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**Assets, Cycles, and Livelihoods:  
Addressing Food Insecurity in the Horn of Africa and Central  
America**

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**Collaborating Institutions:** Organization for Social Science Research in Eastern and Southern Africa, University of Wisconsin, Institute of Development Research, Addis Ababa University, Fundación para el Desarrollo Rural

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### **Abstract**

The Horn of Africa (HA) includes some of the world's poorest rural populations, most volatile political conflicts, and extreme cases of food instability. This proposed project will initiate new field research, build on existing studies and databases, and extend the comparative work in the Horn of Africa to include analyses in another region, Central America. The objective of the project is to improve understandings of the ways in which asset cycles and poverty affect and are affected by factor market processes. As an empirical backdrop, the project highlights the theme of 'shocks' (climatic and other) to better assess the dynamics of these cycles under stress and the harsh realities that confront some of the world's poorest populations. The ultimate goal of the study is to identify policies that improve household access to land, labor, and capital and factor market performance, thus allowing impoverished households to escape the debilitating cycles of poverty, asset depletion, and food insecurity. In the Horn of Africa these households are increasingly trapped in food aid dependency and unsustainable ('destructive') land use practices.

## 1. PROBLEM STATEMENT AND CURRENT KNOWLEDGE

External shocks—droughts in the Horn of Africa and hurricanes in Central America—have devastating effects on the lives and livelihoods of rural people. For some people, the passage of time permits recovery. Subsequent years of good rainfall and agricultural productivity can be sufficient to reverse trends of asset depletion and allow recovery from climatic and other disasters. For others, neither time nor markets offer the prospect of recovery. They become trapped in downward cycles of poverty, food insecurity, and asset depletion. For these people, shocks have devastating long-term as well as short-term effects on their livelihoods. Understanding the constraints that turn shocks into poverty traps is the primary goal of this project. Devising policies based on that understanding will move Phase II forward in its effort to relax the global constraints that underlie the dynamic reproduction of poverty in a world of imperfect and missing factor markets.

Nowhere is this scenario of poverty traps more prevalent than in the dry regions of the Horn of Africa. Empirical observations in South Wello, Ethiopia under drought resulted in a preliminary model of the process of asset accumulation and de-accumulation in response to environmental and market conditions (see Roth 1999). In good times, households accumulate assets, which are then depleted in bad times, but not all households are able to do so equally. There is considerable heterogeneity in responses depending on socioeconomic status, gender, and so on. Well-off households achieve higher asset holdings (livestock, cash, and equipment) due to their ability to fully respond to economic opportunity, to purchase de-valued assets from poorer households, and to keep their assets and products off a devalued market. Chronically poor households, in turn, find their accumulation constrained by an inefficient asset mix (e.g., abundant land but insufficient labor; or excess labor but inadequate human capital to engage in off-farm employment); declining values for their meager assets as markets for these goods also collapse; declining wages for their labor while costs of borrowing increase; and declining access to social networks and support institutions during periods of massive de-accumulation.

Under *massive asset de-accumulation* in rural Ethiopia, the debilitating effects of a disaster set in. As livestock herds are depleted, households within the community converge toward states of poverty. Households consume seed and begin to sell housing materials from their homes. The human condition greatly deteriorates and is marked by suicides, malnutrition, and disease. Borrowing is typically no longer possible except for a few at very high interest costs. Land rental rates fall and prices of wood and livestock collapse. For those households unable to migrate or find survival wages off the farm, the result can mean death or extreme forms of malnutrition.

Once economic opportunity emerges in the re-accumulation phase, it is again the ability of households to mobilize productive resources that will determine the rate at which they return to productive livelihoods and wealth accumulation. Are households thus constrained to a continued trap of vulnerability and poverty or, at best, a very gradual path of asset accumulation where gains in wealth are long and slow in coming? Or can policy interventions be instituted to broadly accelerate wealth accumulation and to improve access to productive resources?

This model—with its vision of the role played by factor markets, social relations (social capital), and asset price swings—will be used to help frame research into poverty traps and food insecurity cycles in both the Horn of Africa and Central America. While prior social science research has recognized that the local effects of these downfalls are not evenly distributed among households and that local responses are highly differentiated by wealth, gender, and

socioeconomic status, it has failed to assess how cycles of accumulation and de-accumulation are dampened or exacerbated by factor markets and policy interventions affecting land, labor and financial capital. Without an understanding of how factor markets relate to cycles of poverty and asset depletion, policy interventions tend to be largely restricted to targeted, short-term efforts (e.g., food aid relief and highly subsidized credit schemes) that neglect development and sustainability.

