

## A study of older people's livelihoods in Ethiopia



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# Contents

<b>1 Introduction</b>	<b>5</b>
<b>2 Findings</b>	<b>6</b>
<b>3 Conclusions</b>	<b>16</b>
<b>4 Recommendations</b>	<b>19</b>
<b>Bibliography</b>	<b>20</b>

# Acronyms

<b>FGD</b>	Focus Group Discussion
<b>HAIE</b>	HelpAge International Ethiopia
<b>MFI</b>	Micro Finance Institution
<b>NGO</b>	Non Governmental Organisation
<b>OPA</b>	Older Persons' Association
<b>OVC</b>	Orphans and Vulnerable Children
<b>SAG</b>	Sponsor a Grandparent
<b>SGH</b>	Skipped Generation Households
<b>TESFA</b>	Tesfa Social and Development Fund

## **1 Introduction**

This country study contributes to research carried out by HelpAge International and Cordaid which focuses on improved social and income security for older people. The Ethiopia field research is one element of a project which seeks to build the evidence base on older persons and livelihoods through research across urban and rural locations in India, Bangladesh, Tanzania and Ethiopia.

### **1.1 Overall Research Objectives**

To provide an analysis and better understanding of the opportunities and barriers faced by older people to income security and identify strengths, weaknesses, opportunities, and challenges as they relate to livelihoods as well as the impact of Older People's Associations with regard to provision of economic support.

### **1.2 Specific Objectives**

The specific objectives for the income security/livelihoods research were to:

- develop an inventory of livelihood strategies of older people
- assess how economically active older people can best be reached through micro finance and other saving/loan schemes and what the impact of these schemes has been on older people and their households
- identify ways in which older people who are less able to be economically active can be supported, taking into consideration key constraints and coping mechanisms
- identify the impact livelihood activities and strategies have on an older person's perception of their well-being, self-worth and dignity
- make recommendations for action/follow-up in supporting relevant livelihood programmes for older people.

### **1.3 Research Methods**

The research methodology was participatory in nature. A sample of older persons from urban and peri-urban areas of Addis, Awassa, and Dire Dawa as well as a rural community in Zeway were consulted to better understand the factors affecting livelihood coping strategies undertaken by older persons. Their knowledge of and access to different formal and informal savings and loans schemes as well as opportunities to diversify livelihoods opportunities was explored.

Field visit methodology included use of focus group discussions (FGDs) with older persons. FGDs followed a consistent format and took between one and two hours. All participants were asked demographic questions on: sex, age, marital status, household composition, livelihood, and land/animal ownership. Where applicable, FGD participants were questioned on their understanding of the role, added value and sustainability of the older person specific livelihoods initiatives being carried out by partner agencies. FGDs concluded with an opportunity for participants to ask the interviewers and representative NGO staff questions.

The research included a wide range of younger older persons (those aged 60-79) as well as the oldest old (those aged 80+). Slightly more than half of participants were female (55 per cent). Disaggregated aspects of gender, age, marital status, literacy, and occupation were

included in the evaluation and analysis. Specific vulnerabilities of households to economic, social and other shocks were explored in as much detail as possible within the short research time frame. Emergency preparedness was considered through the lens of economic shock preparation.

Additional meetings and interviews were held with NGO directors and field staff and served to triangulate findings emerging from the FGDs. These meetings also allowed the researcher to pose specific questions regarding stakeholder perceptions of older persons' access to livelihoods security. A desk review of relevant documents was undertaken to consider how prevailing livelihoods and vulnerability frameworks include older persons.

#### **1.4 Research Limitations**

While a variety of older Ethiopians were consulted during the research, the research sample does not fully represent all older Ethiopians. The majority of older persons consulted were urban and destitute. There was limited representation by rural older persons. As a result of the high number of old age homes visited (three), the numbers of older persons living in protected housing is positively skewed to include 24 per cent of all participants (10 per cent of men and 14 per cent of women). These percentages are not representative of older person's shelter experiences in Ethiopia.

The sample of predominantly urban, destitute older persons is also not fully representative of all older Ethiopians, but rather reflects those communities where HAIE implementing partners operate. Field evidence indicates that generalisations can be inferred for all older Ethiopians, but strictly speaking the conclusions most accurately reflect the experience of urban and peri-urban very poor older persons.

## **2 Findings**

### **2.1 Background**

Although Ethiopia is a young country with 46 per cent of the population under the age of 14, over five per cent of the 81 million Ethiopians are aged 60 years or more. This proportion of older persons is anticipated to nearly double to nine per cent by 2050. Older men who live to 60 can be expected to live an additional 15 years and older women an additional 16 years after their 60<sup>th</sup> birthday.

