living standards of the society in question. Thus, people are labeled poor when some absolute needs are not sufficiently satisfied, that is, needs that are related to the consumption pattern of other people in a given society. In other words, according to Ravallion (1998), poverty is viewed as an acute deprivation, hunger, premature death and suffering. Hence, the assumption implicit in this notion of poverty is welfare and that depends on the extent to which some basic needs are met.

Ravallion (1998) also contends that it may be difficult, in practice, to define the absolute minimum, in a constant way. Though, the dividing line between acceptable and unacceptable deprivation is said to be not biological, it changes in line with age, sex, season, climate, physical built up, types of activities a person is engaged with and extra. He concludes that the consensual understanding, however, is that absolute poverty is an intolerable situation that requires prompt corrective action.

2.3.4.2 Relative Poverty Line

According to Ravallion (1992), relative poverty line defines how income and inequality is distributed in a society. Relative poverty line sees poverty as a function of relative deprivation in terms of commodities, defining poor households as those that are unable to attain given commodities that are normal for their society. The word itself is self-intuitive in that this poverty is defined by the position of an individual compared to other members of a given society.

Ravallion (1992) discussed relative poverty as the share of people whose equalized income falls below a poverty line. He explains that, in practice, the most popular choice to set poverty line in this method is done by taking certain percentage of mean or median incomes of the population. In his discussion Ravallion (1992) noted that many studies in the developed countries have used a poverty-line which is set at 50 percent of the national mean income. He also indicated that other studies use 60 percent of the median incomes as a measure of the risk of poverty. His contention is that the method lacks well-grounded scientific justification for the use of certain percentages of median or mean equivalent threshold. However, he admits that relative poverty line is a good measure of relative poverty to the extent that one is trying to capture the amount of inequality in that distribution.

In general, poverty in this sense is defined as a relative deprivation with respect to various commodities. Hence, households or individuals are deemed "poor" when they lack certain commodities that are common in the society they are living. For developing countries, considering the fact that large shares of the population survive with the bare minimum or less, it is often more relevant to rely on an absolute rather than a relative poverty line whereas developed countries' concern is relative poverty line (Tsegaye, 2011).

Hence, the first step in the analysis of poverty is to identify whether an individual is poor or not to distinguish the poor from the non-poor where poverty line plays a crucial role in quantifying the various indicators of well-being into a single index. Although the choice of poverty line is always arbitrary (World Bank, 2000), the common argument is that there is a minimum level of consumption of goods and services below which it is difficult to sustain our life. Though various methods have been employed in constructing poverty lines, the most popular methods

are the CBN (Cost of Basic Necessities) method and the FEI (Food Energy Intake) method (Esubalew, 2006).

Food energy intake approach (FEI):

This approach locates the poverty line as the income or consumption expenditure level at which a person's typical food energy intake is just sufficient or just adequate to meet a predetermined food energy intake to an individual. The level of FEI, very much, depends upon, preference, activity, age and sex of an individual. After taking these differences into account and the costs of attaining predetermined FEI, the poverty line can be constructed. This could be obtained by finding the consumption expenditure or income level at which the person attains the food energy level (Ravallion and Bidani, 1994).

Cost of basic needs (CBN):

To implement this method, Ravallion and Bidani (1994) employ two stages: first, determining the food consumption bundle just adequate to meet the required food energy requirements; and second, adding an allowance for non-food basic needs to this cost. The food consumed is then valued at the prevailing local price to obtain the food poverty line. The allowance for basic non-food consumption is again anchored on the consumption pattern of the poor.

Ravallion and Baidani (1994) pointed out that two problems may arise while using this method. One is variation in estimating food components (minimum required nutrition level) across regions and ethnic groups. The second is estimating the non-food components of the poverty line since there are no objective criteria on which to base the satisfaction. However, the relative merits of using one method of setting poverty line over the others and vice versa is still debatable as each has its own advantages and disadvantages. Despite this, the CBN approach should be used as it is the most widely used and satisfactory approach to setting poverty line while remaining in the spirit of trying to ensure that the line covers basic needs (WBI, 2005). This is because it stipulates a consumption bundle that is deemed to be adequate, with both food and non-food components of basic needs, and then estimates the cost of affording that bundle for each subgroup (urban/rural, each region, etc.).

2.4. Roles of Government and Non-government Organizations in poverty alleviation

2.4.1 Poverty Reduction Policies and Strategies in Ethiopia.

Poverty is a central challenge in Ethiopia (Girma, 2013). Reducing poverty is the core objective of the Ethiopian government. The government of Ethiopia has recognized that in the absence of proactive development policies, it is impossible to create an enabling environment for accelerated development and attainment of improvements in the standards of living of the people (FDRE, 2002).

The FDRE (2002) SDPRP document states that Ethiopia has formally embarked on anti-poverty reduction strategy since 2002 and the government has clearly put its objectives and policies in SDPRP papers. The SDPRP document has assessed the poverty situation in the country, the sources and constraints to economic growth, and outlined measures to address them. This was followed by a revised policy plan to accelerate and sustainable development to end poverty (FDRE, 2006). The PASDEP plan has implemented from 2006 to 2010 and the economy has witnessed double digit growth in this period.

Ethiopia has undertaken another ambitious economic plan, known as GTPI, within the framework of poverty reduction strategy. The Growth and Transformation Plan I (GTPI) has been implemented from 2010/11 to 2014/15 and envisaged a rapid economic growth and structural transformation with emphasis on industrial development (MoFED, 2010). National Plan Commission (2017) report states that achievements in education, health and infrastructure were remarkable in this period. Critical roles were played in poverty eradication efforts and in unemployment reduction though a lot remains to be accomplished.

The second GTP was formulated with the major objective of realizing the national vision of becoming a low middle-income country by 2025. This could be achieved through sustaining the rapid, broad-based and inclusive economic growth. The plan is under implementation since 2015/16 and to be implemented until 2019/20. The nation's economic growth has increased remarkably in the past two years despite of slight decline compared to previous years (FDRE, 2016).

Until 2005, Policies and strategies of the Ethiopian government are formulated mainly in favor of rural areas. Though it is not yet adequate, urban areas have been considered as centers of economic development since 2005. The National Planning Commission report (2016) acknowledges that the population of urban areas has been rapidly increasing from time to time. As a result, the demand for economic and social services has risen. Moreover, the demand for employment opportunity by the youth has increased.

2.4.2 The Role of Non-Governmental Organizations in Reducing Poverty

In order to achieve the first goal of MDGs, it is broadly assumed that NGOs have important roles. The role of NGOs in reducing poverty is not a new issue. Especially since the post-World War II, NGO involvement in poverty reduction has become a mainstream. They have been engaged in relief, emergency or longer-term development work or the mixture of all three. Although the evidence on NGO performance in poverty alleviation is mixed, up to now, it is generally assumed that NGOs have the institutional capacity to reduce poverty. It is also frequently argued that compared to the government, NGOs have comparative advantages (Suharko, 2007).

Clark, (2000) on his 'A snapshot View on Civil Society, NGOs and Development in Ethiopia' stated that International NGOs trace their Ethiopian roots to the catastrophic famine crises of 1973–74 and 1984–85. He explained that the NGOs of those days were overwhelmingly focused on emergency relief operations and were largely foreign entities. He also expressed that local church affiliated agencies likewise played a very significant role in these operations.

According to Clark (2000) the NGOs community was dominantly engaged in relief agenda for a long period of time. However, non-governmental organizations (NGOs) engagement shifted from relief operations to development operations since 1995. Guidelines and priority areas of development were provided by the government for NGO programming. A majority of overall NGO projects in the country are rural-based, with a general focus on health and integrated rural development, though that balance is in part a reflection of the work of the international groups. Food security, health, and education are the common objectives of many NGOs. A number of NGOs have gender issues on their priority lists.

Clark (2000) estimated the international NGOs about 120 operating in Ethiopia. Poverty alleviation and human development are central in the official development strategies of the country and to those of the NGOs. Belshaw and Coyle (2001) reported in their study 'Poverty Reduction in Ethiopia and the Role of NGOs' that various NGOs have built up a working experience with poor categories of people such as the landless, cattle less, widows and orphans. They asserted that the contribution of these NGOs is significant in aspects of skill trainings, support of schools and health center building, savings and microcredit services in various parts of the country. They also stated that these NGOs have contributed much in provision of clean water and sanitation to beneficiaries. Moreover, they contributed significantly in constructing roads and bridges in rural areas. However, Belshaw and Coyle (2001) uncovered that the interventions of NGOs was inadequate relative to the need and the concentration of the poor. In addition, replication of the projects, maintenance and repair of the infrastructures have not been agreed with community and respective authorities.

2.5 Summary of the Literature Review

Poverty is multi-faceted and multi-dimensional in its features. There is no agreed single definition that describes the features of poverty in one dimension. However, many scholars agree that poverty is the result of deprivation of one or more of its dimensions. These deprivations can be political, economic, social or cultural. Individuals or households who are deprived of one or more of these will be pushed into the state of poverty through time.

Many theories were forwarded about the causes of poverty in the past. Broadly, these theories base their assumptions that the causes of poverty are either individual or societal bases. Theoreticians who lay their bases on individuals argue that individuals themselves are the only responsible for their state of poverty and it is their deficiency that leads them into poverty. On the other hand, those who lay their argument on social phenomena argue that social cultures are responsible for the causes of poverty. However, recent results of poverty reveal that causes of poverty are many in feature and are highly interrelated.

Results of many studies agree that global urban poverty is rapidly increasing. Many cities and towns in developing countries are failing to meet basic needs of their residents. Naturally growing population number and rural-urban migration are main factors that increase population

and poverty in urban areas. However, urban poverty and its determinants were not well studied particularly in small and medium towns in Ethiopia. Policies and strategies of government regarding urban areas lack proper attentions in addressing small and medium towns in the country.

2.6 Conceptual Framework of the Study

Akinbode (2013) describes poverty as the state of one who lacks a certain amount of material possessions or money to live a comfortable life. He also stated that poverty goes beyond material deprivation to include insecurity, vulnerability and exposure to risks, shocks and stress. It specifically includes not having enough food to eat, poor drinking water, poor nutrition, unfit housing, low opportunity to receive education, low employment opportunities, inadequate or complete lack of health care, lack of active participation in decision making process, a high rate of infant mortality, low life expectancy and low level of energy consumption.

With such features of poverty, the important question to be raised is why people stay poor for long period of time? What are the factors that determine poor people not exit from poverty? These questions should be clearly answered to understand the conceptual framework of poverty. In this respect, many poverty analysts agree that people stay poor once they are deprived of different forms of poverty-related assets. These deprivations are mainly the results of denials of access indicators. A household or an individual who lacks access to social services such as education, health care and social security will have higher probability of trapping into poverty. Moreover, failure of urban institutions to provide these services adequately also play crucial role in perpetuating poverty in urban areas.

On the other hand, many studies (Frew, 2018, Melese, et al. 2017, Akinbode, 2013, Esubalew, 2006) revealed that demographic variables such as age, gender, and household size can affect household poverty. These studies depicted that socio economic variables like education, access to health and credit services potentially affect a households being poor or not. Similarly, households' with male head also showed lower probability of falling under poverty than female headed households'. Moreover, probability of falling under poverty is higher for households with larger family size.

Government plays an important role in improving the livelihood of the urban poor. Government on its part provides urban physical infrastructures which improve business operations which in turn create job opportunities to urban poor. It also provides social services that serve urban poor households. As urban poverty is becoming more visible in urban areas, urban administration incorporates pro poor projects in its urban poverty reduction strategies so that it enables the poor households exit from poverty situations.

Non-governmental organizations, on the other hand, perform activities that improve the living condition of the urban poor households. NGOs provide worth full trainings that can improve skills of the poor households which enable them to engage in income generating activities. They also can provide credit services for urban households who lack collateral to borrow from large financial institutions. This helps the poor households generate adequate income to offset their consumption needs and lead decent life. Hence, the Conceptual framework of the study demonstrates that welfare status of urban household depends on various interrelated factors.

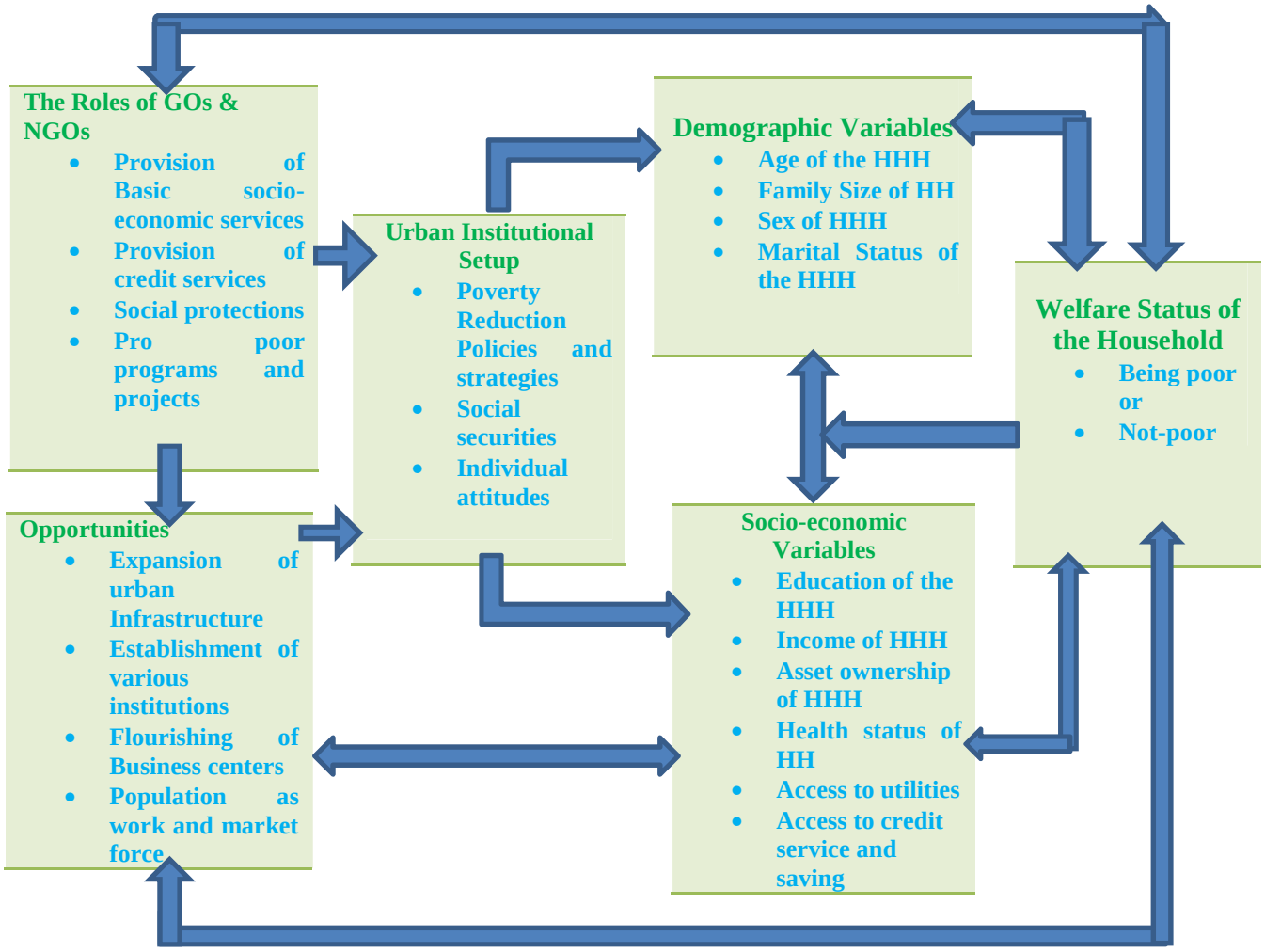

Figure 2.1: Conceptual Framework of the Study

Source: Developed by the Researcher, 2018

CHAPTER THREE

METHODS OF THE STUDY

3.1 Description of the Study Area

Durame town is an administrative and political center for Kembata Tembaro Zone in the Southern Nations, Nationalities and Peoples' Regional State (SNNPRS) of Ethiopia. Astronomically, the town is located at 07°.17' -7°.44' south latitude and 37°.84' -38°.04' east longitude. As such, it is found 352 kms away from Addis Ababa and about 119 kms northwest of Hawassa, the regional capital. The elevation of a town is 2101 meters above sea level (DTMD, 2011). The town also serves as a seat for Kedida-Gamela Wereda administration in Kambata Tambaro Zone.

