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# Income diversification and food security situation in Ethiopia:

## A review study

Mohammed Adem<sup>1\*</sup> Esubalew Tadele<sup>2</sup> Habtamu Mossie<sup>3</sup> Mezegebu Ayenalem<sup>4</sup>

1. Samara University college of business and Economics, Department of Economics, Ethiopia; E-mail:mameyaadem@gmail.com
2. DebreMarkos University, College of Agriculture and Natural Resources: Department of Agricultural Economics, Ethiopia; Contact: esu3608@gmail.com
3. Wolikte university college of Agriculture and Natural Resources: Department of Agricultural Economics, Wolikte, Ethiopia; Contact:habtamu. elias7@gmail.com
4. DebreMarkos University Buriecampus, Department of Agribusiness and value chain management, Ethiopia: E mail:mezgebu12aynaalem@gmail.com

### Abstract

This review was conducted to examine the income diversification and food security situation in Ethiopia. The objective is specifically to identify the determinants of income diversification of smallholder farmers, and its effect on food security status of rural households and to review the determinants of food security status of households. Agriculture is the basic economic sector in which the country relies for its social and economic development. In spite of the fact that 80 percent of the population has been employed in food production, it fails to feed relatively large proportion of population from its domestic production. In Ethiopia 83 percent of small -holder farmers participated in farming activities and only 27 percent were engaged in non-farm/off-farm economic enterprises. Non-farm employment provides additional income that enables farmers to spend more on their basic needs include food, education, clothing and health care. Food security exists when all people at all times have the physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for active and healthy life. The basic factors influencing the food security status of small holder farmers are the socio-economic characteristics and resources of individual households. To make considerable improvement on food security situation action should be taken by household heads, government of Ethiopia, national and international organizations.

**Key words:** Food Security; household; income diversification; effect

## 1. INTRODUCTION

### 1.1. Background

In developing country, Agriculture accounts for a significant fraction of production and substantial output is produced for self-consumption. Even more striking are the shares of the labor force living in rural sectors (Ray, 1998). Its activity forms a significant part of the lives of people living. The overall numbers for production and occupational structure suggest that agriculture often has lower productivity than other economic activities and capital intensity in agriculture is at a bare minimum, and there is often intense pressure on the land.

In much of sub-Saharan Africa, agriculture is still largely in this subsistence stage as noted by (Todaro and Smith, 2014). The reasons as to why small-scale farmers are often resistant to technological innovation in farming techniques or to the introduction of new seeds or different cash crops. This is looked at from the angle of increased productivity. Another key factor identified in the available literature is political unrest and armed conflicts. They have prevented farmers from producing, displaced populations, destroyed infrastructure and littered the countryside with land-mines ( Boussard, J. M. *et al*, 2005). Considering the political history of many African states which have been plagued by conflict it is safe to admit this as a formidable challenge to agriculture. The largest size of the agriculture sector, in both its share of GDP and employment, along with the likely concentration of poverty in rural areas, points to the unique opportunities that agricultural development provides (Perkins, Radelet, Lindauer& Block 2013). On this basis that we start to ask the key questions about how some of the challenges faced by the agricultural sector that correlates with food security can be resolved and the different opportunities that we shall be exploring in the case study.

In Ethiopia, Agriculture is the basic economic sector in which the country relies for its social and economic development. Its contribution to the GDP, employment, and foreign exchange earnings of the country is about 46.3, 83 and 90 percent, respectively, makes it the incontestable sector in the country's development prospect (MoFED, 2006). Despite its importance, the sector is traditional and subsistence. In spite of the fact that 80 percent of the population has been employed in food production, Ethiopia fails to feed relatively large proportion of population from its domestic production. And more importantly, the population do not have the productive capacity to earn wherewithal to commend its additional food requirements through commercial imports. The proportion of population undernourished was 64 percent in 1995. Thereafter, improved progressively to 40 percent in 2010 (FAO-FSI, 2013). However, the prevalence of undernourishment still remains at such a high level that effort for future improvement is required. Recognizing this fact, studies reported that it is essential for the smallholder farmers to involve in other income earning activities, besides attempting to improve production and productivity of agriculture. For instance, (Dimova and Sen, 2010), stated that participation and specialization of small holder farmers in one particular activity is the exception and income diversification through participating in different activities is a custom.

This is due to the fact that income diversification could help small-holders farmers to address the problem of the risks and uncertainties (Ellis, 1998; Dimova and Sen, 2010) that their farming, which is nature dependent and rain-fed agriculture, usually encountered and also expected to create higher income (Demissie,2003). Being agriculture is nature dependant and the common jobs of small- holder farmers, it is usually characterized by different problems such as poor fertility of the soil, volatile rainfall, crop and livestock diseases, price shocks for crop and livestock products and other related conditions which guide to generating low income and gradually lead to food insecurity and poverty. In Ethiopia, one of the main reasons for poverty and food insecurity of the extensive agriculture based small- holder farmers is the extremely low productivity (yield) of the smallholders (Canali and Slaviero, 2010) that are the major producers of food in the country through use of low-input, rain-fed and low-output farming systems (MOARD, 2010).

