Youth Livelihood Challenges in Ethiopia

Sosina Bezu

Chr.Michelsen Institute, Bergen (Norway)

Desalegn Hotel, Addis Ababa

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Background

- Ethiopia's population is predominantly young (73% <30 years old)
- Majority of Ethiopians (84%) live in rural areas
- Access to agricultural land key to livelihood
  - By law, rural residents of Ethiopia have a right to obtain agricultural land for free
  - But there is already significant land scarcity in the highlands, especially in Southern Ethiopia
    - Small farm size (Average holding in Ethiopia-1.2ha (57% <1ha), SNNP – 0.7 ha)
    - High population density + High population growth
      - Land scarcity will grow worse

Questions covered in this presentation)

1. Do rural youth have sufficient access to agricultural land?
2. Are there gender differences in land access?
3. What are the youth livelihood strategies in rural areas?
4. What is the state of rural-urban youth migration?

(Source: our research on land tenure and youth livelihood)

Data Source

- Data source
  - Household panel survey data (2007, 2012), - 600+ farm households
  - Migration history/roster survey 2013- 600 households
  - Youth survey in 2013 . 600 youth and their parents

  (surveys in Arsin Negele, Shashemene, Wondo (Oromia), Wondogenet (Sidama) and Datmote Sore (Wollaita)
  - Tracer survey (for youth migrants from sample households)
    - Traced in 31 towns
  - Focus group discussion with youth and those working with youth
  - Survey of youth migrants engaged in informal sector in Addis Ababa and Hawassa

1) Do rural youth have sufficient access to agricultural land?

2) Are there gender differences in land access?

Data source

- Household panel survey
- Youth- parent survey
- Focus group discussion
- Land use legislation

1) Do rural youth have sufficient access to agricultural land?

Reality on the ground

- Our data shows that only 15% of landholders are young (<30 years old)- vs. 73% of population younger than 30

Share of young landholders (< 30 years old)	
Region/zone	**Proportion**
Oromia	0.25
Sidama	0.07
Wollaita	0.05
All	0.15

- Three land access options
  1. Allocation from authorities
  2. Inheritence/gift –typically from parents
  3. Land market

I. Land allocation from authorities

- *How from authorities*
  - *Allocate unoccupied farm land*
  - *Redistribute farmlands whose holders are deceased with no heirs or left locality on own wish(Section 9,No.1)*
  - *Redistribute existing farm land upon wish and resolution of residents (Section 9, No. 3)*
- In practice, individual land allocation from authorities is negligible-
  - In the highlands, there little suitable uncultivated land to distribute to landless youth
  - Historically, redistribution was used but it does not happen anymore
  - ➢Only 1% of youth in our sample obtained land through this source

II. Inheritence/gift

- Inheritance still possible but increasingly difficult

Crude indicator of land available for transfer to youth						
	SNNP		Oromia		Total	
	Mean	N	Mean	N	Mean	N
Farm size/household size	0.09	322	0.2	287	0.14	609
Farm size/Own children living at home	0.14	298	0.3	278	0.22	576
Landholding/Male children currently living with the household	0.25	280	0.53	266	0.39	546

- Feasible land size lower than minimum allowed by law

  "Where rural land is transferred by succession, it shall be made in such a way that the size of the land to be transferred is not less than the minimum size holding" **(Proclamation No. 456/2005)**

  - 0.5 hectares for rain-fed agriculture
  - 0.25 for irrigated land

III. Access through land market

- Land selling and purchase is illegal
- Land rental arrangement allowed but there are restriction
  - Farmers cannot rent-out more than 50% of their land
  - Rental contract among farmers (using traditional technology) is for short period: 3 years in Oromia and 5 years in SNNP)
- We found that land market is not solving access problem
  - 52% household in Oromia and SNNP did not participate in land rental market
  - There is rationing of land, eg. 36% of tenants in SNNP wanted to rent **more** land while only 5% of landlords wanted to rent-out more than they did.
  - 24% of farmers not in land market wanted to rent-in land but only 4% wanted to rent-out

# *2) Are there gender difference in land access?*

- No, by law
- Yes, in practice
  - 73% of all parents have no intention to bequeath land to daughters
  - In Wollaita (densely populated), 94% will not bequeath land to daughters
  - 74% of male youth expect to inherit land while only 41% of female youth do
- Very uncommon for young women to rent-in land for farming