The town was founded in 1953 and has got municipal status in 1960 (DTMD, 2011). The main factor for the foundation of this town was inter- regional trade with the neighboring regions of Walayita and Gamo Gofa. The leading commodities in this trade were cattle, spices, 'shema' and some industrial products. In addition to this, it appears that Durame town was the regional checkpoint that was established in the area where that town stood today to control the coffee trade coupled with its favorable climate that led to the foundation and permanency of town as a trading center (DTMD, 2011).

Durame town is situated under the high mountain of Ambaricho 2000-2200 above sea level and the average annual rainfall of the town is 1200-1350 mm. Currently, the town is one of the 22 reform towns in SNNPR and has got a 2nd grade status. The total area of the town is 4384 hectares divided into three kebeles administrations (DTMD, 2016).

In terms of infrastructural facility, until recently the road network to the town is gravel road that contributed for the insufficient development of the town. Inadequate provision of physical infrastructure mainly road facility has influenced business activities to being unattractive in the town. As a result, a great deal of the town’s residents is public servants and small business operators. Hence, job opportunities are inadequate for many households and tend to migrate to other areas in search of job.

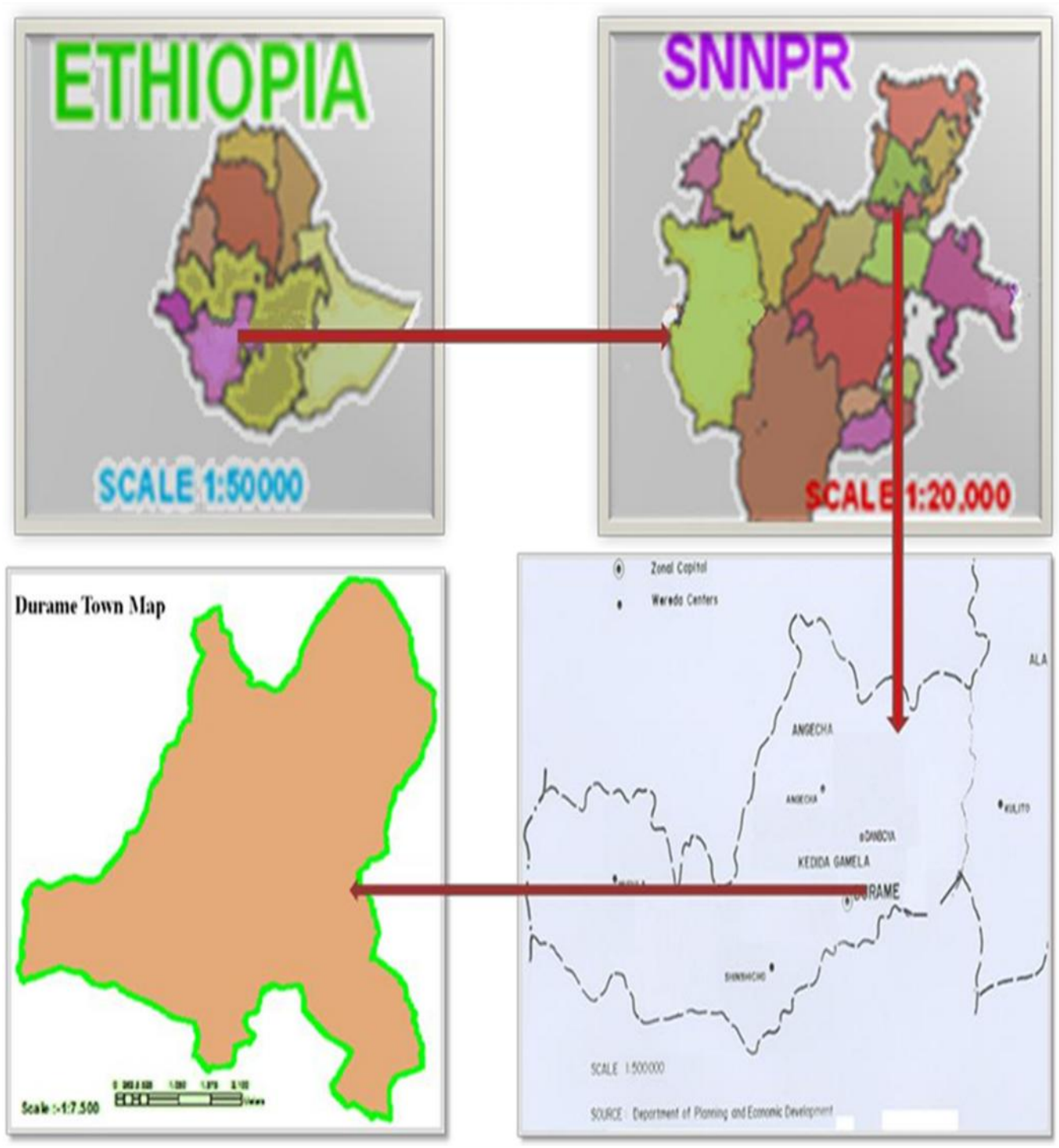

Figure 3.1: Location Map of Durame Town

Source: Structural Plan of Durame Town (2012)

The population of Durame town was 24,454 during the 2007 population and housing census. The central statistical authority projected it about 52,084 for the year 2017 (CSA, 2013). However, the town administration expanded its boundary in 2017 and incorporated part of seven rural kebeles. Due to this reorganization the total population of Durame town increased to 83,946 of which 41,696 are males and 42,250 are females. The town is divided into three kebels namely "Zararo" meaning "flower", "Kasha" meaning "planting" and "Lalo" meaning "fruit" with the population of 31,684, 26,055 and 26,207 respectively. The total household in the town is 16,500 of which 8998 households are urban built area households' and the rest 7502 are households in the administrative boundary of the town whose livelihood is mostly agriculture (DTAR, 2018).

3.2 Research Design

Descriptive survey design with both quantitative and qualitative research approach was used in this study. Descriptive survey design was selected that objectives of this study can be addressed using quantitative data collected from the survey questionnaire administered to respondent household heads. Qualitative data were also collected to complement (triangulate) the findings of quantitative data during analysis. Using mixed approach will help the researcher understand the research problem and address well the research questions. Mixed research approach also enables the researcher to collect both quantitative and qualitative data at one field visit time which help complete the research project within a given time frame and financial resource.

3.2.1 Sources and Types of the Data

This study employed both primary and secondary sources of data. Primary sources of data were household heads, key informants (Officials and Experts from the Town administration) and focus group discussants (Youths, FHHs and MHHs not included in sample respondents). Data collected from these three sources was triangulated to substantiate quantitative data with the qualitative one in order to complement each other.

Secondary sources of data for this study were CSA, World Bank, various journal articles and Durame Town Administration reports. The CSA annual report on national urban poverty status and the World Bank report on poverty eradication efforts of the Ethiopian government were

used as secondary sources of data. Data from journal articles were reports on the incidence, depth and severity of poverty in various towns in the world. Durame Town Administration annual reports were also used as a secondary source on poverty related issues such as employment creation, provision of basic services and functions of NGOs in the town.

The types of data generated from these sources were quantitative and qualitative primary data. Quantitative type of data was collected from household heads through survey questionnaire and qualitative data were collected from FGD and KI interview. These data were a cross-sectional data collected at one point in time.

3.2.2 Data Collection Instruments

Appropriate data collection instruments must be designed to collect proper data that better represent the study. Since poverty was measured using different approaches, consumption approach was selected for the purpose of this study as consumption expenditure was considered to be better recalled by the household heads. Consumption data were collected to measure poverty status of the household. Survey questionnaire was used to collect quantitative data. Both food and non-food items were included in survey questionnaire which administered to respondent household heads of the sample respondents. Quantitative data were collected on demographic and socio economic issues of the households by using survey questionnaire. Qualitative data concerning detailed explanation about poverty situation in study area were collected through FGD and KI interviews. Medium recall period (one month) method for monthly items and longer (one year) recall time for longer frequency items was used to collect data on per capita consumption expenditure.

Key informant interview and FGD guidelines were prepared and used during interview. The interview and FGD was conducted by the researcher and the data was analyzed qualitatively. FGD was conducted with selected HH heads, FHH heads and unemployed youths who were not part of survey sample households'. Ten FGD members, four HH heads, three FHHHs and three youths, were selected for the discussion. For the purpose of interview, heads from poverty reduction offices were selected and interview was conducted regarding poverty situation in the town. The questionnaire was prepared in English and translated into Amharic for field survey. The necessary variables were coded for the ease of software computation. The Amharic version

questionnaire was pre-tested dispatching it to 10 respondent households' not included in the study sample for clarity, acceptability, flow and reduction of repetition. Minor adjustments were made on questionnaire preparation after the test.

Twelve enumerators were recruited from the study area based on two criteria-education and experience. All enumerators were trained for two days by the researcher on the approaches during data collection and the contents of the questionnaire.

3.2.3 Sampling Techniques and Sample size Determination

3.2.3.1 Sampling Technique

Durame town is divided into three kebele administrations namely "Zararo" kebele, "Lalo" kebele and "Kasha" kebele with the total household of 16,500. The largest kebele is "Zararo" with the residents of 6500 households. The two other kebeles have equal number of households,' that is, 5000 households' live in "Kasha" and 5000 households' in "Lalo" kebele administration.

For the purpose of this study, "Zararo" and "Lolo" kebele were selected by the researcher purposively on the basis of their population and constraints of time and budget. First, Kebele administration with the largest population was selected and next from two kebele administrations with the same population Lalo kebele administration was selected. The total number of households' in these kebele administrations is 11,500 households.

The sampling frame or lists of households was kebele registration which aimed provision of house numbers to all households and documenting names of household heads. Unfortunately, this registration was not completed during the survey time and household head names which reside in the periphery of the town administrations were not registered. As a result, from the 11,500 households, registration of 7998 households was completed and household number was given to their houses. Due to this fact, the researcher was decided to take 7998 households' as the sampling frame or list of the study. Hence, the sampling units of this study were kebele administrations and household heads. The researcher used systematic random sampling technique to select sample respondents as the sampling frame is larger. Systematic sampling technique is appropriate and time saving to select sample respondents from larger sampling frames.

3.2.3.2 Sample Size Determination

Determination of the sample size depends mainly, among others, adequacy of finance, the time available for completion of the study and size of the population to be studied. However, minimizing sampling error is important point to be taken into consideration during sample size determination. Sampling error could be controlled by drawing adequate sample size. Different formulas were derived by different scholars to determine the appropriate sample size. For the purpose of this study the formula derived by Cocheran (1963) for large population size was selected as appropriate formula to determine adequate sample size. According to this formula, the sample size can be calculated as $n = \frac{\mathbf{z^2 p}}{\mathbf{e^2}}$

Where n is the sample size, Z^2 is the abscissa of the normal curve that cuts off an area α at the tails; (1 – α) equals the desired confidence level, example, 95%; e is the desired level of precision, p is the estimated proportion of an attribute that is present in the population, and q is 1-p.

The value for Z is found in statistical tables which contain the area under the normal curve.
Example, Z = 1.96 for 95 % level of confidence.
Hence, to determine the sample size for this study, the researcher calculated it as:

Z^2= the two tailed critical value at 95% confidence level interval (1.96),

P = Assumed incidence of urban poverty for Durame town=18% (the Head

Count Ratio of urban poverty in SNNPR (Mohammed, 2017)).

e= Marginal error between the sample and population size (0.05), then the formula will be $\frac{\mathbf{z^2 * P * (1-P)}}{\mathbf{e^2}}$

Calculating the sample size by substituting the above values yielded the following result:

$$\frac{\mathbf{1.9^{\ 2}\ 0.1\ (1-0.1\ )}}{\mathbf{0.0^{\ 2}}} = \mathbf{227}$$

Hence, 227 households were the sample size of this study.

The total population of the study was 7998 households of which 4649 households were residents in "Zararo" kebele and the rest 3350 were dwellers of "Lalo" kebele administration. The sample size of 227 households' was allocated to each kebele in proportion to their household population size. Accordingly, 132 and 95 respondent households were allocated to "Zararo" and "Lalo" kebele administrations respectively.

To draw the sample respondents from the sample frame the formula **I= P/S** was used, where **I** is the skip interval**, P** is the population size and **S** is the sample size of the study. For the purpose of this study every 35^{th} household was included in the sample selection and the starting point was selected randomly from the interval of 1 to 35 of which 10^{th} household is selected as the starting point.

Table 3: 1 Household Size and Sample Size of the Surveyed Kebele

Name of Survey Kebele	Zararo	Lalo	Total
Total Households	4649	3350	7998
Total Sample Size	132	95	227

Source: Own Computation (2018)

3.3 Methods of Data Analysis

The collected data need to be analyzed and interpreted. Principally, collected data of this study were analyzed and presented quantitatively. Statistical descriptive such as percentages, ratios, means, and standard deviations were used to describe characteristics of the respondents. FGT method was employed to measure the level of poverty in the study area. The incidence, gap, and severity of poverty in the town were measured using head count ratio, poverty gap and its severity formulas developed by Foster, Greer and Thorbecke (FGT). Poor and non-poor households were identified by computing their annual consumption expenditure to that of predetermined poverty line by the researcher for the study area.

Binary Logistic regression model was used to analyze selected determinants of urban poverty in the study area. Variables, which play significant roles for the incidence of poverty in the

study area, were analyzed using this model to understand their significance. A significance level of 0.05 (confidence interval of 95%) was also adopted to accept or reject the hypothesized assumption for selected determinants of urban poverty. The study was employed the SPSS software version 20 to analyze the data.

