

**THE IMPACT OF GIDDA INTEGRATED RURAL DEVELOPMENT PROJECT
ON RURAL LIVELIHOOD INCOME DIVERSIFICATION: THE CASE OF GIDAA
AYANA DISTRICT, EAST WOLLEGA ZONE OROMIA NATIONAL REGIONAL
STATE, ETHIOPIA**

**Thesis submitted to Indra Gandhi National Open University (IGNOU) for
partial fulfillment of Masters of Arts (MA Degree in Rural Development)**

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Declaration

I here declare that the dissertation entitled the IMPACT OF GIDDAINTEGRATED RURAL DEVELOPMENT PROJECT ON RURAL LIVELIHOOD INCOME DIVERSIFICATION THE CASE OF GIDDA AYANA WOREDA,EAST WOLLEGA ZONE ,OROMIA REGIONAL GOVERNMENT, ETHIOPIA submitted by me in partial fulfillment of the award of the degree of Master of Arts in Rural development, to Indira Gandhi National Open University ,(IGNOU))New Delhi is my own original work and has not been submitted earlier either to IGNOU or to any other institution for the fulfillment of the requirement for any course of study . I also declare that no chapter of this manuscript in whole or in part is lifted and incorporated in this report from any earlier work done by me or others.

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CERTIFICATE

This is to certify that Mr. MELAKU WOUESSA GOBU student of M.A (RD) from Indira Gandhi National Open University, (IGNOU) New Delhi was working under my supervision and guidance for his project work for the course MRDP -001. His project work entitled THE IMPACT OF GIDDA INTEGRATED RURAL DEVELOPMENT PROJECT ON RURAL LIVELIHOOD INCOME DIVERSIFICATION: THE CASE OF GIDDA AYANA DISTRICT, EAST WOLLEGA ZONE, OROMIA REGIONAL GOVERNMENT, ETHIOPIA which he is submitting is his genuine and original work.

Place _____

Signature _____

Date _____

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Address of the supervisor _____

DEDICATION

I dedicate this thesis manuscript to all of my family members.

BIOGRAPHY

The author was born in 1957 at Lalo-Assabi district, West Wollega zone of Oromia National Regional State to his mother Desta Ifa and his father Woyessa Gobu. At the school age he attended his primary at Haroji-Agamsa, and junior secondary and high schools at Dejazemach Gebre-Igzihabiher and Gimbi Comprehensive High Schools. After completion of high school, he joined Haromaya (the then Alemaya) University in 1977, and graduated with B.Sc. degree in Agricultural Economics in 1980. After his graduation, he joined the ministry of agriculture and had served on cooperative promotion, agricultural extension and input supply and marketing on different levels and left the ministry and employed by Ethiopian Evangelical Church Mekene-Yesus Central- Synod Development and Social Service Commission as Gidda Integrated Rural Development Project manager since 2004. In 2010 he was admitted as post graduate student by St. Mary's University College to pursue his post graduate studies in rural development.

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Glory to God.

ABSTRACT

In the paper an attempt has been made to analyze the process of livelihood diversification through Gidda Integrated Rural Development Project intervention and its impact on rural poor household income in Gida Ayana district of East Wollega zone Oromia Region.

In the course of this study primary data were collected from a sample of the project beneficiaries and non clients (who had not benefited from the project) as a control group through structured questionnaire. The totals of 200 farm households' cases were included in the final analysis. In terms of length of program participation, 100 were selected from the project beneficiaries while the remaining 100 were from non-clients who make up the control group. Five kebeles were selected purposively, based on the length of time they stayed in the program. Households in the sample kebele were stratified as clients and non-clients of Gidda Integrated Rural Development Project. From the stratified households sample respondents were selected using systematic random sampling method for both groups.

Descriptive statistics analysis such as mean, percentage, standard deviation, frequency distribution were used and also independent t-test and X^2 were used to test mean income difference between the two groups on the dependent variable participation, improvement in household income and asset formation respectively. Nine explanatory variables were included in the model to analyze household income improvement for which eight variables were found significant at ten, five and one probability level. Therefore, these factors need to be taken into account in planning of diversification with particular focus on non-farm activities by policy makers to come up with the projects that can make the problems of community the central issue as recommended.

Out of the proposed explanatory variables that are assumed to affect diversification and household income, Sex, Education, Farmland size and credit strongly predict and positively affect the dependent variable participation of the project. Therefore, these factors need to be taken into account in planning of diversification with particular focus on non/off-farm activities by policy makers to improve the rural household livelihood status.

Both Descriptive and Inferential statistics result showed that project participants were in the better position in annual income generation and asset formation than the non-participant households which showed 5% and 10% significant probability difference.

Generally project programme in the study area attained positive impact on the project programme participant household's livelihood, physical asset formation and income diversifying activities that has improved their life standards through provision of social infrastructures like construction of bridges provision of credit facility and extension service to increase their production and productivity.

Key words: Integrated Rural Development, Project intervention, Income diversification, Livelihood

ACRONOMS

ADLI: Agricultural Development Led Industrialization

BPL: Below poverty line

CRDA: Christian Relief and Development Association

CSA: Central Statistics Authority

CS-DASSC: Central Synod Development And Social Service Commission

DAs: Development Agents

EECMY: Ethiopian Evangelical Church Mekane Yesus

ETB: Ethiopian Birr (The legal currency of Ethiopia)

FAO: Food and Agriculture Organization of the United Nation

FDRE: Federal Democratic Republic of Ethiopia

FHH : Female Headed household

GADADO: GidaAyana District Agricultural Development Office

GDP: Gross Domestic Product

GIRDP: Gidda Integrated Rural Development Project

MDGs : Millennium Development Goals

MHH: Male Headed Household

MoA : Ministry of Agriculture

MOFED: Ministry of finance and Economic Development

NGO: Non –Governmental Organization

PAs: Peasant Associations

SDPRP: Sustainable Development and Poverty Reduction Program

SPSS: Statistical Package for Social Sciences

PASDEP: Plan for Accelerated and Sustainable Development Programme

RNFE: Rural Non-Farm Economy

PRSP: Poverty Reduction Strategic Paper

PSNP : Productive Safety Net Program

SAP: Structural Adjustment Program

WHO: World Health Organization

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CHAPTER 1: INTRODUCTION

1.1. BACKGROUND

Large and land locked, Ethiopia is the second most populous country in Sub-Saharan Africa and one of the poorest countries in the world, with an annual per capita income of \$170. Ethiopia is one of the sub Saharan African countries with land degradation and also with high population growth approximately 3% per annum. The current population of the country is 80 million. The population has been increasing by about 2.9 per cent annually and this then doubles the population almost every quarter of a century. This is a primary challenge that needs to be properly addressed with equivalent economic growth (Awulachew, 2006). The main economy of the country depends on agriculture, which is mainly dependent on rain fed system under highly variable rain fall conditions, with progressive degrading natural resource base.

The country is still one of the poorest countries in the world. Human development report-Ethiopia-2009 revealed that currently nearly 50.9% of the population cannot afford the minimum consumption for survival, the 2200 calories, recommended by the WHO and survives below determined poverty line (UNDP 2009). Poverty in Ethiopia is a manifestation of complex factors such as high population growth, environmental degradation, high unemployment, drought, low literacy, limited access to resources, limited access to health and education services, etc. Poverty in Ethiopia is also a multidimensional problem and, owing to poverty's large scope and multiplicity of actors, there is no single guaranteed approach to its eradication. The causes and solutions to poverty are multifaceted (Wolday, 2002). However, achieving and sustaining broad based growth through transforming the agriculture sector and encouraging private initiatives founded on small enterprise development and diversification is considered central in the Government's poverty eradication effort (MoFED, 2007).

In the development of rural communities in Asia and Pacific, the coordination of various rural development activities has been indispensable to maximizing and sustaining rural development efforts. This has been accomplished in a major way with the adoption of an Integrated Rural Development (IRD) strategy in many countries. The IRD programs usually require the establishment of a central coordinating organization at the national level. The experiences in the

implementation of such programs, however, reveal that the new central organization would merely create an additional stratum of bureaucracy and has not been effective in coordinating the various activities done by different sectors in the rural development efforts. Accordingly, some IRD programs such as those in Sri Lanka, Nepal and Malaysia have set up coordinating mechanisms at the lower levels involving project offices and local government units in the identified project areas. With the decentralized manner of project implementation, people's participation in the process of rural development has been stressed and made an indispensable component of the program. Under such circumstances, the role of local institutions such as local government units, both formal and informal local organizations like cooperatives, culture groups, and NGOs, are becoming more important for sustainable rural development and realizing integration of various rural development efforts. It is useful, therefore, to undertake a comparative analysis of the role of local communities and institutions for IRD projects in member countries, and to identify innovative approaches through, benchmarking efforts for the future direction to be pursued in rural development projects.

The most realistic approach to effective rural development in Nigeria is the integrated development strategy. This approach, according to Shiru (2008) seeks to develop all sectors of the rural economy and link them up effectively with their urban components. Integration in rural development can be discussed in various ways. It's most common understanding concerns the integration of various economic sectors - agriculture, industry, services. Another frequently mentioned aspect is the integration of those disadvantaged social groups in the development process (women, elderly people, national and ethnic minorities, etc.), which could suffer even more if left out of improvements (Gusztáv, 2006).

The IRDP was implemented in the Kabompo, Mufumbwe and Zambezi districts of the North-Western province of Zambia, between 1977 and 1993; on behalf of the Zambian government and the German Federal Ministry for Economic Cooperation and Development (BMZ), through its implementing agencies of **GTZ** and **KfW**

The IRDP was a multi- sectoral programme which had nineteen identifiable different projects all aimed, using the so called sandwich approach, simultaneously at: Enabling small-scale producers increase their productivity and creating market access for their produce and enabling service delivery institutions to effectively reach down to these small-scale producers.

“The IRDP has had a considerable positive impact on the target group, and that it was and still remains relevant to the target group and aspects of its outcomes have been sustainable”.

The Federal Republic of Germany (FRG) through its Federal Ministry for Economic Cooperation and Development has cooperated with the Government of the United Republic of Tanzania (URT) in a range of development assistance activities since independence in 1961. Tanga region has been one of the focuses for the bilateral co-operation between the two countries. As part of the co-operation, Tanzania implemented the Tanga Integrated Rural Development Programme (TIRDEP) between 1972 and 1991. TIRDEP was one of the biggest development projects by that time

A team of experts from FRG started working on the Tanga Integrated Regional Development Plan in December 1972 and, by February 1975, the team completed preparation of TIRDEP Five Years Development Plan (1975 – 1980). The overall goal of the bilateral agreement for implementing TIRDEP was to improve the living standards of the rural population of Tanga Region. In order to realize this general objective, the following outlined activities were implemented in three phases

The infrastructural support phase (1975 – 1979) emphasized on construction of physical infrastructure, supply of services, equipment and materials to respective sectoral regional departments. During this phase, TIRDEP supported the following projects: Rehabilitation of Rural Roads; Construction of schools and teachers’ houses; Construction of rural village stores; Provision of materials for water supply; Rehabilitation of regional veterinary services; and Rehabilitation of Irrigation scheme. TIRDEP made a big difference to lives of people of Tanga region. It has contributed to poverty alleviation in Tanga region. The contributions have been mainly through improved food security, incomes, health status, housing, water, sanitation, education, environment conservation, roads and change in life styles.

NGOs are important development partners of the government of Ethiopia in implementing different programmes and projects to alleviate the food security problem in the country. The majority of them have various programmes in agriculture, health, education, water and infrastructure sectors in their rural part of the country. The implementations of their programmes and projects mostly have an integrated approach.

Norwegian Church Aid has/had been implementing integrated rural developments projects related to: emergency relief aid and disaster preparedness, food security, safe water supply & sanitation, women development, gender-based violence, HIV/AIDS and climate change. It has/had been implementing these projects in Amhara, Tigray and Oromia regional states of Ethiopia since 1993; in partnership with the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission (EECMY-DASSC), Ethiopian Orthodox Church - Development and Interchurch AID Commission (EOC-DICAC) and Relief Society of Tigray (REST)

The multi-phased project was innovative in introducing fruit crops that well adapt to the climatic conditions of the target area, and provide economical and ecological benefits to the inhabitants. Fruits and vegetables introduced by the project give better yield. Besides introduction of high yielding crop types, building knowledge and skill of farmers on irrigation agronomy has contributed to increase production and productivity of crops. Increase in production and productivity of crops has remarkably improved food security of the beneficiary households, and enabled them to create household assets which have strengthened their resiliency to shocks.

Introduction of modern beehives has remarkably increased honey yield per hive. Supports in creating access to safe water supply and sanitation facilities has contributed to improve health, reduce women work load and increase labor productivity of the target households. (T. Bogale, M.Yigrem and S. Mohammed, 2011).

The Government of Ethiopia has made and continues to make significant efforts to address poverty in rural areas. Its five-year Growth and Transformation Plan (GTP) for 2010/11-2014/15 carries forward the successful strategies of the previous Plan for Accelerated and Sustained Development to End Poverty (PASDEP). The GTP emphasizes the importance of promoting rapid and broad-based economic growth through seven strategic objectives namely Sustaining equitable economic growth; Maintaining growth focused on agriculture and rural areas; Developing industry; Expanding infrastructure; Enhancing the expansion and quality of social development; Building capacity and promoting good governance; Promoting empowerment of women and young people.

According to Swilling and Russel (2002), religious organizations in this particular have also played a central role in building social capital in communities. Swart and Venter (2001) draw attention to the fact that development related NGOs and civil society associations and churches share similar characteristics in terms of moral, political and social commitments towards alleviating poverty and human suffering. In general, most authors (Swilling & Russel 2002; Swanepoel & De Beer 2000, Swart & Venter 2001) are of the opinion that NGOs' contribution towards development and poverty alleviation is significant. International and local NGOs in Ethiopia began their work in the 1960s with the aim of meeting some of the food shortage needs in the country. Swanepoel and De Beer (2000) and Swart and Winder (2001) draw attention to the fact that NGOs and civil society are the main initiators of development and development projects within the countries that they are involved in. NGOs are voluntary institutions that play a significant role in community development and poverty alleviation. International and local NGOs provide central role in building social capital in communities. Putnam (1993) refers to social capital as institutions, relationships and networks that shape the quality of societies, as well as social interactions that enable community people to prosper economically and in terms of development activities to bring about meaningful sustainable results.

This study, therefore, explores the extent of income diversification as a result of project intervention and its effect on rural poor household income using a micro level data from 200 rural households in Gida Ayana district. It specifically provides an in-depth understanding of the diverse activities in which they engaged to generate income, the income from each activity and the factors that affect the total income. The study examined whether the clients differ from the non-clients household in their income generating activities in relation to income diversification. It is envisaged that the results of the study would contribute meaningfully to the design of effective poverty reduction strategies that would benefit the poor households.

1.2. Statement of the Problem

Agriculture is the mainstay of the national economy supporting the livelihood of rural population which contributes 46.7% of the National Gross Domestic Product (GDP) and more than 85% of the population is engaged in agricultural production as a major means of livelihood (CSA, 2006).

However, rapid population growth and decline in soil fertility status in Ethiopia has resulted in too small and less productive fragmented land holdings, reducing labor productivity and causing

wide spread underemployment. As a consequence, the present farming system is not dynamic enough to absorb the growing availability of labor force. The labor force is currently growing faster than the rate of growing of employment opportunities (Mulat, 1995). In spite of its tremendous potential, the capacity of agriculture in generating increased production to meet domestic and export earning has been handicapped by low productivity. In Ethiopia the crop yield per year is expected to decline by one to three percent, while the population is growing at the rate of 3.3% implies the challenge of feeding the present and future population (Mitiku Haile et al, 2006).