3. What are the youth livelihood strategies in rural areas?

Data source

- Household panel survey
- Youth and parent survey
- Focus group discussion
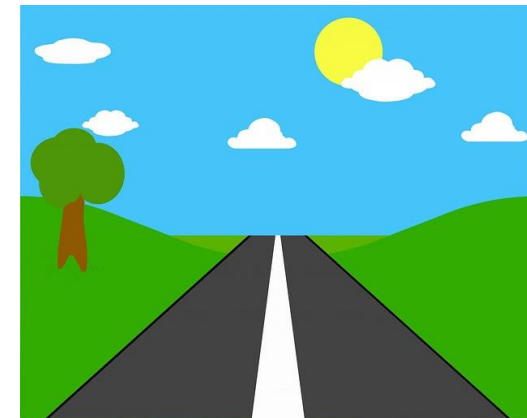
Youth livelihood choices

- Livelihood strategy of rural youth
    - Agriculture is NOT the dominant livelighood strategy
    - Only 9% of youth intend to pursue farming as a livelihood
- FGD reveal that majority of the youth have largely given up on agriculture as a viable source of livelihood
- Our econometric [analysis](#) shows that lack of access to land is important driver for choosing livelihood outside of agriculture

Limited non-farm opportunities

- There is very few non-farm wage employment opportunity in these rural areas

- Some youth engage in self-employment activities such as transportation, chat trade, petty trade …

- Increasingly common to see unemployed college and high school graduates in the village

  - Often do not participate in family farming because they are waiting for skilled job
  - At the same time far from the relevant job market

Implication: youth rural-urban migration?

4. What is the state of rural-urban youth migration (in South Ethiopia)?

Data source

- Household panel data

- migration data 2013

- Survey of traced youth who migrated from villages to urban areas in 2007-2013
  - 75 youth traced in 31 urban centers)

- Survey of 445 street vendors from Addis Ababa and Hawassa

  - Shoeshiners and coffee vendors

Magnitude of rural-urban youth migration in Southern Ethiopia

- *15% of all youth migrated between 2007 and 2013. 31% in Wollaita*
- 62% of all youth migrants moved to urban areas .
  - More male migrants (82%) move to urban areas compared to female (44%)
- 21% of households have at least one youth member who migrated to urban areas.
- Of the urban migrants, 70% of male youth and 37% of female youth migrated for employment.

Drivers of rural-urban migration in Southern Ethiopia

- [Predictors](#) of youth migration (to urban areas) :
  - Youth with lower potential for land access and from areas with poor agricultural potential are more likely to migrate
    - Farm size of family negatively correlated with migration
    - Youth from Wollaita and Arsi Negelle more likely to migrate (compared to Shashemene)
  - Education increases the likelihood of youth migration - better potential for urban jobs

Migration experience
traced youth

- Youth migration often involve support by parents:
  - For 80% of migrants, parents agreed with the decision
  - In more than 2/3rd of cases parents cover the cost.
- Network is important for migration destination.
  - Youth migrate to places where they have relatives or friends(70%)
- Youth do not often directly migrate to their final town of settlement.
  - 60% migrated to another town before their current location
  - 53% of current migrants plan to migrate to another (often larger) town/city
- The majority of migrant youth report that they are generally satisfied with their life in urban area .

Livelihood for migrants in urban areas

- Youth unemployment is high in urban areas
  - Youth unemployment rate 22% -50%
  - Migrant youth face more challenges in the labor market than locals due to their limited resources
- Informal sector employment in urban area is more accessible than formal sector employment- low barrier to entry
  - Rural migrants more likely to end up in the informal sector

Livelihood for migrants in urban areas

- Street-based self employment offers an entry level job for new migrant youth
  - Survey of shoe-shiners and coffee vendors show that the sector is dominated by migrant youth
    - 98% of shoe-shiners and coffee vendors are migrants to the city/town
    - more than 96% are youth (15-29)
  - The sector seem to be a stepping-stone for youth
    - Majority are recent migrants – on average 4.7 yrs
    - On average youth engaged less than 2 years in this job
    - The majority (78%) plan to exit this self-employment

Summary

Facts on the ground

- The majority of youth in Ethiopia live in rural areas
- Youth have limited access to agricultural land regardless of the constitutional guarantee
- Nonfarm employment opportunities are limited in rural areas

Youth response

- Significant youth migration observed particularly for Wollaita where land scarcity is the worst
- Change in livelihood aspiration and strategy
    - Only a minority of the remaining youth (9%) intend to engage in agriculture as a livelihood

