

NEWS

- EDRI in collaboration with ESSP-II presented initial results of the Consumption, Savings and Investment Behaviors of Successful Farmers study on October 22nd, 2010
- The Central Statistical Agency in collaboration with EDRI and ESSP-II launched and disseminated the 2007 Population and Housing Census Atlas of Ethiopia on Africa Statistics Day, November 25th

Highlights of Presentations Summer – Fall 2010:

The Economic Importance of Agriculture for Sustainable Development and Poverty Reduction: Xinshen Diao, Alemayehu Seyoum Taffesse, James Thurlow, Alejandro Nin Pratt, Bingxin Yu, Hilton Hotel Addis Ababa. July 20, 2010

- Agriculture and non-agriculture growth concurrently is important for stabilizing agricultural prices
- Non agriculture-led growth may have linkage effects to the agricultural sector and such linkage effects can be larger than that in agriculture
- However, staple-led growth is more effective in poverty reduction (mainly through its strong consumption linkage effect)

Aspirations: Towards a Field Experiment in Ethiopia: Alemayehu Seyoum Taffesse, Tanguy Bernard, Kate Orkin, ILRI Campus Addis Ababa. July 30, 2010

- This study hypothesizes that the poor do not 'invest' when returns are high due to aspirations failure such as: choice conditioned by their sense of self (stereotype roles) and/or psychological issues: related to reasons elaborated in behavioral economics
- The results suggest that low aspirations/gap characterize a large proportion of the surveyed population and may significantly influence their future-oriented behavior.

The Benefit Incidence of Public Spending in Ethiopia: Agricultural Extension, Drinking Water, and the Food Security Programme: Tewodaj Mogues, EDRI Conference Room, Addis Ababa, August 20, 2010

- Analysis reports that 32% of study households have access to safe drinking water
- Agriculture extension strategies are needed to better target female farmers; including: linking extension with women's groups and increasing female staff among extension agents.

The Brokerage Institution & the Development of Agricultural Markets: New Evidence from Ethiopia: Seneshaw Tamiru, ECX Meeting Room, Addis Ababa, September 28, 2010

- Information and negotiation transaction costs are the primary expenses that wholesalers and buyers attempt to minimize.
- Transaction costs in real terms have been declining from 1996 to 2007. During the same period, trader assets' ownership has increased.

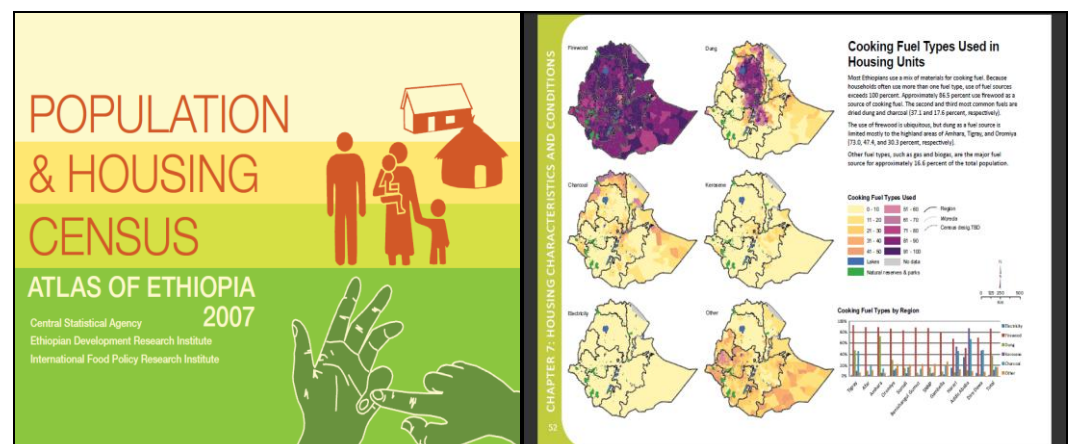
Consumption, Savings and Investment Behavior of Successful Farmers: Alebel Bayrou (EDRI), Tasew Woldehanna (EDRI), Gebrehiwot Agaba (Addis Ababa University), Guush Berhane, Bethelehem Koru, and Fanaye Tadesse (ESSP-II), Hilton Addis Ababa, October 22, 2010

- Successful farmer's per capita consumption is higher than that of other farmers (71% higher)
- 46% of successful farmers have off-farm businesses as a source of income (12% of total income), whereas 31% of comparison farmers engage in off-farm activities (7% of total income)
- Lack of finance, land and information / knowledge regarding investment opportunities stand out as the most common constraining factors for farm investment.
- The majority of the farm households own cash savings but have no saving account in formal financial intermediaries.

Difference in Maize productivity between male- and female- headed households in Uganda: Bethelehem Koru, ILRI Meeting Room, November 10, 2010.

- Matching estimators and Cobb-Douglas production function demonstrates that productivity is significantly lower for female-headed household in the survey study area in Uganda.
- The difference in productivity may be explained by male-headed households having a better endowment and access of land and non land resource and market access.

Launch of the 2007 Ethiopia Population and Housing Census Atlas. Central Statistics Agency and IFPRI-ESSP2. November 25, 2010.



