

**ANNUAL ACTIVITY REPORT
JULY 2003 - JUNE 2004**

1. ACTIVITIES AND PLAN OF THE ETHIOPIAN ECONOMIC ASSOCIATION

This report covers the activities accomplished by the Ethiopian Economic Association from July 2003 to June 2004 and the plan for 2004-2005. The activities include membership recruitment, organizing discussion forums, Conferences, workshops and lectures, providing training and publications.

1.1 Membership Recruitment

Since the year, 79 new members have been registered out of which 61 are full members, 16 associate members and two institutional members. We have now 1400 members out of which 459 are active 780 inactive. We also have 134 associate members and 27 institutional members

1.2 Second International Conference on the Ethiopian Economy

The 2nd International Conference on the Ethiopian Economy was held from June 3-5, 2004 at the UN Conference Centre in Addis Ababa, and it was attended by about 450 participants. The conference had three main components: conference lectures, plenary sessions and parallel sessions. More than 92 papers were presented in 24 parallel sessions. Five of those sessions were co-organized by collaborating organizations of non-economists, namely:

1. The Ethiopian Bar Association
2. Forum for Social Studies
3. Political Science and International Relations Department, Addis Ababa University
4. Department of Sociology, Addis Ababa University and
5. Ethiopian Society of Soil Science.

The cost of the conference was covered by a generous grant from the consortium of donors including the Friedrich Ebert Stiftung of Germany, SIDA of Sweden, NORAD of Norway, DFID of the UK, Netherlands, Ireland and the African Capacity Building Organization. The Commercial Bank of Ethiopia, Bankers' Association and Ethiopian Manufacturing Industries Association

provided financial assistance and Apex Bottling Company provided mineral water free of charge.

1.3 Discussion Forums, Workshops and Lectures

Vision 2020: Building on the experience of the Round Table discussion series, the Ethiopian Economic Association has been conducting a monthly discussion forum entitled vision 2020 since last year. The forum provided prominent persons from different backgrounds with the opportunity to share their personal perspectives on Ethiopia's future. Each presentation is followed by in-depth discussion. Ten such forums were held during the reporting period. The topics and presenters are listed below:

1. Professor Shibru Tedela: Ethiopian Environmental Conditions: Today and Twenty Five Years from Now, August 29, 2003.
2. W/ro Zenebework Tadesse: En Visioning a Socially Developed Ethiopia, September 26, 2003.
3. Ato Kibur Gena: Enhancing Prosperity: Ethiopia after 25 Years, October 31, 2003.
4. Professor Mesfin W/Mariam: Wither Ethiopia, November 28, 2003
5. Dr. Alemayehu Seyoum: Economic Governance and Ethiopia's Development, January 30, 2004.
6. Ato Tilahun Teshome: Rule of Law and Development in Ethiopia. Now and Twenty - Five years from now, February 27, 2004.
7. Dr. Befekadu Degefe: From a Nature Dependant to a Knowledge Driven Economy: Ethiopia in the Year 2020, March 26, 2004.
8. Ato Hailu Shawel: The Link between Political Leadership and Development, April 30, 2004.
9. Ambassador Mengiste Desta: The Role of Ethiopia's Foreign Policy in the Building of A prosperous and Democratic Ethiopia within the Next Quarter Century, May 28, 2004
10. Dr Fekade Azeze: Reflections: Culture and Development in Ethiopia, June 25, 2004

The twelve presentations making-up the entire vision are now published.

Public Lecture/ Research Workshop on "Risk, Insurance and Poverty": The workshop was organized in cooperation with the World Institute for Development Economics Research (WIDER) that was held at the Sheraton Addis on November 20, 2003.

The public lecture entitled "Insurance against poverty: lessons for Ethiopia" was given by Stefan Dercon, director of WIDER, which was followed by contributions from a panel of experts including Ato Neway Gebre-Ab, the chief economic advisor to the Prime Minister and Prof. Mesfin Wolde Mariam.

Seminar on "Agriculture - based Strategies; Lessons from Morocco, China and Chile and their Relevance to Ethiopia: The Seminar, held on Dec. 15, 2003 at the Sheraton Hotel, was jointly organized with the World Bank. It was conducted by Mr. Omar Aloui.

