

RESEARCH ARTICLE

FACTORS AFFECTING RURAL LIVELIHOOD SUPPORTIVE SAFETY NET PROGRAM: THE CASE OF LEMO WOREDA, HADIYA ZONE, ETHIOPIA

¹Deneke Dana Dabara and ²Girma Erbelo Takiso

¹PhD, Economic Geography, Wolaita Sodo University, Ethiopia

²MA in Socio Economic Development Planning

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ABSTRACT

The overall aim of this study was to assess factors affecting the success of PSNP in rural livelihood supporting program in Lemo woreda Hadiya Zone of Ethiopia. Different data were used for the study. Also, survey was employed by using systematically selected 190 sample PSNP beneficiary households using a random sampling technique. The data had been analyzed through descriptive statistics and qualitative ways. The findings revealed that very small size of a plot of lands were a severe problem for the program. More than half of the beneficiaries hold less than 0.75ha of lands which, is very small to influence positively the livelihood of the beneficiaries. Low credit service utilization was become another challenge for beneficiaries in study area. Moreover, the study shows, still the beneficiaries could not save i.e. their saving experience and asset holding was not increased. Besides this, the study depicted that there are complained on the amount of monthly transfer and credit offered was being too small and insufficient to generate sustainable livelihoods. The local PSNP actors, the government and NGOS should aware the beneficiary households to think of the program objective and have to work hard to improve rural poor's asset holding to avoid the longer dependency over the program.

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INTRODUCTION

In Ethiopia agriculture sector plays a central role in the life and livelihood of most Ethiopians, where about 12 million smallholder farming households account for about 95 percent of agricultural production and 85 percent of all employment. Despite the production challenges, agriculture also accounts for 43 percent of GDP and 90 percent of exports. Of the total number of farming households, 40 percent of the farming households operate on less than 0.5 hectares, 64 percent on less than 1 hectare, and 87 percent on less than 2 hectares. But, as under rain-fed agriculture, an average family of 6 persons requires around 2.5 to 2.8 hectares to meet annual household food requirements. Thus, it can be seen from the size of farms that the vast majority of Ethiopia's small-holder farmers are dependent, at least for a certain period of the year, on purchased food (FAO, 2011 pp: 5; 6). In Ethiopia Agriculture sector could not able to feed rapidly growing population of the country in which more than 27 million people become food insecure and a total population of 18.1 million

people require food assistance in 2016 due to climate change and 2015 El Nino drought derived problems in the country which was the strongest droughts that have been recorded in the nation's history's (Catley *et al.*, 2016; cited in Abduselam, 2017 pp:1). Climate related shocks affect productivity, hamper economic progress and exacerbate existing social and economic problems; because of this food insecurity situation frequently occurred in Ethiopia. In contrary there is increasing interest in policies and interventions that improve the food security and livelihood conditions in the country. Following this, major steps have been taken in fighting food insecurity, poverty and bringing sustainable economic development in Ethiopia. The Government has designed food security policies and strategies, which are basically community oriented and paying attention on addressing the needs of the poor households to provide better social services (Abduselam, 2017 pp:26). As result, the Ethiopian government launched PSNP (Productive Safety Net Program) to support rural poor households, to reduce poverty in general and to combat hunger and vulnerability in particular; a social safety net program which is called productive safety net program (PSNP) designed since 2005 that has specific objectives of smoothing household consumption, protecting household assets and creating community level assets (Habtamu, 2011 pp: 6).

*Corresponding author: Deneke Dana Dabara,
PhD, Economic Geography, Wolaita Sodo University, Ethiopia.

Different studies showed that PSNP supports the livelihood of the beneficiary's households through smoothing their consumption. However, according to Desalegn Y. (2017 pp:19), the finding of the study insists the program suffers a lot setbacks during the implementation process and household's potential in accumulating assets is very low and disproportionate effect in preventing sell off their assets. This leads to the low confidence of households to leave the program, develop a sense of dependency syndrome and to believe the graduation process is a matter of time rather than reaching the food self-sufficiency threshold. The beneficiaries leave the program without reaching the graduation benchmark and remain chronically food insecure. The research done by Gardie, (2016) indicates PSNP reduce the beneficiaries' vulnerability to seasonal shocks by decreasing the pressure. Also his study identified the number of PSNP participants who able to construct their house from corrugated iron sheet was greater than non-PSNP respondents and it was found statistically, significant at 10% level of significance (Gardie, 2016). Also, the county's HAPB final report, 2014 indicated that PSNP Public Works households have been investing in housing, with the percentage of dwellings with improved (metal roofs) tripling between 2006 and 2014, from 8 to 24 percent (John *et al.*, 2015). Furthermore, studies indicated that the poultry farm and livestock holding increased due to the PSNP beneficiary households are investing in livestock assets, (Yibrah, 2013; John *et al.*, 2015; Diriba *et al.*, 2017).