Policy response

- Facilitate non-farm employment opportunity in rural areas
- Facilitate group land access for intensive farming, high value food production, etc
- Improve the land rental market and reduce restrictions
- Recognize that some level of rural-urban migration is inevitable and can potentially help both sending and receiving communities + the migrant

Thank You

Our research on youth livelihood and rural non-farm employment

- Stein T. Holden, Sosina Bezu and Mesfin Tilhaun (2016). *How Pro-poor are Land Rental Markets in Ethiopia*? CLTS Working Paper. No. 1/2016

- Sosina Bezu and Stein Holden (2015). *Street based self-employment: A poverty trap or a stepping-stone for migrant youth in Africa?* CLTS Working Paper No. 4/2015.

- Sosina Bezu and Stein Holden(2014). "Are Rural Youth in Ethiopia Abandoning Agriculture?" World Development, *64*(0), 259-272

- Sosina Bezu, Christopher B. Barrett and Stein T. Holden (2014). *Activity Choice in Rural Non-farm Employment (RNFE): Survival versus accumulative strategy*. CLTS Working Paper No. 11/2014.

- Sosina Bezu, Christopher B. Barrett and Stein T. Holden (2012). "Does the Nonfarm Economy Offer Pathways for Upward Mobility? Evidence from a Panel Data Study in Ethiopia." World Development **40**(8): 1634-1646.

- Sosina Bezu and C. Barrett (2012). "Employment Dynamics in the Rural Nonfarm Sector in Ethiopia: Do the Poor Have Time on Their Side?" The Journal of Development Studies **48**(9): 1223-1240.

- Sosina Bezu and S. Holden (2008). "Can food-for-work encourage agricultural production?" Food Policy **33**(6): 541-549.

Rural land access according to the law
(Rural Land Administration and Land Use Proclamation, 2005)

- *Any citizen of the country who is 18 years of age or above and wants to engage in agriculture for a living shall have the right to use rural land…(Section 5, No. 1-A)*

- *Women who want to engage in agriculture shall have the right to get and use rural land (Section 5, No. 1-C)*

Factors associated with livelihood choice (Multinomial model)

Base outcome (reference livelihood) farming	Off-farm wage employment	Off-farm self employment and business	Urban salaried employment
	Coeff.	Coeff.	Coeff.
Female youth	0.087	0.491	0.950**
Education (years)	0.362*	0.116*	0.274****
Currently student	1.303	0.131	2.298****
First born	-15.475****	-0.283	-0.087
Married	-0.65	-0.459	-1.159**
Farm size	-7.559*	-2.616***	-2.703***
Education of household head(years)	0.072	-0.112*	-0.054
Value of asset owned	-1.018**	0.311	0.119
Number of siblings in business	-0.173	0.739**	0.568
Arsi Negelle	1.825	1.088**	1.654***
Wondo Genet	-14.682****	0.448	0.349
Wollaita	2.408**	1.701***	2.030***
Wondo-Oromia	3.618*	0.527	1.598**
Constant	6.141	-1.929	-1.884
Number of Obs.		535	

Factors associated with adolescents and youth migration: Probit model estimates

	All migration		Migration to urban areas	
	Model1	Model 2	Model1	Model 2
Female youth	-0.024	0.01	-0.053	-0.037
Age	-0.016	-0.037	0.024	0.012
Age, squared	0.001	0.001	0	0
Education level	**0.103******	**0.110******	**0.104******	**0.109******
Ln(Farm size), ha	**-0.165*****	-0.03	**-0.230******	-0.063
Female headed	-0.256	-0.243	-0.212	-0.194
Age of Household head	-0.007	-0.003	-0.009	-0.005
Education household head	-0.008	-0.005	-0.009	-0.007
Male work force	-0.016	0.011	0.008	0.039
Female work force	-0.033	-0.022	-0.049	-0.03
Household size	0.039*	0.017	0.039	0.01
District dummies: Baseline=Sashemene				
Arsi Negelle		**0.365****		**0.805****
Wondo Genet		-0.073		0.493
Wollaita		**1.102******		**1.620******
Wondo Oromia		-0.428		0.283
Constant	-1.206*	-1.731**	-1.688**	-2.726****
Prob > chi2	0.000	0.000	0.000	0.000
Loglikelihood	-541.32	-486.03	-448.72	-395.69
Number of observations	1393	1393	1393	1393