Public Lecture on "Institutional and Economic Development": The lecture was delivered by Professor Dani Roderik of Harvard University at the Hilton Hotel on August 26, 2003 and was attended by EEPRI researchers, invited guests from the academia, government, civil society organizations and members.

Workshop on NGO Management: This was a three half-day workshop sponsored by the US Embassy in Addis Ababa and co-sponsored by the Ethiopian Economic Association, which was held at the Ghion Hotel from 16 to 18 September, 2003. Topics covered at the workshop included proposal writing, budget preparation and accountability. The workshop was attended by over 40 NGOs.

Public Lecture on "Stability in the Horn of Africa": This was given by Prof. David Shin, former US ambassador to Ethiopia at the Semen Hotel on June 8, 2004.

1.4 Publications

The EEA publishes a number of publications every year. The following publications were issued during the reporting period.

Economic Focus: Timely and critical issues presented and discussed in Vision 2020 forums, workshops and seminars are published and disseminated through this bulletin. Ten issues of Economic Focus were published during the reporting period mainly carrying the ten presentations of Vision 2020.

Proceedings: Proceedings of the First International Conference on the Ethiopian Economy consisting of 46 papers were published in three volumes. The three volumes are organized on thematic basis. Volume I covers Growth, Development, Industry and Finance and Volume II covers Agriculture and Trade related issues while Volume III is devoted to the Social Sector and poverty related issues.

Ethiopian Journal of Economics (EJE): One issue of the Ethiopian Journal of Economics, Volume IX, and No. 1 was issued during the reporting period.

Annual Report on the Ethiopian Economy, Volume III 2003/2004: The Report which evaluates the Ethiopian economy for the period 2003/2004 was published. The focus of the Report is on Industrialization

1.5 Training

One of the major tasks of the Association is to provide training to its members. Accordingly, training was given to members in the following fields during the reporting period.

- Quantitative techniques, which was attended by about 50 members.
- Report writing, which was given to 38 members in three groups in collaboration with the British Council. This was an intensive course which was given in three

successive Saturdays involving a lot of take-home assignments.

- Panel Data Techniques, which was a three-day course given to about 25 members.
- Other Training Programs: - The foregoing were training programs exclusively organized for the benefit of members. EEA also organizes training on Specific issues to be given to relevant government organizations NGO and Civil Society groups.
- In this respect, it has organized training on Governance, Democracy and Human Rights to be given to participants of all regional states in five rounds. The first four rounds have already been given in Addis Ababa (April 26-30, 2004), Adama (June 28 - July 2, 2004) for Oromiya and SNNP regions, Dessie (July 26-30, 2004) for Amhara and Tigray regions, and Dire Dawa (August 9-13, 2004) for Dire Dawa, Afar, Somalia & Harari regions. Participants in this training which is funded by DFID included parliamentarians, relevant government organizations including the Ministry of Finance and Economic Development, Central Statistical Authority, Ministry of Justice, etc, civil society organizations, NGOs, political parties, including the ruling and opposition parties as well as the media. About 50 people participated at each round.

1.6 Capacity Building

Work is progressing towards the construction of the EEA office and training complex on a 2000 sq. meters of land acquired on lease from the government. So far the design work has been completed and certificate of ownership obtained from the Addis Ababa City Government.

In accordance with its mandate to strengthen the Association, the Executive Committee has employed a permanent staff to head the Secretariat. The head of the secretariat is responsible for the day to day activities of the Association. The Secretariat is housed in an extension office located in close proximity to the main premises.

2. INSTITUTIONAL DEVELOPEMNT

2.1 Institutional Developments

The Ethiopian Economic Policy Research Institute, (EEPRI) of the Ethiopian Economic Association (EEA) is the first local policy research institute in the country, which was formed by a professional association without having any profit making motive and political affiliation of any form. Its objectives are:

- Strengthen research capacity and establish independent policy analysis center to provide continuous information and analysis on economic policy matters.
- Collect and compile macroeconomic and sectoral data in a way that allows rigorous empirical research on the Ethiopian economy.
- Improve the policy environment through informed public debate and contribute towards enhancing public participation on policy issues.
- Increase options available to the government in making policy decisions.
- Contribute towards the development of an informed, responsible and dynamic private sector.
- Provide organic linkages between Ethiopian economic researchers based in Ethiopia and Ethiopian economists doing research on Ethiopia.
- Promote the study of economics in Ethiopia.
- Contribute towards the development of the Ethiopian economy by providing quality policy relevant research and disseminate such research to all stakeholders in the Ethiopian economy.
- Help the EEA achieve its stated objectives as its research and publication wing.