To overcome these issues as an indigenous religious based organization, the Ethiopian Evangelical Church Mekene Yesus through Gidda Integrated Rural Development has been involved in rural development through livelihood income diversification strategies before 9 years in Gidda Ayana woreda. In relation to this many studies on integrated rural development project performance in income diversification and poverty reduction has been carried out in the different parts of the country, but in the study area, Gida Ayana, impact assessment study in relation to income diversification was not yet conducted. Hence, this research proposes to examine the impact of GIRDP in relation to income diversification and livelihood improvement in the selected project study area. Therefore, the results of this study answer the question that to what extent rural poor farming community diversify their livelihood as a consequence of project intervention which is sensible in income diversification and poverty reduction.

1.3. Objective of the study

The general objective is to analyze the impact of Gidda Integrated Rural Development Project on rural livelihoods income diversification in Gidda Ayana as stipulated in strategic plan of the EECMY of rural Development. To analyze whether the program is successfully achieving the desired goal of increasing household diversified income and assets in the study area, hence the following specific objectives are set to :

1. Evaluate whether the program has contributed to rural livelihood income diversification and the extent of diversification in the study area.
2. Examine whether the program has an impact on the improvement of rural household income.
3. Analyze the contribution of the program in increasing saving and asset increase and accumulation, and sustain livelihoods which are the indicators of poverty reduction.

1.4. Significance of the Study

Amalgamating with the purpose, objective and significance of the study, general research questions to address the statement of the problems in relation to the integrated rural development project and its role in livelihood diversification are outlined.

1. Does the intervention program contribute to rural livelihood income diversification?
2. Does the program enable and initiate the rural population to diversify their livelihood strategies that help them to overcome risk and seasonality?
3. What is the change observed on the living condition of the beneficiaries after they engaged in these activities when compared to non-beneficiaries?

1.5. Scope and Limitations of the Study

The study covers five peasant associations of Gidda Ayana District of the East Wollega zone in Oromia Regional state. The study specifically planned to assess the impact of Gidda Integrated Rural Development Program on rural livelihood income diversification. The impact assessment study focuses only on the Gidda Integrated Rural Program that had been launched for two consecutive phases from 2004 to 2010 by the co-ordination of Central Synod. Due to constraints that may arise from shortage of time and other logistics the study is limited to five peasant associations. The sample size is also limited to be 200 farm households of which 100 farmers are models participants of the program and the rest 100 farmers are from non-participant of the Gidda Integrated Rural Development program .

1.6. The Organization of the Study

The thesis is organized in five parts. The first part introduces the background, statements of the problem, objectives as well as scope and limitation of the study. Section two considers relevant literatures pertaining to the theoretical background and conceptualization of rural development, poverty reduction, livelihood diversification; section three devoted to methodological framework of the study and describes methods and sampling size, source of data and methods of data analysis, section four describes the empirical results for both groups (clients and non-client) using descriptive and inferential statistics and section five presents, summary, conclusions and recommendations of the study.

CHAPTER 2: LITERATURE REVIEW

2.1. Theoretical Background and Conceptualization of Development

In the past fifty years, a few countries have succeeded with rapid economic growth and have been able to lift their citizens out of poverty (Stiglitz, 1998). However, in some countries like Ethiopia, the gap has actually widened and poverty increased. As noted by many scholars (Ferriho 1980, De Beer & Swanepoel, 2000), previous development approaches were mechanistic and their strategies were focused on piecemeal development. These strategies and approaches failed to address development in its broader sense. The deep dissatisfaction with previous development paradigms has given rise to an alternative and more inclusive ‘people centered’ development approach.

Accordingly, this chapter will first briefly discuss the theoretical aspects of development. The traditional classical development theories (both modernization and dependency) will be outlined and alternative approaches such as the participatory, people centered sustainable development approach will be compared and discussed. Thereafter the focus will shift to an explanation of the concept of poverty, and the current situation in Ethiopia. Finally, policy options in terms of poverty alleviation in the Ethiopian context will be presented.

2.2. Conceptualization of Development

A range of different authors (Coetzee, 2001; Pieterse, 2001; Cypher & Diethz, 1997) noted that the term development is a multi-dimensional concept and has been ascribed numerous meanings and definitions. In general, it encompasses values such as sustainability, empowerment, capacity building, and expanded roles of women, participation, transparency, accountability and equity. Cypher and Diethz (1997) define the concept of development as an improvement of socio-economic and political dimensions of society that leads to increased income and standard of living conditions.

Development is a process of gradual change of people and society from the existing state to a better one. It aims at releasing the broken, restoring the marginalized and transforming the present exploitative and oppressive economic, political social and cultural structures into a just society. In this vision of a just society exploitation of man by man, and domination of man over man, and men over women, must be stopped. Pit has defined development in more general terms in perceived effectiveness of social and economic activities and functions of society and

situations and the range of options open to people. In a broader sense, the concept of development has been referred to as a whole, integral value loaded cultural process encompassing the natural environment, social relations, education, production consumption and well –being. Generally, the concept of development includes aspects such as participating in decision-making, having access to improved opportunities for education and health, as well as self-improvement irrespective of class, race, color and gender.

In the past, however, development was considered as an economic expropriation whereby decisions were made by a few elites and the majority of people in the developing countries, particularly in Ethiopia, were excluded and as a result they were left to live a life of deprivation.

2.3. Development Theories

In the past few decades, several development theories have emerged according to the differing viewpoints of academics, politicians, social theorists and economists (De Beer & Swanepoel, 2000; Burkey, 1993; Wallestein, 1974; Frank, 1969). These development theories were mainly based on the Western concept of development. Ferriho (1980) refers to this approach as technological progress and encouraging economic growth. Within this context, the chief goal of human activity was seen as the production of wealth, and that this goal could be attained by providing so-called ‘backward’ people with the financial and technological means to increase their work productivity. In terms of this notion of development, these theorists assumed that the western model and provision of financial support to the developing countries would enhance their development. Accordingly, financial support was provided to these less developed countries. However, the Third World countries did not benefit much from the western effort because of the limited capacity of the recipients and due to the fact that those countries did not reach the level of strategically utilizing the resources that were provided for the view of the above argument, the traditional classical development theories (i.e. modernization and dependency) will be discussed and thereafter, against this backdrop, an alternative development theory and approach will be evaluated. The theories discussed below will include only those pertinent to the Ethiopian situation and will be utilized for conceptualization purposes and to inform the research.

2.4. Traditional or Classical theories

2.4.1. Modernization

According to Dube (1988), the concept of modernization is the response of western social sciences to the many challenges faced by the third world in the decades immediately following the Second World War. Modernity may be understood as the common behavioral system historically associated with the urban, industrial, literate and participant societies of Western Europe and North America. Dube (1988) notes that this system is characterized by a rational and scientific world view, growth and the ever increasing application of science and technology, together with the continuous adoption of the institutions of society to the imperative of the new world and the emerging technological ethos. On the other hand, Rogers in De Beer (1998) describes modernizations as the process by which individuals change from traditional way of life to a more complex, technologically advanced and rapidly changing lifestyle.

The variety of possible ways relating to the countries of the developing world is reflected in the succession of different names such as backward, underdeveloped or less developed. All these terms have their faults for they reflect the Western view of the way a country should grow and change. They suggest that the rich industrialized countries are the most developed and that their way of development is unquestionably the right way, and that it therefore provides the best model of development for all to follow.

The central idea of this theory is that the development logic of economic growth in general and industrialization, in particular, will impel societies towards a particular direction of change (Coetzee, 2001; Hanyes in De Beer & Swanepoel, 2000; Alvin 1953). With this paradigm shift, structural change processes, which were fashioned by the Western societies, were introduced to the Third World countries with the assumption that the developing world would develop according to the Western model.

During the imperial regime, the modernization approach was introduced in Ethiopia with a large amount of external finance and technical support from the West. However, this approach was not successful and as a result the country did not progress in terms of economic and social development (Tefera Tolera, 2004)

2.4.2. Dependency theory

As the failure of modernization theory becomes more apparent, the idea of dependency theory was developed at the beginning of the 1960's. According to Graff & Venter (2001), dependency theory is often referred to as Marxist development theory. The basic notion of this theory is to analyze the basic unit of the world economy as an opposite to the modernization theory of that time. This theory argues that underdevelopment is occurring through the exploitation of third world countries by the developed world. Dependency theorists argue that it is the reliance on the international market that led to the domination of transitional capital because of the unusual exchange between core and periphery, benefiting only the core (Coetzee, 2001; Evans & Stephens, in October, 1995). Coetzee (2001) notes that modernization theory failed to narrow the gap of inequalities between the developed and developing countries. According to Burkey (1993), dependency theory has brought socio-economic dependency and this resulted in underdevelopment on the periphery because the center controlled the balance of economic and political power.

The introduction of socialism to some of the African countries such as Ethiopia, Tanzania and Mozambique was to ensure economic progress by applying the principles of the Marxist dependency theory. However, it failed to attain the short, medium and long-term development objectives in those countries. During the past seventy years, Ethiopia has passed through three political regimes, which include the imperial regime; socialist regime and the current government led free market economy. The imperial regime, which ruled the country up to 1974, had pursued pro capitalist and pro feudal policies. The socialist military regime took over the ruling role from 1974 to 1991 and hoped to bring about social and economic transformation in the structure of the national economy (Fitamo, 2003). It was during this stage that the principles of the dependency theory were adapted into the Ethiopian economic policy.

However, the outcomes of both socialist and imperial regimes were unsatisfactory. The country has not benefited from the attempts of development using moderation theory and dependency theory during the last two regimes and the nation's development suffered, trade and investment declined and poverty increased (Van der Loop, 2002). The current government of Ethiopia is following a pro-capitalist and market derived economic policy in order to stabilize the national economy and to bring a dynamic economic growth in the country (ECA, 2002). Yet, there is a very strong need to search for better alternative

2.5. Alternative Approaches

According to Oakley (1991) and Burkey (1993), the deep dissatisfaction with traditional development theories leads to an examination of the notion and the purpose of development and towards a search for alternative approaches. According to these authors, such approaches should focus on sustainable development and people-friendly growth in terms of its relevance to satisfy the needs of the poor.

According to Onimode (1990), the ideology of classic economic development based on a preoccupation with growth has continued to fail in many African countries. It has brought many economic and ecological crises and has been unable to solve the problem of abject poverty. Alternative strategies should therefore enhance the quality of life for the largest number of people and abandon preoccupation with the material standard of living of the elitist few. Suliman (1990) argued that the shortcoming in economic and social performance in Africa over the last decade is the result of not only misguided approaches to development but also due to institutional crises.

This author further claimed that self-government and self-reliance should in no way encourage an isolationist tendency on the part of nations or local communities. Rather, it should be understood as a process of increasing decision making, social creativity political self-determination, a fair distribution of wealth and tolerance for the diversity of identities so that self-reliance becomes a turning point in the articulation of human beings.

The alternative development approach focuses on participatory and people centered development. This paradigm calls for an integrative approach whereby all development actors such as government and civil society, including non-governmental and community-based organizations, play a role in development.

Further, it seeks to involve ordinary people at grassroots' level in view of the local community being given the opportunity to participate in projects, have the capacity to plan, implement and manage their own development. This approach enables the community to build their own capacity, self-reliance and ensure sustainable development (Fitamo, 2003; De Beer & Swanepoel, 2001; Penderis, 1996; Burkey, 1993; White, 1982).

2.5.1. People Centered development approach

The People Centered Development (PCD) approach stresses the participation of the majority, especially the previously excluded components such as women, youth and the illiterate in the process of development (Roodt, 2001). According to De Beer and Swanepoel (2001), the people centered development strategy builds on the participatory and learning process approaches. The components integral to a people centered approach include

- Popular participation in development
- The need for sustainable development
- The support and advocacy of the people's role in development by the bureaucracy, NGOs and voluntary organizations.

In the light of the above, people's roles become clear and the empowerment strategy can be defined. In this connection, Korten, as discussed in De Beer and Swanepoel (2001) describes the process of people centered development as the members of society increase their potential and institutional capabilities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistence with their own aspirations.

The people centered approach, unlike the classical western approaches, places the community at the center stage of development. Within this context, development practitioners simply play the role of facilitators, while the communities take control of the implementation of their own projects. It is a bottom-up approach, views the communities as people with potential and with the capacity to manage their own development. Above all it encourages involvement of all stakeholders relevant to the development process (Fitamo, 2003). It further recognizes the skills and resources of the local people as well as the utilization of external resources. Eventually the ultimate goal is empowerment, self-reliance, and community ownership and project sustainability.

2.5.2. Participatory development approach

De Beer & Swanepoel (1988) refer to participatory development as the co-operation, mobilization of communities or involving communities in the execution of development plans. This philosophy is built on a belief that citizens can be trusted to shape their own future. Participatory development uses local decision-making and capacities to steer and define the

nature of an intervention. Participatory development encourages grass root organizations to become partners in the development endeavor.

Moreover, this approach emphasizes the importance of the inclusion of people, partnerships, the sharing of power and responsibility and empowerment (Dennis cited in Fitamo, 2003). On the other hand, Adam (1998) notes that there is a growing interest by NGOs to use Community Based Organizations (CBOs) like eddir or traditional social insurance organizations, ecub or economic functions, debo or labour sharing associations as channels of development intervention to alleviate poverty and ensure sustainable livelihoods within communities. Within the Ethiopian context, a range of activities such as savings and credit, agricultural input supplies, natural resource conservation, and health care are being channeled through CBOs. The Ethiopian Evangelical Church Mekene Yesus -DASSC is shifting its strategy towards a participatory development approach as a preferred alternative approach for effective community development. Hence this research will investigate the role of the CS –DASSC through GIRDP in light of community participation and projects sustainability. The findings will enable the researcher to draw conclusions and make recommendations about the facilitative role of the implementing organization and the collaborative effort of the target beneficiaries in taking initiatives to shape their own future in order to release themselves from poverty and diversifying their income.

2.5.3. Empowerment

Empowerment refers broadly to the expansion of freedom of choice and action to shape one's life. It implies control over resources and decisions. For poor people freedom is severely curtailed by their voice less ness and powerlessness in relation particularly to the state and markets (Narayan, 2002). Similarly, the World Bank refers to empowerment as the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives. It categorizes empowerment into four key elements such as access to information, inclusion/participation, accountability and local organizational capacity that must underlie institutional reform.

According to Naraya (2002), empowering poor men and women requires the removal of formal and informal institutional barriers that prevent them from taking action to improve their wellbeing individually and collectively. The concept of empowerment is central to social and community development. According to Ife (1995), empowerment is aimed as increasing the

power of the disadvantaged, marginalized women, men and children. Empowerment should focus on human capital development. The basic objective of human development is to enlarge the range of people's choice to make development more democratic and participatory. These choices should include access to income and employment opportunities, education and health, and a clean and safe physical environment so that each individual should also have the opportunity to participate fully in community decisions and to enjoy human, economic and political freedoms (UNDP in Rist, 2002). The principle of empowering stipulates that people participate because it is their right. Participation means involvement in decision making and having the power to make decisions and it is through participation that people become empowered (Swanepoel, 1997).