Applied research, including activities carried out under Phase I of the BASIS CRSP (see Palomo, Gonzalez-Vega, and de Morera 2000; Carter and May 1999), increasingly demonstrates the key role that assets play in mitigating the adverse effects of climatic shocks and economic restructuring. The economics literature often looks at the insurance role of assets, with particular attention to how they operate to smooth consumption in the absence of functioning markets (see Udry 1994; Fafchamps 1992; Platteau 1991). Anthropologists and sociologists have tended to use a broader definition of assets that emphasizes the critical role that social relations and networks ('social capital') play in periods of economic instability (see Berry 1989, 1993; Little 1992a; Haugerud 1993). The two approaches are not incompatible since social networks serve an important role in resource allocation and risk management, and in that sense can be treated as an economic asset. Anthropologists have shown how gender-based associations (Clark 1994; Goheen 1996), kinship groups (Stone, Stone, and Netting 1995), and age-based organizations (Little 1992b; Little et al., forthcoming) are assets that allow farmers to weather periods of climatic and economic turbulence. In areas where markets are poorly developed, these social organizations often play critical roles in allocating factors of production and providing safety nets for communities and households.

Three different but related concepts are critical to the model described above. These include:

*Time:* A notion of 'time' is integral to a comparative research program on assets, shocks, and livelihoods. As Michael Carter indicated at a recent BASIS meeting in Ethiopia, time can be both a friend—by allowing for asset recovery—and foe of the poor—by only prolonging poverty and a downward spiral into increased impoverishment (Carter, personal communication). For understanding the kinds of shock or poverty/recovery cycles that we are interested in, the project will capture households and communities at different points in time: (1) before the shock; (2) right after the shock has hit and conditions are deteriorating; and (3) longer after the shock has hit and the recovery phase has taken place (which can be as long as 3-5 years). To understand this full bust/recovery cycle may require more time than is available in a three-year program but it is important to capture as much of a time dimension in the research as possible. Spreading observations across as many time intervals as feasible is important. Oral histories and case studies of 'bust' events are qualitative methods that will be used. Building on longitudinal data sets, as in South Wollo, Samburu (Kenya), and Honduras, is another way of capturing the time dimension. Availability of time series data was an important criterion for selecting research sites for the project.

*Cycle:* The concept of cycle figures strongly in risk management and recovery strategies in shock-prone environments. Cycles have two meanings here. The first is the normal climatic cycle of boom (good rainfall) and bust (drought or floods) that high-risk, volatile areas experience. The second is the classic anthropological notion of the family or household developmental cycle that states households and individuals go through different demographic stages. They move from phases of marriage and establishment, birth of children (family growth),

elderly decline, and eventually replacement (i.e., where children and heirs take over). What particular stage that an individual or household is affects decisions about assets, income strategies, and investments. In highly volatile environments, these households also confront cyclical patterns associated with climatic and other economic ‘shocks’ that very much influence the outcomes of these decisions; the ability of households to cope with different shocks at different stages of their lives; and the capacity for them to recover.

The intersection of household and climatic (‘shock’) cycles can be distorted in numerous ways. For example, the developmental cycle of households are influenced by droughts and other events like policy interventions, that can distort normal developments; shorten certain stages of households, and make households increasingly vulnerable to impoverishment. The breakup of families through out-migration, often resulting in unusually high percentages of female-headed households, is such an example. At each stage of the developmental cycle a household or individual can expect to have access to certain social and economic resources to help cope and recover from shocks. Where external events have especially disturbed normal household cycles, families often find themselves in increasingly unviable situations, with few economic and social resources to draw upon and extremely vulnerable even to moderate shocks.

*Social Networks and Relations (‘Social Capital’)*: In areas where markets are poorly developed, communities frequently draw on social and institutional means to deal with climatic and other risks. They utilize them to cope with and, in some cases, recover from shocks. In the absence of functioning markets, customary institutions, practices, and forms of cooperation often allow the poor to survive and recover from unfavorable events. The extent to which these social assets effectively substitute for markets is not well understood, nor are the limits to which poor people can participate in reciprocal and cooperative activities in the context of increasing impoverishment. Is there a level of impoverishment below which households pursue autonomous/competitive survival strategies rather than cooperate? The ways that different social assets vary cross-culturally, as well as are influenced by different policies also are not well understood.