In contrary to, the above positive contributions of the program there are some empirical literature which identified that the program has been encountered problems while implementing the program. Fekadu and Ignatius, (2009) poor and corrupted targeting process causes for high inclusion of non-poor households in the program and weak institutional linkages and lack of active community participation in the decision making process and other challenges negatively affect the program. Furthermore, Desalegn Y., (2017) found that the household potential in accumulating assets is very low and the program had disproportionate effect in preventing sell off their assets. In addition to this, other study by Desalegn A., (2013) revealed that PSNP did not lead to strong and significant effect on individual's household's asset building and participation on SWC-(soil and water conservation) activities which is one component of the program that undertaken by the PSNP public work participants. In general, studies identified that PSNP has insignificant impact of on asset accumulation due to the income was spent mainly for consumption smoothing purpose than asset accumulation (Tadele, 2011). Additionally, there are some other empirical studies (Barn and Lane, 2010, Sabates-Whereseaeler *et al.*, 2012 and Berhane *et al.*, 2013; Devereux *et al.*, 2014; and Berihun K. and Hayalu G. 2015) they were offered more emphasis on determinants of graduations and those factors emanate from the program side (such as: weak institutional linkages, poor targeting, delay of transfer, etc) and spring from other external factors (such as: natural calamities particularly drought and local infrastructures like irrigation) which affect the success of the program. Also they address some socioeconomic factors which affect PSNP. But, they didn't analyzed the beneficiaries characteristics or factors arises from the participants side (such as: the way they use and implement the aids and technical supports acquired from the program) which affect the household livelihood and undermine the program success.

The Hadiya Zone of Lemo Woreda is one of the PSNP targeted districts define by government of Ethiopia, as chronically food insecure due to its prior experience of food insecurity and food assistance. In the other hand a survey regarding the impact of PSNP on household's livelihood has not been yet evaluated very well, and remains untouched topic in the study area. Moreover, there is limited and few research works have been conducted on PSNP, but they did not purely address the topic under this study. All the above studies except Yishak, (2011) and Desalegn A., (2013) were conducted at national level and in different region at different places. Therefore, the researchers intended to fill this gap and to assess factors affecting the success of PSNP rural livelihood supporting program in study area.

MATERIALS AND METHODS

Study Area Setting: The study was conducted in Lemo Woreda, which is located in Hadiya zone, in Southern part of Ethiopia. The capital town of the Woreda is Hossana, that located at a distance of 231km away from the capital city, Addis Ababa. It has total area of 354 sq.km. The astronomical location of Latitudinal and Longitudinal extension of the woreda is between 7°22' -7°45' N and 37°40' -38°07' E respectively (see Fig.1).

Research Design: The study employed survey method. According to LeUnes (2002), survey study is preferable to undertake research employing large numbers of people or respondents perception, characteristics and opinions towards a specific issue. And also it used combination of quantitative and qualitative approaches. Now days mixed method is considered as a tool to triangulate the result of single approach through multiple methods. Therefore, the researcher adopted mixed research methods, such as collecting qualitative and quantitative information to 'compliment' the advantages and disadvantages presented by each of these research methods. Thus, it increased the validity, reliability of the finding and made ease the data collection. Multiple data collection strategies are more advantageous than a single data collection strategy in research work. There are strengths and weaknesses to any single data collection strategy and using more than one data collection strategy or method allows the researcher to combine the strengths and to correct some of the deficiencies of any single strategy of data collection. Thus, the selected methods used in this study to collect the necessary data included a questionnaire, focus group discussions, observations, interviews, and secondary sources.

Sampling Techniques and Sample Size Determination: The study area consists of 35 *kebele*'s (small administrative units) from these 27 *kebele*'s are benefiting from the productive safety net program. The study was undertaken multi-stage sampling technique. The study woreda selected purposefully based on low level of performance and challenges raised in sustaining the livelihood of the beneficiaries. Similarly, three rural *kebeles* were selected purposefully based on their PSNP implementation and due to the intensity of the problem of low livelihood credit repayment performance, namely the three *kebeles* are : Omoshor-2, Lay Gana, and Gora Tume. Then, to determine the sample size for the study population and to select a specific households in each *kebele* the researcher used Yamane's (1967) formula with 95 percent confidence levels.

Which was: $n = \frac{N}{1 + N(e)^2}$ Because, the population was relatively similar in socio-economic, livelihood and geographical location. Accordingly, 190 research participants were selected from the total 362 people of the three kebeles PSNP beneficiary households.

$$n = \frac{N}{1 + N(e)^2}$$

Where: N= is the number of total population

n= sample size

e= acceptable error in social science. Thus:

$$n = \frac{N}{1 + N(e)^2} \quad n = \frac{362}{1 + 362(0.05)^2} = 190$$

Thus, the sample population was about 190 beneficiary households.