It is increasingly believed that diversification of income sources of households and widening of crops options by the farmers during cultivation have positive impact on the food security level of rural households. Evidences from various studies (Agbolae et al.2008, Zeraia and Gebreegziabher 2011) also indicated that if households have diversified sources of income it has a positive implication on food security status of households through increasing their total monthly income earning. In general it is suggested that diversification of income sources has been put forward as one of the strategies that households employ to minimize their income variability and to ensure a minimum level of income diversification for improving poverty and food security status at of the country at national and farmers or households level. As studies and our experience indicated that although the smallholder farmers are involved in diverse livelihood activities, their participation into nonfarm and/ or off- farm activities is influenced by complex and yet empirically unidentified factors and it is not clear why some households participate in to different income generating activities while other participate in farming only (Bereket Zerai and Zenebe Gebreegziabher (2011)). It is thus, important to identify the major factors influencing nonfarm or off-farm income diversification strategy activities and its effect on food security status of rural farming households and suggest possible intervention strategies of income diversification of smallholder farmers, considering the socio-economic and bio-physical circumstances of Ethiopia.

### 1.2. Objective

The overall objective of this review study was to assess income diversification and food security situation and its dimension in Ethiopia.

Specifically the study was trying:-

- To review the determinants of income diversification of smallholder farmers
- To review the determinants of food security status among farming households
- To review the effect of income diversification on food security status of rural households

### 1.3. Methodology

This article is based on intensive literature review of published and unpublished materials like books, articles and other scholarly materials.

## 2. Review of Related Literature

This part will discuss some concepts and evidences about income diversification and food security in Ethiopia with specific topics of concepts and definitions applied in income diversification and food security analysis, determinants of household income diversification, effect of income diversification on food

security status of rural households in Ethiopia and determinants of food security status among farming households.

### 2.1. Concepts and Definitions applied in income Diversification and food security Analysis

According to Collins Essential English Dictionary (2006), income is defined as the total amount of money earned from work or obtained from other sources over a given period of time. The free on-line dictionary (2008) defines income as the amount of money or its equivalent received during a period of time in exchange for labour or services, from the sale of goods or property, or as profit from financial investments. The same source alternatively describes income as money received by a person or organization because of effort (work) or from return on investments. There has been various ways to define diversification.

According to (Hengsdijk *et al.*, 2007) diversification is defined as increasing the small holder farmers or household income sources rather than farming activities like crop production and livestock rearing. Diversification is defined as the procedures small holder farmers or households create different set of income generating activities for survival and in order to get better living standards. Depending on this definition income diversification take place at small holder's farmer's level in the form of increasing more activities rather than farming (Brugère *et al.* 2008).

Additionally Income diversification is the process by which households widen their income base by adopting new economic activities. When we say income diversification is a process if small holder farmers participate in income diversification activities their level of production is changed from substance or hand to mouth level to provide some amounts of product to the market (participate in commercial activities) and try to diversify from only agricultural activity to nonfarm activities. In the most successful cases, income diversification creates increment in the small holder farmer income and they try to invest in other non-agricultural activities. In contrast, income diversification may occur as a survival response to several shocks and stresses. For instance when members of poor farming households are forced to migrate in search of wage labour or sell assets because their crops fail or they face a sudden need for extra income. This situation refers to push factors (Samson *et al.*, 2010).

According to Haggblade *et al.* (2010), outside off farm activities like shopkeepers, hand craft, petty trading, services providing activities, food processing and preparation for sale activities etc, business enterprise are included in rural nonfarm enterprise. Regardless of sectoral or functional classification which can be either wage employment or self-employment all activities left from one's own property include under non /off farm activities (Beyene, 2008). Non-farm income includes both off-farm wage labour and non-farm self-employment (Reardon. 1997; Escobal 2001)

Olayemi (1996), defined as food is a basic necessity of life and its importance at the household level is obvious since it is a basic means of sustenance. According to (Okunmadewa 2001), the concern for food security and nutritional wellbeing in an economy is predicated by role of human element in economic development. This shows why at national level food is one of political and economic significant concept especially in issues relating and ensuring peace and stability among the populace. Food security exists when food is available to everyone at all times, they have means of access, and that it is nutritionally adequate in terms of quantity, quality and variety also that it is acceptable within the given culture (FAO, 2004). This implied food must be available to the people to an extent that will meet some acceptable level of nutritional standards in terms calorie, protein and minerals which the body needs; the possession of means by the people to acquire it and consistency in its supply at all times.

At National level, food security exists when all people at all times have the physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for active and healthy life. At household level, food security implies physical and economic access to food that is adequate in terms of quantity, quality, safety and cultural accessibility to meet each person's need (Ingawa 2002). According to (FAO, 2003) in the world about 2 billion people face lack of food security intermittently due to varying degree of poverty, while up to 852 million men, women and children are chronically hanger due to extreme poverty. The work of sens (1986) drew attention to the critical importance of access to food, particularly at household and at individual level, as distinct from food availability.