Approximately 83 per cent of Ethiopia's population lives rurally, but migration to urban areas for work, family support and medical care increasingly brings older persons to city centres. Regardless of location, though, Ethiopia's older persons are vulnerable to poverty, food insecurity, limited access to social and health services, and limited options for livelihoods diversification and security. They are further subject to the double protection bind of both needing care and protection in their older years and needing to support children, grandchildren, and ageing spouses in their care. The impact of the HIV pandemic combined with acute economic stress has resulted in changed family structures across Ethiopia. The loss of middle generations has created family structures where almost half of Ethiopia's orphaned children are cared for by grandparents.

Older persons play a key role in contributing to the social and economic fabric of the family. However, their ability to provide consistent support is challenged through exclusion and discrimination. One area where older persons are most vulnerable is in sustainable livelihoods,

including access to formal and informal savings and loans institutions. Older Ethiopians are often unable to achieve household security as a result of unreliable sources of income, instability in their livelihoods, and lack of diversified livelihoods. The research findings identify those barriers restraining older persons from achieving a sustainable livelihood and consider possible solutions to these challenges.

**2.1 Demographic Findings**

This predominantly qualitative research captured a snapshot of the opportunities and barriers faced by older persons in ensuring income and social security. During the field research, 12 NGOs across the country hosted FGDs. This provided exposure to different types of NGO community based support programming for older persons. FGDs also provided opportunities to learn about community activities where older persons are not involved actively in NGO interventions and programme implementation.

Fifteen FGDs were held: 14 in urban and peri-urban areas of Addis Ababa, Awassa, and Dire Dawa; and one in rural Zeway. The FGDs included two groups of men, three groups of women only, and ten groups of mixed sex. In total, 161 older persons were consulted. A breakdown of participants is illustrated in table one.

**Table One – Ethiopia research participants**

Totals	Men	% men	women	% women	Total	Total %
	71	44.10%	90	55.90%	161	
Age of Respondents						
<60 years	18	11.18%	11	6.83%	29	18%
60-69 years	16	9.94%	32	19.88%	48	30%
70-79 years	15	9.32%	36	22.36%	51	32%
80+ years	22	13.66%	11	6.83%	33	20%

The average size of households was 3.85 persons. However, this number was negatively influenced by the inclusion of nearly a quarter of old persons (38 respondents) living in old age homes. Without the population of old age homes residents, the average household size increases to 4.73. An additional 15 per cent of older persons lived completely alone without extended family to assist them. Excluding these older persons further increases average household size to 5.63. Of the remaining 99 households, roughly one third contain three generations while approximately one in twelve households are skipped generation households (SGH) containing older caregivers living with dependent grandchildren.

**2.1.1 Gender**

Gender participation was slightly more heavily female weighted, partly due to a handful of women dominated FGDs in urban Addis Ababa. Of all FGD participants, 56 per cent were female and 44 per cent male. Three times as many older women live alone than older men. In total, nearly half or 45 per cent of all respondents were widowed. This is in keeping with data gleaned during the HAIE 2010 urban vulnerability study. For older women, the burden of

widowhood and its associated factors of increasing vulnerability were felt most keenly by older women. The rate of widowhood for all respondents was almost half (45 per cent)<sup>1</sup> with an additional 19 per cent of respondents divorced, and four per cent who had never married. Rates of divorce were especially high amongst urban FGD participants. Instances of widowhood correspondingly, and unsurprisingly, increased as age increased.

Fifty five out of 90 women or 61 per cent of women were widows. Another 21 older women (13 per cent) were divorced; one woman had never married. In comparison, male widows comprised only 18 out of 71 respondents (11 per cent). Similarly, only 14 of 71 (9 per cent) were divorced, separated, or unmarried. The primary reason for the increase in female widow status is due to men traditionally marrying women substantially younger than themselves who then outlive them. Thus, a situation was evident across the research areas where the majority of older men were still living with wives who were generally younger and more physically able to assist with measurable economic production.

In addition to widowhood, the process of rural-urban migration further increases the economic vulnerability of older women. Almost all female urban respondents stated that they moved to their current urban residency from outlying rural areas as young women. As a result, they can no longer rely on family in rural areas to assist them. This rural urban migration is common through Ethiopia, but has a particularly negative effect increasing the economic vulnerability of older women who have lost both their husbands and their children, increasing their probability of becoming beggars to make ends meet.