Methods of Data Analysis: Data which is collected from both primary and secondary sources were analyzed via quantitative and qualitative method of data analysis. The data obtained through interviews, focus group discussions and observation were analyzed in a qualitative way. The questionnaire result presented in the use of tables, averages, and percentage as well as through inferential statistics. Beside to this Multiple Linear regression model is used to model the value of a dependent scale variable based on its linear relationship or straight line relationship to one or more predictors.

The basic regression model is:

$$Y_{\text{predicted}} = B_0 + B_1X_1 + B_2X_2 + \dots + B_p X_p + \text{ep}$$

$Y_{\text{predicted}}$: predicted score of dependent variable

ndent variable

B₀: intercept

P: number of predictors

B₁-B_p: weights or partial regression coefficients for predictors/slope

X₁-x_p: scores of predictors

ep: errors of prediction.

Positive and negative regression weights reflect the nature of correlations between predictor and dependent variable

If the model is linear, the value of the *P*th predictor increasing by 1 unit, it increases the value of the dependent by *B_p* units. Also, B₀ is the intercept and the model-predicted value of the dependent variable when the value of every predictor is equal to 0.

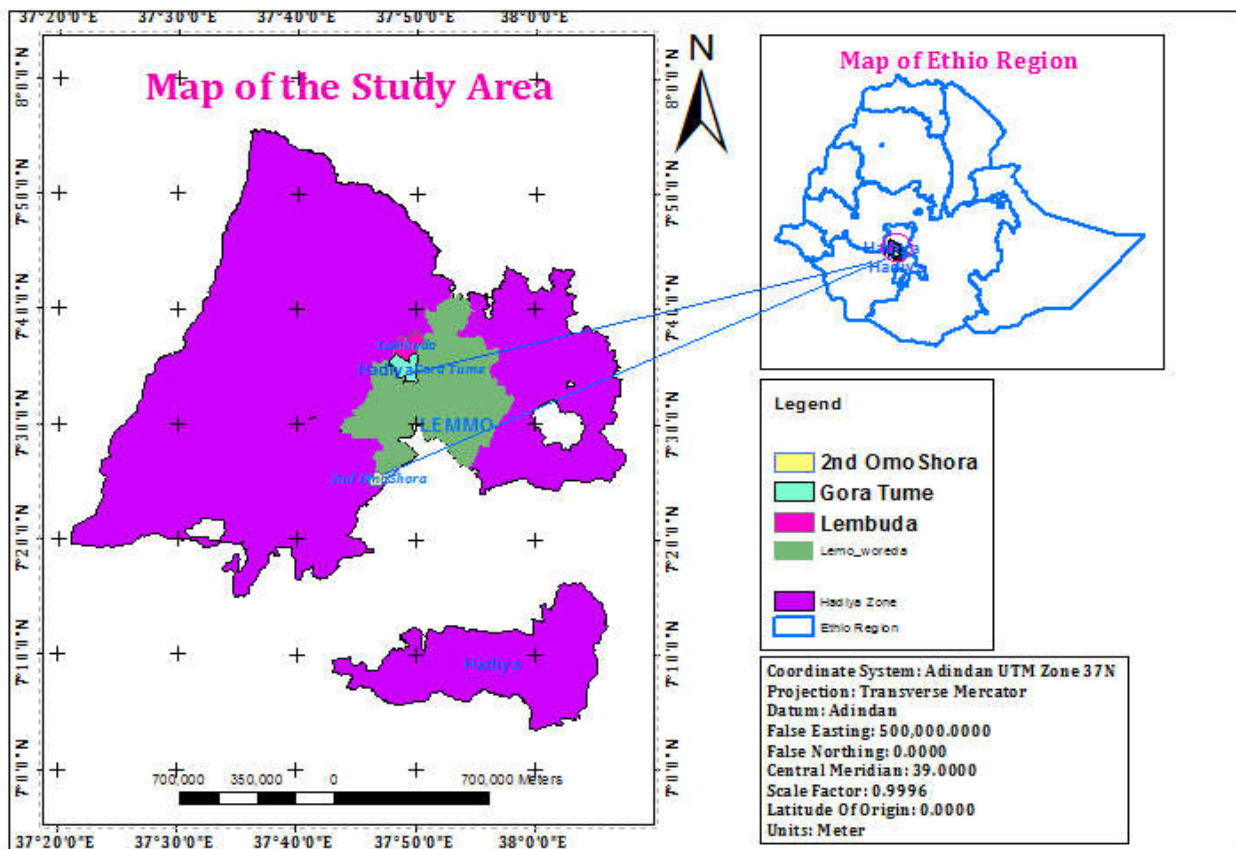
RESULTS AND DISCUSSION

Respondents' Demographic Characteristics: The household human capital endowments and socio demographic factors such as age, family size and the dependency ratio of the household affect the level of income generated from diversified income source (Karttunen, K 2009). The following Table 1 describes age, family size and dependency status of the sample households. The livelihood diversification index uses, a set of factors that includes family size and dependency ration which are among others that can matters the livelihood of the family.