Quantitative data was presented on tables using descriptive statistics and qualitative data was also presented qualitatively by directly explaining what the discussed during the discussion. FGD and Key informant interview were used to clarify issues which are not clearly stated in survey data presentation.

3.3.1 Model Specification

Though various econometric models proposed for assessing the relationship between the regressed and explanatory variables, no econometric model is precise by itself. As a result, the application of econometric models depends upon how closely accurate the models are to describe the relationship of the variables under study.

In order to explore the determinants of poverty, in the study area, logistic regression model was employed. The model was found appropriate for categorical variables. The outcome for this study was categorical, that is, being poor or not. The outcome or dependent variable was coded as 1 if the household is poor and 0 otherwise for the ease of computation in SPSS. Explanatory variables selected and analyzed were demographic (sex, age, headship, family size and marital status of a household) and socio-economic (income of the HH, educational level of the HH, health status of the HH, ownership of house, access to water, energy and credit services).

Binary logistic regression which was used as an appropriate econometric model for this study takes binary form of variables. This proxy variable was assigned a value of 1 or 0 using the poverty line as a cut point, that is,

$$y = 1, \text{ if } Y < Z \text{ and } y = 0, \text{ if } Y > 0 \quad \text{---------- 1}$$

Where y is a categorical dependent variable, which stands for the poverty status of the household with respect to z which is poverty line and Y is adult equivalent consumption per year.

As to the model specification in Gujarati (2004) the dependent variable of the logit model takes binary responses, that is, y=1 if a given household is poor and y=0 if not. To put it in terms of probability,

$$P(yi=1) = P_0$$

$$P(yi = 0) = 1-P_0 \text{ ----------2}$$

The implication of this is that the probability of a given household to be poor is P_0 and the probability of being non-poor is $1-P_0$. It is possible to write this in equation form of logistic distribution as;

$$P_0 = E(yi = 1/xi) = \frac{1}{1+e^{-(\beta 0+\Sigma\beta}} \text{ ----------3}$$

$$P_0 = \frac{e^{(\beta \ +\beta 1X1+\beta 2X2+--+\beta}}{1+e^{(\beta 0+\beta 1X1+\beta 2X2+--+\beta}} \text{ ----------4}$$

Where P_0 is the probability, e is an irrational number (2.718), β_0 is the intercept term and the βi are the coefficients of the predictors Xi. P_0 is unobserved (latent) variable, but instead we can see the proxy variable yi taking the values yi = 1 if the person is poor or yi = 0 if the person is not poor. Hence, we can write equation 4 as;

$$P(yi = 1/xi) = \frac{e^{\beta 0+\Sigma\beta}}{1+e^{\beta 0+\beta}} \text{ ----------5}$$

Equation 5 above, is expressed in terms of probability of the event. That is, the probability of yi =1 occurs. The probability of non-occurrence can be derived from this equation easily. The sum of probability of yi = 1 and yi= 0 become 1, since yi takes only 0 and 1. Then the non-event probability will be;

$$P(yi = 1/Xi) = 1-p(yi =1/Xi)$$

$$P(yi = 0/Xi) = \frac{1}{1+e^{\beta 0+\beta i.}} \text{ ----------6}$$

To put in the form of probability ratio, we take equation 5 and 6 and compute it as;

$$\frac{p[y=1/X]}{p[y=0/X]} = \frac{p[y=1/X]}{1-[y=1/X]} = \frac{[1+e^{\beta 0+\Sigma\beta}][e^{\beta 0+\beta}]}{[1+e^{\beta 0+\beta}]} = e^{\Sigma\beta 0+\beta} \quad \text{---------7}$$

We can linearize equation 7 by taking natural logarithm as,

$$\text{Yi} = \ln\left[\frac{p(y=\frac{1}{X})}{1-p(y=\frac{1}{X})}\right] = \beta 0+\beta 1X1 + \beta 2X2 + \text{--}+\beta \quad ,$$

Yi$=\beta° + \Sigma\beta i_{\text{:}} + \varepsilon$ ----------8

Equation 8, above is the econometric model where Yi stands for the status of a household with respect to poverty line. βi's are coefficients of predictors Xi, i stands for households run from i to n. Xi's are predictor variables and ε is an error term.

3.3.2 Poverty Analysis

In this study, consumption expenditure approach was employed to analyze poverty status of the household. The rationale for adopting the Expenditure approach to analyze poverty was due to the fact that consumption is believed to vary more smoothly than income (WBI, 2005). Sample respondents were asked to estimate their households' consumption expenditure per month for monthly items and per year for annual items. The expenditure items were classified into two broad categories as food and non-food expenditures. The responses for consumption expenditures were added and converted as annual total households' expenditure. The total households' consumption expenditure was divided to households' family size and the result was used to categorize a household as poor or not. A household whose annual consumption expenditure per adult equivalent was below the poverty line, the household was considered as poor and not poor otherwise.

The absolute poverty line for the study area was predetermined based upon the CSA (2012) computation for food and non-food items for the country. The central statistical authority (CSA) determined birr 3781 per adult equivalent per year as an absolute poverty line for the year 2011. This value was used as a base and the absolute poverty line was set for the study area by adjusting the effect of inflation rate. The average inflation growth rate of the country for the period 2014-2017 was taken to adjust the effect. The base year 2010/11 inflation growth rate

was taken as an initial inflation growth rate which was 33.2 percent (World Bank, 2012). Hence, the following simple calculation was computed to set the current poverty line for the study area.

The poverty line for the study area was computed by modifying the formula used by Melese, et al. (2017).

Let $\boldsymbol{R^0}$, be the initial inflation rate (for the year 2010/11 as a base year inflation rate),

$\boldsymbol{R^1}$, be the current adjusted inflation rate, and

r, be the annual average inflation growth rate of Ethiopia over the period 2014-2017.(2014 ,7.4%, 2015, 10.12%. 2016. 7.26%, 2017, 8.05%) = 7.4+ 10.12+ 7.26+ 8.05=Average **8.22 %).**

Then, $R^1 = R^0 + r * R^0$ = 0.332 + 0.082*0.332=0.36

The current poverty line for the study area was calculated by using the above adjustment for inflation effect.

For this adjustment P_1 was taken as current total poverty line and Po was taken as the base year 2011 total poverty line of Ethiopia and, , R^1 was taken as the adjusted price.

Thus, $P_1 = P_o + R^1 * P_o$ = 3781 birr+ 0.36*3781birr = 5142.16 birr.

Hence the total poverty line of the study area was estimated at 5142.16 Birr per capita equivalent per year which was equivalent to 14.09 birr per capita equivalent per day. The researcher considers that the estimated amount of poverty line is not adequate for a household to lead a decent life. It is not affordable for an individual with birr 14.09 per day to meet basic needs. This inadequacy of consumption expenditure is emanated from the inadequate CSA estimation for the base year. The researcher uses the above cut off point due to lack of other alternatives to identify the poor and not poor households for the purpose of this study. Hence, households' whose consumption expenditure falls below this poverty line were considered as poor and not poor otherwise.

Foster, Greer, and Thorbecke (1984) known as FGT Index which is commonly applied for poverty analysis was used to analyze level, incidence and severity of poverty in the study town. The three measures of poverty in the FGT index are the Head Count Index (P_0) which depicts number of population who are poor, Poverty Gap Index (P_1) which measures the extent to which individuals fall below the poverty line and Poverty Severity Index (P_2) that demonstrates not only the poverty gap but also the inequality among the poor was used to compute these indices.

These indices can be computed using: Q as the number of people earning income below the poverty line, N is the total population, and then the Head Count Index (H) is given by

H =P_I= $\frac{Q}{N}$, this can be rewrite as: $P\alpha\ (Z, Y) = \frac{1}{n}\sum_{i=1}^{Q}\left[\frac{Z-Y}{Z}\right]\alpha$

where, Z is poverty line, Yi is the actual expenditure or income of individual below the poverty line, n is the number of sample households, Q is the number of poor people normally those below poverty threshold α is poverty aversion parameter (Tassew et al., 2008, Tesfaye, 2006, Araya, 2010).

Poverty gap Index: taking the above representing style of variables and defining the poverty gap (Gi) as the difference of poverty line (Z) and the actual income (Yi) for poor individuals and the gap is assumed to be zero for everyone else, Mathematically, PG is computed as follows (Ibid):

$$p \quad = P1 = \frac{1}{N}\sum_{I=1}^{Q}\left[\left(\frac{G}{Z}\right)\right],$$

Where Gi = (Z–Yi).I (Yi<Z) $= \frac{1}{N}\sum_{i-1}^{Q}\left[\frac{Z-Y}{Z}\right]$

Poverty Severity index (PS): It is also known as squared poverty gap index or the Foster-Greer-Thorbecke index, measures severity of poverty by squaring and averaging the gap between the income of the poor and poverty line. Unlike the poverty gap index, this measure reflects the severity of poverty in that it is sensitive to inequality among the poor (WBI, 2005; Esubalew, 2006; Tassew et al, 2008). Ps can be computed as:

$$P \quad = P2 = \frac{1}{N}\sum_{i=i}^{Q}\left[\frac{Z-Y}{Z}\right]2$$

3.4 Variable definition and working hypothesis

3.4.1. Dependent Variable:

Two main variables were analyzed in this study. These variables were dependent (regressed) and independent (explanatory). The regressed variable was urban poverty and the explanatory variables were factors that determine urban poverty. One can note that a number of explanatory variables could influence the incidence of urban poverty directly or indirectly. However, some of the variables which were assumed to influence urban poverty dominantly were analyzed in this study. It was also assumed that regress (explanatory) variables come first and the regressed variable (urban poverty) comes next in this study. The dependent variable households' poverty status (POVSTA) was represented in the model as poor (Y=1) if it's total consumption expenditure per adult equivalent per year is less than birr 5142.16 or non-poor (Y=0) if consumption shortfall is greater than or equal to zero compared to the determined poverty line.

3.4.2. Independent variables

The independent (explanatory) variables which are supposed to have association with the dependent variable (urban poverty) were selected. Related literature and similar scientific studies conducted by various researchers were reviewed to select some of the dominant variables that affect urban poverty. Hence, some major independent (explanatory) variables that are expected to affect the poverty status of urban household to be poor or non-poor were selected. These variables and their respective hypotheses were discussed as follows.

1. Age of the Household Head (HHAGE)

There are different arguments by different scholars concerning relation between age and poverty. Some of them argue poverty increases during old age and others contend that age is correlated with higher productivity and hence impacts welfare positively. Still other views argue that neither of these two approaches is correct that the relationship between age and poverty is not linear. Income would be low at relatively younger age, increases at middle age and then decreases again. In this study, the age variable was classified as 18-30 years, 31-50 years, and 51 years and above. This was important to identify the age range that the probability of the

household getting higher income. A household with the age range 18-30 years and age range above 51 years takes 1, 0 otherwise

2. Sex of the Household Head (HHSEX)

In general, headship of a household influences the status of poverty. Feminization poverty is the concept emanated from the findings that many women are asset poor and constitute large portion of world's poor. In this study it is hypothesized that the chance of being fall under poverty is higher for households headed by women than their male counterparts. If the head of the household is female, it takes the value of 1, 0 otherwise.

3. Marital Status of the Household head (MARTSTAT)

Marital status of the household head is an important constituent of the demographic variables. Literatures and economic theories held different arguments concerning the relationship between marital status and poverty. Some reported that the association between marital status and household poverty is positive and others reported it as negative (Melese, et al., 2017). The argument of the first view is that as one gets marry, the size of the family increases and so is the expenditure. The argument of the second view emanates from the assumption that marriage leads to have children and so is many hands to work and generate income for a household. The researcher of this study argues in supporting the first view and hypothesizes that the probability of falling into poverty is higher for a household head which is married that single. Hence, if the head of a household is married, it takes the value of 1, 0 otherwise.

4. Household Family Size (FAMSIZE)

Different literatures report that there is linear relationship between household family size and poverty. In this study, a household with family size more than or equal to 3 is hypothesized as larger family size and have higher probability of being fall under poverty than households with the family size less than three household members.

5. Education Level of the Household Head (EDULEVEL)

Education level as an independent variable indicates the highest education level attained by the head of the household. The education variable has two dummies. If the lowest attainment is

unable to read and write, it takes the value of 1, 0 otherwise. It is hypothesized that the probability of the household being poor decreases with increase in the educational attainment level of the household head. Generally, if the heads highest educational level is lower than primary school complete it takes the value of 1, 0 otherwise.

6. Annual Income of the Household Head (HHINCO)

The amount of income at any one time in a household shows the extent of poverty and its amount in time shows what is happening to poverty in time. Hypothetically, a household with a relatively better income will lead a decent life and its probability to fall into poverty is less. Amount of income secured by a household determines the amount expend for consumption. A household whose consumption expenditure is below birr 5142.16 are considered as poor and takes 1, 0 otherwise.

7. Household Health Status (HEALCON)

Since health, without debate, is the decisive factor for life, one with poor health condition will have a poor living standard. When a breadwinner of the household gets sick, it is a known experience that the family faces acute problems and one of which is obviously poverty. Lack of proper health will make people to become weak and unproductive. Health is, therefore, expected to play a negative role in urban poverty. Households with frequent patient members take value of 1, 0 otherwise.

8. Household Access to Water (WATACCE)

This refers to the type of water service the household has. Two dummies were used in this variable. Those who don't have private tap water in their compound takes the value of 1, 0 otherwise. It is hypothesized in this study that the probability for a household to be poor is low if they have private tap water in their compound.

9. Household Access to Electricity (ELEACCE)

Obviously, electricity is the main source of energy and lighting in urban areas. Households who are not using this energy source for cooking and lighting have higher chance of falling under poverty. A household without its own electric meter, takes 1, 0, otherwise.

10. Household Access to Credit (CREACCE)

As credit serves to fill the financial demand of households to participate in businesses, it has the power to increase income. A household that lacks access to credit service takes 1 and 0 otherwise. It is hypothesized that households which take loans (credits) are more likely to escape from poverty. On the other hand, households which lack access to credit services stay in poverty situation for long period of time.

11. House ownership of the household (HOUOWN)

Nowadays the issue of house ownership has become a critical parameter of urban dwellers and is assumed to play significant roles in the incidence of poverty. In this study it is assumed that the probability of households to fall into poverty decreases as they have their own houses and increases if they don't have. It is hypothesized that households who do not own house take the value 1, 0 otherwise.

Table 3:2 Definitions and Measurements of all variables for logit model

Variable Code	Variable Type	Variable definition and measurement	Expected sign
Dependent variable			**welfare status**
POVSTAT	Dummy	Household Poverty status (1=poor 0=non-poor)	**Sign (+or-)**
Independent Variables			
HHAGE	Continuous	Age of Household Head in years	+
HHSEX	Dummy	Sex of Household Head (1=Female 0, otherwise)	+
MARSTAT	Dummy	Marital status of the Head (0=single, 1 otherwise)	+
FAMSIZE	Continuous	Family size of the HH	+
EDULEVE	Continuous	HH educational level in year	–
HHINCO	Continuous	HH annual income in birr	–
HEALCON	Dummy	Health status (1, if sick member, 0, otherwise)	+
CREACCE	Dummy	HH access to credit Service	–
ELEACCES	Dummy	HH access to electricity(0=access, 1 otherwise)	–
WATACCES	Dummy	Access to water service (0= own pipe, 1 otherwise)	–
HOUOWN	Dummy	House ownership (0=Own house, 1 otherwise)	+

Source: Researcher's Definitions

3.5 Ethical Considerations of the Study

Issues of the research ethics were considered at all stages of the research. A letter was obtained from the university which declares the researcher's engagement in the research activities. The researcher oriented enumerators to take with them the letter while they dispatch the questionnaire to respondents.