Empowerment, therefore, is empowering or enabling the beneficiaries to make informed decisions on matters that affect them. If people are empowered, they release their potential and energy and through this create their own version of development. It is through this process that the poor majority can start to deal with their situation in terms of poverty reduction and take control of the issues that impinge on their quality of life. The promotion of self-help structures is an important tool of empowerment and increases the participation of the poor in decision-making and access to assets and services. This implies that any community development oriented organization, including the Ethiopian Evangelical Church Mekane Yesus Development Program, should evaluate their development services in terms of the above parameters.

2.5.4. Sustainable development

According to Trzyna (1995) the term "sustainable development" originated in the 1970s and promoted in the 1980s. Since then it has become an important concept. History reveals that in the past, development had focused on capital accumulation and expansion of industries. Since the early 1980's the issue of sustainable development has become a growing concern as a result of the global environmental crisis. A range of authors (Swanepoel and De Beer, 2000; Hoff, 1998; World Commission for Environment and Development, 1989) note that sustainable development is development that meets the need of the present without compromising the ability of future generations to meet their own needs.

Both Burkey (1993) and Martinussen (2003) state that sustainability refers to the need for the cautious use of renewable and non-renewable resources, in a way that would not hamper the

need of future generations. Building on this definition, Ife (1995) sees sustainability as maintaining a system so that resources can be used at the rate that they can be replenished. Beker and Jahn, in Fitamo (2003), conclude that sustainable development imposes a strong commitment to action directed towards reshaping the relations between human beings and the environment.

On the other hand, and within the context of this study, sustainability can be referred to the maintenance and continuance of economic and social development projects in different communities. The sustainability of any project that is initiated to meet the specific needs of the local poor communities will depend on the level of community participation in project planning, implementation, evaluation and decision-making. There should be collaborative efforts at all levels where the facilitators and the local communities have to work hand in hand so as to ensure its sustainability in the future. The mutual interaction between community members and the facilitators binds and sustains the projects. In this connection, Paul (1988) emphasized the importance of empowering beneficiaries' for project sustainability particularly after the termination of external funds and donor involvement.

2.5.5 Community and community development

The concept "community" is defined in various ways by different authors (Giuliani and Wiesenfeld, 1999; Ferrinho, 1980; De Beer, Swanepoel and Hennie, 1998; Edward and Janes, 1976). Ferrinho (1980) defines community as a specific system that arises when human population settle in a given territory, have shared common characteristics and interests and build mutual relationships for common benefits. However, Garcia, Giuliani and Wiesenfeld (1999) note that community and individuals are linked together with characteristics that are both unique and diverse. For De Beer, Swanepoel and Hennie (1998), a community is a specific geographical locality with shared interests and needs of its members.

2.6. Definition of poverty

According to the World Bank (2000), poverty is categorized as both absolute and relative. Absolute poverty is described as a lack of basic security, the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights. On the other hand, Walkins (1995) notes that relative poverty is used in terms of particular groups or areas in relation to the economic status of other members of the society. Poverty

results from and even consists of a lack of basic securities, which include financial resources, but also education, employment, housing, health care and other related aspects. When the consequences of this insecurity are severe they lead to deprivation in new life areas (Burkey, 1993; Woden, 2001 and World Bank, 2001). The following statement is provided by a farmer in Nigeria (quoted by World Bank, 1998). 'Poverty is like heat: You cannot see it; you can only feel it; so to know poverty you have to go through it'.

There are different philosophies around the main causes of hunger and poverty. According to the Marxist view, poverty is a product of unjust social structures and evidence of slavery, colonialism and exploitation by the rich. Some religious groups conclude that poverty is part of the fulfillment of the prophecy and signs of the last days of the world. However, poverty does not result from the lack of only one thing, but can be attributed to many interlocking factors (Kitabo 2000).

The extent of poverty in developing countries, particularly in Africa, is deep rooted. According to the latest estimate by the World Bank, approximately 1.3 billion people in developing countries live under the poverty line of \$2 /day. In some poor countries of sub-Saharan Africa, the number of people living under extreme poverty is estimated at more than 50 percent.

The World Bank (2001) argues that the most important cause of poverty in Africa is economic stagnation. Low growth rates of the African economy have therefore encouraged the escalation of poverty, especially in the last 20 years. According to the view of the World Bank, Africa has not been capable of benefiting from international trade. The World Bank also believes that political instability, lack of improvement in infrastructure, inadequacy of national policy and structural adjustment, lack of investment are among the main causes of poverty.

With the notion of alleviating poverty in the developing world, including Ethiopia, several institutions such as the International Monetary Fund, the World Bank, government and non-government organizations are undertaking a variety of reflect poverty to be wide spread throughout the country. The EEA (2002) indicate that in 1994 life expectancy at birth was 50.6 years of age, the infant mortality and child mortality rates were 118 and 173 per 1000 respectively, and the maternal mortality rate was 700 per 100,000. Illiteracy rates in 1995 were about 77 percent for females and fifty-five percent for males, and the gross enrolment rate at the primary level of education was only 23 percent in 1993.

While the magnitude of poverty is immense, there was an indication of absolute poverty decline during the 1990s. The six poorest drought prone villages survey result of 1989 and 1995 indicated that the level of absolute poverty was decreased from 61.3% in 1989 to 45.9% in 1995 (PRSP, 2000). Similarly, there has been a marked improvement in primary education, with the gross enrolment rate increasing from a peak level of 35 percent in 1987/88 to 45.8 percent in 1998/9. However, despite some progress, there is no significant change in poverty reduction.

2.6.1. Policy interventions and strategies

According to MOFED (2002), the Federal Democratic Republic of Ethiopia (FDRE) recognizes that in the absence of proactive development policies, it is impossible to create an enabling environment for accelerated development and improvement in the standard of living of the people. Based on practical experience, the lessons learned over the last ten years, as well as an assessment of the development experiences of countries that have attained rapid economic growth the FDRE has formulated economic policies and poverty reduction strategies to guide overall development with a particular focus on rural and agricultural development.

Since 1992, Ethiopia has been implementing economic policy geared towards securing and sustaining higher economic growth levels and poverty alleviation. Adjustment policies focused on liberalization of prices and markets, elimination of subsidies, reduction of tariffs and current account convertibility. This was buttressed with fiscal discipline and non-expansionary monetary policy. The relatively favorable policy environment created by economic reform, coupled with macro-economic stability, refreshed the domestic private sector, which was suppressed under the previous semi-socialist military government (MOFED, 2002). Smallholder farming families are the focus of the economic development. Besides, agricultural extension of farm income generating activities has been launched with the collaboration of governmental and non-governmental organizations in most parts of the country.

The new poverty reduction strategy policy allows NGOs and other civil societies to work in partnership with the government towards alleviating poverty in the country. By using these opportunities, the Ethiopian Evangelical Church Mekene Yesus is playing its role in the country to reduce poverty and other forms of human suffering (Dalalo, 2002).

According to the MOFED (2002), the poverty reduction strategy focuses on four areas. These include agricultural led industrialization (ADLI), judiciary and civil service reform,

decentralization and empowerment and capacity building in both public and private sectors. According to the government policy, ADLI is not only agricultural development, but is also aimed at encouraging industrialization, which is the main goal of the country. In this regard, agriculture and industry are brought into a single framework of development, whereby agriculture is viewed as an important vehicle for industrialization by providing market based and not simply as a source of raw material and capital accumulation. During the first stage of ADLI, agriculture was envisaged to play a leading role in the growth of the economy.

With regard to agricultural development industrialization (ADLI), Ethiopia can learn valuable lessons from the East Asian development strategies that promoted a dynamic agricultural sector and a labor demanding export oriented growth path. These countries have transformed themselves from being poor countries to fast growing economies in a relatively short period of time. This implies that agriculture has to be made globally competitive, and that part of its production has to be oriented towards exports. .

According to PRSP (2000), judiciary and civil service reform falls outside the economic domain as it relates to the political transformation process of democratization and empowerment. In the reform process, NGOs, together with civil society and grassroots organizations, have played a decisive role and they are becoming key vehicles for democratization.

2.7. Rural Livelihood Diversification

Diversification is the norm where many people collect their income from diverse activities. Very few people collect all their income from any one source, hold all their wealth in the form of any single asset, or use their assets in just one activity. Multiple motives prompt households and individuals to diversify assets, incomes, and activities. The first set of motives comprise what are traditionally termed .push factors.: risk reduction, response to diminishing factor returns in any given use, such as family labor supply in the presence of land constraints driven by population pressure and landholdings fragmentation, reaction to crisis or liquidity constraints, high transactions costs that induce households to self-provision in several goods and services, etc. In other cases, households engage in non-farm activities throughout the year because they have more labor than is needed for their land holdings or, in areas with unpredictable weather patterns, want to insure against bad harvests. Nearly all of the push factors cases involve households

devoting labor and/or other resources to activities that are less productive than their primary income source: agriculture (Barrett *et al*, 2001)

The second set of motives comprise pull factors realization of strategic complementarities between activities, such as crop-livestock integration or milling and hog production, specialization according to comparative advantage accorded by superior technologies, skills or endowments (Barrett *et al*, 2001). Pull factors. Designate the reason for household income diversification driven by the desire for capital accumulation. Most frequently, economists focus on the pull factors such as rising income, education levels, and market access as primary drivers.

These factors enable households to seize off-farm opportunities that they previously did not have access to pull factors, as found in most of the standard literature, are usually associated with an upward spiral of household income and well-being. Diversification strategies for the rich, usually initiated by pull factors, tend to be in many cases different from diversification strategies of the poor usually motivated by push factors. Depending on the level of barriers like credit constraints or skills required to enter some nonfarm activities, the level of earnings from non-farm activities by rich and the poor could be different. Households who possess land and are primarily agricultural also deploy capital and labor between farm and non-farm activities enabling them to diversify incomes across the calendar year and reduce seasonal and inter-annual consumption risks (Nega, 2008).

In line with the Sustainable Livelihood framework, a livelihood is defined here as .the activities, the assets, and the access that jointly determine the living gained by an individual or household.. Rural livelihood diversification is then defined as .the process by which households construct a diverse portfolio of activities and social support capabilities for survival and in order to improve their standard of living. (Ellis, 1999). It refers to the broadening by rural individuals/households of their income-generating activities portfolios .Diversification patterns reflect individuals. voluntary exchange of assets and their allocation of assets across various activities so as to achieve an optimal balance between expected returns and risk exposure conditional on the constraints they face (Barrett, *et al* 2001). Livelihood diversification activities are now very likely to be central to the construction of sustainable livelihoods and its acceptance is going to increase and has wide contribution to poverty reduction. It has generally occurred as a result of an increased importance of off farm wage labor in household livelihood portfolio or through the

development of new forms of on-farm/on-site production of non-conventional marketable commodities. In both cases, diversification ranges from a temporary change of household livelihood portfolio (*occasional diversification*) to a deliberate attempt to optimize household capacity to take advantage of ever-changing opportunities and cope with unexpected constraints (*strategic diversification*) (Warren 2002). Diversification includes on-farm activities (e.g. incorporating a new crop or livestock into the production system), non-farm (trading, local food and drink selling, hand crafts) and/or off-farm activities. The rural livelihood diversification and economic expansion can be pursued: within the primary agricultural production, within a wide agro business sector and/or beyond the agricultural sector. The latter two are under the scope of this study but rural smallholding household diversification confined to some traditional activities as stated above. Such activities did not generate sufficient income as to overcome poverty related issues. But the level of diversification and income generated for the sector is not same for poor and better off household. As stated by Ellis (2004) the better off and the poor may exhibit similar degrees of diversity (as measured, for example, by count frequencies of the different occupations in which they are engaged), yet per capita income outcomes are entirely different. The reason for this is that the better off diversify in different labor markets from the poor, and in Sub-Saharan Africa, for example, the better off tend to diversify in the form of non-farm business activities (trade, transport, shop keeping, brick making etc.) while the poor tends to diversify in the form of casual work ,especially on other farms.

The question of how to achieve rural income diversification is likely to become increasingly important. As the Ethiopian economy develops, with higher productivity and better performance in agriculture, the non-farm sector will also grow and become increasingly important as an alternative employer of labor and source of livelihood in rural areas. This suggests the policy priority should not be either agriculture or the non-farm sector but a balanced approach focusing on the spillovers between the sectors, particularly consumption linkages (Imru et al 2009). This is because the extent to which farm households are able to feed themselves often depends on non-farm income as well as their own agricultural production. The factors that usually identified as causes for diversification are seasonality, risk, labor markets conditions, credit markets, asset strategies, and coping strategies, just to name a few (Lemi, 2005). The ability to diversify at all is often critical to the food security of the most vulnerable rural populations (Ellis, 2004). According to Ellis (2004) two fundamental causes of diversification, these are seasonality and

risk. Seasonality causes peaks and troughs in labor utilization on the farm, and creates food insecurity due to the mismatch between uneven farm income streams and continuous consumption requirements. These are often called the labor smoothing and consumption smoothing problem respectively. Diversification can contribute to reducing the adverse effects, by utilizing labor and generating alternative sources of income in off-peak periods. The degree to which it is necessary to diversify for seasonality reasons evidently varies according to the robustness of the underlying farm basis of people's livelihoods, the degree to which they are able to realize cash income from market sales, and their confidence in the ability of markets to provide food supplies at reasonable prices in the agricultural lean season. In situations where all these factors are deteriorating, perhaps due to declining farm sizes and erratic markets, it is to be expected that diversification for this reason might rise over time.

Similar considerations apply to risk reasons for diversifying. Risks related to adverse weather conditions (drought, flooding, storms etc.) and to sudden appearances of pests and diseases are also high in Africa and the occurrence of such events often has strongly negative effects on the livelihoods of farmers, their families and rural populations at large, affecting their production systems and food security. Agricultural growth in general and a diversification of livelihoods in particular reduces some of the risk at community and sector level (AAA, 2007). Financial services at large can have a vulnerability reducing effect, by smoothing consumption, alleviating shocks, and planning ahead for expectable family and social expenses (Guérin 2008). Rural families increasingly come to resemble miniature highly diversified conglomerates (Cain and McNicoll, 1988: p. 105 cited from Ellis 2000). Aside from income generation, diversification will, in most instances, increase employment for the rural poor. Thus it is not surprising that in the light of the reiterated environmental, economic and political shocks affecting rural areas of developing countries diversification has become increasingly attractive for many rural households.

2.8. Evidence on Diversification

The empirical regularity of a positive association between income diversification and wealth, consumption or earnings leads too many analysts to the facile conclusion that promoting diversification is equivalent to assisting the poor (Barrett 2001). Empirical evidence from a variety of different locations (Barrett 2001, Ellis 2004) suggests that rural households do indeed

engage in multiple activities and rely on diversified income portfolios. In sub-Saharan Africa, a range of 30.50 percent reliance on non-farm income sources is common; but it may attain 80.90 percent in southern Africa. In south Asia, on average, roughly 60 per cent of rural household income is from non-farm sources; however, this proportion varies widely between, for example, landless households and those with access to land for farming. In sub-Saharan Africa reliance on agriculture tends to diminish continuously as income level rises, i.e. the more diverse the income portfolio the better-off is the rural household. Elsewhere, a common pattern is for the very poor and the comparatively well off to have the most diverse livelihoods, while the middle ranges of income display less diversity (Ellis 2000).