As depicted on Table 1; from the total respondents 52.1% of the household had a size of 3-6 family members followed by 46.31 % of the respondents had the size of 7-10 family members. In general, the data shows, that the average/mean number of population size in the family is 6.57 members which is relatively medium size. But different study shows that family size is highly correlated with dependency ration. According to Yibrah (2013) on his study; determinants of graduation from productive safety net program, that having large family size decrease the households graduation from the program i.e. each addition of unproductive member of the household decrease the probability to graduate by 5 percent level of significance. In contrary to this, increased dependency will push the family in to diversifying in to other activities that can bring more income to the household (Khatun and Roy, 2012). Concerning, unproductive segment of the family members who are under 15 and above 65 years old; the table depicted that out of total respondents 48.42% of the household had 1-3 children in the family members, and 36.84 % of the respondents also had 4-6 young aged family members followed by 3.68% of the respondents stated that they had up to 8 young aged children in their family. Moreover, as indicated on Table 1 that 20% of the respondents revealed that they had two old family members who need their support. And 6.3% of the respondents stated that they had one old age family members. Altogether, the study depicted that 51(26.84%) of respondents gives care and nourishment to unproductive age segment of one or more elders of their family members.

Factors Affecting the Success of the program: This section describes and analyzes the economic, physical and social factors which affect the success of the program and it hinders the beneficiaries to sustain the livelihood.

Land Ownership and Farm Land Size: Land is a major economic asset for rural people and it also determines the livelihoods of households in rural Ethiopia. Land ownership is also a crucial issue in the productivity of rural households and land become a vital economic asset to support rural household livelihood. According to Table 2 out of the total respondents 65.26% of the respondents have own a plot of lands, but 34.73% of the respondents have not their own land. However, when we see the size of lands 55.25% of the respondents owned less than 0.75ha of plot of lands; which is an average of less than 0.5ha and it is too small positively to influence the livelihood of the respondents. Also, 8.42% of the respondents owned 0.76--1.5ha and only 1.6% of the respondents hold up to (1.5 - 2hectars) of land. This shows that the majority of the respondents have owned very small plot of lands; when it compared to the mean number of population in the family (i.e. 6.57 people which is discussed in the earlier section of this study). As result, this affects crop production capacity of the respondents and makes them highly dependent on PSNP aid. In the focus group discussion the participants stated that their land holding is too small and they rent lands or sell their labor to cover their families' consumption. According to, FAO, (2011 pp:5-6) as under rain-fed agriculture, an average family of 6 persons requires around 2.5 to 2.8 hectares to meet annual household food requirements. Thus, it can be seen from the size of farms that the vast majority of Ethiopia's small-holder farmers are dependent, at least for a certain period of the year, on purchased food.



Source: Ethiopia Mapping Agency (EMA)

Figure 1. Map of the Study Area

Table 1. Household Characteristics

Demographic Factors (Variables)	Categories	Frequency	%
Family size per HH	3-6 family member	99	52.1
	7-10 family member	88	46.31
	11-13 family member	3	1.57
	Total	190	100
	Mean(STD)	6.57(2.01)	
Dependent children below 15y	0 (None)	21	11.1
	1-3 children	92	48.42
	4 - 6 children	70	36.84
	7/8 children	7	3.68
	Total	190	100
Dependent eldersabove 65 years old	None	139	73.2
	One old person	12	6.3
	Two old person	38	20
	Three old person	1	0.5
	Total	190	100

Source: Own Field Survey, 2018

Table 2. Land Ownership and Farm size per hectare

Variables	Response	Frequency	Percentile
Having own cultivable land	Yes	124	65.26
	No	66	34.73
	Total	190	100
HH Land Size per hectare	No Farm	66	34.73
	Less than 0.25ha.	68	35.8
	0.26-0.75ha	37	19.47
	0.76-1.5ha	16	8.42
	1.5-2ha	3	1.6
	Total	190	100

Source: Own Field Survey, 2018

Table 3. Beliefs and Understanding to the Program

Variables	Response	Frequency	Percent (%)
The beneficiaries' belief and understanding to the Program	I think so, it is to give social security pension to those food insecure households.	62	32.6
	I think so it is to give long lasting aid to those who are food insecure poor HHs.	44	23.2
	I think so it is to encourage the poor HH effort to sustain their livelihood.	84	44.2
	Total	190	100
They believe about the program secure and sustain livelihood	None	1	0.5
	Yes I do believe!	92	48.4
	No I don't believe!	97	51.1
	Total	190	100