### 2.1.2 Literacy

Literacy rates were low at 29 per cent and measurably less than national average literacy rate of 42.7 per cent<sup>2</sup> for all Ethiopians. FGD participants who could only sign their names were not considered literate. However, respondents who used to read and write before their vision had deteriorated were considered literate. Throughout the research area, men reported higher literacy rates of 54 per cent against only 10 per cent of all women. Literacy rates were in keeping with HAIE's 2010 urban vulnerability assessment findings which noted that 81 per cent of older women surveyed and 57 per cent of older men were illiterate. Fifty of the 55 female widows consulted or 91 per cent of female widows were illiterate (as opposed to 10 male widowers out of a total of 18). With nonexistent literacy skills, older illiterate women are further marginalised by lack of access to written information.

## 2.2 What do older persons do?

Respondents in the urban areas visited included a large number of dependent poor urban older persons, especially destitute older persons. The majority of these older persons said they had been full time small scale agriculturalists before migrating to urban areas. Most had been resident in urban areas for between ten and sixty years. Reasons for migration were due to: seeking work; because of or for marriage; to visit relatives; and for medical treatment. Urban livelihoods activities were reported as more diversified than rural livelihoods options, especially for women. Older men noted that physically fit men could engage in daily labour, carpentry, construction, as well as petty trading. Women cited multiple work options including: daily

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<sup>1</sup> The incidence of widowhood corresponded with findings from a baseline done by Dawit in 2010 of 50 destitute older persons in Dire Dawa which found that 48 per cent of participants were widowed.

<sup>2</sup> CIA World Factbook 2010, <https://cia.gov/library/publications/the-world-factbook/geos/et.html> (June 24, 2010)



labour as a housemaid; spinning; weaving; brewing; petty trade; leaf collecting; firewood selling; coffee selling; and the more physically demanding stone splitting. Daily labour rates for men were cited as between 15-20 birr/day (US\$1-1.5). Women's work was less generously remunerated at half that.

In rural Zeway, all older persons and their families were engaged in small scale maize, millet and sorghum farming. All agricultural land is government owned and entails the payment of annual taxes cited at 25 birr (US\$1.8) per hectare. All but two of the 16 rural FGD respondents cited ownership of larger animals: oxen, cattle, sheep and goats. One older man had no animals, and one older woman only kept chickens.

### 2.2.1 Older person's contributions to households

As is evident from previous HelpAge research and evaluations, older persons in Ethiopia remain economically productive as long as they are physically and mentally able and as long as household requirements demand their contribution. Older persons are key contributors to household security through compensated waged labour, profits from petty trade and small businesses, through the growing of agricultural foodstuffs as well as livestock rearing for direct household consumption and sales. Older persons especially women support households through complementary domestic activities: cooking; cleaning; washing; firewood collection; water collection; and other household chores. Both older men and older women act as primary caregivers for children and grandchildren in their care.

The primary activities noted by older persons were:

- Daily labour
- Begging and/or soliciting donations
- Sales of agricultural and livestock production
- Farming, including maize and other cash crops both for household consumption and sales
- Household chores
- Caring for grandchildren.

Attitudes held by older persons regarding work varied with many older persons emphasizing that they prefer to work, both to keep busy and enable them to be self sufficient. Ehetewold, age 75 Addis, spoke of the desire to be independent, *I cover my costs by collecting [eucalyptus] leaves and selling them. During the other seasons when I cannot collect leaves, I live off my savings. I do not depend on my family or neighbours.* For all older persons, being economically active was crucial to survival, as shared by Hailu, age 77 Addis, *if I don't work and if no one helps me out, I will not survive.*

However, for the majority of older urban persons interviewed, the desire to work has been negated by physical incapacity. As observed by Kebede, age 68 in Addis Ababa, *I want to work, my knees may no longer function, but my hands and head still do.* This sentiment was echoed by Tadese, age 88 Addis, *if we could, we would work and earn our own living so that we could take care of ourselves, but we are not able to.* All older persons stop work, domestic and paid, to support their households only when chronic illness, loss of physical strength and mobility, and loss of vision become insurmountable.

In addition to working for remuneration, urban respondents in Addis, Awassa and Dire Dawa spoke of begging as a strategy to address livelihoods needs. Respondents both asserted

outright that they engaged in begging at churches, mosques, and on the streets as a means to meet basic needs. Other respondents used more passive terms and referred to begging as a means of *seeking donations*. This was noted by Azalich age 67 in Addis, *people feel sorry for me and give me money*.