Understanding the complex social and economic processes that determine who can and cannot weather shocks requires a research design that captures the cycles of shocks and accumulation over time. The work detailed below provides such a research opportunity. With an ultimate goal of innovating policy measures that can relax the constraints that underlie shock-induced poverty traps, the research proposed here will comparatively explore shocks and their management in both the Horn of Africa and Central America.

### **3. PROJECT DESIGN AND METHODOLOGY**

By emphasizing both quantitative and qualitative methods, this project will build on studies of asset cycles, shocks, and poverty in three innovative ways. First, previous research has tended to focus on micro-level behavior related to grain and livestock adjustments in coping with risk (Fafchamps, Udry, and Czukas 1998; Dercon 1998; and Dercon and Krishnan 1996) and overlooks factor markets. When the latter are considered, the emphasis has been on use and consequences of access, and not the institutions that mediate access to resources. By privileging the household in their analysis, most research misses the important extra-household and community mechanisms that allow farmers and herders to cope with uncertain physical and socioeconomic environments. How can resource access and asset use be better managed to bring

about higher levels of food security and income growth in impoverished rural regions, particularly for the poor and socially disadvantaged?

Second, there has also been a tendency for studies to emphasize on-farm opportunities, ignoring the important effects of non-farm activities and employment in coping with climatic shocks. How in highly risky environments are non-farm labor and income strategies used to help dampen asset swings, stabilize incomes, and enable agricultural investment in rural areas?

Finally, with a few notable exceptions (Udry 1994), most studies try to capture asset changes under intra-seasonal variation, ignoring inter-annual or multi-year swings that are most debilitating for the poor and impoverished. What policy initiatives and program interventions can break these cycles of asset depletion, low incomes, and food insecurity to enable households and individuals to achieve pathways of higher and more stable incomes and wealth accumulation? Most studies do not capture enough of a time dimension to answer these kinds of questions, nor observe communities through both shock and recovery phases.

The objective of the research is to understand the ways that asset cycles and poverty affect and are affected by factor markets and related policy interventions. The proposed research highlights the theme of “shocks” to better assess the dynamics of these cycles under stress and to focus on the harsh (“normal”) realities that confront some of the world’s poorest populations. The goal is to identify policy instruments that will improve household access to land, labor, and capital and the functioning of factor markets, thus allowing impoverished households to escape the debilitating cycles of poverty, asset depletion, and food insecurity.

The proposed research will comprise three key components: (1) continuation of a rural household study, as well as additional research on the social dimensions of shock cycles in north-central Ethiopia (South Wollo and Oromiya Zones of the Amhara Region); (2) analysis of existing data sets in at least one other high-risk area of the Horn of Africa; and (3) analysis of existing panel data on rural households in Honduras that cut across the period of Hurricane Mitch’s devastation and reveal information on coping strategies and cycles of asset de-accumulation and accumulation.

The multiple research sites provide opportunities for comparative analysis of different policy frameworks on poverty and food security in two important world regions of strategic importance to USAID and poverty-oriented research. By using comparative sites, the project will observe:

- how asset use strategies and livelihoods vary under different market regimes,
- the role non-farm income plays in resistance to and recovery from climate and economic shocks,
- how social capital and networks are mobilized to substitute for markets and how they can play significant short and medium-term roles in coping and recovery strategies,
- gender and class differences across varied cultural and risk environments, and,
- the interaction between factor market policies and poverty reduction and food security.

Selection of research sites was informed by differences in factor market depth or development (see Table 1). The research sites in Ethiopia have the weakest (“thinnest”) factor markets with undeveloped labor and credit markets and a highly constrained land market (i.e., land sales are not allowed by the state). While Honduras is one of the poorest countries in the Western Hemisphere, compared to Ethiopia Honduran households have relatively good access to factor markets and are able to pursue relatively complex mixes of farm and non-farm activities.

The secondary site(s) in the Horn of Africa will be representative of a case—for example, Kenya-- where market development lies somewhere between these two extremes.

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**Table 1. Research Sites<sup>a</sup>**

	Factor Market Depth <sup>b</sup>	Food Security Index <sup>c</sup>
So. Wello/Oromiya, Ethiopia	Poor	Poor-to-fair
Secondary Horn Sites	Poor-to-Fair	Fair
Central American Site	Fair-to-Good	Fair-to-Good

Notes:

<sup>a</sup> All sites have been vulnerable to natural disasters (droughts and floods) and widespread poverty during the past two decades. The secondary Horn sites will include Samburu and Baringo of northern Kenya and another site from the OSSREA comparative research program to be confirmed during the first year.

