

CASE STUDY

# Powering pastoralist youth to diversify their livelihoods

Applying human-centered design (HCD) to developing alternative, climate resilient income-generating opportunities with pastoralist youth of Ethiopia



While pastoralists have lived sustainably in Ethiopia's southern lowlands for thousands of years, drought, scarce resources, and weak markets have recently threatened the viability and sustainability of their livelihoods. Consequently, pastoralist communities are now unable to rely on traditional livestock and agriculture for food production and income generation. Pastoralist youth are, therefore, seeking to engage in alternative, less climate-vulnerable livelihoods, but struggle to overcome barriers such as lacking business knowledge, limited market access and infrastructure, and lack of capital. Under the Resilience in Pastoral Areas Project (RIPA\_South)

in southern Ethiopia, iDE aims to improve the lives of pastoral youth and women by powering them to diversify their livelihoods and investment opportunities. Through strengthening local markets and value chains, and designing and developing inclusive business and financial services, iDE's approach will enable women and young people to access and utilize the critical resources and markets they require to diversify their livelihoods.

### Learning from pastoral youth and market actors

To understand the specific needs and interests of pastoralist women and youth, iDE Ethiopia's RIPA team began by conducting in-depth ethnographic research to understand how pastoralist youth might diversify their livelihoods through other income-generating activities and businesses. Through one-to-one interviews with young people, iDE began to understand the challenges young pastoralists faced in engaging in different livelihoods, from perceived risk to economic inflation and limited market linkages. To further understand the feasibility and viability of different businesses and value chains present in the pastoral lowlands, iDE also engaged in market observation and interviews with market actors (middlemen, retailers) and consumers. This allowed iDE to explore the supply and demand of different pastoral products, the pain points within the value chain, and possibilities for adding value to products to maximize profits.



*"I prefer to open a shop instead of doing livestock trade because you can lose your livestock to drought."  
—Youth from Somali region*



## Exploring the pains and gains along a young entrepreneur's journey

By employing various discovery methods, iDE's design team began to uncover and understand barriers and opportunities that pastoralist women and youth faced in trying to start or improve their businesses. iDE learned that while both men and women have increased their engagement in markets, they often lacked access, agency, and commercial scale to reach larger markets and expand their profit margins. Equipped with knowledge and skills from their agro-pastoralist upbringing, aspiring entrepreneurs understand they need diversified skills to be successful. Beyond the technical knowledge of specific value chains, they also want to learn about business management, financial planning, and market negotiation, and ultimately become more experienced businesspeople. As most agro-pastoral communities sustain themselves through subsistence livestock and crop production, business training and development services are largely absent from the lowland regions of Ethiopia. The lack of market-development services also extends to the financial sector, as few banks and micro-finance institutions serve agro-pastoralists looking to diversify their businesses. As youth begin their own income-generating activities (IGAs) and businesses, they cannot access appropriate products and/or are concerned about risks associated with taking out loans.



*"We need more specialized training to upgrade our business, but we haven't gotten it."*

—Cooperative member in Somali region

## Co-designing business models for income-generating activities

After analyzing and synthesizing the research findings, iDE staff organized a workshop with community members, elders, government representatives, and market actors, to validate the findings and to co-design potential business models for alternative livelihoods. Using the findings from the research process, workshop participants organized into groups and selected IGAs believed to be feasible and desirable for youth in each of their respective regions. They began by visually mapping out value chains and critical partners, activities, and resources needed in each business activity. Several hours of discussion and planning allowed community members and stakeholders to develop their business models.

In addition to developing visual representations of income-generating activities, each group also created a business model canvas, which outlined various aspects of how the IGA would be facilitated and implemented. These included key activities, resources, costs, partners, revenue streams, and customer channels and segments. The visual representations allowed for an initial outline of how various partners and community members could engage with business activities and inputs needed to start.



A workshop participant presents a business model canvas for fodder production during a co-creation session (Turmi, South Omo region)

Group representatives then had the opportunity to present their IGA/business model to the other participants, who asked questions and offered feedback. The question and answer sessions highlighted potential gaps in the model, suggesting new ideas or variations, and verifying both the value and feasibility of each IGA. Government representatives and private sector stakeholders were able to witness the ideas put forth while also being able to suggest how they might engage with, or support the activities.