Sustainable Land and Watershed Management Enumerator team measuring soil bunds and water harvesting structures

Staff News:

ESSP-II hired four new research officers: Fanaye Tadesse, Bethelehem Koru, Ibrahim Worku and Tilahun Molla

Yetnayet Begashaw graduated with a Diploma in 'Office Management and Secretarial Science' from St. Mary University College in August 2010. Simultaneously, Yetnayet is promoted to Administrative Clerk Position in IFPRI/ESSP-II.

Helina Tilahun graduated with her Master's degree in GeoInformation Science from Wageningen University in August 2010.

IFPRI – ESSP2 and EDRI Competitive Small Research Grants Launched!!

This grant scheme aims to contribute towards reducing the financial constraints to conducting economic policy-relevant empirical research in the context of graduate programs in Ethiopian public universities.

The Grants are provided on a competitive basis, depending on the quality of the proposal and the relevance of the topic to the development problems of the country.

Visit the EDRI or IFPRI-ESSP2 website for details and application form!

Visit our website to download up-to-date discussion papers and presentations!
<http://www.ifpri.org/book-757/ourwork/program/ethiopia-strategy-support-program>

Ethiopia Strategy Support Program II

Research Initiatives 2010:

- Determinants of agricultural productivity
 - Analysis of farm-level data from Central Statistical Agency (CSA)
 - Extension of Ethiopian Rural Household Survey (ERHS)
 - Analysis of agricultural input use, gender issues, household response to high food prices
- Evaluation of watershed management investments
- Determinants of market prices of cereals
 - Operational multi-market model
- Book on Ethiopian food and agricultural policy
- Rural-urban transformation
 - Rural-urban migration survey
 - CGE analysis of structural changes in the economy
 - Implications of infrastructure investments

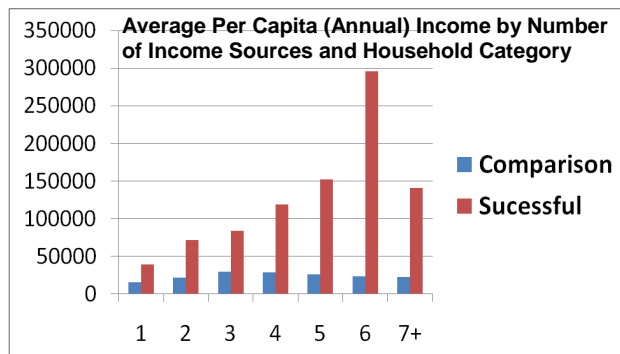
Capacity Building Initiatives 2010:

- **Ethiopian Development Research Institute**
 - 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
 - Creation of operational geo-database
 - Federal and regional GIS training
 - Strengthening of data dissemination through REKSS
 - Building of 2007 Census Atlas and census database
- **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

Policy Related Analysis at ESSP II

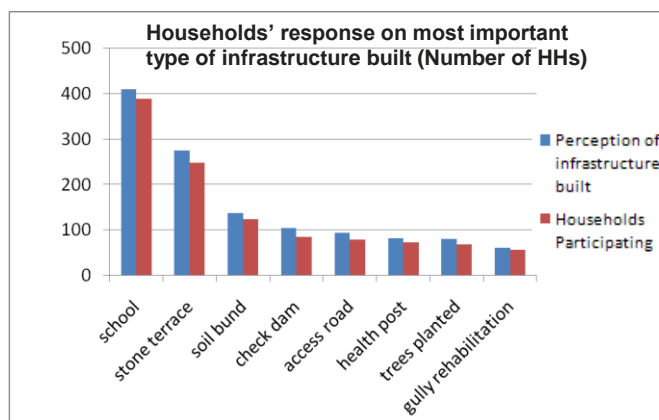
Consumption, Saving and Investment Behavior of Successful Farmers: Initial Results

- Successful farmers tend to be engaged in a greater diversity of income sources (farm, non-farm, and others) versus comparison farmers.
- On average, an estimated 80 to 90 percent of consumption expenditures by successful farmers is on local goods and services.
- Most investment of successful farmers is in the non-farm sector (82 percent for successful farmers, 72 percent for comparison farmers).
- Planned future investment expenditures are primarily local – over 90 percent of planned investments are either in the kebele itself or in the farmer's own or neighboring woredas.



Adoption and Initial Impacts of Sustainable Land and Watershed Management Practices in the Blue Nile Basin, Ethiopia

- Ethiopia has rich experience in SLM activities in diverse regions of the country, including numerous ongoing and planned interventions in the Abbay (Blue Nile) sub-basin of the Nile.
- This study aims to: assess the determinants of adoption and the impacts of a variety of SLM interventions in the Blue Nile; understand the degree to which SLM interventions enhance agricultural production, improve watershed quality and effectiveness and boost overall welfare of beneficiaries; evaluate actual versus perceived benefits at the village level; and explore policy options for incentivizing local investment and up-scaling of sustainable land watershed management activities
- Initial results show that households consider schools, stone terracing, soil bunds, and check dams to reduce soil erosion as the most important types of infrastructure that have been built in their village.



IFPRI – ETHIOPIA STRATEGY SUPPORT PROGRAM

www.ifpri.org/themes/essp/essp.htm

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