<sup>b</sup> This is a crude relative indicator since all the research sites have relatively poor factor market integration.

<sup>c</sup> This also is a relative indicator, with Ethiopia being the only site where chronic famine and food aid is prevalent.

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The research sites also can be distinguished along a food security index, which closely relates to income levels and market depth or ‘thickness.’ Ethiopia is among the poorest nations in the world and among the world’s largest per capita recipients of food aid; and the South Wello area is among the poorest and most food insecure regions in Ethiopia. Honduras, on the other hand, is desperately poor but does not experience the widespread food insecurity that South Wello confront. Household food security is clearly an economic entitlement issue, as the work of Sen and others have shown, but food insecurity also is a reason why poor households have to deplete meager asset holdings during crises. The comparative research permits assessments in areas where poverty and market failure can mean famines and where the outcomes are not as desperate.

**Ethiopia.** This will be the primary research site for the project. In June 2000, the BASIS research team began implementing a household survey to 448 households across four different research sites in Amhara province (South Wello and Oromiya) Ethiopia to study the cyclical relationship between assets, livelihoods and food security. The four study sites represent different agroecological zones, levels of drought (shock) vulnerability, and proximity to markets. Two instruments are administered to each household during the course of a year: (1) Household Demography and Inventory Questionnaire, and (2) Repeat Production, Income and Expenditures Questionnaire. The first round of data collection captured households in the throes of a devastating drought.

The first round of data collection used a survey instrument to establish a baseline for all households in the sample and to assess extra-household institutions and networks. The second

survey instrument is used to capture changes in assets, production, and non-farm income and expenditures since the previous survey round. This sampling frame offers a number of unique contributions relative to previous studies. First, data recall on roughly a quarterly basis is anticipated to improve data recall and reliability. Second, while baseline data are collected jointly for the household head and spouse, data on resource access, income and expenditures, often considered highly sensitive by respondents, are collected in privacy from the agent responsible for the economic activity. Finally, the data allow summing up of asset changes and economic activity for discrete periods of the year enabling inter-seasonal analysis of asset cycles and food security at a gender disaggregated level within the household. The 1999 community assessments complement this by providing qualitative data on village institutions, social structure, and extra-household networks.

Data collected from the survey will establish key relationships between climate shocks, resource constraints, incomes, and asset accumulation. Geographic Information System (GIS) tools will map key socioeconomic indicators on spatial data gathered under the Phase I activity in Ethiopia, where household, community, and market center locations have been geo-referenced. Geo-referenced data will be gathered for each household and community in the study. The use of GIS in this study will allow us to explore the importance of locational factors in understanding household responses to ‘shocks, market opportunities, and favorable environmental conditions, and to spatially represent areas of vulnerability and risk (see Shin 1999).

During the first year of the project, qualitative community assessments will be done on the three communities (1 in Legambo *wereda*; and 2 in Jemma *wereda*) that were not covered during the earlier study. These will document key economic and social resources in the communities’; community responses to recent droughts; local perceptions of risk and means of managing them; and so on (see Castro et al 1999). Also during Year 1 30 key informants will be selected from among our household sample to explore individual histories of drought and recovery; unrecorded food and other transfers not captured in the survey; gendered responses to asset de-accumulation and recovery; and ways in which social networks and relationships are used to help individuals and households to cope and recover from shocks.

Continuing both the rural household survey and community assessments work in South Wello and Oromiya will enable us to document changes in food security and poverty, and asset changes since the 1999/2000 famine. The research would also build on the first household survey and rich ethnographic accounts (see the community assessments, Castro et al. 1999; Amare et al. 2000) conducted at the time of a famine. It is critical that observations also be collected during Year 3 and hopefully in subsequent years to identify the recovery phase and those households and individuals that become trapped in poverty and food insecurity. It is anticipated that a full drought/recovery cycle needs to be observed over at least 4-5 years.