Jrad *et al.* (2010), elaborated on four dimensions of food security as food availability, food accessibility, food utilization and stability. **Food availability** refers to the physical presence of food which may come from own production, purchases from internal market or import from overseas. Whereas **Food access:**

Household food access is the ability to obtain sufficient food of guaranteed quality and quantity to meet nutritional requirements of all household members. Here, the food should be at right place at the right time and people should have economic freedom or purchasing power to buy adequate and nutritious food. Kuwornu *et al* (2011) explained that food access is determined by physical and financial resources, as well as by social and political factors. Access depends normally on; income available to the household, the distribution of income within the household, the price of food, access to market; and social and institutional entitlement/rights. **Food utilization:** This refers to ingestion and digestion of adequate and quality food for maintenance of good health. This means proper biological use of food, requiring a diet that contains sufficient energy and essential nutrients, as well as knowledge of food storage, processing, basic nutrition and child care and illness management (Jrad *et al*, 2010, USAID, 2008). **Stability of Food:** refers to the continuous supply of adequate food all year round without shortages ( Jrad *et al*, 2010). To be food secure a population, household, or individual must have access to adequate food at all times. They should not be at risk of losing access to food as a consequence of a shock (e.g. an economic or climatic crisis), or cyclically (e.g. during a particular period of the year seasonal food insecurity). The concept of stability can therefore refer to both the availability and access dimensions of food security.

## 2.2 Determinants of Household Income Diversification

Rural households earn their living from farm activities. However, farming alone does not provide sufficient income for sustenance among rural dwellers (Oluwatayo, 2009). Besides, farming activities in most parts of the developing world are characterized by seasonality implying that households have to rely on different options for their livelihoods in different times of the year. To safe and secure their livelihood structure, if environmental and economic situations are changing smallholder farmers have an incentive to participate in non-farm activities and get non-farm income. On the other hand factors like barriers to enter non-farm activities and risk aversion behaviour of households can also hold them back from participating in non-farm activities. The motives are usually divided into two categories: “pull factors” and “push factors” (Barrett *et al.*, 200)

According to (Norman, 1974), (Davis and Pearce, 2001), (Jalan and Ravallion, 1998), and (Hart, 1994) for small holder farmers pull factors for income diversification are benefits from complementarities between activities, new income opportunities created by market development, improvement of infrastructure and diversification for asset accumulation respectively.

For small holder farmers Push factors include ex-ante risk management (Hoogeveen, 2001; Alderman and Paxson, 1992), but for (Carter, 1997) push factor for smallholder household are ex-post risk coping strategies, contrary for (Omamo, 1998) high transaction costs is the push factor of smallholder farmers to in force income diversification. Liquidity constraints and credit market failure for (Reardon *et al.*, 1994), and the seasonality of agricultural production activity (Sahn, 1989) are the factor which push households participate towards nonfarm activities. Similarly, According to (Xia and Simmons, 2004), the important factor to encourage households to reallocate their productive resources to higher-return activities is market development. Whereas agricultural seasonality, frequent climatic hazards, while poor resource endowments; and poor access to financial institution like credit institution may all push rural households to undertake a wider range of activities in order to secure their livelihood. Household livelihood strategies are jointly determined by these two sets of factors.

According to (Carter, 1997; Reardon *et al.*, 1992) risks play a key role in the activity diversification process. Since they strongly influence rural production, income and welfare, risks are major “push” factors that encourage households to turn to a more diversified portfolio of activities. Both on-farm and off-farm diversification can thus be seen as efficient mechanisms for households to reduce income risks (Ellis, 1998, 2000; Hoogeveen, 2001).

However, in a rapidly changing and volatile environment, uncertainty may also make agricultural households more reluctant to engage in new activities. This is particularly the case for poor households who typically have a higher absolute risk aversion (Rosenzweig and Binswanger, 1993). Among small holder farmers the income diversification level and types depends on the availability and accessibility of various income sources and the type of risk and uncertainties small holder farmers are responding to which may in turn depend on household’s markets like (labour and product market), human and social capital, and recurring policy changes. Some practical studies illustrate the strong factor which influences income diversification strategies are educational attainment (education level of household head) and infrastructure access for production and marketing activities are strong determinants of diversification (Barrett, et al., 2001a, 2001b; Block and Webb, 2001).

In Ethiopia the pastoral (rural) economy usually analyze as agrarian economy in which large number of small holder farmers (households) are generally in farming activities like crop production and livestock rearing with small number of small holder farmers participate in nonfarm /off farm business activities. In Ethiopia 83 percent of small -holder farmers participated in farming activities and only 27 percent were engaged in nonfarm/off farm economic enterprises (Nagler and Naudé, 2014).Majority of the population is however dependent on marginal nonfarm income sources such as petty trade (World Bank, 2009), besides the smaller farm size and low return from farming activities, exposed majority of rural households to chronic poverty. For instance, International Food and Agricultural Development (IFAD, 2011) indicated that most of the Ethiopian rural people are poor and accessed to one or less than one hectare of land. Due to this fact that in most developing countries farm households that are highly reliant on off farm income can have good implications if they are thoroughly considered by agricultural research and extension system of the country. As they are expected to reinvest their off farm profit back into their farm production would improve farm productivity and household food security. If the agricultural production is low due to crop failures resulting from agro - climatic shocks and/or market failures, farm households may utilize off farm income to stabilize aggregate income flows and secure food access.

