



Ms. Zelekawork Paulos, winner of the African Women in Agricultural Research and Development fellowship, with Dr. Paul Dorosh (left) and Dr. Shenggen Fan (Right)



Ethiopian Rural Household Survey (ERHS) was conducted from March 2009 – August 2009

- The ERHS provides a unique longitudinal household dataset of 18 Ethiopian rural communities (1,577 households). The data collected from the survey enables a wide range of analysis including: allocation efficiency, supply response, and output impact from institutional and environmental shocks.

- A survey on rural – urban migration in Ethiopia will be launched the end of September, and will build upon the ERHS by surveying household members that have migrated from the ERHS villages

### The Geographic Information Systems (GIS) Analysis Lab was officially opened in August at EDRI (Room 508)

A GIS specialist will be in the lab once a week and by request to assist in incorporating GIS analysis into EDRI research products.

The lab is also open at all working times to use GIS software and data.

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### Upcoming Events

- ESSP-II Policy Conference and Symposium: Addis Ababa, October 22-24, 2009
- Ethiopia Rural Household Survey (ERHS) Workshop: Lalibela, October 26-28, 2009
- ERHS Seminar: Addis Ababa, October 29, 2009

### Upcoming Training

- GAMS Economic Policy Analysis Course: September 21-24, 2009
- Introduction to Geographic Information Systems (GIS): October 6-8, 2009
- MoARD Markets Analysis Training: Tentatively scheduled for November 2009

### Seminars and Presentations:

#### Compact for African Agricultural Development Program (CAADP)

#### Implications of Agricultural Growth for Poverty Reduction in Ethiopia – An Economy-wide Analysis: Paul Dorosh (IFPRI) and James Thurlow (IFPRI)

Presentations at the CAADP meetings in Nazareth, (June 2 and August 26, 2009) and the EEA Conference (June 26, 2009)

- Computable General Equilibrium (CGE) model simulations indicate that agricultural-led growth in Ethiopia raises rural incomes through production increase and growth linkages with the non-agricultural sector.
- Real prices of wheat, maize and milk decline in these accelerated growth scenarios, benefitting net food deficit households and resulting in significant poverty-reduction.

#### Presentations at the Ethiopian Economic Association Conference:

#### Policies to Promote Smallholder Intensification in Ethiopia: The Search for Appropriate Public and Private Roles: David J. Spielman (IFPRI), Dawit Kelemework (IFPRI) and Dawit Alemu (EIAR); June 26, 2009.

- A review of agricultural input systems and extension suggests that public and private sectors roles may need some revision in order to promote and regulate the agricultural input sector and boost agricultural productivity.

#### Implications of Growth on Sectoral Migration, Poverty, and Structural Transformation: The Case of Ethiopia: Hashim Ahmed (EDRI) and Paul Dorosh (IFPRI), June 27, 2009.

- Analysis using a projection model of the Ethiopian economy shows that agricultural employment will decline in both absolute and relative terms at an increasing rate if high economic growth continues.

#### Foreign Exchange Rationing, Wheat Markets and Food Security in Ethiopia: Paul Dorosh (IFPRI) and Hashim Ahmed (EDRI), June 27, 2009.

- Because private sector wheat importers have had only limited access to foreign exchange, domestic wheat prices have been above wheat import parity prices since May 2008
- Government sales of its wheat imports from July to October 2008 successfully reduced domestic market prices, but sizeable rents accrued to those with access to wheat imports at official prices

### Other Presentations:

#### Economic Implication of Foreign Exchange Rationing in Ethiopia: A General Equilibrium Analysis: Paul Dorosh (IFPRI), Sherman Robinson (University of Sussex) and Hashim Ahmed (EDRI), Hilton Hotel, Addis Ababa: August 12, 2009

- CGE model simulations show that compared with a policy of allowing the real exchange rate depreciate (as in fact occurred in the first half of 2009), foreign exchange rationing entails substantial costs in terms of growth (reduced incentives for production of tradable goods and services) and income distribution (as large rents accrue to the non-poor).

#### Grain Markets and Large Social Transfers: An Analysis of Productive Safety Net Program in Ethiopia: Alemayehu Seyoum Taffesse (IFPRI) and Shahidur Rashid (IFPRI) Intl. Assoc. of Agric. Economist Conference, Beijing, August 16, 2009.

- Analysis of monthly data on cereal prices over 12 years show that prices have converged between Productive Safety Net Program (PSNP) and non-PSNP woredas, but this convergence began before the introduction of the program.

#### Food Prices, Consumption and Nutrition in Ethiopia: Implications of Recent Price Shocks: Paul Dorosh (IFPRI); Inst. of Medicine Workshop on Mitigating the Nutritional Impacts of the Global Food Crisis, Washington DC: July 14, 2009

- This synthesis of recent economic developments and research on food policy finds that significant progress has been made in enhancing food security in Ethiopia, and that recent international food price increases are not the major cause of recent domestic food price rises.