**Additional Horn of Africa Sites.** BASIS resources are not sufficient to carry out simultaneous in-depth research in an additional Horn research. It is important, however, that the project incorporate at least one other research site in the Horn, where factor market conditions are more robust than in Ethiopia. One of these will include Samburu/Baringo Districts, northern Kenya, pastoral livestock areas where non-farm activities are significant and considerable comparable data are available. The project PI (Little) currently is a Co-PI on a Global Livestock CRSP study of pastoral risk management, called PARIMA (Pastoral Risk Management in East Africa), that has collected comparable data sets in northern Kenya. Little has conducted research in this

region since 1980 and can build on this work at minimal cost and time. Household and individual survey data will be collected in this area by PARIMA until May 2002, while an update by BASIS will be done at the end of 2003 with some qualitative research in the interim years. Similar to the South Wello study, the northern Kenya data covers an extreme drought ('shock') and affords an opportunity to observe both drought coping and recovery strategies under market conditions that are fundamentally different than Ethiopia. Land, labor and credit markets are 'thicker' and less constrained in rural Kenya than in rural Ethiopia, while customary institutions for managing risk and recoveries have similarities in the two areas. The addition of this site also will allow a comparison between pastoral (Kenya) and settled agricultural sites (Ethiopia) in the Horn of Africa. It is proposed that existing survey data from northern Kenya be utilized and that additional fieldwork in years 1 and 3 be limited to qualitative assessments of individual case histories and social capital, and a limited follow-up survey of asset recovery, livelihoods and market relations in Year 3 (which would be three years after the end of a devastating drought).

Because OSSREA has an on-going comparative research program on pastoral livelihoods in the Horn of Africa, it is proposed that one of its sites, with time-series data on drought and recovery strategies, be utilized. Comparable data are available from the Sudan, the largest country in the African Horn, but at this point it is still unclear if a Sudan component can be incorporated because of US policy. We are currently exploring under what conditions—if at all—a Sudan component can be included, but it is clear from initial discussions that no BASIS funds can be expended on fieldwork and personnel in The Sudan. Instead, we are proposing that OSSREA carry out analyses of data that either has already been collected in The Sudan or has been gathered under another OSSREA project and that no BASIS funds be expended on fieldwork in The Sudan. The study of drought/recovery cycles in the Blue Nile region of eastern Sudan is especially important to the project, because data dating to the 1970s are available for the area; the region has a robust labor market and complex land tenure system; and drought is a recurrent event. If a Sudan component is not feasible—and a decision will be made in 2001 after hearing from USAID—additional resources will be allocated to the other African research sites (Ethiopia and Kenya) and/or a new location that will involve OSSREA.

If it is feasible, the plan for the Sudan work includes:

- Identification and analysis of existing secondary data. After the long period of isolation with US partners, researchers will seek to synthesize work on food security in Sudan and identify possible data sources for future analysis.
- Data Analysis. Data sets identified in year 1 will be analyzed for purposes of gaining better understanding of the current knowledge on assets, livelihoods and food security in eastern Sudan.
- In years two and three, analysis of field data collected under another OSSREA program will be conducted that addresses cycles and dynamics of asset accumulation, factor market adjustments, livelihoods and food security and qualitative research on drought and recovery experiences by individuals and households. As noted above, at this point BASIS is not able to cover the costs of any expenditures in The Sudan.

**Honduras.** During Phase I, BASIS along with the World Bank and the Honduras Food Security Program of the European Community funded a multi-country project titled "Land Market Liberalization and the Land Access of the Rural Poor in Central America" (see Olinto et al.

1998). During the planning phase of this project, Hurricane Mitch struck Honduras with terrible devastation. Similar to the Horn of Africa, low-levels of education and remunerative wage employment, thin credit markets, high market transactions costs, and environmental degradation are critical constraints in rural Honduras. It remains a critical and yet unanswered question to know the degree to which rural Honduran households have been able to recover from this tragedy versus how many have become stuck in a poverty-vulnerability trap.

While the original focus of the Land Market Liberalization Project concerned the impact of agricultural liberalization on rural livelihoods, the survey that was finally fielded to 1000 Honduran households in early 2001 incorporates a number of features that will make for a very informative comparison with the Horn of Africa research. First, the survey incorporates numerous questions designed to gauge the impact of Hurricane Mitch on the households. Second, it also includes questions about the specific market and non-market-based coping strategies that households have employed. Third, it is very careful to solicit the information needed to judge the adequacy of households' access to formal financial markets. Fourth, it undertakes an exhaustive survey of households' social networks and 'social capital.' Fifth, 60% of the households in the survey were interviewed in the mid-1990s, making it possible to trace the full cycle of asset accumulation and de-accumulation of these households. Sixth and finally, all surveyed households will respond to a retrospective accumulation questionnaire module that is designed to give the same sort of inter-temporal asset cycle information that has been painstakingly collected in Ethiopia.