Since it was formally inaugurated in July 2000, EEPRI has been growing fast with generous financial support from a consortium of donors, and unreserved efforts of all its esteemed members and other stakeholders. It started its activities with a very small number of research and support staff. Currently, EEPRI

is represented as indicated in the organizational structure of EEA.

EEPRI commenced its operation with three research divisions, namely Agriculture and related, Trade and Industry, and Human Resources and Poverty each with two research staff. Following the acceptance of the proposal for the setting up of an additional division by the consortium of donors, the Macroeconomic Research Division has been established in the reporting period. This new division has engaged five research staff.

Led by a director, to date the institute has four senior researchers, three researchers, and four research assistants and a database system expert. Including the administration and finance head, the Institute currently has 11 support and administrative staff. The Institute also hires temporary staff and short-term consultants to meet the demands of short-term research projects and at times of high work loads.

EEPRI has developed a computerized monitoring system through which progresses of research activities could easily be tracked. Personnel database application has also been developed for easier personnel information retrieval and proper management.

2.2 Institutional Services

A. Database System & Information Technology

EEPRI designs research projects of professional interest and policy concern for the country, search for donor funding and undertakes research primarily by its own staff. It conducts surveys on different issues both in rural and urban areas. Experiences gained in recruitment, training and administration of enumerators, supervisors, data entry clerks, editors and coders has strengthened its capacity to independently undertake surveys for in-house use and taking full responsibility of conducting surveys for a common use of

information with other similar institutions, both local and foreign.

Through a menu-driven database system developed by the Institute, data on various socio-economic conditions of Ethiopia and other countries are systematically stored and being continuously updated. This data is accessible to members of EEA, and all other interested individuals or institutions in a CD-rom paying a token fee.

For its own survey undertakings, EEPRI has developed data entry application & editing programs. For efficient transmission of information & networking among working groups, (including local e-mail exchange) the Institute has upgraded Windows 2000 Advanced Server. It also installed and configured Exchange server, ISA and corporate version Antivirus and web security.

B. The Documentation Center

The size of collection of the documentation center of EEA has been expanding from time to time although it has not yet reached at the level of addressing all the requirements of its esteemed customers. The center systematically records all basic information to easily identify materials in a networked computer system using the CDS/ISIS software. Besides striving to meet the needs of in-house researchers, it serves a wide range of users including members, researchers, academicians, students, and other individuals and institutions which seek these services.

C. Internet Connection

In addition to serving in house researchers, EEA gives free access to Internet services to its members using two computers stationed at the documentation center. The service at present is for five hours each working day which was only three hours before. This allows all users of the service to have access to diverse materials and information available in the World Wide Web.

3. ACTIVITIES (JULY 2003 - JUNE 2004)

3.1 Activities

3.1.1 *Research and Publications*

3.1.1.1 *Completed Research Activities*

A. *Research*

- **The Third Annual Report on the Ethiopian Economy:** Volume III 2003/04 has been finalized. The main focus of the report is "Industrialization and Industrial Policy in Ethiopia", and an extensive part of it deals with country experience, external trade regime, industrial sector performance, structure, constraints and policy framework. The remaining part of the report discusses macro economic performance, drought and famine and agricultural sector performance, population & economic development. The book has just been published.
- **A study on the Role of Agriculture in Ethiopia:** This is a collaborative work between EEPRI and the UNFAO aiming at analyzing the various roles of agriculture for making informed policy decisions conducive to sustainable agricultural and rural development. The ROA project is interdisciplinary in nature and draws from concepts and methodologies of welfare economics, environmental economics, sociology and anthropology. The completed research reports were presented to an international conference prepared by FAO in Rome.
- **A study on Cash for Relief:** - The study aimed at evaluating cash for relief as compared with food for work in terms of efficiency, effectiveness and extra economic benefits with a special focus on the Cash for Relief pilot project of Save the Children UK, in North and South Wollo Zones of the Amhara region.
- **A study on Unit Costing of Major Poverty Oriented Programs of the Government:** The study, a collaborative work with the Ministry of Finance and Economic Development, was intended to develop methodologies and estimate unit costs of poverty oriented programs of the

government with special emphasis on agriculture, education, health, roads and water. It is to be consulted in public project planning & budgeting process.