While some older FGD participants noted that they tried to save small sums of cash, most very poor older persons noted that *we are not able to save because we are educating our children and feeding them and it is not possible to meet those household needs and still save* (Ekule, age 55, Zeway). Where older persons in other countries cited being able to hoard small amounts of cash, most older Ethiopian respondents were unable to save even a few birr from month to month. As shared by Kasahun age 70, *we don't even get enough to meet our own needs, it would be impossible to save. When I was working, I could care for my family. Nowadays, there are more times that we don't eat than when we do*. When small amounts were amassed, they remained insufficient to meet more than the most basic needs and were insufficient to address unanticipated emergency needs.

Beyond miniscule individual savings, both urban animal owners in Addis and Dire Dawa and older farmers in Zeway noted that animal stocks, when they had them, served as a financial resource and during times of need animals could be sold for ready cash. Bashiya, age 75 from Zeway stated that *if we have excess livestock, we prefer to sell. This is the first choice rather than getting into debts to others*. However, ownership of animals was dominated by rural FGD respondents. Few urban respondents owned livestock.

In addition to working, begging and selling assets, a final strategy for meeting needs was simply to defer them. As noted in Zeway, respondents were unwilling to get into debt for urgent medical care. Instead, as noted by Denibo, age 55, *we will simply avoid seeking medical treatment or addressing other emergencies if we have to borrow. We would rather wait until we have the cash than get in to debt*.

### 2.2.2 Care giving and the burden of care

Just over 40 per cent of FGD respondents not resident in old age homes live in three generational households or SGHs. These older persons cited a high level of care giving responsibilities. Reasons for full time care giving was due to the absence of adult children. The reasons for absent adult children were threefold. Firstly, older persons cited the death of adult children from HIV/AIDS (or an undefined illness) leaving grandchildren single or double orphans. Secondly, as a result of economic scarcity, adult children frequently left natal villages or communities to seek work opportunity elsewhere. Finally, older persons observed that grandchildren often prefer to stay with their grandparents both to provide care to the older person and be cared for. This was particularly common when the grandchild had been born out of wedlock. Evidence from FGDs was clear that the burden of care for grandchildren was greatest for female widows. Two thirds of all women caring for grandchildren in either SGHs or in three generational households were widows as opposed to only one in ten men.

### 2.2.3 Care giving and the need for care

Where older persons are increasingly responsible for caring for grandchildren, great grandchildren, and orphans, they are also in need of care themselves. Assistance with physical tasks becomes increasingly necessary for older persons who lose strength, mobility and vision as they age. Respondents noted the limitations to the assistance that grandchildren can

provide. As shared by Belai, age 88 Addis, *the children cannot help because they have nothing to give, they are too young. In fact, they expect us to help them.*

Another concern expressed was the unravelling of traditional strong intergenerational support historically evident in the extended family. This was blamed on economic hardship, as shared by Ekule, age 55 in rural Zeway, *during the old days, it was within our culture and tradition to help older persons, but these days things are changing for the worse for older persons.* Older persons across Ethiopia concurred that while some children still care for their parents and grandparents, systems of family responsibility are changing overall and for the worse. Older persons blamed the lack of consistent family support on economic hardship which is decaying social support networks.

However, even with changes occurring to traditional systems of family support, children and extended family still remain a strong source of economic support even if some of them do not fulfil their filial duties as fully as older parents would like. This was made especially clear when considering those persons living in old age homes whose role was to provide accommodation and support for destitute and alone older persons. Of the 38 living in the homes, no information on children was gathered on five older persons. For the remaining 33, 24 respondents had never had children, had had their children die, or had lost contact with their children. Thus, it is clear that not having children in an older person headed household does increase the susceptibility of already poor older persons of falling into destitution.

#### 2.2.4 Why do older persons need cash?

Older persons sought remunerated income to meet household needs and close the gaps between expenses and income. Reasons for needing cash were manifold, but respondents in multigenerational households highlighted food, education of children and grandchildren, investment in agricultural, livestock, and small business activities, and fuel as the four main priorities. Older persons living alone and not in old age homes focused exclusively on food<sup>3</sup>.

Medical care costs were not prioritised because they are covered via the *kebele* and provided for through the poverty certificate which gives qualifying persons free health consultation and treatment. Transports costs to and from medical assistance were roughly 1-2 birr (US\$0.07-0.14) in urban areas.

As a result of the high level of destitute respondents, cash for agricultural and business investment was not highly emphasized. Instead respondents focused on the need for income generating activities to enable them to achieve daily food security.

#### 2.2.5 Where does the extra money come from?

When shortfalls between income and expenditure exist, older persons looked to diverse resources for income. Although older persons did comment on the erosion of traditional systems of family support, as noted above, children, grandchildren, and the extended family remained the first line of support. As shared by Sherfu, age 80 Addis, *my children are all good but they are all poor. They do daily labour, and I love them because they work hard to support us. But lack of business opportunities makes it hard.*

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<sup>3</sup>See also HAIE, 2010 for more information on food insecurity amongst older persons.