A large literature on growth linkages (Reardon et al 2009, Ellis 2004) suggests that each dollar of additional value added in agriculture generates \$0.60 to \$0.80 of additional rural non-farm economy income in Asia and \$0.30 to \$0.50 in Africa and Latin America. In contrast, regions with poor agricultural potential have seen more limited prospects for rural non-farm growth, except in places where other important rural tradable, such as mining, logging, and trade, offer an alternative economic platform for sustaining regional growth. Reardon, et al 2009 stated that, in recent years, globalization, urbanization, and improved infrastructure have opened up new opportunities in many rural areas, thereby reducing their dependence on agriculture as the primary engine of rural growth. These developments offer new prospects for stimulating rural economic growth and, perhaps, new pathways out of poverty. Ethiopia's rural non-farm sector is particularly important for women and poorer households. Non-farm enterprises provide income-earning opportunities to those lacking alternative options and supplementary income for farming households. Approximately 25 percent of all households in rural Ethiopia own one or more non-farm enterprises. The 2007 Rural Investment Climate Survey (RICS) suggest that non-farm enterprise profits account for approximately 40 percent of total household income for those households that run a non-farm firm (Imru et al, 2009).

According to this perception, the question of how to achieve rural income diversification is likely to become increasingly important in Ethiopia over the coming years. As the Ethiopian economy develops, with high productivity and better performance in agriculture, the non farm sector will also grow and become increasingly important as an alternative employer of labor and source of livelihood in rural areas. This suggests the policy priority should take equal consideration to both

on-farm and non-farm sectors. This will include ensuring that rural non-farm enterprises are not constrained by the rural investment climate in responding to new opportunities.

2.9. Rural Non-Agricultural Income

The rural non-farm economy (RNFE) may be defined as comprising all those nonagricultural activities which generate income to rural households (including income in-kind and remittances), either through waged work or in self-employment. Ellis (2000) defines the off-farm as .wage or exchange labor on other farms, including payments in kind and cash. whereas .non-farm as non-agricultural income sources that includes non-farm rural wage or salary employment, non-farm self-employment income and remittances. Participation in the RNF sector allows poor people to smooth out or offset fluctuations in agricultural income that might occur on a seasonal basis or as a result of unexpected events (Gordon and Craig2001).According to Gordon and Craig 2001, potentially important role of rural non-farm activities in reducing poverty in rural areas includes: absorb surplus labor in rural areas; help farm based households spread risks; offer more remunerative activities to supplement or replace agricultural income; offer income potential during the agricultural off-season; provide a means to cope or survive when farming fails. The RNFE is of great importance to the rural economy because of its production linkages and employment effects, while the income it provides to rural households represents a substantial and sometimes growing share of rural incomes. The demand for non-farm activity arises in the rural farming community because of an increase in the fragmented land holding which barely satisfy annual income of households. In the past it was believed that agriculture on its own could achieve the objective of poverty reduction, primarily by raising agricultural productivity continuously over time, but also by redressing issues of access to key resources such as land by land tenure reform and other devices. It has become apparent however, that agriculture on its own often cannot provide the means of escaping poverty for the majority of rural poor (Ellis, 2000). Small and fragmented farm sizes, coupled with low-level technology and soil degradation have reduced the capacity of small farmers to undertake long-term investments and innovation. As employment opportunities within agriculture are unable to keep up with growth in the labor force, there is a widely recognized need for diversifying rural incomes (Imiru et al 2009). Even though agriculture is the backbone of Ethiopia's economy, it no longer provides sufficient employment for the growing rural labor force, and the share of people below the poverty line has increased over time. Hence the promotion of non-farm activities in addition to farm activities

seems indispensable to alleviate rural poverty (Berg and Kumbi 2006) There is evidence that RNFE contribution is becoming increasingly significant for food security, poverty alleviation and farm sector competitiveness and productivity (Davis 2003).As the food insecure households are resource poor, living in drought-prone and degraded areas, focusing on crop and livestock production alone may not entirely solve the problem of food insecurity in some areas. For such areas, income diversification through promoting nonagricultural activities is of paramount importance (MoFED 2006 p 96). As MoFED 2006recognizes on country PASDEP documents some proposed interventions are:

- Strengthened market effectiveness, credit services through micro-finance institutions;
- Establishment of marketing cooperatives to be able to sell products at good price,
- Provision of training and organization of cooperatives.

All of these interventions are important for both agricultural and non-agricultural activities.

Diversified source of income, by reducing risk, promote farmers to invest in farming activities that increase their farm income. Farmers with more non-farm income source expected to purchase farm inputs (fertilizers and improved seed etc.) and rent in land to expand their farm operation, engaged in production of market demanded crops like coffee. Non-farm income in this context is one means of assisting agricultural production and vice versa. Rural non-farm activities may:

- Absorb surplus labor in rural areas;
- Help farm-based households spread risks;
- Offer more remunerative activities to supplement or replace agricultural income;
- Offer income potential during the agricultural off-season;
- Provide a means to cope or survive when farming fails.

However, Imru et al, 2009, states that while non-farm enterprises make an important contribution to rural income and employment, running a non-farm enterprise in Ethiopia is predominantly a means to complement agricultural income, rather than an alternative pathway out of poverty. This calls for policy priority in which non-farm activity should take into account as development sector for alleviating poverty. That is, policies seeking to address food insecurity in rural Ethiopia should consider the potential contribution of the rural non-farm enterprise sector.

2.10. Livelihood Strategy

According to DFID's sustainable livelihoods glossary the term *livelihood strategies* denotes: the range and combination of activities and choices that people make in order to achieve their livelihood goals. Livelihood strategies include: how people combine their income generating activities; the way in which they use their assets; which assets they chose to invest in; and how they manage to preserve existing assets and income. Livelihoods are diverse at every level, for example, members of a household may live and work in different places engaging in various activities, either temporarily or permanently. Individuals themselves may rely on a range of different income-generating activities at the same time. (DFID 2000). Rural household construct basic alternatives in rural diversification strategies through which they can overcome poverty related problems making what they have is the central concern. It can be through wage labor (local or migratory), or self-employment (on agricultural). Livelihood literature (Hussein and Nelson 1999; Ellis 2000) suggests that though exogenous trends and shocks play an important role in pushing rural people towards a diversified livelihood strategy, diversification choices are also firmly rooted in the micro-economic logic of farming households. However, there can be entry barriers in the nonfarm labor market because non-farm activities may require investment on equipment purchases or rent. Poor households cannot afford the investment required in the non-farm activities if they face binding liquidity and credit constraint. Availability of key resources and other opportunities such as land, labor, credit, market accessibility, infrastructure development, and institutional factors might play an important role in pulling rural household towards livelihood diversification. Rural diversification can become a viable pathway towards sustainable livelihoods only if some basic conditions listed above are made available to rural households.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Description of the study area

Oromia Regional National State is the largest state of the country, Ethiopia. It is the largest region in terms of area, population and contribution to national economy. The region consists of eighteen administrative zones and 265 districts (CSA 2007). Geographically the Region extends from the western end of the country in western Wellega to the eastern parts of eastern Harrarge from 34°E latitude to 43°E. Its south north expanse runs from 4 ° North to 10 ° North latitude. Topographically and climatically the region is diverse with sharp contrasts noted for the mid portion Oromiya formed by the Great Rift Valley system that divides the regional State roughly into a western third and eastern two-thirds.

Most Oromia households rely on rain fed agriculture for their livelihood, but population growth has led to fragmentation of available arable land, and average farm size has dropped below one hectare. The traditional development approach of providing technology and infrastructure to increase agricultural production has not succeeded in curbing the trend of increasing poverty, and alternative sources of productive employment must be sought in order to support the additional workforce created by population growth (Berg and Kumbi,2006). Berg and Kumbi 2006, asserts on their study on Poverty and the Rural Non-Farm Economy in Oromia, Ethiopia. Only about 11 percent of Oromia households pursue nonfarm activities as their main source of livelihood. However, many rural households are engaged on multiple activities, and 25 percent derived some income from the non-farm sector.

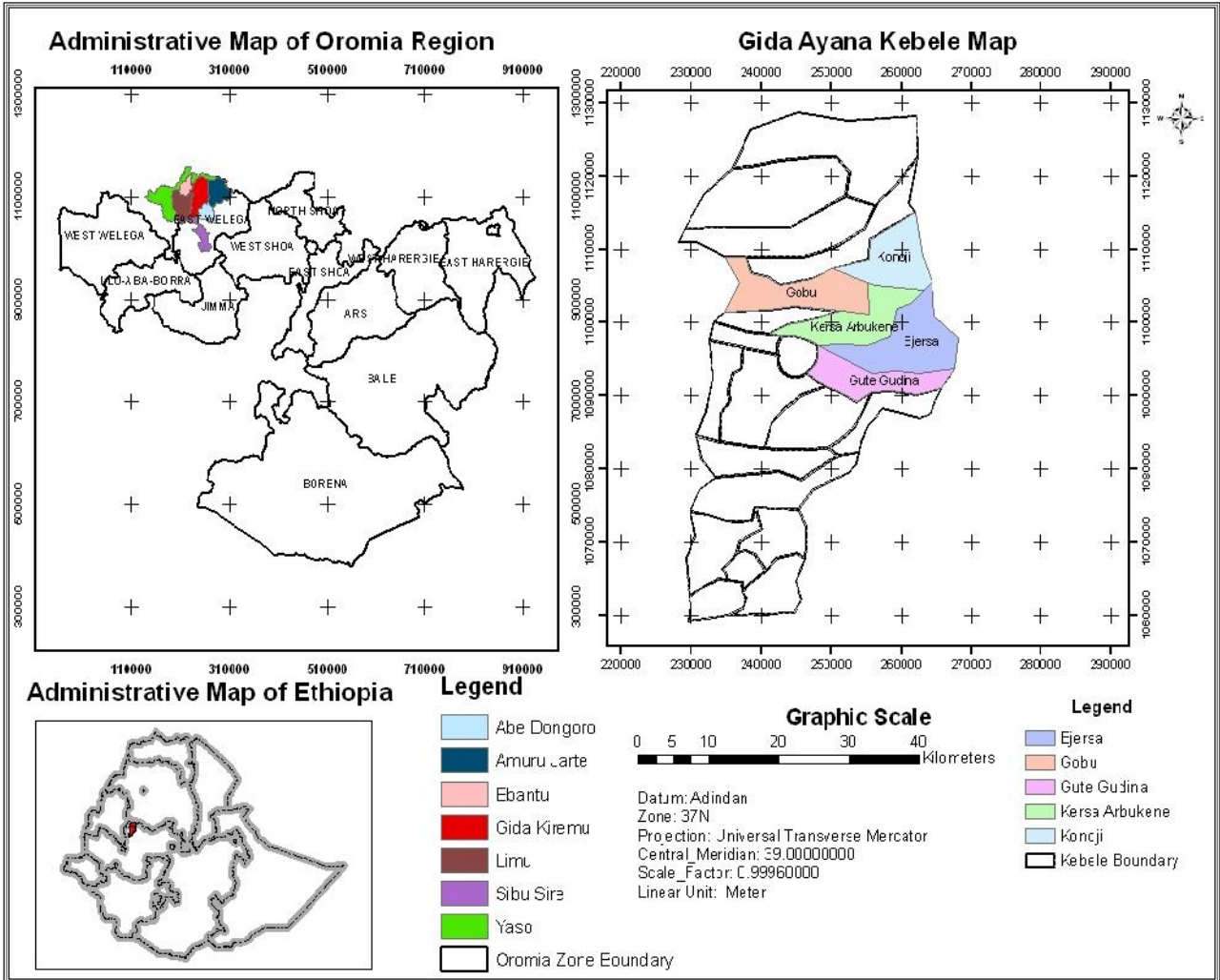


Figure 3.1: Study area map

3.1.1 General characteristics of the study area

The study area (GiddaAyana) is found in ,East Wollga zone of OomiaNatioal Regional State .It is located about 440 km away from Addis Ababa ,Capital City of Ethiopia. The area is about 115 km north of Nekemte ,the zonal capital of East Wollega.

Geographical boundaries of the aana/ woreda under the study, GiddaAyana ,are:

- Beneshngul Gumuz Regional State in the North,
- Ebantu and Limu woreda in the West,
- Guto-Gida and Sibu Sire Woredas in the South
- Kiremu and Abe –Dongoro in the East. .

Agro- Ecology: According to the GiddaAyana woreda agriculture office the size of the woreda has an area of 1830.64 square kilometers (183,063.73 hectares of land) which lies between two ecological zones. Woina Dega (mid altitude) 51 % and kola (low land) 49 % .The mean annual rain fall is estimated at about 1,600 mm (ranging from 1000 to 2000) . The average annual air temperature is around 25 c^o in the day time .In most of the cases April to September is the rainy period of the year in the area.

The woreda is administratively sub-dived into 2 urban and 16 rural kebeles administration . Kebeles administration is the lower grass-root level administration structure of the Federal Democratic Republic of Ethiopian Government.

The district has a total of 20,577 households with the population size of male 18,124 (88.2%), female 2,453 (11.9%) and total population is 142,408. Out of these populations 133,274 (78.1%) are living in the rural and the rest 38,711 (21.9%) are living in urban area.

The livelihoods of the farmers are based on mixed farming occupational activities. They derive their livelihood by animal rearing and crop cultivation. The main crops grown in the area are cereals, pulses, oil seed crops, and different types of horticultural crops. From the cereal crops, Maize and Finger millet, from oil seed crops, Noug (Niger seed), from horticultural crops, Green Pepper, Tomato, Red Onion, Cabbage and Carrot are the major horticultural crops grown the area. In addition to crop production, Cattle, Goats, Sheep and poultry are also the other income sources and wealth of farmers.

The farming season is dependent on the Meher rains that extend from early May and last at the end of September. But for the last three to five years the intensity and duration of rainfall fluctuated overtime and it has negative impact on the agricultural activities. It is uni-modal in nature except the rainy shower of Belg season which stay only for a week or two. However, it has advantage in supplementing irrigated and wet land as to enhance crop growth and also helps for regeneration of grazing land .Rural populations of the area almost depend on agriculture, suggesting that it is the major source of food and farm household income. However, some household supplement their agricultural income by non-agricultural activities. Many communities in the study area had no access to institutional and social services like rural roads health facilities, potable water and other communication networks.