Data collectors read the letter to the respondents of the research before they submit the questionnaire. Communications with respondent households' and data collecting activities were begun after permissions were obtained from Town Administration and kebele administrators to get access to the study site. The letter was also used as a means of entrance to various offices in the study sites. Besides, the letter has created trust and creditability of the researcher by the research participants.

All field notes and other documents of participants' responses were kept personal. Data analysis and report of the thesis was conducted with strict ethical manner not to manipulate the original information obtained from the respondents. Any information used in this thesis from other materials were duly acknowledged and properly cited.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Measuring the incidence and Extent of Household Poverty

In order to measure the incidence and extent of poverty in Durame town, poor and non-poor households must be identified. For the purpose of poor and non-poor households' identification, previously set poverty line for the study area was used. The poverty line for the study area was constructed by the researcher based on national poverty line (3871birr) for the year 2010/11 (CSA, 2012) and deflated for change in price. The deflated poverty line for the study area is birr 5142.16 per year per individual household member. Consumption expenditure for food and non-food items used by individual household was computed and divided by size of household to get annual consumption expenditure for each household member. That is, if x is total annual consumption expenditure of a household and Y is the adult equivalent household size of the surveyed households in the study area, both food and non-food expenses of a household are added and the total is divided by the adult equivalent size of a household. Then, the result of this computation is used to identify a household whose annual consumption expenditure is less than or greater than the preset poverty line for the study area.

$$\frac{\sum_{i=1}^{2} xi}{\sum_{i=1}^{2} yi} < 5142.16 = 68 \text{ households (below poverty line)}$$

$$\frac{\sum_{i=1}^{2} xi}{\sum_{i=1}^{2} yi} > 5142.16 = 159 \text{ households (above poverty line)}$$

The three poverty indices developed by FGT (Foster, et.al., 1984) were employed to analyze the incidence, depth and severity of poverty in the study town. Table 4.1 below indicates that poverty incidence was 0.299 in the study area, implying that 29.9 % of the surveyed households were poor and unable to meet the minimum basic needs for their household members. In other words, 29.9% of the sample households live in absolute poverty in the study area. The value is slightly higher than the value of urban poverty for the whole Kambata Tambaro zone i.e. 29.3% and remarkably higher than the SNNP regional total urban poverty of 18.02 % for the year 2015

(Mohammed, 2017). Similarly, the level of poverty in the study town is higher than the national average urban poverty (25.7 %) for the year 2010/11 (CSA, 2012). Recent studies in Wolaita Sodo town (52%) of southern Ethiopia and Nekemite town (42%) of Oromoia region also reported considerably higher urban poverty incidence than the national average urban poverty (Frew,2018, Melese et al.,2017).

Table 4.1: Incidence, Depth and Severity of Poverty

FGT indexes	Index Values
Incidence (P_0)	0.299
Depth (P_1)	0.059
Severity (P_2)	0.020

Source: Own survey result (2018)

The total urban poverty depth for the study area was 0.059 which implies that on average, up to 5.9 % of the poverty line resource should be mobilized by average household to bring them to preset poverty line to the study area. To put it in different way, the poverty gap or distance that separates the poor from poverty line is on average 5.9 percent resource of preset poverty line (5142.16 birr) for the study area. That is, on average 5.9 percentage of consumption is needed to bring the poor to poverty line. The value for poverty gap is higher than the regional poverty gap which is 5.25 percent and lower than the whole KT zone average urban poverty gap (8.28%) for the year 2015(Mohammed, 2017).

Finally, the severity index for the study area was 0.02 that indicates 2.0% fall below the threshold value which implies that inequality among the poorest is moderate for the study town. The value for the severity index is lower than the average regional urban poverty severity i.e. 2.32 percent (Mohammed, 2017).

4.2 Demographic Characteristics of Sample Households and Poverty

Basic demographic and socio-economic data was collected from sample households using survey questionnaire. Age and sex are considered as vital demographic factors that provided an important understanding about the characteristics of the population under study. Similarly,

marital status and family size play significant role as demographic factors in determining the status of household poverty.

4.2.1: Age and Poverty

In this study, the majority (66.9%) of household heads were within the age range of 31 to 50 years. This is the most productive age range and the majority of the surveyed household heads were in the active age group. The proportion of the surveyed households in their twenties was 15.9% and the remaining 17.6% was the household heads whose age is 51 and above years. The mean age of the surveyed households was 42 years. Moreover, minimum and maximum age of the respondents was 25 and 80 years respectively.

Table 4.2 Age profile of Sample Households

Characteristics	**Sample HHs**		**Identified Poor HHs**	
Age Range of HH	**Response of sample HHs**	**Percent**	**Response of Sample HHs**	**Percent**
≤30	34	15.0	9	13.2
31-40	80	35.3	27	39.7
41-50	72	31.8	18	26.5
51-60	28	12.3	7	10.3
61-70	12	5.3	7	10.3
>70	1	0.4	-	-
Total	**227**	**100**	**68**	**100**
Pearson $\chi 2 = 0.146$, Mean age = 42 years, SD = 10.31				

Source: Own Survey Result (2018)

Scholars held different views regarding age and poverty association. Some argues that age and poverty are linearly related and others argue that as age and poverty might have no linear relationship i.e. earning is relatively low at early age, higher at middle age and decline at old age (Melese, 2017). This implies that poverty is highly noticeable at early and later age.

Table 4.2 above shows that poverty is prominent at age range of 31 years to 50 years of age range in the study area. This might be due to low job opportunities in the study area that 22% of the surveyed households were day laborers and their income was not regular. But the intra-age poverty was noticeable at the age range of 31 to 40 and 61 to 70. This might be due to the fact that the increases in the size of household and dependency ratio in the age range of 31 to 40 and

less productive age range hence low income in the later age range. The findings of this study were not in support of above arguments regarding age and poverty association.

4.2.2: Sex and Poverty

Headship is considered as a good indicator of the level of poverty at household level. The CSA report 2012 indicates that households in Ethiopia are largely male headed with over 76 % at the aggregate level. However some evidences reveal that male headship decreases to 65 % in urban areas (EDHS, 2016). The finding of this study indicated that 202 (89%) of surveyed households were headed by males. The rest 25 households (11% of which is far lower than the national average 25%) were female headed households.

Table 4.3: Sex of the households

Headship	Sample Households	
	Frequency	Percent
Male	202	89
Female	25	11
Total	227	100
	χ2 test=0.000	

Source: Own survey result (2018)

Many studies attest that poverty is higher in female headed households than their male counterparts (Frew, 2018, Tegegn, 2015, Esubalew, 2006). The findings of this study also show that from 25 female headed households, which were part of this study; almost all (92%) were categorized as poor. On the other hand, from 202 male headed household only (22.2%) were identified as poor. Thus, the result of this study confirmed that the probability of being poor is higher for female headed households than male headed households. The χ2 (0.000) test shows that the relationship between sex and poverty is statistically significant.

4.2.3: Family Size and Poverty

For the surveyed households the average household size was 5.4 persons with the standard deviation of 1.8. The result was closer to the study by Tegegn 2015 which found 5.5 persons as the average family size for Durame town. This indicates that the average household size, for the study area, is higher than the national average 4.6 and markedly greater than the corresponding

average for all urban households, which is, about 3.5 (EDHS, 2016). The minimum and maximum size of household was found to be 1 and 11 persons, respectively.

Table 4.4 below shows that almost 14% of the surveyed households had 1to3 members of household and the majority (61.7%) of the households had 4 to 6 members of households. The remaining 24.2% of the households had 7 and more than 7 household members. Out of 68 identified households, who are below specified poverty line, 85.3% of households had 5 and above household members and the remaining 14.7% of households had 3 and 4 household members. This justifies that the probability of being poor is higher for households with larger family size than households with smaller family size in the study area. The chi square check (t test=0.000) indicated that the association between household size and poverty status is strong and statistically significant at 1 percent.

Table 4.4: Household Size by Surveyed Kebele

	Name of the surveyed kebeles		
Characteristics	**Zararo (N=132)**	**Lalo (N=95)**	**Total (N=227)**
Household Size	Frequency (%)	Frequency (%)	Frequency (%)
1-3	14 (10.6%)	18 (18.9%)	32 (14.1%)
4-6	83 (62.9%)	57 (60%)	140 (61.7%)
≥7	35 (26.5%)	20 (21.1%)	55 (24.2%)
Total	132 (100%)	95 (100%)	227 (100%)
t test=0.000	**Mean=5.4 person, SD= 1.8, Min. 1,**		**Max. 11**

Source: Own Survey Result (2018)

4.2.4: Marital Status and Poverty

Marital status of the household head is an important element of demographic character in household poverty studies. Most empirical literatures argue that the chance of falling into poverty increases as one gets married. When people get married the size of a household will increase as new children are born. The more the size of the household the higher the expenditure needed to fulfill the necessities for the family. The other argument regarding marital status is that as one gets married the probability of falling into poverty decreases due to the more labor forces in the household. But this can work where there is a sufficient job opportunity.

Table 4.5 below demonstrates that majority (88.5%) of the sample households were married. The study in south west Nigeria also shows closer result of marital status (82.5%) with the current study (Akinbode, 2013). The next category the widowed households consisted of 9.3 percent. From the identified 68 poor households, 66.2%, 30.9% and 2.9% were married, widowed and divorced households, respectively. From the total married sample households, about 22.4% were classified as poor, whereas from the total identified poor households 66.2% were married households. Next to married households, poverty is prominent in widowed households. All the selected sample widowed households were classified as poor households. This supports the argument that as one gets married, the probability of falling into poverty increases. This finding is in support of the results of the study in Sodo town, Wolaita Zone of southern Ethiopia, which reported that marital status was positively correlated with the poverty status of the household (Frew, 2018).

Table 4.5: Marital status of the Sample HHs

Characteristics	**Sample Response**		**Identified Poor HHs**	
Marital Status	Frequency	Percent	Frequency	Percent
Married	201	88.5	45	66.2
Single	1	0.4	-	-
Divorced	4	1.8	2	2.9
Widowed	21	9.3	21	30.9
Total	**227**	**100.0**	**68**	**100**

Source: Own Survey Result (2018)

4.3: Socio-Economic Characteristics of Sample Households and Poverty

Socioeconomic characteristics of the sample households considered in this study were educational level, income, access to energy, water, credit, and asset ownership of household head. Socio economic characteristics that a household possess could affect the poverty status of a household either positively or negatively.

4.3.1 Educational Level of the Households and Poverty

The probability of getting higher income is higher for a household head that attained a higher level of education. On the contrary, the probability of falling into poverty is higher for households with a household head whose educational level is lower (Frew, 2018 Melese, et al., 2017). For the purpose of this study, households were asked to categorize the educational level of the household head in six categories as indicated in Table 4.5 below.

Table 4.6 below demonstrates that 38.3 % of the sample respondents were first degree and above holders. Sample households who were unable to read and write were 1.3 percent. The rest 60.4 % of sample households consisted of other educational categories. More than 85 % of the identified poor households in this study were attended not more than secondary school. This indicates that households who did not attend more than secondary educational level cannot join jobs that enable them earn relatively adequate income.

From the table below, it is clear that the rate of being poor decreases as the household head's educational level goes higher than the secondary level. The chi square check showed that educational level of a household and urban poverty is related statistically significant at 1% level.

Table 4.6: Educational level of the Sample HH

Characteristics	Sample HHs		Identified Poor Households	
Educational Level of HH	Frequency	Percent	Frequency	Percent
Unable to read and write	3	1.3	3	4.4
Grade 1-4	8	3.5	6	8.8
Grade 5-8	35	15.4	23	33.8
Grade 9-12	61	26.9	26	38.3
College diploma	33	14.5	9	13.2
First degree and above	87	38.3	1	1.5
Total	**227**	**100.0**		**100**
Pearson chi square test $\chi 2$ =0.000				

Source: Own survey Result (2018)

4.3.2 Monthly Income of the Households and Poverty

Household income is one of the economic factors that determine household poverty. The higher the income the household secure, the more the disposable income to be spent on consumption items and vice versa. Survey households were requested to report monthly income if it is regular and estimate it if it is not. About 22.9 % of sample households reported that their income is not regular and the source of the income is paid day work and petty trading. The remaining 77.1 % of the surveyed households responded that their income source was regular. As it was expected some respondents reported that their income lower than their monthly expenditure. This trend was reported in various studies that respondents were not willing enough to reveal their financial income accurately either due to they do not want to tell how much they earn or they are not able to estimate their income (Maxwell, et al., 2000).

Table 4.7: Monthly income of the Sample HHs

Characteristics	**Sample Response**		**Identified Poor Households**	
Income Range	**Frequency**	**Percent**	**Frequency**	**Percent**
1000-3000 Birr	89	39.2	63	92.6
3100-5000 Birr	86	37.9	5	7.4
5100-7000 Birr	39	17.2	-	-
7100-9000 Birr	9	3.9	-	-
Above 9000 Birr	4	1.8	-	-
Total	**227**	**100**	**68**	**100**

Source: Own Survey Result (2018)

The average monthly household income for all surveyed households is 4092 Birr with the standard deviation of 2289.4 Birr. The minimum and maximum monthly income of the surveyed households is 1000 Birr and 20,000 Birr respectively. As one notes that the difference between minimum and maximum monthly income is wide among the surveyed households due to the occupation they were engaged. The occupation of the surveyed households varies from day labor payment to business income which offers high return for households.

As indicated in Table 4.7 above, 39.2 % of the surveyed households were categorized under lowest income group. This shows that a remarkable number of surveyed households are income poor. Similarly, 92.6% of the identified poor households were also classified under the lowest income group. On the other hand, on average, all the surveyed households generate 136 birr per

day and 25 birr per adult equivalent per day. This implies that, on average, all the surveyed households live below international poverty line USD 1.25 per day (ADB, 2014).

4.3.3 Annual Consumption Expenditure of the Households

For the purpose of this study consumption expenditure of the surveyed households was computed by identifying main items consumed in the study area. Main food and non-food items were listed in the questionnaire and households were asked to estimate how much they spent on these items. For the ease of estimation food and non-food items were classified as monthly and yearly expenses. It is obvious that households acquire some commodities monthly and others yearly based on their durability. Sample households were estimated their expenditure accordingly and the data was computed by the researcher for individual households on annual basis.