Few older persons spoke of having children or grandchildren working outside the country and sending remittances home. Only two respondents in rural Zeway had children working outside the village. However, conversations with HAIE staff indicated that it is not uncommon among non destitute older poor persons to get into debt to send children to work in the Gulf States. When this happens, it is expected that the working child will send remittances back to the older relative firstly to repay the loans and secondly to provide the older relative with support. However, detailed information on this was not available from within the relatively destitute FGD population. Further exploration of the role of remittances for older persons could be interesting to consider especially when exploring the link between debt accumulation and destitution.

### Friends and neighbours

When relatives are not able or willing to assist older persons in immediate cash flow, older persons looked to friends and neighbours to assist with support. However, neighbours could only be depended on for *ad hoc* minimal support. As observed by Tirunesh, age 75 Addis Ababa, *neighbours can only help one or two days a week because they have their own families to look after.*

Unlike evidence gathered from other livelihoods research countries, respondents denied, often vehemently, that neighbours will lend even small sums of money. As shared by Yeshi, age 77 Addis Ababa, *who would lend to us, it is impossible for us to pay back*, and emphasised by Ashu, age 70 Addis, *they help us, but we do not borrow*. In Dire Dawa, Wegaye, age 62, shared a similar sadness: *In the past we shared food and coffee, but now there is so much individualisation, and people are shutting their doors to one another. Borrowing is difficult even for someone who was born here and knows everyone. If I were to go to a neighbour to ask to borrow money to pay for my daughter's school examination, I would be rejected. Instead, I would have to sell one of my animals. If there was no animal to sell, then my daughter would not be able to sit the exam.*

However, a handful of older persons did say that if older persons were working, even with a minimal income, they could borrow from a neighbour. As Bermaka age 70 Addis states, *you cannot borrow unless you are working*. Although in the case of borrowing money, the loan transformed into a donation as explained by older persons hosted by the Mary Joy NGO in Addis, *we can borrow up to 50 birr (US\$3.6) from our neighbours, but we must repay in within three days which is impossible. As a result, the loan becomes a gift especially when the support has been solicited to pay for emergency medical care.*

Older persons further noted that it was substantially more challenging to raise money from neighbours for treatment of chronic illnesses than other emergencies. Ashu, age 70 Addis, observed that *before life was so expensive, everyone helped, but now people don't have enough themselves. This is especially a problem when we try to get help for chronic illnesses – I have to lie to my neighbour and make up a new affliction to get their help*. For HIV positive older persons in Awassa, the inability to borrow from neighbours was cited as being due to both being older and being publicly known as HIV positive. As shared by Mogash, age 58, *neighbours will not lend to us because they think that we will take their money and then die anyway.*

When neighbours did loan, age was not a factor in securing or being denied a loan. Instead, lending was based on the individual personal relationship between the borrower and the lender and on the ability of the borrower to provide security. No fixed interest rates were cited. Respondents said that repayment modalities were determined individually and vary with each loan. Lack of repayment was said to result in a visit to the *kebele* along with public shame and reduction of face within the community. Where borrowing from neighbours did happen, it was more commonly carried out by women. Men were seen to borrow less than ladies both in amount and in frequency.

In rural areas, older persons said that loans could also be paid off through agricultural labour. Tebeso, age 59 Zeway, said that *will borrow from our friends and repay by working on their land*. This option was open to both able and able-bodied persons since the debt was expected to be paid off through the whole household labouring together.

### Informal Savings and Loans

Within the research areas, only two informal savings and loans systems were observed: the *idir*, a funeral savings society; and small community based self help groups. Respondents in urban Addis were the strongest participants in *idir* savings. Membership was based on an initial fee, cited as being up to 300 birr (US\$21), and dependent on monthly payments of between 2-10 birr (US\$0.14-0.71). Upon death, the *idir* would provide assistance in paying for the funeral ceremony and accompanying community responsibilities of feeding and looking after funeral guests. Older persons living in institutions and those living alone were the least likely to have retained *idir* membership, due to their inability to maintain monthly payments or because they had been homeless and lacked a fixed address. While the *idir* does entail monthly payments, it is not an institution for savings but rather a type of death insurance to ensure that the family of the deceased will be able to celebrate their death in a cultural appropriate and expected way. Although *idir* membership does not directly support livelihoods activities, it can provide an entryway into livelihoods activities as observed below.