Source: Own Field Survey, 2018

Table 4. Beneficiaries Belief to the Program Loan Service

Variables	Descriptions										
	SD		Disagree		Mod. Agree		Agree		SA		To
	F	%	F	%	F	%	F	%	F	%	
Loans must be spent on activities generate additional income.	2	1.05	31	16.31	27	14.21	63	33.15	67	35.26	100
Using loans to household consumption, clothing, and building worsening the family's poverty.	45	23.68	18	9.47	17	8.94	77	40.52	33	17.36	100
Your low loan repayment practice negatively affects the program intervention and others to get their loan timely.	41	21.57	46	24.21	29	15.26	49	25.8	25	13.15	100

Source: Own Field Survey, 2018

Table 5 HH Crop Production and Consumption Level per Year

Variables	Response	Frequency	Percentile
HH crop production capacity per year	0/zero kilogram/	66/landless/	34.73
	50 – 250 kilogram	42	22.10
	300-600 kilogram	68	35.78
	>600 kilogram	14	7.36
	Total	190	100
Smooth consumption coverage	None	66	34.73
	1-3 month	75	39.5
	6 month	47	24.7
	9 month	2	1.1
Total	190	100	

Source: Own Field Survey, 2018

Table 6. The Respondents Credit Implementation Experience and Performance

Activities (Variables)	Response	Frequency	%
Having experience of using PSNP credit service	Yes I do	154	81.1%
	No I don't	36	18.9
	Total	190	100
	None	36	18.9
Frequency of using the loan, since the program intervention.	One times	124	65.3
	Two times	25	13.2
	Three times	5	2.6
	Total	190	100
Saving ability	Yes	82	43.2
	No	108	56.8
	Total	190	100

Source: Own Field Survey, 2018

Table 7. Linear Regression on Effect of the Independent Variables on Household Sustain their Livelihood.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Significance. (p-value)
	B	Std. Error	Beta		
1 (Constant)	1.559	.203		7.695	0.000***
Credit service	-.032	.070	-.033	-4.450	0.653 ^{NS}
Trainings	.372	.077	.362	4.849	0.000***
Follow-up/ consultation	.047	.021	.168	2.230	0.027**
Land owning	-.153	.067	-.195	-2.277	0.024**
Farm size	-.457	.087	-.438	-5.279	0.000***
Income diversification	.026	.052	.034	.497	0.619 ^{NS}
Labor/ Human capital	.087	.045	.126	1.920	0.051**
Loan repayment	.010	.018	.036	.554	0.580 ^{NS}

a. Dependent Variable: sustained livelihood. $R^2=0.269$, Adjusted $R^2=0.236$, ***significant at 1% , ** significant at 5%, * significant at 10%

Source: Own Field Survey, 2018

In line with this study Ahmed,(2015) on his analysis factors affecting rural livelihood diversification in Bangladesh stated that, the average size of operated land holding was small(0.45ha). This can hardly generate sufficient farm income for a household of more than five members. Thus, the household must find alternate source of income to maintain a basic living. In general these two studies show that; for those who are landless and/or if have no a plot of lands which correspond to the family size, they cannot be sustain their livelihood. Thus in study area small size of land and landlessness were one of main reason in affecting poor people's graduation from supportive safety net program.

Households' Perception towards PSNP Service: The sustainable livelihood approach is a way to improve understanding of the livelihood of poor people. Most initiatives have been unsuccessful due to lack of understanding of social, economical, cultural and environmental factors that influence the decision making process of rural households. In addition to their failure in implementing the instruction and trainings given by the program, the majority of the respondents have not understood the objective of the program. According to the above Table 3, 55.78% of the respondents described that they thought and believe that the program is designed to give social security and aid to those who are food insecure poor HHs to sustain their livelihood through the program welfare state. Out of the total sample respondents 84(44.2%) only thought and understood that the program is implemented to encourage and support the poor HHs to secure their means of living by their own efforts. The table also depicted that 51.1% of the respondents they think so that, they couldn't change their livelihood as they expected. In the contrary 48.4% of the respondents they think so that they had some change on their livelihood. Focus group discussion participants on Omoshera-2 kebele revealed that the program brought some changes upon them, especially on the life of those who had no land. Before the program launched they couldn't feed their children properly but they do it now; and owned some livestock assets. In the contrary to such success history some complains were depicted in the Goratume Kebele FGD as follows:

We were selected that we had been poor, but we couldn't paid reasonable amount of transfer which can change our life or either we had not migrated to town or to the nearby village in search of better life. We stay here hopping that the program may bring the change we desire. We spent the day here working as public worker, and as result, when we returned to home at the afternoon, we couldn't do anything because of fatigue. In addition to this, the payment/ transfer and the credit is very low. Specially, the credit couldn't easily accessible to do what we want.