In addition, most poor households' income from farm is not enough for the whole year consumption, and they use off farm income in the crucial hungry period between food stores running out and the next harvest (Kilic *et al.*, 2009). Therefore, off farm income can be used as a mechanism to stabilize the household income and reduces early harvest consumption or distress selling at early harvest time. Moreover, under scarce land and imperfect land market it enables to create more job opportunity for some rural household members and this contribute for the reduction of rural unemployment.

For instances, in southern Ethiopia livelihood strategies include livestock keeping, crop cultivation, remittance and handcraft (Adugna, 2012) and in Kenya consist of gifts, petty business and formal employment (Wanyama *et al.*, 2010). Specifically the study revealed that educational status, access to market for farm products, and farm characteristics' (farm to farm capital (availability of animal ploughs are determinants of income diversification strategies amongst rural households.

Similar finding is reported by Oluwatayo (2009) in Nigeria but Asmah (2011) in Ghana differs from this opinion. Elsewhere in Kenya where primary occupation of farmers is animal keeping, male-headed households have greater chances of diversifying into crop production due to their relative advantage of access to land. According to Olale *et al.* (2010) reported greater likelihood of men diversifying than their female counterparts. Most studies in the area of off farm/nonfarm income indicated that, farm characteristics of the household are considered as main factors determining the decision of participation in off/nonfarm activities.

For example, using data on 200 households selected from 40 villages of Southeast Nigeria, (Ibekwe *et al.* 2010) examined factors determining nonfarm income. This indicates that increases in the size of farm land increases farmers' willingness to operate in farm activities than participating in off farm activities. This may further show the fact that small-sized farmers are driven out of farm activities in the study areas.(Bedemo *et al.* 2013) studied factors determining the decisions to participate in off farm work in western Ethiopia. The finding of their study shows that variables on access for credit and size of farm land are major determinants of decisions to participate in off farm activities.

Various explanations for diversification behaviours can be found in the economic literature to explain both incentives and disincentives for rural households to combine traditional crops with new crops (Norman, 1974), agricultural crops with animal husbandry or forestry activities (Kurosaki, 1997), and/or agricultural activities with off-farm activities such as migration and tourism (Barrett *et al.*, 2001; Murphy, 1999). Education and training produce a labour force that is skilled.

Oluwatayo (2009), indicates for small holder farmer household heads with formal education, married, engaged in farming as primary occupation and those living far away from headquarters of state or local government are less diversified than those with no formal education, single/divorced/widowed, non-farming households and those living very close to the state or local government headquarters. The implication of this is that respondents with formal education (especially those educated up to tertiary level) are engaged in better and well-paid salaried jobs than those with no formal education hence they have lower likelihood of combining two or more jobs (multiple job holding). This is because education enhances the potential of respondents and makes them access available opportunities with little or no stress. Gender relationships are important in shaping diversification process. Social organisation and culture can significantly influence the relative access of diverse gender (and age groups) to household's capital assets (Ellis, 2000; Gladwin *et al.*, 2001; Dolan, 2002).Gender is an integral and inseparable part of rural

livelihoods. Men and women have different assets, access to resources, and opportunities. Ellis (1999) found that women rarely own land, may have lower education, and their access to productive resources as well as decision-making tend to occur through the mediation of men. Women typically confront a narrower range of labour markets than men, and lower wage rates. In general, therefore, diversification is more of an option for rural men than for women. In this sense, diversification can improve household livelihood security while at the same time trapping women in customary roles.

Ibekwe *et al.* (2010) in their work on determinants of farm and off-farm income among farm households in south east Nigeria noted that the age of household head was significant and negatively correlated with farm income. This may be due to the fact that the older the farmer the less productive the farmers will be. This equally has implication for farm productivity. According to (Readon *et al.*, 1998) the small size of farm holdings has been one of the factors that are driving small holder farmers out of farm business and has been regarded by many authors as one of the push factors. Family size is an important factor for livelihood diversification. (Ibekwe *et al.* 2010) reported that farm household size was significant and correlated with farm income diversification. Individuals own asset base helps both directly and indirectly in livelihood diversification. Asset offers a store of wealth as well as provides an opportunity to invest in alternative enterprises.

According to (Bekelu *et al.*, 2013) on the work of Determinants and Patterns of Income Diversification among Smallholder Farmers in Akaki district, Ethiopia Two stage random sampling with Proportionate Probability Sampling (PPS) was used to collect cross-sectional data from 155 farm households using structured questionnaire. The data were also supported with documents from agricultural and rural development office and farmers cooperatives in the study area. The Tobit model was used to analyze the factors determining the income diversification. From the descriptive statistics, sales of homemade farm implements and drinks, and non-farm employment was found to be the most important sources of off-farm income in the study area. The results from Tobit model indicate that, family size; number of extension visit per year and education level has a positive significant effect over income diversification. On the other hand, age of the household head; land size and average distance from market have negative and significant influence on the household's decision towards diversification.