The self help group, or *equb/iqub*, is an informal way for community members to save money. Through the *equb*, each member, typically fewer than 20, saves a certain number of birr each month over the number of months equal to the number of members. Each member will be given the value of the shared savings on a monthly basis until all members have received their share. The purpose of the *equb* is to assist with cash flow needs for group members, typically women. Membership in an *equb* is restricted to those persons who can guarantee provision of the monthly payments for the duration of the group. This functionally excludes older persons who are economically inactive and who depend on inconsistent income, such as begging, for their livelihoods.

### Formal Savings and Loans

Older poor Ethiopians do not use banking services or access formal savings and loans opportunities for three main reasons:

- Lack of capital for savings
- Lack of capital for small business expansion and/or development
- Lack of understanding of how these institutions could be economically helpful to them including access to information on specific services.

In addition, rural respondents noted that formal savings and loans institutions were not geographically accessible in their areas.

For rural older persons engaged in subsistence agriculture, regular monthly sources of cash income were challenging to come by, especially during growing seasons. This distanced older persons from considering formal savings and loans institutions as a potential source of economic investment. Because most rural older Ethiopians depend on agricultural for their livelihoods, the seasonality of crop growing further reduced the value of formal savings and loans institutions.

Older urban residents also rejected formal savings and loans providers stating that *we will not borrow from them because we are fearful of repercussion for late or non payment and the loss of our reputation if we are not able to repay* (Awassa). Interest was also seen as being too high, 15 per cent or more. Older persons also complained that providers demand collateral, typically in the form of a house, or needed someone making 1,000 birr/month (US\$71) to act as security. Older persons stated that the required collateral for loans was something which they neither had nor were in an economic position to raise. Finally, institutional loan amounts were higher in value than those needed by older persons to meet basic livelihoods needs.

Older persons were also asked whether they felt that formal savings and loans institutions were guilty of discrimination based on age. This question was put to all FGDs and the response was near universal that banks are neither an appropriate nor useful lending option for older persons. Banks do not exclude or discriminate against older persons due to age, older persons added, but rather exclude according to economic inability to meet conditions for savings and/or loans. This was reported as true for persons of all ages seeking to use banking services.

Research findings indicate that older persons have virtually no access to either formal or informal savings and loans opportunities. Older persons are unable to access formal credit due to untenable conditions for membership and repayment or due to lack of services. High loan amount minimums, strict and inflexible repayment conditions, and high interest rates keep poor older persons from even considering pursuing services from formal and informal savings and loans providers. With the exception of small emergency assistance from friends, family and neighbours and uncommon and *ad hoc* community group support, informal savings programmes are virtually non-existent.

### Civil Society Organisations

A final option for older persons attempting to improve economic security through savings and loans activities was via NGO initiatives, notably through revolving funds. A revolving fund entails the provision of an economic input to the identified household under the agreement that the input, either in cash or in kind (animals and/or agricultural inputs), is made available to an initial qualifying older person. Upon completion of use of the input or upon birth of an animal, repayment of the asset would then be *revolved* into another household with an older person. Where a revolving fund entailed provision of cash, loans were low interest and with flexible repayment conditions.

During the research, only one such revolving fund for older persons was encountered. The Tesfa Social and Development Fund (TESFA) operates in urban Addis providing loans of up to 2,500 birr (US\$179) to 214 older persons to members of 58 qualifying *idirs*<sup>4</sup>. The TESFA

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<sup>4</sup> Tesfa identifies members and beneficiaries through *idir* membership. This excludes the poorest of Addis' poor from participating, but does have the advantage of ensuring that participants are supported through community *idir* networks who act as guarantors for the loans.

programme requires recipients of revolving loans to save at least 40 birr/month (US\$2.9). Loans are repaid over 6-18 months at four per cent interest. TESFA participants noted that the scheme fulfils an economic need for older person not being filled by banks, formal savings and loans institutions or traditional community mechanisms that of appropriate value amount, low interest, flexible loans. One key advantage to the TESFA programme is that individuals as young as age 50 are encouraged to participate. This enables them to work and save for up to 25 years, facilitating a protected economic future for these soon to be older persons.