Basic analysis of the Honduras data is foreseen under the Land Market Liberalization Project. Incorporation of this project will permit two novel pieces of analysis to be undertaken. The first is a thorough statistical analysis of shocks, asset cycles and livelihoods. The second is a stage of qualitative field work designed to begin with the statistical insights, but then delve more deeply into them in the way that only qualitative fieldwork can. This phase will incorporate experiences from the Horn research and it is proposed that at least one of the Horn researchers (with Spanish fluency) visit Honduras and work with researchers there on carrying out qualitative community assessments. Fieldwork protocols from the South Wello project will be used to design this second phase of the Honduras work.

Most importantly, including Honduras will add an important comparative element to this project. The Horn, with its weak rural labor and credit markets, normally has responded to shocks with massive injections of food aid. This project will benefit from understanding how a relatively wealthier region (Central America), with stronger factor markets, higher per capita incomes, and different social and political dimensions, responds to shocks. What are the differences between the two regions in the kinds of policy and program initiatives to facilitate asset re-accumulation; what differences are there in the roles that factor markets play in 'buttressing' against the worst effects of these 'shocks;' and what differences between the regions in social capital that might explain local coping and recovery responses to these shocks? These are the kinds of questions that might inform a comparative research program and contribute to theories about the causes of poverty and poverty traps, as well as develop policies to help alleviate these problems.

Like any comparative research program, comparability in data sets and methods will be critical. During the current planning year we will establish criteria for collaboration to insure that a minimum core of data and methods are comparable across the different sites. A meeting will be held in Ethiopia with researchers from the Horn and Central America during Year 1 of the project to discuss compatibility of research methods and different databases. It is expected

that the minimum data will cover asset and income use, access to social networks and social capital, and uses of factor inputs, and will be collected so that responses can be differentiated by gender and other key variables. The meeting in Ethiopia and subsequent discussions during the year will determine the scope and mechanics of collaboration.

### **3. SCHEDULE OF ACTIVITIES**

The timing of specific activities and outputs are included in Table 2. For Ethiopia, Phase II activities will focus on building a longitudinal element into the South Wello research via support for data analysis, a second round of the rural household survey, and qualitative research:

- Analysis of the data generated by the 1<sup>st</sup> Rural Household Survey, administered June 2000 to May 2002
- Fieldwork for the qualitative research on key informants, gender relations, and 2<sup>nd</sup> round of community assessments (1<sup>st</sup> round conducted in 1999) is planned for 2002 to capture macro changes in food security since the last interview, and to help inform updates of the survey instruments (I and II). The community assessments are designed to gather both qualitative and quantitative data from separate focus groups of women, men, and key informants (key private and public sector figures—both men and women). The key informant interviews will look at actual individual strategies for dealing with shock cycles and drought recovery, while the gender relations research will highlight those social and economic resources that women control for combating poverty and food insecurity.
- Administration of the 2<sup>nd</sup> Rural Household And Principal Agent Study to research cycles and dynamics of asset accumulation, factor market adjustments, livelihoods and food security, June 2002 to May 2003.
- Analysis in a longitudinal framework data from the 1<sup>st</sup> and 2<sup>nd</sup> rural household studies to examine cyclical changes in asset holdings and the dynamics of food security and poverty.

Data collected from the survey will be analyzed statistically to examine key relationships between climate shocks, resource constraints, incomes, and asset accumulation. GIS tools will also be used to spatially map key socio-economic indicators on spatial data gathered under the BASIS PHASE I activity in Ethiopia, where household, community, and market center locations have been geo-referenced. The use of GIS in this study will allow us to explore the importance of locational factors in understanding household responses to ‘shocks, market opportunities, and favorable environmental conditions, and to spatially represent areas of vulnerability and risk (see Shin 1999).