Data from rural and agricultural development office of the district indicates that the study area of the total population of the district is estimated to be about 142,408 out of which 66,918 (47%) are female and 75,490 (53%) male. It is shown on the Table 3.1

Table 3.1: Population Size of GidaAyana Woreda

| Description | No of kebeles | Number of household members | | | Number of household members | | |
|-------------|---------------|-----------------------------|--------|-------|-----------------------------|--------|--------|
| | | Male | Female | Total | Male | Female | Total |
| Rural | 16 | 14565 | 1638 | 16203 | 52059 | 56012 | 108071 |
| Urban | 2 | 3559 | 815 | 4374 | 14859 | 19478 | 34337 |
| Total | 18 | 18124 | 2453 | 20577 | 66918 | 75490 | 142408 |

Source: Gidda woreda Agricultural Development Office 2012 Annual Report

3.1.2 Crop pattern of the woreda

Generally, by virtue of relatively abundant rainfall, suitable soils and other agricultural potentialities, GidaAyana, is the major crop producing woreda in the Eastern Wollega zone. Accordingly, in the woreda ,96% of major crop were produced by using rain fed agriculture. From the total farm lands of 62,140 hectares in 2009 production year 75 % of the farm land was covered by cereals, 5% was covered by pulses, 20% was covered by oil crops and the rest 4% of the farm land was covered by irrigation of different crops. (*Emiru Negassa ,201.*)

Table 3.2: Major Crops Produced in the Area (2010/11)

| No | Crop types | Fertilizer & impro. Seed | | Ferti. & local seed | | Comp. & local seed | | Local seed only | | Total | |
|-----|--------------|--------------------------|---------------|---------------------|---------------|--------------------|---------------|-----------------|---------------|-----------|---------------|
| | | Area (ha) | yield (quen.) | Area (ha) | yield (quen.) | Area (ha) | yield (quen.) | Area (ha) | yield (quen.) | Area (ha) | yield (quen.) |
| I | cereal crops | 3357 | 201402 | 23837 | 899392 | 28135 | 637024 | 59503 | 657924 | 114832 | 2395742 |
| | Maize | 3357 | 201402 | 2167 | 449696 | 21670 | 449696 | 15172 | 333505 | 42366 | 1434299 |
| | Sorghum | | | 5782 | 268846 | 3940 | 163810 | 32350 | 105400 | 42072 | 538056 |
| | Teff | | | 160 | 4160 | | | 5943 | 136209 | 6103 | 140369 |
| | Millet | | | 12446 | 113708 | 500 | 4500 | 1964 | 13552 | 14910 | 131760 |
| | Wheat | | | 3074 | 58406 | 1800 | 14640 | 3400 | 57800 | 8274 | 130846 |
| | Barley | | | 208 | 4576 | 225 | 4378 | 674 | 11458 | 1107 | 20412 |
| II | pulse crops | 0 | 0 | 0 | 0 | 1133 | 15296 | 1567 | 21527 | 2700 | 36823 |
| | Bean | | | | | 1133 | 15296 | 312 | 3489 | 1445 | 18785 |
| | Pea | | | | | | | 365 | 3650 | 365 | 3650 |
| | Chick pea | | | | | | | 890 | 14388 | 890 | 14388 |
| III | Oil crops | 0 | 0 | 23245 | 470996 | 0 | 0 | 11736 | 109077 | 34981 | 580073 |
| | Noug | | | 250 | 2600 | | | 6586 | 45252 | 6836 | 47852 |
| | Sesame | | | 300 | 3300 | | | 3050 | 21825 | 3350 | 25125 |
| | ground nut | | | 22695 | 465096 | | | 2100 | 42000 | 24795 | 507096 |
| | Total | 3357 | 201402 | 47082 | 1370388 | 29268 | 652320 | 72806 | 788528 | 152513 | 3012638 |

Source: GADADO Annual Report 2009

The area is characterized by mixed farming system (production of crops and rising of animals), where major crops being produced include maize and sorghum in low land area, and teff, finger millet, maize in mid altitude ecological zone. Cereal crops development has been receiving almost the entire attention both in terms of extension interventions and resource allocation in the past years possibly from the stand point of attaining food self-sufficiency and poverty reduction. Lack of reasonable market price for their products during bumper harvest is also one of the major problems of the area. But currently because of the market oriented agricultural policy of the country many farmers of the woreda give more emphasis on production of high value crops. These include Coffee, Noug, and other pulses in mid altitude; and Sesame, Groundnut and Soybean, in the low land using rain fed agriculture.

According to development corridor that the region pursues, the study area was set under production of coffee and associated crops which are more of market value agricultural products in terms of their price and demand. In addition crop farming was diversified to beekeeping and cattle fattening programmes.

To overcome rain fall variations traditional irrigation system also practiced in some areas where irrigation water is available and 80% of the products produced by irrigation system are vegetables such as onion, tomato, potato and carrot that can generate additional household income. In the woreda the land under irrigation and wetland production is raised to 736 ha and 2000 ha, respectively, which is about 4% of the total cultivated land in the woreda.

3.1.3 Production Asset Holding of the Woreda

Because of fragmented holding, population growth and soil fertility decline, landless and ox less farm household raise overtime. Data obtained from office of woreda Livestock Agency illustrates that, the number of household that have no and only one farm ox are estimated to be 4097(19%) and 5067(31%), respectively. This illustrates that from the total (16203) rural household of the woreda almost half of them have had shortage of farm oxen. Farm Oxen is the main source of working capital of the area and those farmers who lack this resource are forced to negotiate for sharecropping, hiring labor, and ox pairing with other relatives. However, such farmers cannot attain annual demand of family food consumption. To overcome the problem of annual food shortage they design strategies that help them to generate extra income earning mechanisms out of which non-farm activities are the leading one. But this sector does not get

more attention by local leaders even though its contribution to the total income of rural household is paramount. On the other hand data from woreda Land Use Office explain that, at the woreda level, the total number of household who have shortage of farm land are almost greater than 50 percent of the total household. Existing land is held by old aged groups of community and the young aged households who can contribute their labor and able to generate income than any time are landless. The quality of the holding has a significant bearing on production as well as productivity. Mismanagement of farm land exposes most holding to soil erosion and fertility deterioration. Soil fertility loss and ever increase in price of farm inputs particularly fertilizer, is also the major problem impeding agricultural activities of the area

Table 3.3: Land Use Distributions at GidaAyanaWoreda

| Land use | Area (ha) | Share (percentage) |
|-----------------------------------|-----------|--------------------|
| Cultivable land | 92549.3 | 37.7 |
| Cultivated land | 62140 | 25.3 |
| Forest land | 47842.11 | 19.5 |
| Range land | 31703 | 12.9 |
| Irrigated land | 1602 | 0.7 |
| Wet land | 1136 | 0.5 |
| Unusable land: Village, Road etc. | 8232 | 3.4 |
| Total | 245204.41 | 100 |

Sources: GidaAyana District Land Use Office, Annual Report 2012

3.1.4 Livestock production patterns

The farming system in the woreda is characterized by crop and livestock production. Diversifying in the livestock sector has added considerable amount to rural household income. Farmers can diversify their livelihood by engaging in fattening, milk and milk product, small ruminant, poultry and beehive production, drought power, transportation animals. They can earn income from the sale of milk product, egg, small ruminant, honey and wax. Livestock therefore,

are essential for cultivating crops (draught power), transporting goods, an important source of cash income, and a significant and widespread form of asset.

The area is characterized by diversity of numbers of livestock out of which the major ones are cattle (150,790), sheep (34,666), goat (19,780), donkey (9,561), and poultry (53,780). The livestock sector contributes considerably to the livelihood of the rural farmers; however, the increase in human population and the high demand for farm land has reduced the grazing land. These factors lead to the reduction in the livestock productivity. Cattle are pushed to marginal area and road side where there is no sufficient grass for grazing. No supplementary feeding. This leads to poor productivity which directly has an impact to the farm household income. Crop production is more dominant than livestock rearing. Data from district rural and agricultural development office indicates that the contribution of crop production for rural livelihood accounts for 70% and livestock production take the share of 30% of rural farm income in the study area.

3.1.5 Farm Input Utilization

Even though the average fertilizer use is below recommendation, the demand for farm inputs increase year after year because of two reasons: (Annex 5)

1. Increasing agricultural production and productivity is the country policy to overcome the long term problems related to poverty
2. Soil fertility deterioration overtime forces farmers to use huge amount of chemical fertilizer per unit areas of land

Utilization of commercial fertilizer is crucial; particularly DAP in most part of the district without which reasonable production could not expect. It is the highest production

3.2. The Development Experience of the Ethiopian Church Mekena Yesus Devevelopment and Social Service Commission

3.2.1 Description

The Ethiopian Evangelical Church Mekene Yesus (EECMY) is the national church which grew out of the works of the Lutheran missions and indigenous evangelists in Ethiopia who preached the Gospel in Ethiopia in early as 1860s. The EECMY was established as a national church on January 21, 1959. The Second services and development works were also started by the

missionaries. Accordingly a number of social services like literacy, education, formal schools, clinics, and hospitals were established .The administration of these institutions gave impetus to the establishment of church's Development Department in early '70s

3.3. The Central Synod (CS)

The Central Synod (CS) is one of the fastest growing synods of the EECMY with a total population of 815,032 members along with 26 parishes comprised of 444 congregations,143 preaching places according to the statistics of the year 2012. The CS has dedicated itself to a holistic approach of human development. Therefore, the synod is responding to rendering services to the spiritual and physical needs of its community. Consequently, CS, in addition to evangelism ,work has been engaged in community schools, orphanages social health services ,eye care clinic, integrated urban development in Nekemte town ,Integrated rural development projects in GiddaKiremu (GiddaAyana), HIV/AIDS prevention and control ,orphan and venerable child care and support (OVC) through its Development and Social Services Commission (DASSC) in collaboration with overseas partners donor agencies, missions and local government line ministries.

3.3.1. Gidda Integrated Rural Development Project (GIRDP)

The Gidda Integrated Rural Develoment Project was initiated in the year 2000 in Gidda Kiremu dstrict, East Wollega Zone of Oromia, National State by the community through local congregations of the EECMY central synod. Based on this request the synod had organized a baseline survey in the year 2001 for the whole district of Gidda Kiramu by sampling four peasant associations. The baseline survey was conducted in April 2001 with the team composed of experts from Gidda Kiramu district and East Wollaga Zone government line offices, the EECMY central office, EECMY central synod and the Community. Development interventions focusing on intensifications and diversification of agricultural production, natural resource conservation, capacity building of farmers and sustainability were the main recommendations of the baseline survey. In line with these recommendations, the CS prepared GIRDP for the period of four years duration (2002-2005) with full participations of the communities and concerned government line departments from East Wollega zone and Gidda Kiramu district.

The main goal of the project was to contribute for the improvement of the food security of the people in the project area by ensuring self-sustaining development through the use of indigenous and participation of the local people at all levels of project activities. This enable the communities more productive and less vulnerable to natural hazards such as drought and to minimize external inputs and enhance efficient use of locally available resources.

In order to achieve the above mentioned objective, the project gave due emphasis to the following major areas of interventions:

1. Increasing food production with due attention to agricultural extension, provision of inputs, livestock health services, pasture management and development, animal husbandry.
2. Natural resources conservation, especially focusing on biological conservation activities
3. Promotion of small-scale incoming generating activities with popular focus on women
4. Improvement of human health services and sanitation.
5. Capacity building both at community and staff levels.
6. Promotion of small scale income generating activities with particular focus on women
7. Improvement of access roads

3.4. Sampling Methods and Sample Size

Bryman (2001) refers to a research method as technique for collecting data and Mouton (2001) highlights the importance of methodology as a procedure that a researcher uses to condense, organize and analyze data in the process of undertaking scientific research in social science.

In this research, both quantitative and qualitative approaches were used. Quantitative methods were used to measure variables that were linked to the research problem in the case study area. The rationale behind using qualitative methodologies, in addition to quantitative data, was to increase understanding about dynamics, opinions and perceptions of people in the case study areas about NGO related community development programs and its significance in empowering the beneficiaries and resulting in sustainable projects. A literature review; secondary data

analysis, a questionnaire survey, informal and semi-structured interviews and focus group discussions were used as methodological tools in the research process.

The study was conducted in GidaAyanaWoreda, Eastern Wollega Zone of Oromiya Regional National State. The data for this study were based on fieldwork in five kebeles of the woreda. The data were collected between the months of April and May 2013. Two clusters of respondents were first identified from the total population of sample kebeles. The total sample size was 200 households. The first cluster was from beneficiary households of the project. The second cluster was from non-clients (non-beneficiary households) who have not stayed in the program but planned to engage and already identified and registered by the project to be clients in the future.

Based on this parameter GuteGudina, Ejere, Kora - Gobu ,Konoji and Kersa –Harbu -Kene PAs were selected purposively for the study. A list of households who were participated in the program was obtained from Gidda Integrated Rural Development Office (GIRDP) in the woreda, whereas a list of non-participant were obtained from respective kebele administrations .With this regard from the total 16 PAs, only 10 of them are engaged in program as the program did not address all kebeles in the woreda. Accordingly, out of 16 kebeles engaged in the program, five of them were purposively selected to conduct the study as stated above. The number of households selected as the sample size from each kebele was shown (Table 3.5):

The following procedure was applied in order to collect qualitative and quantitative data:

- The researcher first developed a set of semi-structured and structured questions in terms of broader conceptual framework of the study.
- Questionnaires were translated into Afan Oromo.
- The researcher consulted all the relevant bodies

3.4.1 Qualitative data

Qualitative research is concerned primarily with the process rather than the outcome, i.e. how people make sense of their lives, experiences and their structure of their world (Creswell, 1994). The researcher used this method to assess opinions, attitudes and perceptions of people in the case study area. Qualitative data was collected from Five PAs. Namely, Koneji, Kersa-

harbuKene, Kora-Gobu, Gudina-Gendo and Ejere.. A variety of methods such as observation, and informal and semi-structured-interviews were used in order to gather a variety of data.

3.4.2. Interviews

The use of interviews is linked to the expectation that through semi structured interviews, interviewed persons are more likely to express their views spontaneously in a relatively openly designed interview situation. In this regard, Flick (1998) has noted that certain open-ended questions must be used in the interview situation as a form of interview guide. Accordingly, the researcher undertook eight purposive sampling interviews. Selections were once again made in consultation. With regard to beneficiary interviews, the researcher approached community leaders and development agents. Based on their suggestions, the researcher approached the selected interviewees.

3.4.3. Motivation for the study

The researcher's motivation to undertake this study arose from his own personal experience working with the organization as a project coordinator for more than eight years. As a development coordinator, the researcher feels that there is a need to identify both the potential and limitations of the GIRDP as an organization that is committed to the community

3.5. Methods of Data Collection

The data to assess impact were collected from primary and secondary sources. The main sources of primary data were from the sample clients and non-clients, from sample households characterized as control group using structured questionnaire. For this study, both qualitative and quantitative data were collected from a cross-sectional survey of 200 sample households using structured questionnaire and pre-tested interview schedule, focus group discussion and key informants interview. Two days training was given to the enumerators on methods of data collection, giving prime emphasis to interviewing techniques and the content of the questionnaire. The data were collected by those trained enumerators under close supervision of the researcher in May and June 2013. It was also supplemented by qualitative data generated through focus group discussion, key informant interviews and the researcher's visual observation.

The main sources of the secondary data were from woreda Rural Agricultural Development Office, (Total household heads and size of sample households in each sample Kebele) are shown in Table 3.5, published and unpublished DASSC (Annual report, Mid and Final Evaluation) Reports and CSO.

Table 3.4: Total Households and Distribution of Sample Households in the Study Area

| Sample Kebles | Total Households | Total Client | Sample Households | | |
|------------------|------------------|--------------|-------------------|------------|-------|
| | | | Client | Non-Client | Total |
| Gute Gudina | 946 | 210 | 20 | 20 | 40 |
| Ejere | 1460 | 210 | 20 | 20 | 40 |
| Kora Gobu | 925 | 210 | 20 | 20 | 40 |
| Konaji | 1037 | 210 | 20 | 20 | 40 |
| Karsa harbu kene | 610 | 210 | 20 | 20 | 40 |
| Total | 4978 | 1050 | 100 | 100 | 200 |

Source: Kebele Administration Office and Own Survey 2013

From the total households interviewed 60% are of them are followers of protestant religion, 36% are orthodox, and 4% are Muslims. This indicates that most of the farmers in the study area are the followers of protestant religion.

Table 3.5: Religion of the sample households

| Religion | Participants | | Non-Participants | |
|-------------|--------------|------------|------------------|------------|
| | No | Percentage | No | Percentage |
| Protestant | 56 | 56 | 64 | 64 |
| Orthodox | 36 | 36 | 36 | 36 |
| Muslim | 8 | 8 | 0 | 0 |
| Wakefata | 0 | 0 | 0 | 0 |
| Grand Total | 100 | 100 | 100 | 100 |

Source: own survey data 2013

3.6. Documentation of data

In order to carefully capture and manage the data, the researcher used recording devices such as tape recorders; and these were supported with accurate field notes that were recorded throughout the fieldwork stage. The raw data was coded, processed and analyzed by using the Statistical software (SPSS) which is useful for social science fields and finally presented in the form of written textual quotes, graphs and tables.