Older persons stated that the TESFA revolving fund programme has allowed for asset accumulation and diversification. Abebich, age 63 loan recipient from Addis noted that *before the loan, I did not even have a chair to sit on. Now I am even able to join a self help group with other women.* Zairitu, age 62 loan recipient Addis, shared this feeling, *before the loan, I used to pay 1,000 for my teff. But now I can purchase it directly and save 200 birr (US\$14). I use half of the teff that I buy to bake injera and sell the rest for profit. With the profit from the injera sales, I pay off what I owe to Tesfa and all my debts. With the profit from the teff, I save.*

Participants in the TESFA programme also spoke about the value of training in budgeting, prioritising expenditure and investment and general support. *Training is vital*, loan recipients said. While they knew about business, training on budgeting in costs and materials as well as planning how to manage income and expenditure was crucial to them being able to use the loans well and be confident about making wise strategic fiscal decisions. The training combined with TESFA support further helped allay fears about taking out loans. Again noted by Zairitu, *some women don't know what to do and are inexperienced in business. They don't know what to do with the money. TESFA helps them understand how to make a profit.*

Even when confident of their business acumen, the women noted that the idea of taking out a loan was initially terrifying. Abainesh, age 60 loan recipient Addis, observed *I had difficulty sleeping when I first took out my loan, I was so anxious. After I got my donkey [purchased with the loan], my situation began to improve, and I was able to make improvements to my house and my life.* Emotional support for loan beneficiaries is another important element of ensuring successful use of revolving funds. Successful older loan recipients can play an important role in peer education and support.

Older persons in areas where revolving funds were not functioning were asked whether the idea was interesting for them. Respondents in Zeway expressed keen interest in using revolving funds to improve their livelihoods security. Older women in Zeway commented that *we could use the money for petty trade, buy small cattle and then sell them on for profit when they are big.* Men agreed as summarised by Denibo, age 55, *this idea is much better than direct support. It is better for us to be able to take loans and work and become self sufficient than depend on other for a gift of cash. We will only advance in our life by being allowed to become economically independent.* In Awassa, responses were similar, *if we get money to help with start up capital, we will work, otherwise we will just sleep.* In the words of Yeshi, age 70, *a good capital would allow all of us to work. Look at this old lady selling beans, she is old but still she wants to be self sufficient.*

For older persons unable to work, the Sponsor a Grandparent programme (SAG) provides a cash transfer of between 75-100 birr (US\$5-7) per month. However, respondents complained that this is barely sufficient to meet the immediate needs of the older recipient let alone the

needs of their household. Older cash transfer recipients also complained that the cash transfer was too low to enable more active older persons with sufficient capital for business expansion or investment.

Within NGO programming, there is scope for expansion and inclusion of more older persons in revolving fund programmes like TESFA. However, the biggest challenge for NGOs to operationalize revolving funds will be to provide sufficient seed money for effective lending and enabling the revolving fund to facilitate more lending beyond the end of the financed programme.

#### 2.2.6 Older Persons Associations

Older person's associations (OPAs) defined as *community-based organisations of older people, aimed at improving living conditions for older people ... [and providing] a mechanism for social support in the community as well as for facilitating activities and delivering services*<sup>5</sup> do not strictly exist in Ethiopia. Two groups were encountered that were based on group membership and participation: EPNA in Addis; and Mehdin in Awassa. However, EPNA did not appear to encourage group formation by and for older persons to increase awareness of and fulfilment of human rights. Indeed, its' mission was not entirely clear to the researcher. Mehdin, on the other hand, did gather older persons together for support and action, but criteria were based first on HIV status and only secondly according to age.

Throughout the FGDs, older persons noted that they felt lonely and isolated and that these feelings of despair impacted negatively on all aspects of their lives, including their ability to achieve a sustainable livelihood. Megatwa, age 80 Addis, observed that *I would like to come together with other older persons, that way we could talk about our problems more openly and help each other*. In Dire Dawa, the experience for older persons was the same, as shared by Ganete, age 75, *the isolation from being old and alone is as bad as needing food, work, and shelter. The isolation is nearly killing us*. Older persons themselves spoke of the value of coming together as a group. Birtukan, age 74 Addis, stated that *if there was a centre for older persons and transport to get us there, I would be running to be part of it*. Older persons from Mehdin in Awassa observed that one advantage of being in the Mehdin group was the social aspect. Mogash, age 58, stated that *before coming here [to Mehdin] we felt lonely and were overwhelmed by our HIV status and our economic situation, but now we are strong. Before we were alone, but now we have courage and support*.

Research from other countries indicates that the direct impact link between OPAs and contributing to a sustainable livelihood for older persons remains unclear. Where OPAs as part of their needs based programming focus specifically on livelihoods programming, there is, at least in the short term, a clear indication that OPAs act as both a catalyst and a conduit for targeted programme activities including savings and loans, revolving funds, and cash transfers. The positive impact for older persons is that they are targeted as primary beneficiaries. Where OPAs do not have specific livelihoods programming, overt direct linkages were minimally in evidence.