Table 2. Schedule					
	Year 1	Year 2	Year 3	Year 4 and 5	
	Oct 2001 to Sept 2002	Oct 2002 to Sept 2003	Oct 2003 to Sept 2004	Oct 2004 to Sept 2006	
<b>Cross Regional Activities and Synthesis:</b>					
Interregional workshops	Horn and Central America		Horn of Africa Workshop	Research Seminar	Interregional Conference
Central America/Horn meetings; research visits; qualitative research in Honduras	■		■		■
Publications (incl. book) and final research seminars			■		■
<b>Ethiopia:</b>					
Completion of Data collection and entry of 1 <sup>st</sup> South Wello rural household survey	■				
Analysis of 1 <sup>st</sup> South Wello rural household survey		■			
Qualitative research—community, key informants		■	■		
2 <sup>nd</sup> (follow-up) South Wello rural household survey			■		
Data entry of 2 <sup>nd</sup> rural household survey			■		
Analysis of 1 <sup>st</sup> and 2 <sup>nd</sup> South Wello surveys and publications			■	■	■
Policy seminar		■		■	■
<b>Comparative Horn of Africa Sites (Kenya and 2<sup>nd</sup> site):</b>					
Identify secondary data sources		■			
Analysis of secondary data and synthesis		■			
Qualitative research (Kenya and 2 <sup>nd</sup> site)		■	■		
Rural household survey (2 <sup>nd</sup> site and Kenya follow-up)			■	■	
Data entry				■	
Analysis of survey data and publications					■

Continuing both the rural household survey and community assessments work in South Wello will enable the project to document changes in food security and poverty, and asset changes since the 1999/2000 famine. Continuing this research would take advantage of investments in research infrastructure (trained field enumerators and survey supervisors, established collaboration with the IDR and OSSREA, and GIS data collected in Phase 1). The research also builds on the first household survey and rich ethnographic accounts (see the community assessments, Castro et al. 1999; Amare et al. 2000) conducted at the time of a famine.

Qualitative research will be conducted in northern Kenya during 2001-2002, focusing on key informant interviews/case histories (20) and community assessments (up to six) in each of the two areas (Samburu and Baringo). A follow-up survey of assets, incomes, social networks, and livelihoods will be conducted during 2003. The Honduras work, in turn, will cover Years 1 and 2 and will entail collaborative qualitative research between Ethiopian and Honduran researchers; a meeting in Addis Ababa between Honduran and African researchers; and data analysis of household survey and qualitative data.

The comparative research program will emphasize dissemination of results through (1) publications, reports, and online materials targeted at academics and policymakers; and (2) seminars and workshops. Research findings will be published in interdisciplinary journals (e.g. *Development and Change*, *World Development* and *Journal of Development Studies*), disciplinary journals (e.g., *Human Organization* and *Journal of Development Economics*), regional (e.g., OSSREA's *Eastern Africa Social Science Research Review*), national journals (IDR's *Ethiopia Journal of Development Research*), and in policy briefs available through the BASIS website and in hard copy. All research participants funded under the project will be required to author or co-author at least one research or policy paper per year. A final conference/workshop on "Assets, Cycles, and Livelihoods in The Horn of Africa and Central America" will be held after the completion of the field research, probably during Year 5. At this conference outside scholars and policy experts will be invited, as well as BASIS researchers. The conference will provide an arena for leading scholars and policy makers to critically review the program's research findings. The papers from the conference will be edited and published for distribution in Africa, the USA. And elsewhere.

#### **4. RESEARCH COLLABORATION AND POLICY IMPACT**

The project will build local capacity in the Horn region through M.A. and Ph.D. training activities for African graduate students, by supporting local publication series, and by supporting participation in international meetings and writing projects by national and regional collaborators. One-year grants for field research and thesis write up will be provided to two African graduate students from Addis Ababa University, while three years of graduate student assistantships will be provided at BASIS institutions (including the Institute for Development Anthropology and the University of Wisconsin). On-site training sessions in research design and methods will be provided to graduate students as a part of the research program in the different regions. In total five years of graduate student support will be provided through assistantships and field grants, with the bulk of them going to African graduate students attending US graduate programs. If funds become available, the project would like to support the full training costs of a PhD

student from the Horn region, estimated to cost 4 years @\$25,000 per year (\$100,000 total).

International development agencies recognize the unique problems of poverty, food insecurity, and low levels of assets in the Horn of Africa. Our approach of addressing the linkages among asset cycles, factor markets, food insecurity, and poverty is consistent with the USAID Greater Horn of Africa Initiative (GHAI) program to strengthen African capacity to enhance regional food security and with both the USAID/Ethiopia and REDSO/Nairobi Mission's new emphases on drought affected, dry land areas. The project also complements USAID program objectives for Ethiopia, which includes enhanced household food security and an emphasis on the Amhara Region. The USAID/Ethiopia Mission has targeted the Amhara Region, where South Wollo and Oromiya zones are located, as one of its geographic areas of concentration. The project will facilitate policy dialogue between USAID and Amhara regional officials through seminars and workshops and by making available short research briefs from the on-going research.