3.7. Data Analysis

The data were analyzed by using descriptive and inferential statistical methods

3.7.1 Descriptive Statistics

After conducting the study and gathering the data, the next step involves analyzing the data which generally calls for the use of statistical techniques. The type of statistical techniques used by a researcher depends on the design of the study, the type of data being gathered, and the questions being asked. Statistics help researchers minimize the likelihood of reaching an erroneous conclusion about the relationship between the variables being studied (Geoffrey et al, 2005). Descriptive statistics give a clear picture of the characteristics of client and non-client sample unit. By applying descriptive statistics, one can describe, compare, and contrast different categories of sample unit (clients and non-clients) with respect to the desired characteristics.

In this study, descriptive statistics, such as mean, standard deviation, percentage, frequency of occurrence, were used. By using inferential methods, independent t-test and chi-square for continues and discrete variables were used to compare the mean score and test the significant difference of program participant and non-participant on the dependent variables. The result of the study was presented by using qualitative and quantitative data description mechanisms like mean, percentage, standard deviation, tables, histograms and graphs as well as inferential statistics like t-test and chi-square.

The procedure after the selection of statistical methods for the estimation of experimental hypothesis is the choice of variables that can influence the expected outcomes and participation. Variables are referring to something that can assume different values at different observation. These variables can be the combination of different socio-economic, demographic, institutional and ecological factors.

3.8. Definition of Variables

The procedure after the selection of econometric models for estimation of experimental hypothesis is the choice of variables that can influence the expected outcomes and participation. Variables are referring to something that can assume different values at different observation. These variables can be the combination of different socio-economic, demographic, institutional and ecological factors. All the variables correlated with dependent variable to determine the level of expected outcome for the improvement of project participant's , income, and wealth restoration after the programme implementation.

3.8.1. Dependent Variable

The dependent variable is participation in the project programme which is 1 if the household is beneficiary and 0 otherwise.

3.8.2. Outcome variables

Income: Total annual income from different sources like crop products, animal products and byproducts, sales of live animals and off/non-farm activities

Asset formation: This consists of fixed and current assets like cash on hand and on bank account, farm machinery and equipment, home utensils, houses, stores, livestock excluding oxen and grains in terms of money value by using current market price.

3.8.3. Independent variables

Independent Variable: The following are explanatory variable that hypothesized to influence the improvements of household income and asset formation.

1. Sex: It is a dummy variable which takes the value of 1 if the household is male and 0 otherwise. In the project area agricultural activities require high physical work to establish new agricultural farm plots. Under such conditions female household heads are forced to rent out their farm land or use it for share cropping with others. Relatively male household heads are in a better position to expend their labor force than female household heads to produce sufficient product.

2. Age of the household head (AGEHHH): Age is a continuous variable measured in years. In rural areas, agriculture is the main occupation and source of income for the rural households. By its nature agriculture needs high physical work. At old age (> 65 years) and at age under 15 years

it is difficult to perform productive agricultural work to produce surplus output. So, age within the age range of active labor force is expected to have positive effect for surplus production

3. Education level of household head (EDU):continuous variable It represents the level of formal schooling completed by the household head. Education remains a cornerstone of development literature and plays a very important role in diversification. An educated household can better identify off-farm opportunities and are more likely to possess the necessary skills to take advantage of them. Educated farmers are expected to have more exposure to the external environment and accumulated knowledge through formal learning which might enable them to pursue livelihood diversification strategies than non-educated household.

4. Family size (FAMSIZ): It is a continuous variable related to the sample households living under the same roof and influence seriously household's consumption and status of food self-sufficiency, as well as asset formation. Households with many number of dependent children hypothesized to have lower income than households with many number of children working in income generating endeavor..

5. Farm land size of the household (FAMLANSIZ):continuous variable most rural residents rely on agriculture as means of livelihood. This is the total farm size cultivated by the household given in hectare. If the farm household has extra farm land, there is a possibility of out renting own land and/or sharecropping, which in turn believed to generate additional income to the household. It is hypothesized to positively contributing to non-farm income

6.Livestock holding (LIVOWN): It is the total number of livestock owned by the households excluding oxen for this study. Livestock is one of the major sources of farm income and hypothesized that it is positively correlating to household income. Livestock is a popular productive asset with high expected returns through consumption of dairy products and sale of the product to generate income. Livestock holding is measured in terms of standardized common conversion factor called Tropical Livestock Unit (TLU). These are possessed as the wealth of the households and coping mechanism during the food shortage to sale. The livestock in the study area were cattle, sheep, goat, equine and poultry. The number of livestock possessed ensures the farmers' livelihood and socio-cultural status of the households. Therefore, the variable would have a positive influence on the livelihood of the beneficiaries and outcome of project programme in wealth formation.

7. Farm oxen owned (NUMOX): It is defined as the number of draught oxen owned per household and considered as the basic means of farming asset. For Ethiopian, oxen are the principal draught power. Farm ox is the basic means of production for both the treated and control groups. Owning farm oxen enables to produce more agricultural output for family consumption and sale when required in order to buy other goods and services. Therefore, owning farm oxen have a positive effect on the household income.

8. Non-farm income: it is a continuous variable representing rural diversification. The share of non-farm income in farm household income is substantial. The rural non-farm economy (RNFE) may be defined as comprising all those non-agricultural activities which generate income to rural households (including income in-kind and remittances), either through waged work or in self-employment. Even though it is not full-time employment for most rural household, it is essential part of diversification so long as most rural household practice different alternatives of income generating activities which otherwise cannot tolerate and overcome poverty related problems. The more the labor force available for production purpose the more participation in income generating activities. Farmers may hire-out their labor, make share trade with relatives, and involve in wage labor market in order to generate additional income to the household. Households with more family labor expected to participate in diverse activities which could expected to generate more income for the household than family with less labor. The variable hypothesized to be positively correlating to non-farm income.

9. Credit access: is a dummy variable which take the value 1 when the sample household gets credit facility and 0 when the sample household did not get credit facility. There is the assumption that credit is the primary financial need of rural poor household. It is also expected to improve productive capacity of the intended activities, which in turn have a positive impact on income. The institution believe that the best way to introduce the very poor to the business world is to start with small, but surely progressive loan sizes between loan cycles, as the client is expected to gain business experience through time. This variable is the main area of the study and hypothesized to positively influence the household income.

In general, the socio-economic, demographic, institutional and location variables used to explain households' participation in the project programme, and the outcome variables (, income and asset formation) are summarized in Table 3.5

Table 3.6: Summary of Explanatory Variables in statistical analysis

| Variables | Description | Effects of Variable |
|-----------------|--|---|
| Dependent | participation = 1 if participant = 0 otherwise | |
| Income | Annual income of HHs. in birr (outcome variable) | |
| Asset | Total asset of HHs in birr (outcome variable) | |
| Sex | Sex of HHs if male = 1 = 0 if female (dummy) | Expected to have negative effect on HH if female household |
| Age | Age of HHs by year continuous | Positively or negatively affect HH income |
| Education | Education level of HHs continuous | Expected to have positive effect on HH income |
| Family size | Family size of HHs continuous | Negatively affect if there are many number of children. |
| Farm land size | Farm land holding in Ha. Continuous | Expected to enhance household income |
| Livestock | Number of livestock owned in (TLU) | Hypothesized positive effect on income and asset formation of HHs |
| Farm Oxen | No of Oxen owned | Hypothesized positive effect on income and asset formation of HHs |
| Non-farm income | Supplementary income source in birr | It enhances annual income of HHs |
| Credit Access | credit access if yes = 1 if no = 0 (dummy) | Credit access Hypothesized to have positive effect on income and asset formation of HHs |

Source: Own analysis, 2013

CHAPTER 4: RESULTS AND DISCUSSIONS

This part is mainly concerned with the description and interpretation of the findings. The analyses were conducted as to assess whether the program have contributed to rural livelihood diversification to increase the income and asset formation. .

Descriptive statistics analysis made use of tools such as mean, percentage, standard deviation and frequency distribution. Independent t-test and X^2 were used to test mean income difference between the two groups on the dependent variable participation, improvement in household income and asset formation respectively.

4.1. Research findings

4.1.1. Socio-demographic characteristics

4.1.1.1. Descriptive analysis of personal characteristics of households

In terms of personal characteristics, all three categories of respondents were requested to provide information relating to sex, education levels, occupation as well as responsibilities in the work place. In each case data gleaned from the beneficiaries will be presented first, followed by data pertaining to PA leaders and DAs respondents.

Sex of the household head: From the total sample (200) 171 household heads (85.%) were male and 29 households (15%) were female. Likewise, from 100 participants, 83 households (83 %) are male headed and households (17 %) were female headed. As hypothesized from the key informants and group discussions female programme participants also own lower asset, annual income than male household heads.

Age of the household head: The mean age of the sample household heads was 40.67 years with the standard deviation of 8.31. Accordingly the mean age of participants was 39.5 years and 42.4 years for non-participants with the mean difference of -2.9.

Table 4.1: Sample Respondents by Age category

| Age category | Participants (100) | | | Non-Participants (100) | | | Total sample households |
|--------------|--------------------|--------|-------|------------------------|--------|-------|-------------------------|
| | Male | Female | Total | Male | Female | Total | |
| 20-30 | 8 | 0 | 8 | 23 | 5 | 28 | 36 |
| 31-40 | 28 | 4 | 32 | 24 | 4 | 28 | 61 |
| 41-50 | 35 | 8 | 43 | 26 | 2 | 28 | 71 |
| 51-60 | 7 | 2 | 9 | 10 | 0 | 10 | 19 |
| 61-65 | 5 | 3 | 8 | 5 | 0 | 5 | 13 |
| Grand Total | 83 | 17 | 100 | 88 | 11 | 100 | 200 |

Source: own survey data 2013

Education level of household head: The mean education level of the total sampled household heads was 3.93. It is 2.98 for programme participants and 4.88 for non-participants. From the sample respondents, 63% were literate while 37% are illiterate. From the key informants interview and focus group discussions results literate household heads had more awareness to use different agricultural inputs to increase their farm productivity and asset restoration.

Family size: In the study area, the average family size for all samples is 5.42 persons per household. The mean family size for participants was 5.8 with a standard deviation of 2.66 and it is 5.04 for non-participants with a standard deviation of 1.530.

Farm land size: As indicated in Table 3.8 survey results showed that participants owned a mean of 1.97 hectares of farm land, whereas non-participants owned a mean of 2.75 hectares of farm land size with the mean difference of -0.4050.

Livestock holding (TLU): The participants owned a mean of 4.002 TLU and the non-participants owned a mean of 5.723 TLU. Non-participants owned larger livestock population in terms of TLU than the programme participants. However, the beneficiaries/those who involved in project / gained more output from very limited livestock because of their good handling and

management. Most of the project beneficiary households feed their cattle with improved forage grazing system while non-participants feed their cattle with open grazing system. The main products obtained from these livestock were milk, butter, eggs and sales of life animals after fattening. During group discussion and key informants interview of both participants and non-participants they clearly suggested that the non-participants were sharing the cattle fattening and feeding good practices of the project beneficiary households.

Oxen owned: In the study area, the mean of ox owned by the sample households is 1.67. The mean oxen owned by the participants were 1.45 with a standard deviation of 1.64 and it is 1.89 for non-participants with a standard deviation of 1.279. The mean difference is -0.440

Credit facility: From total sample only 91 households (45.5 %) got short term credit service to purchase different agricultural inputs, while 109 households (55.5%) did not get short term credit service to purchase different agricultural inputs. Accordingly from the project participants 91 households (91%) got credit service, while Non-project participants have got no credit service.

Non-farm income: as Table 3.8 below indicates the extent of diversification of clients and non-clients. As the table indicates, 46% of the sample households depend solely on agriculture as their means of livelihood. However, the figure is different for clients and non-clients. While only 21% of the clients depend solely on agriculture the figure for non-clients is higher which 25 % is. This implies that project intervention promoted rural diversification as a means of livelihood. The study indicates that out of the 200 sample respondents 21(21%) reported that they were participating only in the farm activity and their diversification is within farming, 51(51%) in both on farm and off- farm activities (particularly trading of agricultural products, livestock and grain trading), 49(49 %) in both non- farm and farm activities. Non-farm activities that respondents mainly engage include labor work as daily laborer or wage labor, carpentry work and house building, metal work, tailoring, petty trading and related activities.

Table 4.2: Descriptive statistical analysis of Explanatory variables

| Variables | Sample Households (200) | | Participants (100) | | Non-Participants (100) | | Mean Difference |
|-----------------|-------------------------|--------|--------------------|--------|------------------------|---------|-----------------|
| | Mean | SD | Mean | SD | Mean | SD | |
| Sex | 0.85 | 0.353 | 0.82 | 0.386 | 0.89 | 0.314 | -0.070 |
| Age | 40.67 | 8.316 | 39.71 | 9.066 | 41.63 | 7.414 | -1.920 |
| Education | 3.93 | 2.925 | 2.98 | 2.515 | 4.88 | 3.009 | -1.900 |
| Family size | 5.42 | 2.023 | 5.8 | 2.366 | 5.04 | 1.530 | 0.760 |
| Farm land size | 2.172 | 0.4387 | 1.970 | 0.2443 | 2.375 | 0.4943 | -0.4050 |
| Livestock owned | 4.863 | 3.4374 | 4.002 | 3.379 | 5.723 | 3.3424 | -1,7207 |
| No of Oxen | 1.67 | 1.484 | 1.45 | 1.64 | 1.89 | 1.279 | -0.440 |
| Non-farm income | 297.42 | 937.80 | 299.05 | 869.96 | 259.80 | 808.706 | 39.170 |
| Credit Access | 0.26 | 0.437 | 0.913 | 0.49 | 0.00 | 0.314 | 0.913 |

Source: own survey data 2011

4.1.2. Analysis of Inferential statistics

Inferential statistical analytical method like independent t-test and chi-square for continues and discrete variables were used to compare the mean score and test the significant difference of program participant and non-participant on the dependent variables.

Age of the household head

The mean age of the sample household heads was 40.67 years with the standard deviation of 8.316. Accordingly the mean age of participants was 39.71 years and 41.63 years for non-participants. The maximum and minimum age of the sample households was 65 and 25 years respectively. The statistical analysis showed that there was a significant difference (at 10% significance level) between participants and non-participants in terms of age. However, it was observed that the ages of the household heads lie in the range of active labor force (between 15 and 65 years) for both groups.

Education level of household head: The mean education level of the total sampled household heads was 3.93. It is 3.03 for programme participants and 2.98 for non-participants. From the sample respondents, 63% were literate while 37% are illiterate. Food consumption of the two groups indicates that education had statistically significant difference at 1% probability level

between programme participant and non-participant households. From the key informants interview and focus group discussions results literate household heads had more awareness to use different agricultural inputs to increase their farm productivity and asset restoration.

Family size: In the study area, the average family size for all samples is 5.42 persons per household. The mean family size for participants was 5.8 with a standard deviation of 2.33 and it is 5.04 for non-participants with a standard deviation of 1.35. The mean difference is 0.76 which was statistically significant at 5% probability level.

Farm land size of the household : The mean farm size level of the total sampled household heads was 2.172. It is 1.970 for programme participants and 2.375 for non-participants. Farm land size of the household of the two groups indicates that farmland holding statistically significant difference at 1% probability level between programme participant and non-participant households.