## Ethiopia Strategy Support Program II

### Research Initiatives 2008-09:

- Determinants of agricultural productivity
  - Analysis of farm-level data from Central Statistical Agency (CSA)
  - Extension of Ethiopian Rural Household Survey (ERHS)
    - Includes analysis of agricultural input use, gender issues, household response to high food prices
- Government agricultural spending efficiency
  - Review of past government projects
  - Institutional analysis at local level (public service delivery/governance)
- Rural non-farm clusters (hand-loom)
- Land tenure and watershed management
- Determinants of market prices of cereals
  - Operational multi-market model
- Book on Ethiopian food and agricultural policy
- Rural-urban transformation
  - Rural-urban migration
  - Structural changes in the economy
  - Implications of infrastructure investments

### Capacity Building Initiatives 2008-09:

- **Ethiopian Development Research Institute**
  - Joint research on rural non-farm clusters
  - Support to EDRI SAM/CGE Analysis
  - Support to short-term policy analysis on cereal markets, inflation, and economic growth
  - Joint seminar series
  - International PhD (5) training (planned)
- **Central Statistics Agency (CSA)**
  - Support to GIS analysis (census)
  - Creation of operational geo-database
  - Federal and regional GIS training
  - Strengthening of data dissemination through REKSS
- **Ministry of Agriculture and Rural Development**
  - Support to agricultural and food security policy analysis
  - Creation of operational agricultural policy data base
  - Training on agricultural policy analysis

## Drought, Migration and Safety Nets in North-East Tigray: How One Woman in the ERHS Survey has Survived on PSNP Transfers

Bisrat (not her real name) lives in a village 2 hours drive northeast of Mekelle, near the town of Asbie in the East Tigray region of Ethiopia. She and her five children operate about 3.5 tsimde of land (about 0.87 hectares). Typically, households in Bisrat's woreda (district) cultivate teff, wheat and barley, but in 2008, the main *meher* season rains failed. As a result, there was almost no crop production or fodder available for animals. Before the drought, the family had 20 goats that supplied meat and milk; Bisrat's family managed to sustain 7 goats during the drought which are currently unable to provide milk due to poor fodder conditions.

Bisrat's husband decided to migrate to the Middle East in late 2008 along with twenty other local men to seek employment. None of the women have heard from their husbands, nor have they received remittances, according to Bisrat. This year, in the absence of her husband, she will seek help from her relatives to cultivate her land. In exchange for their help in plowing (land preparation) her 3.5 tsimde, her relatives will receive the straw produced (to be used as fodder for animals).

Most villagers have survived the drought through assistance from the Productive Safety Net Program (PSNP). Each family member is allowed to work 5 days per month and receives 3 kgs of wheat per each day of labor. Given that Bisrat has 5 young children that are unable to labor, she is able to work in lieu of her children, thus she earns a total of 90 kgs of wheat or sorghum, working full-time. Able-bodied men and women are expected to work, generally in light construction of buildings or terraces to earn their PSNP allotment.

Bisrat receives her allotment of grain once a month in the nearby town of Asbie which is the distribution point for PSNP sales for 18 kebeles. She walks several kilometers to collect her 90kgs of PSNP grain, but must contract a small truck at a cost of 14 birr (equivalent to about 7 kgs of sorghum - at a price of about 2 birr/kg) in order to carry her grain back to her home. She also pays about 12 birr (equivalent to about 6 kgs of sorghum) to have the grain milled, so that her net PSNP allotment is equivalent to 77 kgs of sorghum (valued at about 154 birr). Like most villagers, Bisrat chooses to sell some of her grain to lighten her load for the return trip to her house, whereby she must walk ¼ of a mile up a rocky path where motorized transportation cannot pass. Given that approximately 900 villagers are paid on the same day, grain floods the market and is sold at relatively low prices, typically to a trader, who returns before the next disbursement to sell the same grain to the same villagers at a higher price.

## Upcoming Study: The Rural-Urban Transformation

A study on the rural – urban transformation of Ethiopia has commenced, whereby IFPRI – ESSP II will be conducting research on:

- Patterns of urbanization
- Land and labor policies in rural and urban areas
- Dynamics of rural and urban household incomes
- Rural – Urban Migration
- Economy-wide modeling of development strategies

This study will complement a broader study which will analyze the rural – urban transformation in several key countries including: Ghana, Malawi, Mozambique, Nigeria, Uganda and China.

### IFPRI – ETHIOPIA STRATEGY SUPPORT PROGRAM

[www.ifpri.org/themes/essp/essp.htm](http://www.ifpri.org/themes/essp/essp.htm)

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