In the past year the United Nations designated the Horn of Africa as a global priority area because of its on-going conflicts and long-term food security problems. UN Secretary General, Kofi Anan, recently formed a UN task force, headed by the Executive Director (Catherine Bertini) of the World Food Programme (WFP), to develop an accelerated program to alleviate poverty, food security, and social conflict in the region. In September 2000 the Task Force visited north-central Ethiopia to assess the food situation in drought stricken zones, like South Wollo, and to report back to the UN on development and emergency needs (United Nations 2000). Similar visits were made to famine stricken areas of northern Kenya. The research elaborated here will be of direct relevance to this new initiative and the project plans to communicate its findings to this UN group, whose directive probably will be assumed by the Food and Agriculture Organization and United Nations Development Programme. In addition, the project complements ongoing work of other international agencies (such as the World Bank and IGAD) focused on poverty alleviation in the Horn of Africa and elsewhere.

Collaboration with other research groups and practitioners will build capacity to work on problems of economic shocks and poverty. Collaborative arrangements are in place with IFPRI, which under its East African Highlands Program, is working in the Amhara Region. Researchers from the BASIS project participated in the joint IFPRI/ILRI (International Livestock Research Centre) workshop held at Addis Ababa in January 2001. The project PI (Little) also visited the Centre for the Study of African Economies (CSAE), Oxford University in 2001, and has established a collaborative relationship with CSAE to share research findings and publications. CSAE is engaged in longitudinal studies of poverty, assets, and food security in Ethiopia (see Fafchamps and Quisumbing 2000).

The project also has sought collaborative arrangements with Save the Children-UK, the major NGO working on food security in the Horn generally and Ethiopia specifically, and with World Vision International, a US NGO working in South Wollo and Oromiya Zones. Collaboration with these groups will contribute to the capacity of our local partners to carry out policy-oriented analyses of poverty and factor markets in the region, and help establish a network of local and international researchers and institutions focused on poverty, factor markets, and food insecurity.

In terms of national and region policy, the Amhara Regional Government's recent "five year plan" has among its top priorities increased regional food security, improved access to credit by rural populations, and growth in rural employment. The proposed research will complement these objectives and be in a position to assist regional and zonal policymakers in understanding the constraints to improved food security and income growth. In Ethiopia the project will continue to work with the Zonal and Regional Departments of Economic Planning and Development, and the Food Security Programme of the Department of Agriculture. The Institute of Development Research (IDR)/BASIS team will host a seminar in Bar Dar, Amhara Region at the end of Year 1 where policymakers, donor and NGO personnel, and researchers will meet to discuss preliminary research findings and policy options. Ethiopia and other African policymakers will also be invited to a regional workshop to be held at the Organization for Social Science Research in Eastern and Southern Africa (OSSREA), Addis Ababa, Ethiopia in Year 3. Through policy briefs, seminars, and IDR's existing networks and dissemination activities in the region, the research project will have an opportunity to inform policies related to factor markets and food security in the Amhara Region.

At a regional level policymakers in the Horn will be informed of the project's research findings through collaboration in the field, seminars, OSSREA and IDR networking activities, and policy briefs. Regional collaborators will engage policymakers in the research program, organizing and hosting meetings between Horn and Central America researchers to determine the scope of collaboration, organizing and hosting a final inter-regional workshop involving researchers from Ethiopia and elsewhere in the Horn of Africa, and supporting through a website dissemination of information and publications on the research program. IGAD's current food security program has direct relevance to this project and also will be a key audience for the research program. Other international groups that have regional development programs of relevance to this project are the OAU (Organization of African Unity) and the ECA (Economic Commission for Africa); the latter has participated in previous BASIS workshops in the region. Both organizations have programs focused on poverty alleviation and are concerned with the social and economic causes of poverty in the area.

In Honduras, the series of national workshops that are planned to disseminate the findings on market liberalization will be used to insert the project's findings on asset cycles and livelihoods. The Honduran collaborating institution, Fundación para el Desarrollo Rural, has long prioritized a role for itself as a moderating voice in the sometimes fractious debate over rural policy in Honduras. Finally, the broader Land Market Project's linkage with the European Community's Food Security Program offers another avenue of entry into local policy debate.

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