The study indicated that, there is low understanding of beneficiaries on how the program will going on. This has its own impact on the households understanding to the program. Such little understanding of the program made the beneficiaries victims of corruption. During the focus group discussion of Goratume kebele the participants were complained about the repayment they made for their former loans without legal receipt; and which made them still they had been called as debtor even if they had paid it. Therefore blurred understanding towards the program from beneficiaries and implementers at lower level were another challenge for the success of the program in study area.

Beneficiaries Belief to the Program Loan Service: As shown on the above Table 4; from the total respondents of the study, 68.41% of the respondents agree/ or strongly agree on idea that loan received from the program must be spent on activities which can generate additional income to the family. And also 14.21% the respondents moderately agreed about the belief that using loan to generate additional income to the family; and 17.35% were strongly opposed and disagreed about the idea. This shows that, in spite of their low attitude to loan repayment, ideally the majority of the respondents have good opinion to the purposeful and meaningful loan using practice. As depicted on Table 4, on the other hand, regarding to the respondents characteristics the way they implement their received loan, 57.88% of the respondents understood and agreed to the idea that using loan to household consumption, clothing, building, and for paying other debit may worsening the family's poverty. But, 33.15% of the respondents strongly disagreed the idea using loans to family consumption and other purposes rather than the desired business objective. This revealed that still more than a quarter of respondents(63 respondents) have no good understanding to productive way of loan implementation and they need awareness to financial activity. In spite of the fact that the study revealed that the respondents had good understanding and perception to the program loan service, in the focus group discussion the majority of the respondents stated that they couldn't use the loan they received to the desired objective because of different unexpected socio-economic problem. For instance, in the focus group discussion a widowed woman stated that as follows:

I heard that there is a credit access for PSNP members and I registered to receive it. Unfortunately as all this people knows, one of my son was gone to Addis Ababa in search of daily labor jobs and come injured his eyes severely. At that time I have no one besides me but God and the money I received from the PSNP program only what I had. So I took my son to hospital and I bought two hens by the remaining money.

The key informant discussion revealed that there were a lot of problems regarding to understanding the use of the loan service. Some beneficiaries use the loan service for paying other debit of the family and use for household consumption. Moreover, regarding to loan repayment, 45.78% of the respondents disagree or strongly disagree about the notion that the beneficiaries low loan repayment practice and trend negatively affect others who are waiting to get their loan (Table 4). This reveals that the respondents' understanding and perception to the program service and the loan repayment performance is very low. In general speaking, this shows, besides that other socio economic factors which affect the respondents' loan repayment, one's loan repayment practice strongly influenced by his understanding to the subject. Moreover, only 38.95 % of the respondents agree, about that their loan repayment practice negatively affects those who are waiting for receiving the loan service from the program. So that, they believe that the loan repayment could be carried out timely. Basu,(1997) on his study examined why the credit organization unable to extend credit to rural people. His analysis indicated that loan repayment by farmers is influenced by timeliness of input supply, participation in off farm activity and yield loss due to natural calamities, among other things. It is also true that public perception to credit programs is an important factor influencing the timely repayment of the loan. Studies in Africa revealed tendency for people think that funds from the government are free and do not require repayment.

Crop Productivity and Length of Time on Feeding Respondents' Families: Regardless of the land size, the majority of the respondents have owned cultivable farm lands. However, all of them couldn't have ability to feed their family throughout the year from their own harvest. As shown on Table 5, out of the total respondents 22.10% of the HHs produces less than 250 Kilogram of crop per year. Also, 35.78% of the HHs produce 300-600 kilograms of crop per year. In addition to this, 7.3% of the respondents, produce >600 kilograms per year. Moreover, the table depicted that regardless of their family size, all households unable to cover their family's smooth consumption with what they produce from their subsistence farm activity. According to the table, 39.5% of the respondents feed their families only up to (1-3) months per year. And also, 24.7% of the respondents feed up to 6 months per year. Moreover, all the participants could not feed their family up to 12 months and only 1% of the respondents feed their family maximum up to 9 months. This made the respondents more dependent on PSNP support and inefficient in their livelihood functioning. Moreover, such multi diversified socio-economic problem also undermined the program effort and make it less success full.

In the focus group discussion the participants stated that their land holding is too small and they sell their labor, livestock and other assets besides the PSNP transfer to cover the remaining months of their families of food consumption. Also, they revealed that the transfer they received from the program is not enough to sustain their family. Whatever their family size, maximum number of the family members eligible to the PSNP transfer is only 5/five person per family; which may not encompasses all the families if they have more than five people. This is due to the program has not employed full family targeting in the study area. The key informant discussion participants stated that every beneficiaries receive 145 birr per person per month; and they assured that each

family received monthly transfer calculated by their eligible family members of able-body which include maximum of five people per family; even if their family size exceeded more than five people. But as this study indicated in the earlier section at the study area the average family size were 6.6, thus the monthly money transferred to beneficiaries were calculated by five family member size were itself not enough for the graduation of beneficiaries from PSNP program.