Table 4.8: Annual Consumption Expenditure of the Surveyed HHs

Characteristics	**Sample HHs**		**Identified Poor HHs**	
Expenditure Range (in Birr)	Frequency	Percent	Frequency	Percent
10000-30000	62	27.31	55	80.88
31000-60000	95	41.85	13	19.12
61000-90000	59	26.00	0	0
91000-120000	9	3.96	0	0
Above 120000	2	0.88	0	0
Total	227	100	68	100
Mean=51473.44, SD=27262.52, Minimum=12600,Maximum=240000				

Source: Own survey Result (2018)

As a result of the computation annual mean of consumption expenditure of surveyed household is ETB 51,473.44 with the standard deviation of ETB 27,262.52. Similarly, minimum and maximum consumption expenditure is ETB 12,600 and ETB 240,000 respectively. The result of the computation indicated that the difference between the consumption expenditure of the surveyed households is considerably wide and the standard deviation of the consumption expenditure from the mean is also large. This implies that the characteristics of higher inequality among households which is a typical character of urban areas in developing countries.

Table 4.8 above also depicts that almost all (80.88%) of the identified households who are below the pre-determined poverty line are categorized in the lower range of annual consumption expenditure. This is due to the fact that monthly income earned by these households is extremely lower compared to other higher consumption expenditure ranges.

4.3.4 Household Access to Safe Drinking Water

Table 4:9 Household access to Water service

What is the source of water for your HH?	Frequency	Percent
Pipe water	222	97.8
Hand dug well	5	2.2
others	0	0
Total	227	100
Do you have your own water meter?		
Yes	203	89.4
No	24	10.6
Total		100

Source: Own survey result (2018)

Access to safe drinking water is still a major problem in many urban areas. Many households face quantity and quality problems in water supply. The degree of access to safe drinking water is one of the indicators of the living condition.

The findings of this study show that 97.8 % of the survey households reported that the source of water supply is piped water. The remaining 2.2 % of the respondents use a hand dug well as a main water source for many purposes other than drinking. Moreover, 89.4 % of the respondents responded that they had their own private pipe in their compound and the rest 10.6 % replied they did not own and use shared water source (bono) in their locality. Majority (62.5%) of the households who did not own private pipe were households under the category of poor. Regarding the supply of water almost all the respondents indicated that the water supply is inadequate and irregular. As a result, they reported that they face higher shortage of water supply in the town. Due to its irregular supply they faced problems in sanitation.

4.3.5 Household Access to Electric Energy

Table 4:10 Household access to Energy service

Did your HH have own electric meter?	HH response	Percent
Yes	183	80.6
No	44	19.4
Total	227	100

Source: Own Survey result (2018)

The energy source that the household use for the purpose of lighting and cooking is an important determinant of the overall quality of life. As shown in Table 4:9 above, the result of this study indicated that 80.6 % of the surveyed households had their own electric meter and the remaining 19.4 % of the respondents did not have their own electric meter. Sixty four percent of the households who owned their electric meter responded that they used it for lighting and cooking purpose and the rest 36 % replied they used it for the purpose of lighting only. Households who did not own their own electric meter reported that they rented it for lighting only. Majority (68.2%) of the households who did not own private electric meter were under the category of poor.

4.3.6 Household Access to Credit Service

Table 4:11: Household access to credit service

Did your HH borrowed from credit institutions in last two years?	Frequency	Percent
Yes	56	24.7
No	171	75.3
Total	227	100
For what purpose did you borrow?		
To build a new house	28	
To start new business	12	21.5
To expand the existing business	11	19.6
For other purpose (Mention)	5	8.9
Total	56	100

Source: Own survey result (2018

Access to credit services helps individuals to acquire household assets or start new business. This provides better opportunities of investment to households and improves their income. Table 4:11 above shows that only 24.7 % of surveyed households responded that they have borrowed the money. From these respondents, majority (50%) of the borrowers stated that they

borrowed it to build a new house and 21.5% of them utilized it to start new business. Similarly, 19.6 % of the surveyed sample households borrowed it to expand the existing business and the rest 8.9 % mentioned that they borrowed the money for different purposes like to buy house furniture. All the identified poor households replied that they were not received credits from any institution due to fear of repayment and lack of peer to form a group. Major Microcredit institutions that existed in the study area are Omo Microfinance and Vision Fund Ethiopia branch.

4.3.7 Saving Habit of the Households

The findings of survey questionnaire demonstrated that 48 % of the surveyed households had saved some proportion of their income.

Table 4:12: Household saving Habit

Characteristics	Sample HHs		Poor Households	
Did your HH save for last 12 months?	Frequency	Percent	Response	Percent
Yes	109	48.0	8	11.8
No	118	52.0	60	88.2
Total	227	100	68	100

Source: Own Survey Result (2018)

Forty percent of the surveyed households had saved in Commercial bank of Ethiopia, 35 % in OMO Microfinance and the remaining 25 % in Vision Fund Ethiopia Durame branch. Some (11.8%) of the identified poor households had also started saving in the two microfinance institutions mentioned above.

4.3.8 Asset Ownership of the Households

From the Table 4.13 below, the researcher can understand that 85.9 % of the total surveyed households had their own house. The rest 14.1% did not have their own residence house. Out of 68 identified poor households, 32.4% of the households did not own house. Similarly, out of 159 non-poor households only 6.3% did have not their own house. Compared to the poor households, the non-poor households are better off in this respect. Assets like car, refrigerator,

motor bike and jewelries are exclusively commodities of the non-poor households. On the other hand, not only poor households,' significant number of households above the specified poverty line did not own assets like car, refrigerator, stove, motor bike and jewelries due to the low income these households generate. For instance, out of 227 sampled households only 2.2% household heads did own a car. The percentages in the table are summarized separately for poor and non-poor households to compare the difference.

Table 4:13 Asset Ownership of the HHs

Characteristics	**Sample HHs**		**Poor Households**	
Durable HH Assets	Own (%)	Not Own (%)	Own (%)	Not Own
Residence House	195(85.9)	32(14.1)	46(67.64)	22(32.4)
Car	5(2.2)	222(97.8)	0(0.0)	68(100.0)
Refrigerator	45(19.8)	182(80.2)	0(0.0)	68(100.0)
Television	200(88.1)	27(12.0)	41(60.3)	27(39.7)
Stove	73(32.2)	154(67.8)	3(4.4)	65(95.6)
Tape recorder	40(17.6)	187(82.4)	5(7.4)	63(92.6)
Radio	112(49.3)	115(50.6)	31(45.6)	37(54.4)
Motorbike	16(7.0)	211(93.0)	0(0.0)	68(100.0)
Sofa	110(48.5)	117(51.5)	11(4.8)	57(83.8)
Jewelry	90(39.6)	137(60.4)	0(0.0)	68(100)

Source: Own Survey Result (2018)

4.4 Econometric Analysis of Determinants of Urban Household Poverty

The econometric model used in this study was binary logistic regression. The model was selected due to its appropriateness for the analysis of poverty status of the households. Binary logistic regression is typically used when the dependent variable is dichotomous and the independent variables are either categorical or continuous (Park, 2013).

The model was tested whether or not it fits the data. One of the most important test was the collinearly of the independent variables. This was tested by using variance inflation factor (VIF) and tolerance test against all the independent variables. Moreover, all the independent variables were correlated each other to test the level of their collinearity. It is obvious that a set of variables correlate within themselves in most economic variables. The importance of the test is to identify whether the correlation is strong or not. If the correlation between two independent

variables is strong, it is advisable to not to include one the variables into the model analysis. But this also depends on the theoretical importance of the variable.

The other most important model test was its goodness of fit test. In this study, classification tables and Hosmer and Lemeshow tests were used to check goodness of fit of the model to the data.

4.4.1 Multicollinearity Test

Before going to parameter estimation of logit model, tests for multicollinearity were performed using variance inflation factor (VIF) test to validate the estimated model. The computed values of VIF were small and all of the values were less than 5 (see appendix 5). Moreover, the computed tolerance values also revealed that all the values were above 2 and confirmed no serious collinearity. From the computed results of VIF there was no serious problem regarding muliticollinearity among the predictor variables and hence all the 11 independent variables were used in the model for analysis.

4.4.2 Goodness of fit of the model

In this study, classification table and Hosmer and Lemeshow test of goodness of model test were used to test goodness of fit of the logit model. The fittingness of the selected model for the econometric analysis depends mainly on how much it predicts the actual observations. In other words, the selected model considered as appropriate to the data with its predictive power of the percent more than 50 % in prediction or classification table. The classification table below tells us that how much the actual observations were predicted in the model. The on and off-diagonals of the table depicted the correct and incorrect number of prediction of the data. Thus, using these diagonals we can observe that how many households were classified correctly and how many were classified incorrectly.

In diagonals of the table 158 out of 159 households who live above poverty line were correctly predicted and also 66 out of 68 households identified as living below poverty line were predicted correctly. On the contrary, in the off-diagonals of the Table 4.14, household who live above poverty line 2 households who live below poverty line were predicted incorrectly.

From a total of 159 households who live above poverty line 99.4% were predicted correctly and out of 68 households who live below poverty line 97.1% were correctly predicted. The overall percentage of 98.7% of the 227 valid cases was classified correctly and hence the estimated model better fits the data.

Table 4.14: Classification Table

Observed	Predicted		
	Poverty status of HH		Percentage Correct
	Above PL	Below PL	
HHs above PL	158	1	99.4
HHs below PL	2	66	97.1
Overall Percentage			**98.7**

Source: SPSS Computation Result (2018)

Hosmer and Lemeshow test was also used to test the goodness of fit of the model. In Hosmer and Lemeshow test the column that is labeled as Sig. shows the probability value (P-Value). If the p-value is above 0.05 the estimated model has adequate fit to the data. If the p-value is below 0.05 the model does not adequately fit the data. Hosmer and Lemeshow of this study revealed that the p-value was 0.097 which is above 0.05. Therefore, the estimated model fits the data adequately.

4.4.3 Logit Estimation Results and Analysis

Table 4.15 Binary Logit model estimates

Variable code	β	Standard error	Wald	P- Value	Exp (β)
HHSEX (1)	3.190	0.802	15.808	0.000**	24.204
FAMSIZ	0.281	0.127	4.948	0.026**	1.326
EDULEVE (1)	-1.825	0.471	14.998	0.000**	0.161
HHINCOM	-0.001	0.001	3.728	0.050*	0.999
HHWATE (1)	-1.399	0.680	4.497	0.034**	0.247
HHELECT (1)	-0.984	0.504	3.804	0.051*	0.374
Constant	-9.774	270.820	0.001	0.971	0.000

Number of observations = 227, ** and * significant at 1% and 5% level, respectively

Source: Model output (2018)

As it is clear from the above logistic regression table, all the predictor variable in the logit estimate agree with the expected sign. Following the background information of logit estimate above, the detailed explanation of only statistically significant explanatory variables was presented below.

Sex of the Household Head (HHSEX): As it is expected sex is associated with households' urban poverty status positively and significantly at 1 % significant level. The explanation is that the probability of falling into poverty increases for female headed households by 24.204 units than households headed by males. On the other hand, the study conducted in Sodo town, Wolaita zone, indicated that sex is negatively related with urban household poverty. The study explained the result that as the probability of falling into poverty decreases when the household head is male (Frew, 2018). This implies that the probability of being poor is higher for households headed by females than male headed households. The result of the current study also supports that male headed households were less poor that their counterparts. It was also described in descriptive part of this study that most of the households headed by females are unable to meet basic needs and categorized as poor.

Family Size of the Household (FAMSIZE): Regarding the household size, the logit estimate shows that family size is associated with households' poverty status positively and significantly at 1% significant level. As the size of the household increases by one member, the odds and odds ratio of falling into poverty, increases by a factor of 0.281 and 1.326, respectively, citrus paribus. This indicates that households with larger family size are associated with higher chance of being poor. As the size of household increases, due the decrease in per capita income, poverty increases. Many poverty studies reported that the association between household size and poverty is positive (Frew, 2018, Melese, 2017, Akinbode, 2013, Esubalew, 2006). The result of the logit estimate agrees with the results of descriptive part of this study that most of the households identified as poor are characterized with larger family size.

Educational Level of Household Head (EDULEVL): As indicated in the logit estimate table above, the association between education and being poor for a household is negatively related and the relation is significant at 1% significant level. As the head of the household education level increases by one grade the probability of a household being poor decreases by the odd ratio of 0.161 units holding other variables constant. Many empirical evidences report that

educated labors have opportunities to get employment with good income and perform business activities based on the knowledge they acquired. Descriptive analysis part of this study also indicated that falling into poverty is lower for households with higher educational level. This implies that the association between poverty and level of education is higher. The finding of this study is compatible with the studies in Nekemete, Wolaita Sodo and Debere Markos towns (Frew, 2018, Melese, et.al, 2017, Esubalew, 2006,).

Household Income (HHINCO): Consumption expenditure of a household highly depends on the level of income a household earn. The above logit estimate indicates that household income level and a household being poor is associated negatively at 5% significant level. As a household income increases by 1 birr, the value of odds and odds ratio decreases by a factor of -0.001 and 0.999 respectively. This shows that the probability of a household being poor is higher for households with lower income. Descriptive part of this study indicated that majority of the households identified as poor in the study area are day laborers, pensioners and petty traders whose occupational engagements did not allow them earn sufficient income to meet basic needs of their household members.

Household Access to Water (WATACCES): Access indictors are important determinants in urban poverty analysis. Household access to clean water is one of the indicators in urban poverty analysis. The logit estimate result demonstrates that access to water by a household is related to being poor of a household negatively and significantly at 1% significance level. This indicates that the probability of being poor for a household who owned private pipe decreases by 0.247 units compared to households who did not own private pipe. Putting it differently, the probability of being poor for a household who do not own a private pipe is higher compared to a household with own private pipe. The result shows that the contribution of having private pipe by a household to being poor is significant in the study area. The finding does not support the result of the study in Nekemite and Wolaita Sodo towns which revealed that the contribution of having private pipe to urban poverty is not significant (Frew, 2018, Melese, et al., 2017).

Household Access to Electricity (ELEACCES): Electricity is the source of energy and light in urban areas and it affects day to day activities of urban households. Due to this fact access to electricity is considered as an important access indicator in urban poverty analysis. The above logit estimate result indicates that access to electricity and poverty status of a household is associated negatively and significantly at 5 % significant level. The implication is that the

probability of being poor decreases for a household which uses electric energy for cooking and lighting by 0.374 units compared to a household which do not own electric meter. In other words, the probability of being poor is higher for a household which do not own electric meter compared to a household that own electric meter. The result is consistent to the finding by Mohammed (2017) that the probability of falling into poverty increases for a household that does not use electricity for lighting and cooking due to the fact that such households waste their time and energy in search of other alternative source of energy. They also spent large amount of their income to acquire alternative energy source which impact negatively their income. The finding of this study demonstrated that about 20 % of the surveyed households did not own electric meter and they use other energy sources for cooking purposes and even for lighting.
The remaining five predictor variables show insignificant association with household poverty status and these variables were age, marital status, health, house and credit.