## Testing solutions that address barriers to business

In addition to developing business models with various stakeholders, iDE also facilitated a session to build on and test ideas intended to address challenges faced by pastoralist youth and women while engaging in business. During an internal brainstorming meeting, our team developed a few initial ideas, such as a transportation sharing model for shop owners, a women's mentorship program, and a youth entrepreneurship hub. iDE designers then made a simple sketch of these ideas and explained them to stakeholders attending the co-creation workshop. The idea was to gauge the desirability, feasibility, and viability of each idea. A simple prioritization exercise allowed participants to vote for ideas, share feedback, and then further develop the ideas they decided would be most useful and impactful among young entrepreneurs in the community. As they refined the ideas into potential working solutions, young people and government actors alike began to take interest and ownership. Doing this kind of early testing helps iDE “fail fast” allowing it to discard solutions that aren't feasible, without wasting time and resources. Instead, testing with simple prototypes and listening to feedback from the target community allows iDE to continuously improve on initial concepts until a better solution is designed.



A young person in Somali region checks out a poster advertising a 'Youth Entrepreneurship Hub,' a simple prototype we developed to test youths' interest in the possible solution (Filtu, Somali Region)

## From testing to implementation

Although iDE helped develop some solutions during co-creation sessions, several potential solutions need to undergo further rounds of testing to ensure their feasibility and viability. Moving forward, the iDE design team plans to meet with more market actors and government stakeholders, as their buy-in and participation could be required to ensure some solutions go forward. With additional input and clarification about each actor's roles and responsibilities, iDE will begin to pilot the solutions during the early implementation stage of the project. Throughout this stage iDE will regularly communicate with community members to understand how they are engaging in their business or IGA, and how the solution is working or not, so that iDE's team can facilitate improvements. As the human-centered design process is ongoing and iterative, this will allow iDE to continuously improve and facilitate more effective, impactful solutions.

## Impact

### **Developing a foundation of knowledge around agro-pastoral livelihoods and markets:**

Findings from this research and testing contribute to iDE's growing expertise in pastoralism, livelihood diversification, and youth entrepreneurship. This context-specific knowledge will contribute not only to appropriate solutions in pastoral regions of Ethiopia, but also to USAID's resilience strategy in similar contexts.

**Introducing HCD methodology to an aid-dependent community:** The Ethiopian pastoralist community has largely been excluded from development policy, as its livelihood practices and knowledge systems are not well understood by agriculture-focused counterparts. Without appropriate pastoral policies or programs, pastoralists have been dependent on aid during times of shocks, rather than actively engaged in developing their own solutions. By implementing an HCD process, iDE and the participants have encouraged more actors, from market players to elders, to come forward and share their own visions for more sustainable livelihoods.

**Developing an extension model with pastoral communities:** Ethiopia's extension model was initially developed to meet the needs of smallholder farmers, and only recently began serving pastoralists. Through findings from the research and early testing of a 'Pastoral Farm Business Advisor' model, this project will facilitate the development of a hybrid public-private extension system that serves agro-pastoralists with appropriate services and products.

## Lessons Learned

- **Engage diverse private sector actors:** iDE invited leaders of private companies from different sectors to help brainstorm more innovative, market-based solutions to confront barriers within specific value chains. This not only led to interesting ideas, but also to long-term collaboration, as the sessions sparked enough interest among participants to develop partnerships and financial investments.
- **Validate findings with the community:** To develop a mutual understanding, and a strong working relationship with different stakeholders in the project, iDE invited all stakeholders to discuss and validate the research findings before moving on to the brainstorming stage.
- **Use low-fidelity prototypes as research probes to test early solutions:** Simple and inexpensive prototypes, such as business model sketches and poster advertisements, allow for quick feedback and further discussion with target end users. This is especially effective in remote areas, where teams cannot easily use the internet or access equipment to prototype with community members.

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