Credit Service: Access to credit is one of the determinant factors to diversify the livelihood of resource poor households. The PSNP livelihood transfer is designed with the objective of clients to: give credit service, build productive assets and accelerates the clients move to food security and graduation from the program (MOARD, 2015). Table 6 shows that out of the total respondents 81.% had experience of using credit from PSNP livelihood package. From those credit experienced target group 65.3% received the credit service one times and only 2.6 % of those respondents had used the access three times and also the table shows that solely 13.2% of the respondents received it two times. This shows that credit using rate is very low in the study area.

The focus group discussion participant stated that; *this credit facility make our life easy and protected us from paying unnecessary interest to informal money lenders or pawnbroker. However, because of failure to pay former loan timely, the current high living cost and fixed and low amount of credit accessibility deprived us not to bring the desired livelihood change in our life. Specially, our low performance of former loan repayment made us not to use the credit service in frequent manner. As result, our credit using rates become low.*

Also, they explain that the reason for the low performance of former loan as follow: *Firstly, the amount of the loan is very low and fixed; so that we couldn't able to invest all what we received from the credit facility. Because, we consume part of the loan and invest the remaining half of the money on some income generating activities, in which the profit may can't cover the credit repayment. Secondly, some business activities affected with weather change and market failure. For instant, we invest on rearing livestock, which is highly associated with risky business. Sometimes we may not find appropriate price for what we produce, such as: poultry, animal fattening and other dairy farms are highly correlated with holiday's markets and; even sometimes it is a business associated with animal disease and death. As result, we may delay the repayment of the loan, when we lose what we had or sometimes we resaved from selling what we produced till we get relevant market price; maybe we wait the next harvest time to cover the loan repayment. Also, farm land rental business is associated with risk of unexpected weather changes, too. Therefore, due to all this constraints our loan repayment performance became low. In turn this problem made us not to request for another additional credit service.*

The key informant interview discussion participants described that; most beneficiaries received credits from different PSNP packages. But they had problem of repaying the loan timely. Since, the program launched in title of different development package a lot of money disbursed though out the woreda.

For instance, from since HABP launched about 2 million birr disbursed from (2004-2008 E.C). However nearly 1.13 million birr only repaid back (returned). When we see the recent performance report of the study kebele such as: Omoshora-2, Laygana, and Gora Tume 304,000 birr disbursed among them and 0%, 29.7%, and 37.7% of loans only repaid respectively. As result, the beneficiaries couldn't receive the credit repeatedly and also it makes difficult to supply credit to all the needy PSNP beneficiary households because of the nature of the revolving fund packages. Regarding to saving, Table 6 also revealed that out of the total respondents only 82(43.2%) of the respondents indicated that they are striving for saving from what they earn and the program partly secured their life through supporting their effort to sustain their livelihood. In the focused group discussion of Omoshora-2 kebele, all the participants stated that, every month when they received monthly transfer, they save 10 birr individually as "Dayo Cooperative Association." All the PSNP beneficiaries are members of this association and now the members saving shares reached up to 300 birr per person. However, besides such success history, 108(58.8%) of the respondents stated that still they had not able to save. Moreover, their saving experience and asset holding was not increased. Thus low saving practice was another challenge for delay of return of the debt money and to escape out the beneficiaries from the PSNP program in study area.

Discussion on Predictors variables: The independent variables that are estimated as variables influence the respondents effort to maintain sustained livelihood are expressed as follows: the first one is the respondents characteristics to implement the support given by the PSNP program such as: credit, training, follow-up and other aids. The second is the respondents understanding to the program and loan service. The third is socio economic factors of household asset i.e. fertile land ownership, farm size, income diversification skill, labor/human capital and so on... that affect the respondents to maintain sustained livelihood which is resilient to shock and stress.

The ANOVA result summary that $F(8,181) = 8.317, P < 0.01$ indicated that there is a significant relationship between the dependent variable household livelihood sustainability and the eight predictors (i.e. reveal the regression model is good fit of the data. Table 7 shows that the result of the expected independent variables which affect the respondents effort to sustain in their livelihood and withdraw from the PSNP livelihood program. From those variables five are statistically significant and the others are not. Access to credit: is one of determinant factors to diversify livelihood of resource poor households, i.e. to invest on both on farm and nonfarm activities. But its accessibility is insignificant and is negatively associated with secured household livelihood. This implies that the amount and access to the credit that the household have, less likely support the household to diversify their livelihood activity. This finding is in line with Arega,(2012) in his study stated that; credit played insignificant impact for household food self-sufficiency and graduation from the PSNP program. Land owning: Access to land ownership is negatively associated with maintaining sustainable livelihood and is significant at 5% significance level. The negative relationship shows that the rural households who have not owned arable land have less chance to secure their livelihood and maintain the families' smooth consumption.