Yishak 2017, identifies factors which affect rural farm households' income diversification in the case of Wolaita, his survey result also shows that out of the total sample households (300), about 246 households (82%) pursued agriculture as a primary income source. About 51 respondents (17.3%) reported that agriculture was their second alternative giving first priority to either non-farm or off-farm activities while only three respondents (1%) put agriculture in the third place. On the other hand, 37 respondents (12.3%) reported that non-farm activity was their primary income source. Within the non-farm category about 90 respondents (30%) claimed non-farm is the 2<sup>nd</sup> income source, next to farm. Out of the total sample respondents, about 134 sample households (44.6%) pursue non-farm activities beside agriculture. Off-farming is a source of income for poor households on which they mainly depend for their livelihood due to low resource endowment, especially farm land. Out of total sampled households, about 17, 33, and 12 respondents ranked off-farm activity as first, second and third in that order. By applying Binary logit model to investigate factors influencing the households' participation in income diversification eight variables were significant with respect to income diversification with less than 10% of the probability level. These variables include sex, education, oxen ownership, tropical livestock, farm size, distance to market, participation in local leadership and annual farm income.

Bereket and Zenebe (2011) on the study of effect of nonfarm income on household food security in eastern Tigray, Ethiopia by using Heckman selection model (two stage) they examine the household decision with respect to participation in nonfarm employment using probit model. they found that land size, age, family size, special skill, electricity, credit, distance to the nearest market and access to irrigation are the most influencing variables in determining farmers to participate in nonfarm activities.

According to Amare and Belaineh (2013) on the research titled determinants of income diversification among rural households: The case of smallholder farmers in Fedis district, Eastern hararghe zone, Ethiopia by using tobit model Participation in non/off-farm employment activities and the level of income derived are found to be influenced by human capital related variables (gender and age of household head, number of economically active family members, education level of household head and presence of children attending school), livelihood assets (livestock holding, size of cultivated land), livelihood diversifying strategy (crop based diversification through number of crops grown and harvested) and infrastructure related variable (proximity to market). The results imply that these factors need to be considered by policy makers in the planning of agricultural and non-agricultural initiatives in this study area.

Beyan (2016) examine what factors contribute to the income differential? evidence from east Hararghe, oromia, Ethiopia he was used linear regression model to identify contributing factors and the model output indicated that, irrigation use, livestock holding, education level of household head, cultivated area, age and amounts of fertilizer used were the significant variables that contribute to farm income differential in the study area. Therefore, the policy implication of the study is that, increasing and proper utilization of the aforementioned variable's should have get due attention to speed up the enhancement of rural farm household income.

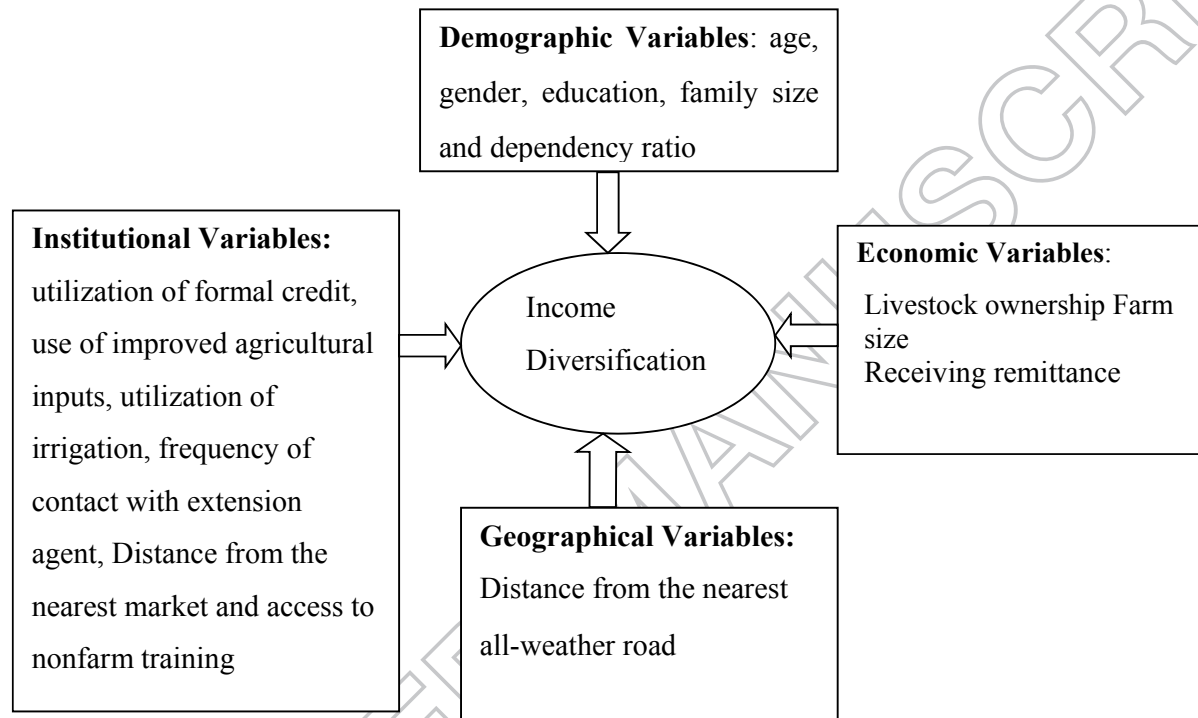


Figure 1. Conceptual framework for determinants of income diversification  
Source: Modified from Demissie,A.and Legesse,B.(2013)