4.5 Assessing the Role of GOs and NGOs in Reducing Urban Poverty in the Study Area.

In helping the poor to climb out of poverty, GOs and NGOs should play non-substitutive role to each other. It is argued that especially in countries where government fails to provide certain social services; NGOs play a significant role in providing these services to the public particularly to poor households. However, in many developing countries most of NGOs poverty reduction projects focus mainly to rural areas. The trend is also true in Ethiopia.

As the findings of this and other studies poverty in Durame town is a bit higher than the regional and the zonal urban poverty level. The reported regional urban poverty head count ratio is 18.02 % and that of the zonal total urban poverty incidence is 29.3 percent (Mohammed, 2017). The current study revealed that the incidence of urban poverty in the study area is 29.9 percent. This shows that almost 30 percent of the households unable to meet their basic needs. The following section of this thesis report presents major findings on the roles of GOs and NGOs in alleviating poverty in the study area.

4.5. 1. The Role of Government Organizations in poverty alleviation

Poverty eradication is the principal agenda of governments almost all parts of the world. Ending poverty in its all forms everywhere is one of the 17 goals of sustainable development goals

(SDG). The overall policies and programs of the Ethiopian government are paying more attentions to poverty eradication in the country. Almost all the poverty eradication programs and projects papers of the government are mainly pro-poor. It demonstrates that about 70 percent of the national budget was allocating to poverty eradicating sectors such as agriculture, education, health and sanitation and rural roads (FDRE, 2017). However, evidences show that the urban poor tend to suffer disproportionately from a lack of basic water services, poor water quality, and water related illness (World Bank Document, 2016).

In the study area, the town municipal office and the town administration are working to provide public services to the residents. During the key informant discussion, officials of the town administration told the researcher that about 6 km asphalt road was under construction in the survey period. Similarly, the town administration told that they are planning to provide adequate water to the people of the town in near future. During focus group discussion the discussant group reported that the shortage of drinking water is sever in some areas of the town. They responded that sometimes they did not get water service in their tapes even for a month.

Provision of electric power is one the roles of the local governments. During the focus group discussion, participants reported that it takes longer time to get electric meter even after completion of the payments. The survey result of this study show that 19.4 percent of the surveyed households did not have their own electric meter and rented it from their neighbors for lighting only. The officials of the town administration responded that they knew the problem and discussions were undertaking with the concerned institution to solve the problem.

Employment creation for urban poor is the most important role of the town administration in urban poverty reduction. During FGD the participants discussed that it is not easy to obtain jobs and many people search even for casual works. This is due to the fact that the surrounding area is densely populated and urban population is rapidly increasing. The survey result showed that 75 percent of the respondents believe that there is no sufficient job in the town. Key informant interview response of the town administration officials also confirmed that sufficient job opportunities were not created yet in the town due to the mismatch between job seekers and available jobs.

Shelter is an important element in the living condition of the urban poor. The survey report indicated that 19.4 percent of the sample households did not have their own house and live in rented houses which are not convenient for most of them. During the FGD it is reported that household who need houses for rent suffer much due to lack of sufficient rent houses in the town. Officials of the town administration admitted that housing shortage is one of the challenges that need urgent solution. Indeed, they confirmed that currently priority is given to other problems than housing projects which require a huge amount of financial resource.

During key informant interview, the participant officials stated that the government is providing subsidized consumer goods such as edible oil, sugar and wheat flour for the residents every month. As per the explanation of the officials these goods are supplied to stabilize price of commodities and in turn to support urban poor. Focus group discussants', however, reported that these consumer goods did not supply regularly and the amount allocated per household is not sufficient.

The formal safety net program is exclusively focused on rural areas and urban-focused social protection support programs are not in place in the study town. This implies that government support particularly to urban poor is much lower compared to rural PSNP beneficiaries. Focus group discussion participants stated that many households who lost their agriculture land due to urban expansion and urban development program suffered much as previously they were beneficiaries of PSNP program but lost their eligibility after inclusion in urban administration. Officials of town administration hope that urban safety net program, which is under implementation in some regional capitals as pilot program, will start in near future in the town. If so it may help to address the poor households in the town. This implies that roles of government organization in reducing urban poverty are not significant particularly in addressing immediate problems of poor households.

4.5.2 The Role of NGOs in alleviating Urban Poverty in the Study Area.

In short**,** NGOs are organizations that do not belong to either the government or the private sector. They play the role as both service providers and advocates for the poor. As service providers NGOs operate across a number of areas including education, health care, agriculture, service delivery, microfinance and others in conditions which national and local governments

are unable to provide these services or to fill the gap in providing these services to the poor. However, most of the NGOs in Ethiopia are rural focused and a few operates in larger cities and towns. The urban poor in medium and small towns are highly neglected despite of increasing poverty due to natural increase and rural-urban migration.

The role of NGOs is insignificant in the study area. Participants, during FGD, stated that they did not know significant activities undertaken by NGOs in the town beyond providing some school materials to a few households. Participants of the FGD confirmed that Compassion is the only religious NGO that is supporting school materials to few students in the town. Moreover, they also discussed that they knew that some known NGOs like World Vision Ethiopia and Catholic Relief service operate in nearby rural kebeles and support the poor by providing necessary materials but did not operate in the town.

During key informant interview, officials and experts asserted that no major NGOs were operating in the town. They told the researcher that most NGOs are interested to operate in rural areas than urban areas. They also stated that some religion based institutions like Compassion and MekeneYesus Church relief service provide school uniforms, bags and exercise books to few poor households in the town.

In survey questionnaire sample households were asked to respond a question whether a household get support from any NGO. Only 7 % of the respondents replied that religion based institutions known as Compassion support school materials for their children once a year. The remaining 93 % responded that they did not receive any kind of support from NGOs. From the identified 68 households who categorized to live below poverty line only 16 (23%) households responded as beneficiaries of the school materials. This implies that the role of NGOs is insignificant despite significant proportion of poor in the study area.

4.6 Identifying Available Opportunities to Minimize Urban Poverty in the Study Area

Rapid urbanization in Ethiopia is recognized as both an opportunity and a challenge (Africa Economic Outlook, 2016). As an opportunity it is considered as a chance to transform economic structure of the country. That means, urban centers contribute much to GDP of the country and create new jobs if managed well. As a challenge, rapid urbanization demands for greater

attention and investment to establish basic infrastructures that satisfy the needs of its constituents. From this general view regarding rapid urbanization, some opportunities available in the study area were identified by the researcher. Sample households were also asked to share their feelings regarding available opportunities in alleviating urban poverty in the study area.

Table 4.16 Available opportunities in the town

What are available opportunities in the town?	Response	Percent
Construction of asphalt road in the town	106	47.7
Establishment of University Campus	19	8.4
Newly starting business centers	18	7.9
No opportunity is available	84	37
Total	**227**	**100**

Source: Own Survey Result (2018)

In the Table 4.16 above 47.7 % of the surveyed respondents felt that the newly under constructing asphalt and coble stone road in the town as the available opportunity to alleviate poverty in the town. The newly established university campus is considered as an available opportunity to tackle poverty in the study area by 8.4 % sample households. Similarly, 7.5 % of the surveyed households feel that recently starting business centers in the town are another available opportunity to minimize urban poverty in the study area. On the other hand, 37 % of the respondent households feel that no opportunity is available in study town.

4.6.1 Infrastructure Development as an opportunity

During key informant interview, officials and experts of the town administration stated that several projects are under implementation to improve the living condition of the residents. Upgrading road network of the town to concrete asphalt and coble stone status is one of the projects under construction in the town and created job opportunity to youths. As per the interview report, improving road status in the town is considered as improving infrastructure system of the town which will enable residents easily perform their day to day activities and attract new businesses which in turn provide job opportunities for the residents.

Moreover, the officials stated that Kambata cultural and heritage center is under construction with more than three large and standardized conference halls which is planned to host regional and zonal conferences, trainings and meetings. This also planned to create job opportunities to residents of the town. In addition, the officials replied that other projects such as sport academy and agro industrial park are under planning and will start in near future.

4.6.2 Flourishing New Businesses as an Opportunity

Key informant interview participants responded that formal and informal new business centers are appearing in the town and expected to expand more due to improvement in infrastructure. Researcher also observed that private business centers are flourishing in the town. However, currently the business centers are small in number and standard to absorb the existing job seeker. The only alternative for newly graduated job seekers is waiting for public vacancies in government offices. Nevertheless, its booming is one of the future opportunities expected to engage many self-employing residents.

4.6.3 Establishment of University Campus as an Opportunity

The establishment of higher educational institutes elsewhere provides opportunities to build capacity of the local people in different ways on the one hand and job opportunities on the other hand. Key informants stated that the establishment of the university campus opened job opportunities for a number of local people in different status and its expansion will also open more job opportunities in the future.

4.6.4 Population as an Opportunity

Even though, large population is considered as a threat for development, it will be an opportunity if managed well. As the population of the study area is increasing rapidly, the demand for basic infrastructure will be higher as well. It is obvious that this will pose budget burden on the town administration. However, as almost all of the population in the study area is literate and easily trainable and this enable the town administration easily communicate to undertake development activities in the town. It also helps the officials easily mobilize the residents to support the development of the town.

On the other hand, a considerable number of the population of the area live and work in different parts of the world. Inviting them to invest in the town will provide greater opportunity to the study area as it is a seat for the zone administration, Kadida Gamela woreda and Durame town administration. Kambata Tambaro Zone as a whole is endowed with a number of highly educated people and inviting these forces to cooperate in developing the study town will provide immense opportunity in reducing urban poverty to the study area.

CHAPTER FIVE

CONCLUSION AND RECOMMENDETIONS

5.1 Conclusion

The incidence of poverty in the study area is higher (29.9%) as compared to the 2011 national urban poverty level which is 25.7 percent. Similarly, it is significantly higher than the incidence of urban poverty in the region i.e. 18.02 percent. Moreover, the total poverty gap of the study area 5.9 % is also higher than the regional poverty gap 5.2 percent. But total poverty severity of the study area is almost equal to that of the regional severity. On average, pulling about 5.9 % of resources of the determined poverty line will bring poor households to meet their basic needs in the study area.

Headship was found to be an important factor in determining household poverty in this study. Sex of a household head is negatively and significantly associated with poverty status of a household. Being poor is higher for a household headed by female than for a household headed by male. While married females lost their male counter part due to various reasons, they bear all the burden of the family. But many of them were not equipped with adequate skills to generate income to meet the needs of their family member. As a result large proportion of female headed household was living in condition which is miserable unless intervened.

Household size was related to poverty positively and significantly. A household with larger family size are found to be poor than a households with lower family size. The average household size of the study area is higher than the national average household size. The larger family size requires more resources to adequately meet the needs of the household members. But poor households with larger family members failed to meet these needs to their family members.

Level of education of a household head and poverty are negatively and significantly related in this study. The household with its head acquired higher education level exhibited lower probability of falling into poverty and vice versa. It is obvious that a household with educated labor have higher opportunity of getting employment with better income. It also undertakes

businesses that are profitable enough. Hence, households head with higher educational level enjoyed relatively higher income in the study area.

Concerning the association of access indicators and poverty, access to water and energy are related negatively and significantly with poverty. A household that had private water pipe and electric meter revealed the lower probability of falling into poverty than a household that did not own these access indicators. Households who did not own private pipe water replied that they suffer with the shortage of clean water and forced to pay unnecessary price to private pipe owners. On the other hand, those who owned private pipe complained that water supply is inadequate and irregular and it needs urgent solution to solve the problem.

The relation between age of the household head and poverty was not linear in the study area. The findings of this study demonstrated that the proportion of poor households is different in different age categories. Though scholars held different views regarding association between age and poverty, the result of this study supports a view that age and poverty are not linearly related.

Marital status of a household is one of the important factors that determine poverty status of a household. Descriptive results of this study revealed that majority of the identified poor households are married and the association between marital status and being poor of a household is also positive. The result is in support of the argument that as a person gets married, new children will be born and the size of a household will increase and at the same time household expenditure will also increase. The increase in consumption expenditure of a household will lead to less saving and lower income share unless additional income is generated. On the other hand, the result showed that poverty is also prominent in widowed households as the head of the household is died who is economically important for a household.

Variables such as health, house and credit were associated positively with poverty. A household whose family member gets sick for a longer period of time became poorer than a household without sick member. A household owned a house exhibited less probability of falling into poverty than a household without own house. Similarly, a household that gets a chance of borrowing demonstrated lower probability of being poor than a household lacks access to credit services due to various factors.

Income of the household is also considered as a critical factor in determining household poverty status. The relation between income and household poverty status was negative and significant. The probability of being poor for a household decreases as the income increases and vice versa. The result of the study showed that households with higher income category demonstrated that they adequately met the needs of their family. Households categorized as poor need intervention projects that deemed improve their income level.

The role of GOs and NGOs in addressing household urban poverty in the study town is not significant. The way of life in urban areas is cash based and highly commoditized. This calls for social protection supports especially designed and targeting poor households in urban areas. Results of this study demonstrated that the role of town administration was mainly focused on expansion of infrastructure. Currently, the town administration did not run social protection programs that address poor households directly. Similarly, no significant NGO is operating in the study area except few religious NGOs supporting school materials to few poor households. The existing NGOs are mainly operating in targeting rural poor households as it is true elsewhere in Ethiopia.

5.2 Recommendations

- The study area is characterized with higher incidence of urban poverty. The level of incidence of urban poverty in the town is even higher than the incidence of regional urban poverty. It is also greater than the proportion of urban poverty in national level. Likewise urban population is rapidly increasing in the study area and rural poor are also drifting to urban areas in search for paid jobs. Thus, the need to intervene the situation is commendable. Social protection programs that address poor households, in particular, should be implemented.
- The average household size is larger than the national household size in the study town. It is clear that the government recognized that managing population size plays its role in poverty reduction. However, population size is still one of the challenges in poverty reduction endeavors. Most of the poor household exhibited larger family size and its relation to poverty is significant in the study area. Hence, addressing the issue of

managing family size is an important element to tackle household poverty in the study area. The existing family planning activities should be strengthened and Zonal and Town administration should need to focus the issue.

- As headship is an important determining factor in household poverty, female headed households suffer by poverty more than male headed households. Poverty and headship is related significantly in the study area and future poverty reduction programs should focus female headed household in advance than male headed households. They need to improve their skills through various skill trainings to improve their household income. Hence, the town administration needs to train the female headed households and help them to generate adequate income to meet the needs of their households.
- Education provides an important knowledge that enables a household to engage in economically benefiting business. In the study town, the association between education and poverty is significant. That means, an educated person earn adequate income and able to satisfy the needs of household members compared to non-educated person. On the other hand, uneducated individual fails to earn adequate income and cannot manage even the resources at hand as per the needs of a household's member. Therefore, zonal education department and Durame town administration should pay due attention not only to expand education infrastructure but also supporting poor households with school materials and school fees if required regularly. Moreover, skill trainings should be provided to household heads with lower education attainment.
- Access to clean drinking water and electric energy plays a vital role in determining poverty status of a household. Households accessed to both water and energy save their time and money in their day to day activities. Their households did not waste their time in search of these services. Households who owned private water and electric meter pay rational price to the amount they consumed. The reverse is true for households who did not own their private water and electric meter. This in turn pushes them into poverty situation in association with other factors. Thus, the Zonal and Durame town administration should give greater attention to expand further clean drinking water and electric energy to satisfy the needs of its residents.
- The GOs and NGOs role in addressing household poverty is not substantial in the study area. A Finding of this study showed that incidence of poverty is higher in the study

town. The FGD also revealed that only some religious NGOs support school materials and uniforms to few poor households and no other body is supporting poor households in the town. As a result poor households are leading inconvenient life in the town. Hence, the town administration is closer and responsible to mitigate the inconvenience of the poor households. It needs further analysis to reach into the best solution to address the poverty situation in the town.