The model result indicated that other things remain constant; the likelihood of generating income for securing their livelihood decreases by 0.153 units, when the probability for holding land asset decreases by one unit. This means, PSNP participants who have no land holding have low probability for securing in their livelihood than those owned it. The finding is in line with what had been found by Tanvir, (2015) the functionally land less households had negative coefficient i.e. the landless households are likely to be less diversified in their livelihood and they can hardly generate sufficient income compared to others. Farm size: The household's farm size is significant and negatively associated with the dependent variable household livelihood sustainability. The relation is statistically significant at 1% significance level. This implies that the households livelihood subject to decrease with the size of the families cultivable land holding.

In this case the table shows that one unit of decrease in farm size cause to diminish the likelihood of households sustaining their livelihood and income earning to satisfy the family's food and other need by 0.457 unit. Hiremath, (2007) stated that; in India land based livelihood of small and marginal farmers are increasingly becoming unsustainable, since their land is no longer able to meet the requirement of food for the family and fodder for their cattle. Labor (Human capital): The number of labor in the household is the other determinant factor which affects the households' livelihood positively and significantly. Table 7 shows that one unit of labor increase in the families livelihood causes to 0.087 unit of positive influence on the livelihood of the household. This implies that households with the size of large adult labor have more likely to diverse and ensure the households food self-sufficiency. Also the coefficient of this variable indicated positive association with the households secured livelihood and significant at 5% significance level. This finding is similar with Stephen M. *et al.* (2009) stated that household size, especially the number of adults, is an important determinant of labor availability for income generation. Also according to Devereux,(2000) he assured that the majority of the world's adults generate their livelihood by laboring to produce food or earn a regular income. It is often remarked that labor is the poor's most abundant asset'- indeed labor power may be the only productive asset that poor people own.

Conclusion

Productive Safety Net Program plays significant roles in ensuring the smooth consumption and protecting asset depletion for vulnerable households in the study area. However, because of some constraints during implementation, its effect is not as expected. This study, deals with assessing factors that affect the effect of the program and identify the participants understanding to the program. As the study revealed that, due to some reasons the respondents couldn't assure the desired change. Especially, low amount of monthly transfer, inadequate credit and accessibility made the respondents little to do in securing their livelihood. In addition to this, the respondents characteristic, such as implementing and using trainings, extension visits and consultations offered from the DAs and the program side is weak. From the total respondents only 46.6% of the respondents recognized that they attempt to follow directions set by the program, training and consultation given by DAs as much as possible. More than, half of the respondents such as: 58.4% of the respondents

they did their livelihood as business as usual. Moreover, 108(58.8%) of the respondents stated that still they had not able to save and their asset holding was not increased. Compared to the mean number of population in the family i.e. is 6.57, the majority of the respondents are owned very a small plot of lands (an average of less than 0.5ha.) which is not enough to influence their livelihood positively. This shows that there is shortage of farm land, because of densely distribution of population in the study area which affect crop production capacity of the respondents and made them could not feed their family up to 12 months. As result, respondents become dependent on PSNP support and less successful in their effort. The respondents' poor understanding and attitude to the program, made them little to aware of the programs dimension that supporting the poor to maintain resilient livelihood to different shock. This, in turn, made them failure in their livelihood and causes to misusing service accessed through the program and they became failure in their debt repayment. That the respondents' loan repayment performance was very low due to their understanding and perception to the program service in study area. In general speaking, this shows, that besides other socio economic factors which affect the respondents' loan repayment practice, one's loan repayment practice strongly influenced by his understanding to the program.

Recommendation

After analyzing the data the researcher proposes the following suggestions that could be implemented by policy makers, government officials both at local or national levels, international organizations, and leaders.

- Since, the program designed to assure food security and improve asset holding, the federal government should improve the monthly transfer fairly equitable to the current minimum cost of living and also the credit should be reasonably good to start small business, as well as to the households capacity for repay it.
- To enhance: the respondents loan repayment, frequent use of credit, and saving culture; the DAs (PSNP coordinators) and micro finance experts should encourage the beneficiaries through scaling up best households resource management practices and introducing the success history of other beneficiaries.
- To improve the respondents understanding to the program, local PSNP actors and/or (the government and NGOs), should make the households to be aware of about the program objective.
- Besides to PSNP program, the federal and the regional government should consider building vocational training institutions and agricultural industrial firms to create various job opportunities for youths and adults; to alleviate the problem of landless and/ or those who owned very small a plot of farm lands.
- To maintain, family size corresponding to the household asset bases, the woreda health office, and those kebeles health extension workers and NGOs operating to the subject should work hard.

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