### 2.3 Effect of Income Diversification on Food Security Status of Rural Households

For small holder farmers income diversification or participating in non-farming activities has both positive and negative impacts Reardon et al.(1998), and also there is some controversy about the impact of income diversification on food access which are short run and long run effect. In the short run participating in income diversification or non/off farm activities and raising the cash is important to fill the food deficit. However, the controversy comes from the long run effect of income diversification or participating non/off farm activities may reduce the availability of food and gradually it leads to food insecurity. According to Agbola et al. (2008), income diversification strategies are fruits, vegetables and sold farm labour to supplement cash income and to reduce household food insecurity. Households that combined enterprises were better off and able to meet their capital expenditure.

Similarly, According to Zeraia and Gebreegziabher (2011) non-farm employment provides additional income that enables farmers to spend more on their basic needs include food, education, clothing and health care. This implies that non-farm employment has a significant role in maintaining household food security. Additionally, According to Degefa (2005) Small holder farmers often feel food secure throughout the year by participation in crop production and livestock rearing or through running own non-farm ventures or to work with somebody else. As he further explains, a small holder household is food insecure when it is incapable of sufficiently feed its household members from its own production or purchase from the market in return to own cash, which may be earned from the exchange of self-endowment.



In addition to the above studies according to Bassie (2014) the coefficient of herfindahl diversification index is positive and significant at 5 percent level of significance. In other words, the higher the level of the household income diversification, results with, the more food secure of the households. The possible explanation for this as our prior expatiation, diversification of income sources provides an additional income that enables farmers to spend more on their basic needs include food consumption, education, closing and health care .Increase in the level of income diversification helps the households to revitalize from different shocks which make farm households food insecure.

This result also consistent with the study of Oyewole (2012) in Nigeria with estimated coefficient of income diversification (0.877) was positive and significant at 5% level of significance. This implies that, as income diversification increases, food security status of the households increase. According to Birhanu (2009) Participation in off-farm activities was found to be significantly and positively associated with food security, a finding similar with Nyariki *et al.* (2002) who found involvement in off-farm activities positively and significantly affect food security in Kenya.

According to (Naznin, Sultana *et al.* 2017) on the work of Analysis of the Impact of Income Diversification Strategies on Food Security Status of Rural Households in Bangladesh, Income diversification has significant implication on the food security status of the rural farming households in Bangladesh. Income diversification has been identified as essential strategy for raising income and reducing rural poverty. The level and type of income diversification depends on the accessibility and availability of different income sources. Similarly the status of food security depends on average Kcal per day consumed by all members of a household. To examine the impact of income diversification on food security status of the rural farming households in Rajshahi district a survey was conducted in district Rajshahi of Northern Bangladesh covering three Upazilas with 138 households.

The Simpson Index of Diversity (SID), Food Security Index and Binary Logistic Regression model are employed to analyze the data. To estimate the model data has been collected from sample households from three upazilas – Puthia, Paba and Mohonpur. The Simpson Index of Diversity (SID) is used to measure the extent of income diversification and the Food Security Index is used to measure the household food security status.

The results of SID revealed that diversification of income sources (SID = 0.25) is very low and the value of the food security index is 0 to 1. It is also found that the mean value of FSI is 0.91 for the food insecure households whereas 1.06 is the mean value of FSI of food secure households. Three factors are found to be statistically significant namely age of household heads, educational status and household size.

The analysis found that income diversification has positive but insignificant impact on household food security status in the study area. Finally, the obtained results have important policy implications which imply that programs targeted to engage people in other income generating activities would augment their income sources which are made to increase the food security status of household level in Bangladesh. According to Bereket and Zenebe (2011) on the study of effect of nonfarm income on household food security in eastern Tigray, Ethiopiat examine the effect of nonfarm employment indicates that nonfarm employment provides additional income that enables farmers to spend more on their basic needs include food, education, closing and health care. The result of the study implied that nonfarm employment has a role which is significant in maintaining household food security.

#### **2.4. Determinants of Food Security status among Households**

According to African Development Bank (2014) Ethiopia is one of the most food-insecure and famine affected countries. A large portion of the country's population has been affected by chronic and transitory food insecurity. The situation of chronically food insecure people is becoming more and more severe. Food security situation in Ethiopia is highly linked to recurring food shortage and famine in the country, which are associated to recurrent drought. According to FAO (2010) more than 41 percent of the Ethiopian population lives below the poverty line and above 31 million people are undernourished. By using the threshold of 2,550 kilocalories (Kcal) per adult equivalent per day, 40 percent of Ethiopian households for whom their majority reside in rural parts of the country were food insecure and undernourished WFP and CSA (2014).