- Some of the available opportunities are on the way of creating jobs in the town. But there is a mismatch between the available jobs and job seekers. The town administration alone cannot provide adequate jobs to job seekers. It should be advisable to invite and encourage private investment and mobilize the residents to cooperate and participate in development activities of the town. The undergoing road upgrading project should be carried as fast as possible by which its construction calls many investors and job opportunities in the town. This also plays a vital role in reducing poverty in the town.

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APPENDICES

APPENDEX: 1 QUESTIONNAIRE

Dear Respondent,

The researcher of this study is a prospective graduate of Masters of Arts Degree in Development Management in Hawassa University.

The researcher is conducting this study with a research **entitled "Analysis on the Incidence and Determinants of Urban Household Poverty: The Case of Durame Town, Kambata Tambaro Zone, SNNPR, Ethiopia".**

Your household is randomly selected to participate in this survey. Therefore, you are kindly requested to respond this questionnaire carefully. Any information that you responded will be kept strictly confidential and will not be shown to third party. The information will be used only for the purposes of this study whose findings will be used in the M.A Thesis. No need of writing your name.

Thank you for your cooperation!!!

Identification Information

Town_____Kebele:_____ House No.:_____

Part I: DEMOGRAPHIC BACKGROUND OF THE RESPONDENTS

A. Household Composition and Characteristics

Household head (HH) characteristics:

1. Age of HH_____

2. Sex of HH: 1) Male 2) Female

3. Marital status of HH: 1) Single 2.)Married 3) Divorced/ Separated 4) Widowed/ widower

4. Education level of HH: 1) No formal education 2) From grade 1-4 3) From grade 5-8

4) Grade 9-12 5) College diploma 6) Degree & above

5. Total family size: Female_____ Male _____ Total _____

6. Major occupations: 1) Self-employed 2) day laborer

3) Public servant 4) Pensioner

7. Religion: 1) Orthodox 2) Muslim 3) Catholic 4) protestant 5) Other

Part II: Socio-Economic and Household Asset Profiles of Respondents

A. Education

8. Do you have school aged children? 1) Yes 2) No

9. If your answer to Q 8 is "Yes" did they get support from any source?

1. Yes 2. No

10. If "yes" is your answer to Q no 9 from where did they get support?

1. From Government 2. From NGOs

3. From religious institutions 4. From others (Specify) _____

Health

11. Is there any one of your household member sick for long period of time in last 12 months?

1= Yes 2= No

12. If your answer to Q 11 is "Yes" did the person take medical treatment?

1= Yes 2 = No

13. If your answer to Q 12 is "Yes" which health institution did you visit?

1. Government (Hospital, health center, pharmacy).

2. Private (Clinic, diagnostic laboratory, pharmacy).

3. Others (specify) _____.

14. What is the main method of disposal of your household waste and garbage?

1. Waste is picked up by municipal service

2. Bury it 3. Burn it 4. Dump it any where

B. Asset Ownership of the Household

15. If you owned the following list of assets, please fill it in the table blow?

Type of Asset	**Put (X) if owned**	**Type of Asset**	**Put (X) if owned**
House	Own( ) Rental( )	Stove	
Television		Satellite dish	
Motorcycle		Jewelry and related	
Refrigerator		Tape Recorder	
Sofa set , Table and Chair		Radio	
Bed		Milk cows, sheep, poultry	
bed Jewelry and related		others	
“Bifee”			
Car			

C. Income of the Household

16. How much is the average monthly income of your household? _____(Own estimation)

17. What is the main source of your households' income?

1. Households’ employment 2.Rent of asset

3. Remittance 4. Pension

5. Others (Specify) ___

18. Do you get Social assistance/support/ from any source?

1=Yes 2= No

19. If your answer to Q 18 is “Yes”, who is the source of the support? Use the Table below.

Support Type	No of Beneficiaries	Supporter 1=Government 2=NGOs 3=Relatives 4= Other
Income Support		
Housing Benefit		
Widow's Benefit		
Disability Living Allowance		
Child benefit		
Orphan benefits		
School fee		

20. If your answer to Q 19 is "Yes, how do you rate the supports you get?

1. Sufficient 2. Low 3. Extremely low

21. Did you get remittance? 1=Yes 2= No

22. If your answer to Q 21 is "Yes", fill the Table below

Source of Remittance	**Remitted from**		**Estimated amount per year**
	Domestic	**Abroad**	
Family			
Relatives			
Non-Relatives			

D. Households' Consumption Expenditure

23. Estimate average household cost for food expenses:

30.1 Average cost for cereals per month_____Birr (estimate all cereals used per kg)

30.2 Average cost for animal products per month_____Birr (estimate as above)

30.3 Average cost for fruits and vegetables per month_____Birr (estimate as above)

30.4 Average cost for other consumables per month_____ Birr (estimate as above)

24. Estimate average household cost for non-food expenses:

24.1 Education expense per month_____Birr (school fee, uniform, pen, books etc.)

24.2 Expenses of clothes per year_____Birr (recall this year expenses)

24.3 Expenses of utilities per month_____Birr (water, telephone, energy etc.)

24.4 Expenses of Social obligations per month_____Birr (Idir, birth day, others)

24.5 Expenses of transportation per month_____Birr (car, motorbike and others)

24.6 House rent expense per month_____Birr

25. Does your monthly income cover your households' expenditure? 1=yes 2=No

26. If your answer for Q 25 is "No" how do you fill the expenditure gap?

1. By selling assets 2. By support from relatives

3. Credit from creditor 4. No option except leading meager life

5. Other (Specify) _____

27. Do you have a saving account? 1=yes 2= No

28. If your answer to Q 27 is "yes" how much does your household save per month? _____ Birr.

29. If your answer to Q 27 is "no" what is the reason?

1. Lack of sufficient income 3. Lower interest rate to save

2. Allocation to other duties 4. Others (Specify) _____

E. Housing Conditions

30. Would you fill the housing condition, rent costs and other related issues in the Table below?

Nature of the House Ownership	Number of rooms	Rent amount per month if it has been rented	Materials used for its construction: 1=wood & Mud 2=bricks/blockets 3= stone	Quality of House: 1=Excellent 2=Very good 3=Good 4=Poor 5=Very poor
Own house				
Rent from Municipal				
Rented from private				
From relative as free use				
Others (Specify)_____				

31. What type of toilet do your households use?

1. In-house toilet 2. Private pit latrine 3. Shared pit latrine

4. Bucket latrine 5. Others (Specify) _____

32. What is the condition of Shower/bath/ facility in your house?

1. No Shower facility 2. Private shower

3. Shared shower 4. Others (Specify) _____

F. Utilities

Water

33. What is the main source of water for your households?

1. Piped water 2. Hand dug well 3. Others

34. If it is piped, what kind of piped water services does your household consume currently?

1. Own tape in the compound 2. Shared tape in the compound

3. Shared tape outside the compound/bono/

35. If it is own tape in the compound, on average, how much you charge per month? _____ Birr.

36. How frequently do you get water service?

1. Daily 2. Once within three days

3. Once in a week 4. Once in a month

Electricity service

37. Do you have your own electric-meter? 1= Yes 2= No

38. If your answer to Q 36 is "Yes" for what purpose do you use it?

1. for lighting only 2. Lighting and cooking.

3. Lighting, cooking, ironing, and refrigerator service.

4. Others (specify) ____

39. If the answer to Q 45 is "for lighting only" which type of energy source is used for cooking?

1. Wood 2. Gas cylinder 3. Others (specify) _____

40. If your answer to Q 38 is "wood" why did you prefer it?

1. Unaffordable if cooking is by electric energy 2. Unable to have electric utensils

3. Due to low price of wood. 4. Others (specify) _____

41. How much do you pay, on average, for your electric consumption per month? _____ Birr.

Credit Service

42**.** Did your household ever benefit from credit institutions? 1=Yes 2= No

43. If your response to Q 41 is "yes" which benefit did you obtain?

1. Loan service 2. Training service 3. Other (specify) _____

44. If your answer is “loan service" to which credit institution are you customer?

1. Commercial Bank of Ethiopia. 2. Omo microfinance institution.

3. Vision Fund Durame branch. 4. Others (specify) _____

45. For what purpose did you borrow the loan?

1. To start new business. 2. To expand the existing business.

3. To construct resident house 4. For other purpose (mention) _____

Part III. Roles of GOs and NGOs in Urban Poverty Reduction

46. Do you know any program undertaken by government/town administration/ to reduce urban poverty in Durame town? 1 = Yes 2 = No

47. If your answer to Q 45 is "Yes" from which type of the program did your households' benefit?

1. Subsidized consumption commodities 2. Job opportunity creation fund

3. Housing for low income residents 4. Others (specify) _____

48. Is there any social security program run by government in the town? 1= Yes 2= No

49. If your answer for Q 47 is "yes" what kind is it?

1. Cash transfer to elderly 2. Urban safety net program

3. Support for disabled 4. No Social Support at all

50. Is there any non-governmental organization that works to reduce urban poverty in the town?

1= Yes 2= No

51. If your answer for Q 49 is "Yes" which NGO is it?

1. World Vision Ethiopia Durame Branch. 2. Religious institutions

3. Catholic Relief Service 4. Others (specify) _____

52. What kind of support did your households' get from these NGOs?

1. School materials for students
2. Cash transfer for elderly and disables
3. Credit Services
4. Skill trainings
5. Others (specify) _____

53. Have you experienced crime/theft and/or other violence in last six month?

1. Yes 2. No

54. How do you rate Durame town regarding crime and/or other violence?

1. Safe to live
2. Moderate crime/violence
3. Crime/violence is rampant

55. Please, list out major opportunities available, you think, in the town?

55.1 _____

55.2_____

55.3_____

55.4_____

THANK YOU VERY MUCH!!

Appendix 2

Guideline for FGD

1. How do you perceive poverty in Durame?
2. Who is the main actor in poverty reduction in Durame town?
3. Do you know any poverty reduction program in the town?
4. Are the communities involved in poverty reduction programs?
5. Did you get social supports? From whom?
6. What opportunities do the town has for its residents?
7. What should be done to improve the living condition of the town's residents?

THANK YOU! !

Appendix 3

Interview Guidelines for Key informants

1. How do you perceive urban poverty in Durame town?
2. What can be done to help reduce poverty in the town?
3. Who should do that? GO/NGO/ Community?
4. What measures are undertaken so far to reduce poverty in the town?
5. Are the measures undertaken meeting the needs of the community?
6. What are the main factors that push people live into poverty?
7. What possible opportunities are available to minimize household poverty in the town?
8. Are recent data available regarding urban household poverty in the town?

THANK YOU! !

Appendix 4

የዱራሜ ከተማ አስተዳደር ሕዝብ ብዛትና አደረጃጀት መረጃ

የቀበሌዉ ስም	የቆዳ ስፋት	የህዝብ ብዛት			የቀጠና ብዛት	የሠፈር ብዛት	የጣቢያ ብዛት	ምርመራ
		ወንድ	ሴት	ድምር				
ካሻ	1593	13288	12767	26055	3	8	50	
ዘራሮ	1044	15487	16197	31684	4	11	65	
ላሎ	1747	12921	13286	26207	7	8	50	
ድምር	4384	41696	42250	83946	10	27	165	

ምንጭ፡ የዱራሜ ማዘጋጃ ቤት (2010 ዓ.ም)

Appendix 5

Collinearity Diagnoses

Variable	R squared value	Tolerance value	VIF value
Age	0.016	0.984	1.02
Sex	0.275	0.725	1.37
Family size	0.096	0.904	1.10
Marital status	0.285	0.715	1.39
Education	0.466	0.534	1.87
Health	0.020	0.980	1.02
Income	0.783	0.217	4.60
House	0.006	0.994	1.00
Water	0.075	0.925	1.08
Energy	0.141	0.859	1.16
Credit	0.006	0.994	1.00

Source: Model estimation value

Appendix 6: Consumption Expenditure and Poverty status of the Sample Households

No	HH CODE	Sample Kebele	Sex of HHH	Family size	Annual Consumption expenditure	Consumption Expenditure per adult per year	Poverty Status of the HH
1	0556	Zararo	male	2	36,500.00	18250.00	Not poor
2	0629	zararo	male	5	55,220.00	11044.00	Not poor
3	0958	Zararo	male	11	29,700.00	2700.00	Poor
4	0773	Zararo	male	6	90,840.00	15140.00	Not poor
5	0567	Zararo	male	5	60,000.00	12000.00	Not poor
6	0609	Zararo	male	8	13,456.00	1682.00	Poor
7	0649	Zararo	male	6	24,000.00	4000.00	Poor
8	0659	Zararo	male	5	72,600.00	14520.00	Not poor
9	0584	Zararo	male	7	64,000.00	9142.85	Not poor
10	0836	Zararo	male	4	60,800.00	15200.00	Not poor
11	0856	Zararo	male	4	64,000.00	16000.00	Not poor
12	0424	Zararo	female	3	42,980.00	14326.66	Not poor
13	0440	Zararo	male	5	48,800.00	9760.00	Not poor
14	0452	Zararo	male	4	57,600.00	14400.00	Not poor
15	4581	Zararo	male	6	60,000.00	10000.00	Not poor
16	0309	Zararo	male	4	20,500.00	5125.00	Poor
17	0741	Zararo	male	6	84,000.00	14000.000	Not poor
18	4025	Zararo	male	4	60,000.00	15000.00	Not poor
19	0423	zararo	male	8	84,000.00	10500.00	Not poor
20	0243	Zararo	male	5	73,300.00	14660.00	Not poor
21	2485	Zararo	male	6	54,400.00	9066.66	Not poor
22	0100	Zararo	male	7	62,000.00	8857.14	Not poor
23	0166	Zararo	male	6	28,000.00	4666.66	Poor
24	0011	Zararo	male	5	24,000.00	4800.00	Poor
25	0461	zararo	male	6	24,000.00	4000.00	Poor
26	0112	Zararo	male	5	60,000.00	12000.00	Not poor
27	0374	Zararo	male	7	26,100.00	3728.57	Poor
28	0835	Zararo	male	4	37,000.00	9250.00	Not poor
29	0943	Zararo	male	6	28,680.00	4780.00	Poor
30	0443	Zararo	female	8	39,852.00	4981.50	Poor
31	0347	Zararo	male	4	60,000.00	15000.00	Not poor
32	0383	Zararo	male	4	25,000.00	6250.00	Not poor
33	0250	Zararo	male	6	15,000.00	2500.00	Poor
34	0916	Zararo	male	3	39,960.00	13320.00	Not poor
35	0427	Zararo	male	4	60,560.00	15140.00	Not poor
36	0423	Zararo	male	7	84,560.00	12080.00	Not poor
37	0435	Zararo	male	6	26,340.00	4390.00	Poor