Livestock holding: Livestock is the main source of annual income and draught power for farm households in the study area. In the study area, participants and non-participants owned livestock like cattle (excluding oxen for this study), goats, sheep, equine and poultry. The participants owned a mean of 4.002 TLU and the non-participants owned a mean of 5.723 TLU. Non-participants owned larger livestock population in terms of TLU than the programme participants and there is significant difference at 1% probability level between participants and non-participants. However, the beneficiaries/those who involved in project / gained more output from very limited livestock because of their good handling and management

Oxen owned: In the study area, the mean of ox owned by the sample households is 1.67. The mean oxen owned by the participants were 1.45 with a standard deviation of 1.64 and it is 1.89 for non-participants with a standard deviation of 21.279 which was statistically significant at 5% probability level

Non-farm income: In the study area, the average non-farm income for all participants was 297.42 and while the mean income for participants was 299.05 with a standard deviation of 869.96 and it is 259.80 for non-participants with a standard deviation of 808.706 which has no statistically significant difference .

Table4.3: Inferential statistics analysis of continuous Explanatory variables

| Variables | Sample (200) | | HHs Participants (100) | | Non-Participants (100) | | t-test |
|-----------------|--------------|--------|------------------------|--------|------------------------|---------|----------|
| | Mean | SD | Mean | SD | Mean | SD | |
| Age | 40.67 | 8.316 | 39.71 | 9.066 | 41.63 | 7.414 | -1.639* |
| Education | 3.93 | 2.925 | 2.98 | 2.515 | 4.88 | 3.009 | 4.845*** |
| Family size | 5.42 | 2.023 | 5.8 | 2.366 | 5.04 | 1.530 | 2.298** |
| Farm land size | 2.172 | 0.4387 | 1.970 | 0.2443 | 2.375 | 0.4943 | -7.34*** |
| Livestock owned | 4.863 | 3.4374 | 4.002 | 3.379 | 5.723 | 3.3424 | -3.64*** |
| No of Oxen | 1.67 | 1.484 | 1.45 | 1.64 | 1.89 | 1.279 | -2.115** |
| Non-farm income | 297.42 | 937.80 | 299.05 | 869.96 | 259.80 | 808.706 | 0.027 |

Source: own survey data 2013

***, ** and * means significant at 1%, 5% and 10% probability level respectively.

Sex of sample households: From the total sample (200) 170 household heads (85%) were male and 30 households (15%) were female. Likewise, from 100 participants, 82 households (82 %) are male headed and 18 households (18 %) were female headed. As hypothesized from the key informants and group discussions female programme participants also own lower asset, annual income than male household heads which was statistically significant at 10% probability level. Under such conditions female household heads are forced to rent out their farm land or use it for share cropping with others. Relatively male household heads are in a better position to expend their labor force than female household heads to produce sufficient product.

Credit facility: From total sample only 91 households (45.5%) got short term credit service to purchase different agricultural inputs, while 109 households (55.5%) did not get short term credit service to purchase different agricultural inputs. Accordingly from the project participants 91 households (91%) got credit service, while Non-project participants have got no credit service which has a significant difference at 5% probability level. From individual interview and group

discussions, it was observed that farmers seek short term credit service to purchase improved agricultural inputs, but have no access. This was practically indicated in low utilization of different agricultural inputs and low productivity per hectare of farm land and per animal head.

Table 4.4: Inferential statistics analysis of dummy variable

| Variables | Sample Households | | Participants | | Non-Participants | | χ^2 76 |
|---------------|-------------------|-------|--------------|-------|------------------|-------|----------------|
| | Mean | SD | Mean | SD | Mean | SD | |
| Sex | 0.85 | 0.353 | 0.82 | 0.386 | 0.89 | 0.314 | 1.976* |
| Credit Access | 0.26 | 0.437 | 0.913 | 0.49 | 0.00 | 0.314 | 2.134** |

Source: own survey data 2013

** and * means significant at 5% and 10% probability level respectively.

Income of sample households: Table 3.11 summarizes mean income difference between clients and non- clients in relation to livelihood diversification. Households who diversify their livelihood generate income at the greater extent than those who did not. For example, the total mean income of client household who diversify their income is greater by 1,749.20 birr than mean income of non-client household who did not diversify their livelihood with 5% significance level.

Total asset owned: Poverty is examined in terms of household ownership of durable assets this can be seen as an alternative measure of poverty to other measures such as consumption-based welfare. One of the merits of these asset-based indicators is the ease with which they can be measured compared to indicators based on consumption expenditures. An increase in the number of durable assets purchased for the household its regarded as a potentially strong indicator of the effect of a project intervention programme on clients. It serves as a proxy measure of the wealth of a household. Respondents were asked about purchases they made solely and the results reveal that participation in the project programme is strongly associated with increased expenditure by clients for the acquisition of household durable assets. These acquisitions indicate an increase in the asset base of the household.

Generally, established clients of the project (GIRDP) acquired more household durable assets than non- clients. For many households, the house they own, house furniture and different

durable assets are considered as the most valuable asset. 80(80%) of clients and 72(72%) of non-clients possess houses with corrugated iron –sheets where as 16 (16%) of clients and 20 (20%) of non-clients own house with thatch roof. On the other hand, 4% of the clients and 8% of the non-clients use rented houses. Concerning house furniture and other durable asset 100 (100%) of sample clients and 32 (32%) of sample non clients reported improvement in house furniture they possess, and 68(68%) of sample non clients reported no change in house furniture they possess. Asking about the reason for changes in physical asset holding especially change in household furniture, 100 (100%) of the clients reported improvement in income diversification made possible due to intervention of the project in the area. In general the mean total asset owned by the sample households was 28683.00. Also, the mean asset owned by the participants was 29,813.21 and 23794.63 with the mean difference of 6,018.58 which was statistically significant at 10% probability level.

Table 4.5: Inferential statistics analysis of outcome variables

| Variables | Sample Households | | Participants | | Non-Participants | | t-test |
|-------------------|-------------------|----------|--------------|----------|------------------|----------|---------|
| | Mean | SD | Mean | SD | Mean | SD | |
| Income | 26585.11 | 9045.43 | 27459.70 | 10005.86 | 25710.5 | 7970.67 | 2.861** |
| Total Asset owned | 28683.00 | 21390.73 | 29813.210 | 18734.52 | 23552.9 | 23794.63 | 1.746* |

Source: own survey data 2013

** and * means significant at 5% and 10% probability level respectively.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

As we reflect on the history of development in the past, development was focused on accumulating capital and expansion of industries and solving problems through expert based techniques and top down policy. Such an orientation considered the target community as mere receivers of development services. The deep dissatisfaction of this traditional development paradigm and approach in the mid-1970s led to an examination of the purpose of development and a fundamental shift away from the traditional development thinking towards a systematic search for an alternative approach. The alternative approach is more humanistic in nature and places the community in the center of the development effort. It encourages participatory development and involves communities in decision-making and execution of development plans and projects with the intention of empowering women and men to bring about positive changes in their lives. The rationale behind this approach is to generate personal growth through collective action, to challenge poverty, and discrimination; and is concerned with the realization of human potential, through a holistic development approach.

Unlike past development paradigms, which only required the government to solve most of the community's problems, the people centered approach calls for cooperation and partnership of all development actors such as government, NGOs, CBOs and the community to work in partnership to transform the community. In this process the development actors simply play the role of facilitation while the communities are required to plan and implement their own projects. The premise behind this approach is that local people need to fully participate and contribute towards addressing their own problems in their own communities. It is only out of the community's own efforts that a change can be realized, because they are better informed of their needs and are the best sources of the answers to these needs. This creates an enabling atmosphere for them and enables to participate in the implementation and the monitoring of the development. The aim of community participation is the empowerment of people and capacity building and allows beneficiaries of projects to decide that is the best alternative among many to solve their own felt needs. Thus, community participation in development initiatives empowers them and

leads to self-transformation and self-reliance, thereby ensuring sustainability of programs and projects.

In the endeavor of community development, NGOs in general, and the Gidda integrated Rural Development program in particular in the context of this investigation, has played an important role. Accordingly, this chapter presents the summary of findings and recommendations of the study in terms of the role of the Gidda Integrated Rural Development Project in the context of the community development initiatives in Gidda Woreda. The chapter will identify general lessons learned from the experience of this organization and provides basic guidelines for further research activities using participatory approaches of community development programs.

5.2. Summary of findings

The Ethiopian Evangelical Church Mekene Yesus development program has played a crucial role in terms of the socio-economic development of the respective communities in which it operate, through the implementation of different types of projects and programmes. In terms of social development, the church has undertaken a number of community development activities such as health, education and different types of capacity building projects. In terms of economic development, the church has undertaken several projects that include skill development in entrepreneurship, credit and saving activities as well as other types of income generating projects. In Gidda Ayana woreda where the field survey was conducted, findings indicate that the beneficiaries are generally very satisfied about the support provided by EECMY project (GIRDPA). Empirical research results clearly show that as the result of this support, the capacity of communities were built in terms of initiating, implementing and managing community based development activities. Moreover, this support has also helped the community to launch their own small business activities, which enabled them to raise their living standards through feed their families and thereby reduce malnutrition and disease, create jobs, build houses and educate their children by being in a financial position to send their children to better schools. It is therefore clearly apparent that the EECMY development programme, as a non-governmental organization, has contributed to the empowerment of the community. According to UNDP in Rist (2002), empowerment leads to access to income and employment opportunities, education and health, and a clean and safe physical environment so that each individual has the opportunity to participate fully in community decisions and to enjoy human, economic and political freedom

With regard to community participation, empirical research findings identified that there was participation in project planning and implementation. For example, members of the community participated in the provision of free labour, the provision of locally available materials (stones, poles, sand etc.) and representation in different committees (i.e. water, local development, forest protection etc). However, the results of this empirical research show that community participation in the decision-making processes was low. In this connection, Roodt (2001) notes that genuine participation in development entails people having the power to influence the decisions that affect their lives. Accordingly, without genuine participation, a sense of ownership of projects by the community will not be ensured and the sustainability of such projects cannot therefore be achieved.

In terms of community ownership, there should be a clear understanding between the project beneficiaries and the organization responsible for coordinating and managing the projects. This research identified that there was some an increase in annual income and asset formation of the project participants than the non-project participants .With regard to project sustainability, the field data revealed that the community would take responsibility when the EECMY financial support terminates. This has been proved by the researcher that most project activities started by the project is managed and expanded by the communities after the termination of the project .For example the plantation of coffee and its production ,honey production with modern beehives , improved forage production components of the project etc. have shown much evidence, which supported this finding. At this point, the community depends for some supports on local resources, local capabilities as well as established administrative structures and grassroot institutions.

Generally project programme in the study area attained positive impact on the project programme participant household's livelihood, physical asset formation and income diversifying activities that can improve their life standards through provision of social infrastructures like construction of bridges provision of credit facility and extension service to increase their production and productivity.

5.3. Recommendations

Based on the research findings and observations made by the researcher the following recommendations are given in terms of financial aspects, participation and resource mobilization.

First, as noted throughout the chapter, various project activities that have been carried out by this project appear to have had significant impact on beneficiaries. However, there are also challenges that required attention from the respective management and donors. Lack of capital source for investment in agriculture sector in the rural area is the bottleneck in Ethiopia and this is even true for all less developing countries. To solve financial constraints in order to purchase agricultural inputs, there should be a credit service from government, cooperatives, financial institutions or funding organizations (NGOs). The project participants need more short term credit to rehabilitate by utilizing improved technologies. The availability of credit to purchase improved agricultural inputs is the determining factor in poverty alleviating action and improvement of households' livelihood.

Second, as illustrated throughout the research, the extent and level of community participation in the development projects varied considerably, as the project moved through the different stages such as needs assessment, planning, implementation and decision-making. On the other hand the level of community participation differed from kebele to kebele. In some kebeles there was little participation and in other projects more participation. The participation of the ordinary people in community development projects and in decision-making should be encouraged so that they have the power to influence the direction of development and ensure ownership of project. This philosophy is built on a belief that citizens can be trusted to shape their own future. Participatory development programme encourages grass root organizations to become partners in the development endeavor. Any development planners and development oriented NGOs should focus on designing development based project that can help the beneficiaries to reduce poverty.

Third, based on the study result of the area the activities such as coffee production, (crops which are more of market value agricultural products in terms of their price and demand), beekeeping, cattle fattening programmes and traditional irrigation (which are helpful to produce

vegetables such as onion, tomato, potato and carrot that can generate additional household income) can diversify the households income significantly. So, policy makers and every partner NGOs should focus and give support on coffee, beekeeping, fattening and traditional (modern)irrigation developments in order to improve and increase income of the community of the study area .

Fourth, the finding of the study revealed that educated farmers are more likely to involve in diversification. Education increases skill levels, which are required for some rural non-farm activities, or contribute to increased productivity, or may, it also increases confidence, establishes useful networks or contributes to productive investment. Education can empower in order to plan and implement development projects independently. So, policy makers and every partner NGOs should focus on educating and give due attention in farming community capacity building activity.

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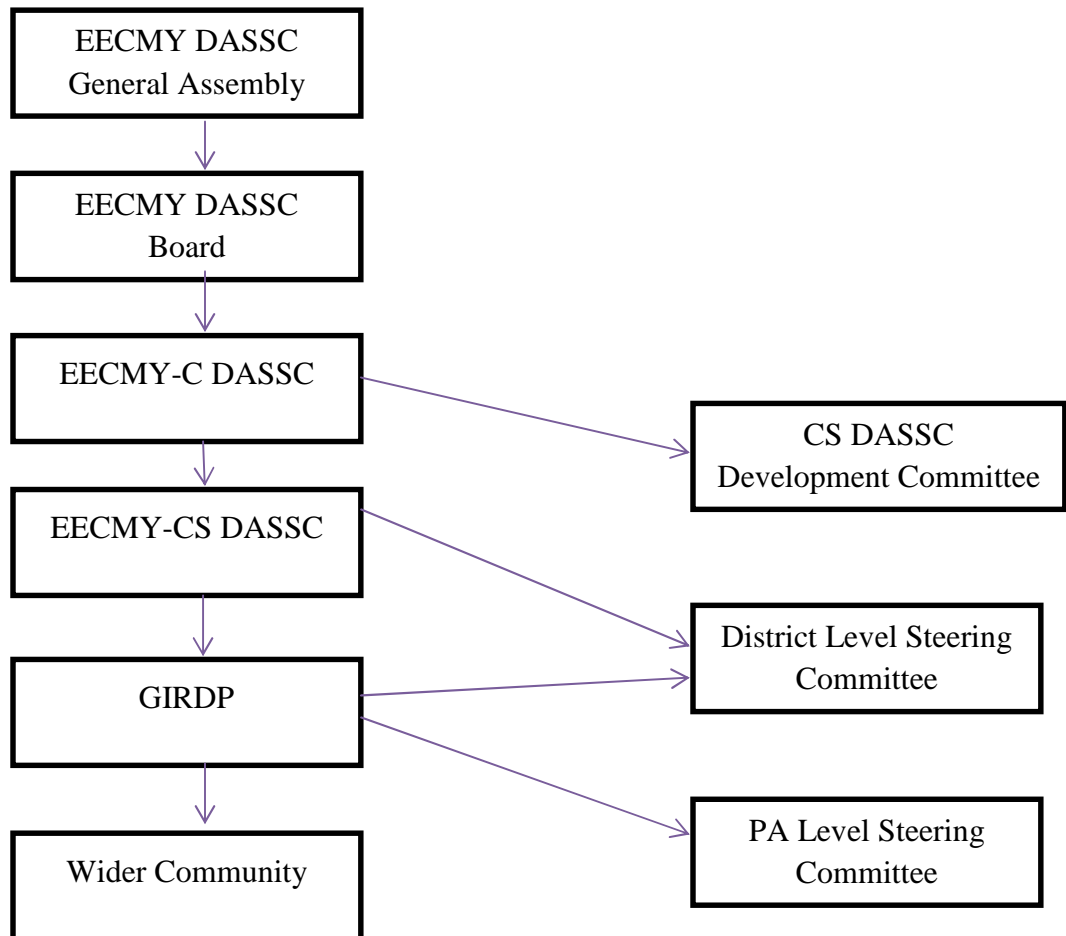
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7. APPENDICES

Appendix Table 1. Organizational structure of GIRDP

Organizational structure of GIRDP



Appendix Table 1 . Conversion factor of Tropical Livestock Unit (TLU)

| No | Livestock category | TLU | No | Livestock category | TLU |
|----|--------------------|------|----|--------------------|-------|
| 1 | Ox | 1 | 8 | Donkey (Adult) | 0.7 |
| 2 | Cow | 1 | 9 | Donkey (Young) | 0.35 |
| 3 | Bull | 0.75 | 10 | Sheep (Adult) | 0.13 |
| 4 | Woyefen | 0.34 | 11 | Sheep (Young) | 0.06 |
| 5 | Heifer | 0.75 | 12 | Goat (Adult) | 0.13 |
| 6 | Calf | 0.25 | 13 | Goat (Young) | 0.06 |
| 7 | Horse | 1.1 | 14 | Poultry | 0.013 |

Source: Storck et al., 1991

Appendix 3. Sample survey Questionnaires

Inderagandhi Open University

Interview schedule designed by Melaku Woyessa

Interview schedule entitled “The impact of Gidda Integrated Rural Development Project on rural livelihood in Gidda Ayana Woreda .