Food insecurity is a reality for hundreds of millions of people around the world, with the most affected countries being those in East Africa. In Ethiopia, the problem of food insecurity is exacerbating around pastoral areas due to the influence of a number of socio-economic and environmental factors. According to

(Sanusi *et al.*, 2006) the basic factors influencing the food security status of small holder farmers or households are the socio-economic characteristics and resources of individual households. According to Fekadu and Mequanent, (2010) in the study on determinants of food security among rural households of central Ethiopia using binary logistic regression model observed that age of household head, educational level of household head, off-farm/ non-farm income, use of chemical fertilizer, size of cultivated land, livestock ownership, oxen ownership and soil and water conservation practices were found to be significant in determining household food security.

The result reveals that age of the household head, the size of land cultivated, use of fertilizer, oxen ownership, and soil conservation has positive impact on food security status of household but household size and education has negative impact on food security status of smallholder households.

The possible explanation for the unexpected output might be literate households might not have chance to apply their knowledge towards achievement of household food security. Similarly, Garrett and Ruel (1999) found negative and significant association between educational level of a household head and with food security. Whereas, others found out that it is mother's attendance of primary education that positively contributes to food security (Bigsten *et al.*, 2002). In our sample, a greater proportion of female headed households are food insecure, in agreement with this finding.

Agboola (2004) in a study on food security in Osun State using tobit regression model observed that household size and diversification extent had a negative effect on food security, while gender of household head, child dependency ratio, input usage, remittance, total expenditure, food allocation and crop output had a positive effect on food security. The study further revealed that age of household head, education level, farm size, commercialization, cooperative membership, fertilizer and chemical had no significant effect on food security.

Similarly to Sanusi *et al.*, (2006) and Babatunde *et al.* (2007) noted that household income, household size, education status of the household head and quantity of food obtained from own production determined the food security status of farming households in North Central Nigeria. They concluded that socio-economic variables of the households are important determinants of their food security or insecurity status.

According to Indris and Adam (2013) on the work assessment of food insecurity and coping mechanisms among pastoral households of Afar national regional State in the case of Chifra district, Ethiopia, with specific objectives of assessing the status of food security, the local food insecurity coping strategies employed by different food security status groups and identifying the major determinants of food insecurity. Results of descriptive and inferential statistics indicate that using the calorie intake approach, 65.8% of sample respondents were food insecure, while 34.2% were food secure. Further analysis showed that sale of sheep and goats (shoats), reducing number and size of meals; seasonal migration (some of the family members), receiving food aid and borrowing cash or food from neighbours or relatives were the frequently practiced coping strategies by pastoralists of the study district.

On the other hand, analysis of the logistic regression model resulted in eight statistically significant variables affecting the food security status of the sampled households in the district. Family size, age of household head, dependency ratio, livestock disease incidence were causing food insecurity whereas sex of household head, herd size, income from livestock production and non-farm income were working against food insecurity. The study recommends that appropriate policy measures be taken towards limiting dependent population size through integrated and accessible health and education services, improving the contribution of the pastoralist women through trainings that could help remove cultural barriers and supporting the livestock sector through proper forage development as well as extended veterinary service and disease control programs.

Finally, considering the fact that non-farm income of the sample households significantly affected households' food, pastoral households' insecurity in the district should be assisted to diversify their sources of income so that they may be able to cope with the prevailing problem and meet at least their minimum food requirement particularly during the drought season.

Ejigayhu and Abdi-Khalil (2012) on they work Determinants of Food Insecurity in Addis Ababa City, Ethiopia by using Tobit regression model the result show that Household size, household income, household head age, household head education, ownership of bank account and income from remittance and gift were found to be significant determinants of food insecurity in the study area.

kidane *et al.* (2005) analyzed determinants of food security in oromia region of Ethiopia using the rural household survey data. The authors used logistic regression to identify the determinants of food security in the region. The empirical evidence revealed that access to fertilizer, educational level of household heads, access to land, access to family planning improve the probability of food security in the study area. According to Girma (2012) on determinants of food insecurity among households in addis ababa city, Ethiopia by using Foster, Greer and Thorbeck distributional measure of food insecurity while econometric analysis used binary logistic regression model to analyze the data of a set of socio-economic variables as explanatory variables and food insecurity as independent variable. The head count index shows that 58,16 % of the total households are below the food insecurity line. The food insecurity gap and severity were 20 % and 9,4 %, respectively. The result of the logistic regression model estimate indicates that out of the 10 factors included, 6 were found to have a significant influence on the probability of being food insecure at less than 10 % significance level. The variables considered were household size, age of household head, household head education, and access to credit, household asset possession, and access to employment which agrees with the finding of Ejigayhu and Abdi-Khalil (2012).