However, indirect links between membership and participation in an OPA and improving livelihoods options, opportunities and security were clear from other country visits where older

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<sup>5</sup> HelpAge International and UNFPA, *Voice of Older People in Asia*, London, HelpAge International and UNFPA, 2010



persons observed that belonging to an OPA *can* facilitate access to NGO supported livelihood activities and government services. In these cases, an indirect link between OPA membership and improved livelihoods is present through increased awareness of services and advocacy to improve access to direct services.

Other indirect links between OPA membership and livelihoods security observed in other countries was through improved and increased social networks. It is this aspect of OPAs which might prove beneficial for older Ethiopians. Membership in an OPA provides a shared community platform where older persons come together socially to reduce isolation and loneliness, to raise awareness of the needs of older persons within the community, and increase member knowledge of older persons' rights. For older women and widows who might otherwise be socially marginalised, the OPA can provide a vital network of social and economic support.

### 2.2.6 Government Pensions

As of 2010, Ethiopia does not have a universal old age pension. However, some older persons who had been in government services received a monthly pension. These older pension recipients shared that the pension amount was insufficient in itself for achieving a sustainable livelihood. The amounts were too low to cover more than minimal household needs. This reinforces the conclusion that provision of pensions for older persons is only one aspect of ensuring sustainable livelihoods, the other being the implementation of appropriate, replicable and diversified livelihoods schemes for older persons.

## 3 Conclusions

Older persons living in Ethiopia are challenged in achieving household security as a result of unreliable sources of income, instability in their livelihoods, lack of diversified livelihoods opportunities, and limited access to social and health services. A combination of livelihoods strategies including working, accessing NGO support, donations from children and other family members, and begging are necessary for survival. Reliance on a single economic coping strategy did not enable older persons to have a sustainable livelihood.

Successful and sustainable improvement of livelihoods for older Ethiopians depends on flexibility and exploring a continuum of types of interventions which vary according to location, situation, and older persons' preferences and priorities. For livelihoods, one size does not fit all. Older persons need access to a regular secure income. But evidence from older persons receiving SAG cash transfers is clear that cash transfers on their own, while providing a vital support for older dependent persons, is not the answer for those older persons who can and wish to work. For those older persons, assistance in creating and diversifying asset bases should be prioritised. A single type of response, such as animal provision, which does not consider current and potential market conditions can actually increase the vulnerability of older persons when emergencies arise. A variety of interventions should be supported, most easily through the provision of revolving funds to enable active older persons both to work and save.

The conclusions of the research are as follows:

- Older persons are active in paid, unpaid, and domestic support activities contributing to household security. It is only the compound effects of ageing and physical deterioration that draw older people out of the working arena.

- The burden of securing a sustainable livelihood is felt most keenly by widowed women whose economic resources are doubly stretched through care giving.
- Food insecurity for older persons is acute and a majority of destitute older persons are not meeting minimum daily food needs.
- Older persons seek to ensure livelihoods security through asset accumulation, asset diversification, and the support of family and community.
- Friends, neighbours and the community provide emergency assistance where possible and when they are able. However, economic insecurity means that contributions by relatives, friends, neighbours and the community do not provide a regular, dependable and consistent economic safety net for older persons.
- Older persons have virtually no access to either formal or informal savings and loans opportunities. Unless supported by civil society, poor older Ethiopians are unable to engage in regular saving activities.
- For both formal and informal savings and loans providers, exclusion from participation is based not on gender or age discrimination, but on the financial capacity and credit worthiness of the older person.
- Inconsistent information on savings and loan conditions discourages poor older persons from exploring and making use of potential beneficial formal and informal savings and loans opportunities. Lack of access to information is compounded by illiteracy, especially for older women.
- Services provided by NGOs focus on charity provision not on establishing income security and independence.

#### 4 Recommendations

While intended to evaluate HelpAge or Cordaid programmes, the research identified four main areas where HAI and partners might consider increasing programmatic focus in order to improve older persons' ability to have secure livelihoods in older age.

These are:

- Increased focus on older women, widows and soon to be widows (older women with high numbers of dependents including children, OVC, and older physically and mentally less robust husbands)
- Introduction of OPAs to provide older persons throughout the country with a platform for action and information and, wherever possible, a physical meeting point to engage in social and economic activities
- Expansion of geographic and numeric coverage of revolving funds to enable older persons to save for their older years while diversifying and increasing their asset base. Entrepreneurial training for older persons accessing revolving funds to include information on MFIs, savings, cash flow and money management
- Increase advocacy with *kebeles* to introduce the model of having an active ageing focal point sitting within local government and ensure that older person's issues are highlighted.

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