No	HH CODE	Sample Kebele	Sex of HHH	Family size	Total Annual Consumption expenditure	Consumption Expenditure per adult per year	Poverty Status of the HH
38	0929	Zararo	female	9	42,000.00	4666.66	Poor
39	0394	Zararo	female	4	20,000.00	5000.00	Poor
40	0931	Zararo	male	3	39,920.00	13306.66	Not poor
41	0841	Zararo	male	3	55,600.00	18533.33	Not poor
42	0235	Zararo	male	5	21,060.00	4212.00	Poor
43	0234	Zararo	male	4	18,000.00	4500.00	Poor
44	0448	Zararo	male	6	21,640.00	3606.66	Poor
45	0388	Zararo	male	7	27,100.00	3871.42	Poor
46	0361	Zararo	male	4	50,800.00	12700.00	Not poor
47	0350	Zararo	male	5	24,000.00	4800.00	Poor
48	0437	Zararo	female	5	20,500.00	4100.00	Poor
49	0439	Zararo	male	5	20,700.00	4140.00	Poor
50	0431	Zararo	male	6	49,900.00	8316.66	Not poor
51	0249	Zararo	female	5	24,000.00	4800.00	Poor
52	0438	Zararo	male	6	30,000.00	5000.00	Poor
53	0442	Zararo	male	5	30,880.00	6176.00	Not poor
54	0901	Zararo	male	9	24,710.00	2745.55	Poor
55	0180	Zararo	male	8	38,000.00	4750.00	Poor
56	0940	Zararo	male	6	16,000.00	2666.66	Poor
57	0607	Zararo	male	3	30,290.00	10096.66	Not poor
58	0882	Zararo	male	4	49,000.00	12250.00	Not poor
59	0855	Zararo	male	4	65,000.00	16250.00	Not poor
60	1036	Zararo	male	4	18,670.00	4667.50	Poor
61	0912	Zararo	male	4	72,000.00	18000.00	Not poor
62	1076	Zararo	male	4	62,400.00	15600.00	Not poor
63	1102	Zararo	male	7	73,000.00	10428.57	Not poor
64	1071	Zararo	male	7	60,000.00	8571.42	Not poor
65	0630	zararo	male	3	14,400.00	4800.00	Poor
66	0623	Zararo	male	4	15,600.00	3900.00	Poor
67	0402	zararo	female	5	24,000.00	4800.00	Poor
68	0926	Zararo	male	3	15,000.00	5000.00	Poor
69	0622	Zararo	male	3	41,800.00	13933.33	Not poor
70	0631	Zararo	male	7	33,500.00	4785.71	Poor
71	0656	Zararo	male	5	15,780.00	3156.00	Poor
72	0928	Zararo	male	4	58,250.00	14562.50	Not poor
73	0663	Zararo	female	5	13,030.00	2606.00	Poor
74	0602	Zararo	male	4	108,000.00	27000.00	Not poor
75	0629	Zararo	male	5	24,000.00	4800.00	Poor

No	HH CODE	Sample Kebele	Sex of HHH	Family size	Annual Consumption expenditure	Consumption Expenditure per adult per year	Poverty Status of the HH
76	0335	Zararo	female	6	28,000.00	4666.66	Poor
77	0402	Zararo	male	6	108,000.00	18000.00	Not poor
78	0440	Zararo	male	3	84,000.00	28000.00	Not poor
79	0955	Zararo	male	6	72,000.00	12000.00	Not poor
80	0962	Zararo	male	7	30,000.00	4285.71	Poor
81	2102	Zararo	male	4	72,000.00	18000.00	Not poor
82	0786	Zararo	male	10	31,900.00	3190.00	Poor
83	0573	Zararo	male	4	42,100.00	10525.00	Not poor
84	0816	Zararo	male	7	60,000.00	8571.42	Not poor
85	0597	Zararo	male	9	37,660.00	4184.44	Poor
86	0657	Zararo	male	5	48,000.00	9600.00	Not poor
87	0682	Zararo	male	7	114,000.00	16285.71	Not poor
88	0654	Zararo	male	5	84,000.00	16800.00	Not poor
89	0914	Zararo	male	3	15,000.00	5000.00	Poor
90	0637	Zararo	male	6	60,000.00	10000.00	Not poor
91	0920	Zararo	male	4	60,000.00	15000.00	Not poor
92	0064	Zararo	male	6	60,000.00	10000.00	Not poor
93	0921	Zararo	female	7	26,100.00	3728.71	Poor
94	0901	Zararo	male	6	37,860.00	6310.00	Not poor
95	0913	Zararo	male	4	65,580.00	16395.00	Not poor
96	1033	Zararo	male	6	42,000.00	7000.00	Not poor
97	0825	Zararo	female	8	38,000.00	4750.00	Poor
98	0090	Zararo	male	6	48,000.00	8000.00	Not poor
99	4085	Zararo	male	6	84,000.00	14000.00	Not poor
100	0249	Zararo	female	5	14,960.00	2992.00	Poor
101	0842	Zararo	male	7	29,520.00	4217.14	Poor
102	0797	Zararo	male	3	43,960.00	14653.33	Not poor
103	0804	Zararo	male	4	26,680.00	6670.00	Not poor
104	0068	Zararo	male	4	31,100.00	7775.00	Not poor
105	0979	Zararo	male	7	74,100.00	10585.71	Not poor
106	0935	Zararo	male	8	76,200.00	9525.00	Not poor
107	1030	Zararo	male	8	51,700.00	6462.50	Not poor
108	0926	Zararo	male	6	69,340.00	11556.66	Not poor
109	0188	Zararo	male	7	60,000.00	8571.42	Not poor
110	0242	Zararo	male	5	66,200.00	13240.00	Not poor
111	0246	Zararo	female	7	35,000.00	5000.00	Poor
112	0243	Zararo	female	5	21,000.00	4200.00	Poor
113	0408	Zararo	male	3	15,000.00	5000.00	Poor

No	HH CODE	Sample Kebele	Sex of HHH	Family size	Annual Consumption expenditure of HH	Consumption Expenditure per adult per year	Poverty Status of the HH
114	0639	Zararo	male	7	27,000.00	3857.14	Poor
115	0445	Zararo	male	5	51,400.00	10280.00	Not poor
116	0441	Zararo	male	8	52,700.00	6587.50	Not poor
117	0892	Zararo	male	4	12,600.00	3150.00	Poor
118	0045	Zararo	male	6	84,000.00	14000.00	Not poor
119	0840	Zararo	male	4	36,000.00	9000.00	Not poor
120	0445	Zararo	male	9	41,100.00	4566.66	Poor
121	1075	Zararo	male	8	108,000.00	13500.00	Not poor
122	8041	Zararo	male	3	39,500.00	13166.66	Not poor
123	0098	Zararo	male	5	58,000.00	11600.00	Not poor
124	0982	Zararo	male	10	84,750.00	8485.00	Not poor
125	0949	Zararo	male	7	69,800.00	9971.42	Not poor
126	1049	Zararo	male	5	40,100.00	8020.00	Not poor
127	0000	Zararo	female	6	24,000.00	4000.00	Poor
128	0001	Zararo	female	7	20,000.00	2857.14	Poor
129	0002	Zararo	female	6	30,000.00	5000.00	Poor
130	0003	Zararo	female	5	25,000.00	5000.00	Poor
131	0004	Zararo	female	5	21,000.00	4200.00	Poor
132	0823	Zararo	female	6	20,184.00	3364.00	Poor
133	0873	Lalo	male	4	63,690.00	15922.50	Not poor
134	1322	Lalo	male	5	84,000.00	16800.00	Not poor
135	1303	Lalo	male	10	60,000.00	6000.00	Not poor
136	1331	Lalo	male	9	35,300.00	3922.22	Poor
137	1435	Lalo	male	4	83,820.00	20955.00	Not poor
138	1302	Lalo	male	4	40,056.00	10014.00	Not poor
139	1614	Lalo	male	6	51,680.00	8613.33	Not poor
140	1417	Lalo	male	5	52,980.00	10596.00	Not poor
141	1381	Lalo	male	3	51,480.00	17160.00	Not poor
142	1326	Lalo	male	4	27,880.00	6970.00	Not poor
143	1327	Lalo	male	3	34,280.00	11426.66	Not poor
144	1412	Lalo	male	4	42,300.00	10575.00	Not poor
145	0649	Lalo	male	6	240,000.00	40000.00	Not poor
146	0665	Lalo	male	6	45,000.00	7500.00	Not poor
147	6051	Lalo	male	3	60,600.00	20200.00	Not poor
148	8807	Lalo	male	9	35,040.00	3893.33	Poor
149	0655	Lalo	male	3	35,440.00	11813.33	Not poor
150	1387	Lalo	female	7	30,132.00	4304.57	Poor
151	1359	Lalo	male	3	64,000.00	21333.33	Not poor

No	HH CODE	Sample Kebele	Sex of HHH	Family size	Annual Consumption expenditure	Consumption Expenditure per adult per year	Poverty Status of the HH
152	1420	Lalo	male	5	74,900.00	14980.00	Not poor
153	1363	Lalo	male	4	54,640.00	13660.00	Not poor
154	1063	Lalo	female	7	31,676.00	4525.14	Poor
155	1064	Lalo	female	4	24,000.00	6000.00	Not poor
156	1428	Lalo	male	8	60,870.00	7608.75	Not poor
157	1389	Lalo	male	8	44,185.00	5525.12	Not poor
158	1401	Lalo	male	7	63,220.00	9031.42	Not poor
159	1394	Lalo	male	5	62,000.00	12400.00	Not poor
160	1368	Lalo	male	4	39,640.00	9910.00	Not poor
161	1397	Lalo	male	5	86,960.00	17392.00	Not poor
162	1370	Lalo	male	4	30,880.00	7720.00	Not poor
163	1479	Lalo	male	4	61,600.00	15400.00	Not poor
164	1406	Lalo	male	3	103,480.00	34496.33	Not poor
165	1355	Lalo	male	5	65,420.00	13084.00	Not poor
166	1386	Lalo	male	5	84,000.00	16800.00	Not poor
167	1419	Lalo	male	6	43,800.00	7300.00	Not poor
168	1428	Lalo	male	2	54,000.00	27000.00	Not poor
169	1407	Lalo	male	3	83,300.00	27766.66	Not poor
170	1228	Lalo	male	3	60,400.00	20133.33	Not poor
171	0985	Lalo	male	5	80,620.00	16124.00	Not poor
172	1391	Lalo	male	5	69,200.00	13840.00	Not poor
173	1392	Lalo	male	5	24,000.00	4800.00	Poor
174	1350	Lalo	female	4	20,000.00	5000.00	Poor
175	1317	Lalo	male	7	62,200.00	8885.71	Not poor
176	1340	Lalo	male	4	48,800.00	12200.00	Not poor
177	1404	Lalo	male	4	48,720.00	12180.00	Not poor
178	1357	Lalo	male	6	50,860.00	8476.66	Not poor
179	1372	Lalo	male	5	64,560.00	12912.00	Not poor
180	1347	Lalo	male	6	80,800.00	13466.66	Not poor
181	1416	Lalo	male	6	54,470.00	9078.33	Not poor
182	1411	Lalo	male	1	36,000.00	36000.00	Not poor
183	1414	Lalo	male	3	50,000.00	16666.66	Not poor
184	1300	Lalo	male	6	24,020.00	4003.33	Poor
185	0007	Lalo	male	5	64,000.00	12800.00	Not poor
186	0927	Lalo	male	6	50,500.00	8416.66	Not poor
187	0008	Lalo	male	6	96,160.00	16026.66	Not poor
188	0525	Lalo	male	9	31,200.00	3466.66	Poor
189	0545	Lalo	male	3	52,600.00	17533.33	Not poor

No	HH CODE	Sample Kebele	Sex of HHH	Family size	Annual Consumption expenditure	Consumption Expenditure per adult per year	Poverty Status of the HH
190	0048	Lalo	male	4	48,200.00	12050.00	Not poor
191	0917	Lalo	male	6	48,100.00	8016.66	Not poor
192	0562	Lalo	male	7	49,320.00	7045.71	Not poor
193	0978	Lalo	male	4	53,280.00	13320.00	Not poor
194	1111	Lalo	male	3	116,650.00	38883.33	Not poor
195	1035	Lalo	male	6	58,816.00	9802.66	Not poor
196	0870	Lalo	male	8	88,215.00	11026.85	Not poor
197	1048	Lalo	male	5	82,200.00	16440.00	Not poor
198	0767	Lalo	male	4	55,020.00	13755.00	Not poor
199	0893	Lalo	male	8	29,380.00	3672.50	Poor
200	1051	Lalo	male	3	60,600.00	20200.00	Not poor
201	1033	Lalo	male	7	50,600.00	7228.57	Not poor
202	1053	Lalo	male	5	34,400.00	6880.00	Not poor
203	1049	Lalo	male	3	71,000.00	23666.66	Not poor
204	0016	Lalo	male	6	88,120.00	14686.66	Not poor
205	0791	Lalo	male	2	37,000.00	18500.00	Not poor
206	0055	Lalo	male	5	55,480.00	11096.00	Not poor
207	1326	Lalo	male	4	93,200.00	23300.00	Not poor
208	1313	Lalo	male	5	17,840.00	3568.00	Poor
209	1206	Lalo	male	5	64,600.00	12920.00	Not poor
210	0448	Lalo	male	6	62,800.00	10466.66	Not poor
211	0974	Lalo	male	5	46,540.00	9308.00	Not poor
212	0917	Lalo	female	3	14,400.00	4800.00	Poor
213	0816	Lalo	male	5	60,480.00	12096.00	Not poor
214	0977	Lalo	male	9	67,400.00	7488.88	Not poor
215	0499	Lalo	male	9	71,400.00	7933.33	Not poor
216	0844	Lalo	male	10	150,000.00	15000.00	Not poor
217	1139	Lalo	male	6	53,492.00	8915.33	Not poor
218	1242	Lalo	male	5	87,000.00	17400.00	Not poor
219	1210	Lalo	male	3	68,968.00	22989.33	Not poor
220	1262	Lalo	male	4	62,280.00	15570.00	Not poor
221	1047	Lalo	male	7	30,000.00	4285.71	Poor
222	1292	Lalo	male	4	59,060.00	14765.00	Not poor
223	1031	Lalo	male	5	61,900.00	12380.00	Not poor
224	1220	Lalo	male	8	78,000.00	9750.00	Not poor
225	1056	Lalo	male	6	84,000.00	14000.00	Not poor
226	1032	Lalo	male	5	72,000.00	14400.00	Not poor
227	1038	Lalo	male	7	103,000.00	14714.28	Not poor