Region Oromia Zone East Wollega District Gidda Ayana

Name of interviewer Melaku Woyessa Signiture

Type of respondent Clients/Non-clients Kebele

Part One: The demographic and social characteristics of the household

Personal Data

Date of interview _____

1). Questionnaire number (code) _____, Beneficiary ___ Non-beneficiary ___

2). Name _____ (3) .Age _____ (4) Gender Male 2 . Female

5. Marital Status: 1. single 2. Married 3. Divorced 4. Widowed

6. Household size: male _____ Female _____ Total Household head M=0 F=1

7. Educational Level: 1. Illiterate 3. 5-8(grade) 4. 9-10(grade) 5. 11-12(grade) 6=College level above

8. Religion 1. Orthodox 2. Muslim 3. Catholic 4. Protestant 5. Others

9. Main occupation 1. Farmer 2. Military 3. Teacher 4. Merchant 5. Student 6. Civil servant 7. Self-employed

10. What is the total number of dependents 1. School age children ____, 2. Disabled 3. old ____, 4. others _____.

2. It is a community responsibility to continue 3. It will stop

4. I do not know what would happen

23. Has the project intervention increased your capacity?

1. Yes 2. No

24. If yes, in what way?

1. _____

2. _____

3. _____

25. If no, why?

1. _____

2. _____

3. _____

26. Who own the project?

1. EECMY-CS-DASSC 2.The community 3.Government 4.Individuals

27. What roles does the community play in the project activities?

1. There is no identified role in the community

2. Community contributes material 3. I do not know

28. What does community mean to you?

1. Village residents 2. Ethnical group 3. Family

4. People who live in one area with shared interest

29. What does community developments mean to you?

2. INCOME DIVERSIFICATION, LIVELIHOOD AND ASSET INFORMATION

30) What is the average Yearly income for the last two Years? _____

- 31 a) for the last two years, what has been the trend in the level of your overall income?
 1. Increased significantly 2. Increased 3. Remained the same 4. Decreased
 5. Decreased significantly
32. b) Why did your income increased (if increased)? 1. Able to buy inputs 2. Able to purchase of business assets 3. Working capital from credit 4. Diversifying existing business
 5. Got jobs 6. Good agricultural season
 7. Others (specify) _____
- 33 c) Why your income did stay the same or decreased (if stayed same or decreased)?
 1. Lack of credit 2. Crop failure 3. Family member lost employment
 4. Illness or death in the family 5. No opportunities for diversification
 6. Others (specify) _____
- 34 a) Does irrigation contributes for diversification? Yes = 1 No= 0
- 35 b) if Yes, what it contribute? 1. Minimize risk 2. Increases income 3. Cover some expenditure 4. Others
- If no, why? 1. Computing for labor 2. Create scarcity of working capital
 1. others
- 36) What are the major cash incomes?
 1. On farm; 2. Animals 3. Off farm; Trading of crops 4. Trading of animals
 5. Others (Specify)
 6. Nonfarm activities: Pity commodity _____ House making _____ Toiler _____
 Weaving _____ making Local drinking _____ metal and wood working _____
 others _____
- 37 a) Did you make diversification or improvement of your production activities in the last two years? Yes =1 No =0
- 38 b) If yes, why?
 1= Access of credit 2= Sold the assets 3= others (specify) _____
- 39 c) I f no, why?
 1. Lack of access to credit 2. Lack of land 3. Low level of income
 4. Others (specify) _____
- 40) If diversify, what are the new source of income you had for the last two years?
 1. On farm 2. Off farm, (Specify)
 3. Non-farm, (Specify) _____
- 41 a) As a results of diversification your income; 1. Increased 2. Same 3. Decreased
- 42 b) if increased how? _____
 If remain the same or /decreased/, why? _____
- 43a) Do you own land? Yes =1 No =0
 If yes,
 44b) Is it sufficient for your activities? Yes =1 No =0
- 45c) Total land (ha): 1= your own cultivated land per hectare _____ 2= Your own grazing land _____ 3= Uncultivated land _____ 4= Rented land _____

46d) If your own land was not cultivated, why? 1= Unable to work _____
2= Lack of working capital _____ 3= Excess land _____ 4= Unable to buy inputs
(oxen, fertilizers, herbicides, etc) _____ 5= Unable to purchase business assets
_____ 6= others (specify) _____.

47a) Have you shortage of farm oxen to plough your land for the last two years?

Yes=1 No =0

48b) If yes, what options do you have to plough your farmland?

1= Hired _____ 2=Dabo _____ 3=Relatives _____

4 =Share cropping _____ 5= others (specify) _____

49 a) What type of house do you have for the last two years?

1. Roof with iron sheet _____ 2. Roof with grass _____

2. others (specify) _____

50 b) Did you make improvement of your type of house (from grass roof to iron sheet roof)
for the last two years? Yes =1 No =0

51 c) If yes, How? 1. Access to credit 2. Improved diverse income
3. Remittances 4. Gift or aids 5. Because of project intervention

52 d) If no, Why?

1 _____

2 _____

3 _____

4 _____

53) What is the estimated market value of your house? Amount in Birr _____

54) What are the types, numbers and estimated value of your purchases assets for the last two
years?

Type No Total value in Birr

Chair _____

Table _____

Radio _____

Tape-recorder _____

Others _____

55a) Has your purchasing power to buy these items improved over the last two years?

55 b) If yes, how?

1. Increase in income from loan able activities

2. Increase in income from non-loan able activities

3. Gifts or aids

4. because of diverse income

5. Others _____

56c) If no, why?

1. Lack of credit 2. Lack of working capital 3. Crop failure

4. Others _____

57) What are the major sources of your income for the last twelve months?

1. Receiving loan (specify sources) _____
2. Selling livestock
3. Selling crops
4. Selling household furniture
5. Selling fire-wood
6. Selling straw
7. Others (specify) _____

58) What are the items and total estimated value of your sale for the last twelve months?

Items Total amount (in birr)

Crops _____

Livestock _____

Selling firewood, straw _____

Others _____

3. NUTRITION AND CONSUMPTION EXPENDITURE INFORMATION

59) Types of meals did you have for the last twelve months:

1. Breakfast only
2. Breakfast, and midday meal
3. Midday meal and evening meal
4. Breakfast, midday meal and evening meal
4. Breakfast, between midday meal, midday meal and evening meal
5. Breakfast, between midday meal, midday meal, between midday meal and evening meal
6. Others (specify) _____

60) Does the number and types of your meals for the last two years improved?

1. Improved
2. Stayed same
3. Decreased

61a) Is there an increase in consumption expenditure or household diet of your household for the last twelve months? Yes =1 No =0

62 b If yes, why?

1. _____
2. _____
3. _____

63c) If no, why?

1. _____
2. _____
3. _____

64) If your household diet is improved, what are the major causes of improvements?

1. Able to produce/ buy more cereals and staples such as teff, maize, etc. _____
2. Able to produce/ buy vegetables and fruits
3. Able to produce /buy dairy products such as milk, meats, etc.
4. Able to raise in off-farm and non-farm income (Diversification)
5. others (specify) _____

65) If your household diet has not been improved for the last twelve months, what are your

Major reasons?

1. _____
2. _____
3. _____
4. _____

4. ACCESS TO EDUCATION INFORMATION

66) If you have children and other school-age family dependents, how many of them are currently attending school? _____

67) What is your average educational expenditure per year? Amount in birr _____

68a) Does the number of your family attending school for the last two years is

1. increased
2. stayed same
3. decreased

69b) If increased, why?

1. Income improvement 2. Building 3. Raise in income as a results of diversification

4. Others (Specify) _____

70c) If decreased, why?

1. Low level of income
2. Too far school
3. No need of attending school

4. Others (specify) _____

71) If there are school-age children, not attending school, why?

1. Demanding for labor
2. Needed for help in non- business activities
3. Too far school
4. Insufficient money
5. Disabled
6. Lady Child
7. No need of school

8. Has attained enough (specify his/her grade) _____

5. ACCESS TO MEDICAL FACILITIES INFORMATION

72 a) Could you respond yourself financing to get medical facilities to your family for the last two years? Yes=1 No =0

73 b) If yes, who could the bearer of the expenditure?

1. Yourself
2. Relatives
3. Donors

4. Others _____

74 c) What is the average annual household medical expenditure for the last twelve months?

Amount in birr _____

75) In the last twelve months, was any ill or injured member of the household not taken for medical attention or treatment because the household lacked the money to pay for it?

Yes =1 No =0

76a) Do you think that your access to medical facilities or your responsiveness has been improved for the last two years? Yes =1 No =0

77b) If yes, what are the main reasons?

1. Access of money from the loan able activities
2. Better local treatment
3. Built of medical service in the locality
4. Borrowed from other sources
5. Sold the assets from the loan activities
6. Income diversity raised

7. Others (specify) _____

6. EMPLOYMENT, DIVERSIFICATION AND BUSINESS ACTIVITIES

78) What are the major types of activities you engaged for the last two years by rank and income generated from these business activities?

1. On farm /Agricultural activities: Animal husbandry _____ Crop production____
2. Off-farm: trading of agricultural product_____ Share cropping_____
3. Non farm: hiring your labor _____ Retail trading_____ Tailoring _____

Weaving _____ wood / metal work_____ carpentry work_____

Local drinking preparation_____ others_____

79) Do you think that your employment opportunities have been improved for the last two years? Yes =1 No =0

8. SAVING AND LOANS FROM ANY FINANCIAL INTITUTIONS.

80) Do you have a personal saving account since two years (alone or jointly with spouse)?

Yes =1 No =0

81) If yes, What type of savings?

1= Compulsory 2= Voluntary 3= Saving and credit association

4= Iqqub 5= Iddir 6= Others_____

82) Specify the average monthly saving amount in Birr:_____

1=Compulsory _____ 2=Voluntary _____

83) Did you have access to credit from other formal or informal financial institutions for the last two years?

Yes =1 No =0

84) If yes,

85) Source: 1= Banks 2= Relatives / friends 3= Individual money lender 4= Iddir

5= others (specify) _____

- 2)25-50%
- 3)51-75%
- 4)76-100%

11. To what extent do you think that the steering/project functions democratically?

- 1) To a great extent
- 2) To some extent
- 3) Hardly

12. Do you believe that farmers are actually participated in the project?_____

13.How do you see the profitability of Gidda Integrated Rural Development Programme?_____

14. What are the major problems for the success of the Gidda Integrated Rural Development project

15.What intervention measure do you recommend for further project outcome effectiveness?

16. How do you view CS-GIRDP's partnership with the government?

- 1. Poor
- 2. Good
- 3. Very good

17. How do you view the capacity of GIRDP to undertake community development activities?

- 1. Poor
- 2. It has a good capacity
- 3. I do not know much about this organization

18. What major roles has GIRDP played in development and poverty alleviation of the community?

Please give three reasons

- 1. _____
- 2. _____

19. How effective is GIRDP's community development projects in empowering local people?

- 1. Not effective
- 2. Effective

20.If not effective, why? Please give two reasons

- a)_____
- _____
- _____

- b)_____
- _____
- _____

21. If effective, please give two reasons why?

1. _____

2. _____

22. What do you think are the shortcomings of in their community development endeavor?

23. How sustainable was the GIRDP's community development work?

1. Not sustainable 2. Sustainable

24. If not why? _____

25. If yes please give your reason _____

26. Do the communities support and participate in the community development?

1. _____

2. _____

27. How should EECMY CS-DASSC should improve its community development?

1. _____

2. _____

3. _____

4. _____

5. _____

Annex 3

III Questionnaire for DAs.

Code _____

Date _____ -

Name _____ -

1. Gender 1. Male 2. Female

2. Education level 1. Elementary 2. Junior high school 3. Secondary high school
4. Vocational training 5. College or university

3. Occupation 1. Student 2. Farmer 3. Merchant 4. Civil servant 5. Other

4. Responsibility: 1. Extension agent 2. Supervisor 3. Senior expert 5. Other

How long have you been working in this Development Center? _____

1. Less than two years
2. 2-4 years
3. Above 4 years

3) What has been the attitudes of Peasant Association leaders about the project ?

- a) appreciative
- b) cooperative
- c) indifferent

4) What is the extent of involvement of people in planning , organizing and implementing development programs?

- 1) Highly satisfactory
- 2) Somewhat satisfactory
- 3) Not satisfactory

5) What according to you motivates the people to participate?

- 1) Money
- 2) Awareness
- 3) Education

All of the above

6) Why some of the farmers are participating and others not in the project?

7) Is it true that “participation is high in activities through people can gain some material goods?

- 1) True
- 2) False
- 3) No response

8) Did you participate in training from the project?

- 1) Yes

2) No

9) On what topics did you receive trainings?

1) On agricultural extension

2) Beekeeping and cooperative development

3) Natural resources management and conservation

4) All the above

5) Other (identify)

10) Was the training helpful for your work and the project?

1) Yes

2) No

11) Did the intervention of the project bring any change to the communities?

1) Yes

2) No

3) I do not know

12) Was the approach of the project was effective ?

1) Yes

2) No

13) What are good sides of the project?

14) What are bad sides of the project and improvement?

15. Do you think that the development work will be sustainable? 1. Yes 2. No

16. If yes, give three reasons

1. _____

2. _____

17. If no, give three reasons

1. _____

2. _____

3. _____

18. What are the means did that you utilize to empower the community in your development intervention?

19. Did the community participate in development activities?

1. Yes

2. No

20. How did they participate?

21. What lessons did you learn from community development work so far? Give three main lessons.

1. _____

2. _____

22. Based on the above question what needs to be changed?

1. _____

Thank you very much for participating in this research