Tibebu and Sisay (2017) examine the Determinants of food security in north Wollo zone For econometric analysis, a logistic regression procedure was employed on household socio-economic characteristics the fifteen variables fitted in the model; the age of household head, dependency ratio, average monthly expenditure, non-farm income, family size, distance from input market, farmland size, the number of oxen and livestock ownership were found to be significant. About 42 percent of the sample households were measured to be food insecure. Also, the incidence of food insecurity, food insecurity gap, and severity of food insecurity was 42, 14 and 7 percent respectively. These results have important policy implications for the expansion of non-farm activities and the introduction of livestock stocking programs at the household level to improve the food security status of households.

The study conducted by Shishay and Messay (2014) in LaelayMaichew Woreda Tigray, Ethiopia by using multiple regression analysis by taking calorie availability as dependent variable sex, education, off farm income, utilization of irrigation, and uses of fertilizer are positively and also insignificantly affect calorie availability but age of household head and adult equivalent ratio affect negatively but land size was positive and significantly.

### **3. Conclusion and Recommendation**

The negative and significant influence of farm size on income diversification suggests concerned bodies to develop appropriate strategies and policies especially for land resource-poor farmers. The presence of very small size of land also calls for giving emphasis in agricultural intensification to enhance the productivity of the land so that generate adequate income and food. The negative and significant impact of livestock and oxen ownership in income diversification suggests designing development strategy for livestock sector through improving livestock breeds, veterinary services, forage development, marketing, access to credit and overall management of livestock production.

The strong significant association of total annual cash income on diversification calls for policy measures in order to pave the way to solve financial problems through developing and strengthening financial institution, creating credit access and promoting better income generating options. The significant and positive effect of households' local leadership participation on the diversification points the direction to create access to information and other necessary services like credit for people in the same community. This also considers government and other responsible bodies in building capacity through education and training so as to participate actively in social activities and leadership.

Income Diversification is considered as the most important strategy for raising income and food security status in Ethiopia. From the above review it is clear that income diversification has significant impacts on households' food security status. Moreover, the review also implies that scaling-up of the supply of chemical fertilizer can immensely contribute to enhancing food security. Policies and strategies that involve regulation of the trend of increases in the prices of agricultural products vis-à-vis chemical fertilizer and introducing necessary adjustments are essential to sustain this positive effect. Absence of this might cause a disproportional increase in input prices that will in turn create disincentives for farmers to

purchase such inputs.

As household size and food insecurity are positively related serious attention has to be given to limit the increasing population Ethiopia. This can be achieved by creating sufficient awareness to effective family planning in the urban households. Further, household heads are advised to reduce the size of their household and their dependency ratio. The effect of education on household food insecurity confirms the significant role of the variable in consideration for betterment of living condition. The more household head educated, the higher will be the probability of educating family member and familiar with modern technology, which the twenty first century so badly demands. So, strengthening both formal and informal education and vocational or skill training should be promoted to reduce food insecurity in Ethiopia. Access to employment opportunity negatively related with food insecurity in Ethiopia.

### **Recommendation**

To make considerable improvement on food security situation in Ethiopia the following measures and actions should be taken by household heads, government of Ethiopia, national and international organizations.

- The concerned body has to work more to increase the access to education in Ethiopia in order to explore the existing opportunity of income diversification via non-farm activities. Expansion of education coverage with quality will enhance income diversification of households.
- Infrastructure like road construction, electricity and telephone services should be developed in order to facilitate income diversification both through on farm and off-farm activities.
- Gender had significant and negative influence on household income diversification, and this considers government and other responsible bodies to design necessary strategies so as to create awareness among the community to participate women equally with man in all development activities.
- Access to job helps urban households to diversify their income which in turn alleviates the food deficiency among poor households. Therefore, both government and civil society organizations have roles to play in addressing these issues.

Generally, the households and productive aged members of the household should participate in different income generating activities and diversify their livelihood strategies that help them to escape from wider state of food insecurity and undernourishment's. It needs to invest more on pro-poor development programs and improve social accountability to increase the ability of citizens to provide feedback on the services they receive; the international NGOs, local organizations, private sector and government should continue to work together on strengthening the livelihoods, rural market structures and providing the climate resilience services that improve the ability of poor households to cope up different with shocks.

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## **Public Statement**

Agriculture is the basic economic sector in which the country relies for its social and economic development. In spite of the fact that 80 percent of the population has been employed in food production, it fails to feed relatively large proportion of population from its domestic production. In Ethiopia 83 percent of small-holder farmers participated in farming activities and only 27 percent were engaged in non-farm economic enterprises. Non-farm employment provides additional income that enables farmers to spend more on their basic needs include food, education, clothing and health care. Food security exists when all people at all times have the physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for active and healthy life.



**About The Author :**

Mohammed Adem is a lecturer in Department of economics at SamaraUniversity and haveMsc in Agricultural Economics from Bahirdar University. I have taught several courses for economics, accounting and geology department students. My area of interest conducting research is status of food security, income diversification, value chain, market chain and so on.

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