- **A study on the Economic Impact of Family Planning in Ethiopia:** It was a collaborative work with the Packard Foundation.
- **Basic Socio-Economic Needs Assessment of the Benishangul Gumuz Region:** A draft report on socio-economic needs assessment of the Metekel Zone and Pawe Special Wereda has been produced in Amharic and a summarized version in English.
- **Macroeconomic Quarterly Report on the Ethiopian Economy:** Using macroeconomic and sectoral figures, the Institute assesses the Ethiopian economic situation on a quarterly basis and produces a report. The Macroeconomic Quarterly Report is analytical and because of this, it is believed to be the first of its kind in providing a better understanding of the Ethiopian economy.
- **Using Resources from Migration for Development in Ethiopia:** This is a study conducted by EEPRI in collaboration with the International Organization for Migration (IOM). The objective of the research was to identify the role and potential of migrants and the associated remittances in the development process of the Ethiopian economy and suggest policies that boost the volume of remittances through the formal channel and create conditions for productive use of the resource.

B. Survey

- As a partner institution of the World Economic Forum, EEPRI conducted the Global Competitiveness Survey 2004/05 on business elites to be used for the preparation of the annual Global Competitiveness Report.

C. Information Collection & Dissemination

The Institute has updated the Database System, collected, systematized & compiled time-series data of major

macroeconomic and sector specific variables. The database was released for the first time through Cd-rom in November 2003 for various users.

D. Publications

During the period, the EEPRI published the following:

Macroeconomic Quarterly Report

- The First, Second and Third Macroeconomic Quarterly Reports on the Ethiopian Economy.

Working papers:

- The business Climate and International Competitiveness in Ethiopia: 2001/2002.

Other publications:

- The six modules of the Role of Agriculture Project have been compiled and distributed to stakeholder institutions. These six major areas are agricultural policy, poverty, nutrition and food security, buffer role, social and environment.
- Family Planning Services: an Important Front in the Battle against Poverty.

3.1.1.2 On-going

A. Research

- **Report on the Study on Industrialization and industrial policy in Ethiopia:** This is an extended version of what is presented in the Second Annual Report on the Ethiopian Economy but also with additional chapters and sections such as critical assessment of recent governments draft document on industrialization strategy, Input-output matrix for the manufacturing sector, and detail rigorous quantitative analysis of productivities and competitiveness of industrial groups.
- **The Agricultural Extension Program Study Project:** The objective of the research is to study and evaluate the

extension program as a major instrument to realize the government's rural and agricultural development strategy. The study will evaluate the extent to which the extension program has been facilitating the process of learning and utilization of new technologies, contributing to economic growth through improving farmers' productivity, efficiency and increase in output supply and factor demand. A research proposal was developed, fund has already been secured, a multi-disciplinary team was established, and the study was officially launched through a consultation workshop conducted in June 2004 in which background papers were presented and discussion was held with participants of various stakeholders. Work on the study is in progress.

- **Updating the Institute's Data Base:** The Institute is updating the data base and incorporating information on new economic sectors and variables. The activity is a continuous process.
- **The Macroeconometric Model Building Project:** This project began in the fiscal year just completed. The goal of the project is to design & implement a macro model that will pay particular attention to the sectoral production (or supply) side of the economy without ignoring the expenditure side. A consultant has been selected for the project from ESRI, Ireland. Accordingly, a senior researcher from ESRI discussed with the research staff of the Institute here in Addis Ababa from April 27 to May 7, 2004 to make the stocktaking and preliminary assessment of the model building exercise. During these two weeks, important sectors for the model building process and data gaps were identified. The data collection & compilation has been going on.
- **Comprehensive Poverty Reduction Policy Framework:** A Proposal to design a Comprehensive Poverty Reduction Policy Framework for Ethiopia has been prepared and submitted to DFID. This is intended to promote consensus building and bring local solution to poverty problems in the country.

B. Publications:

Research Report

The following study reports are being finalized for publication.

- Report on the Study on Industrialization and industrial policy in Ethiopia
- A Look at the Public Education System in Ethiopia: An Assessment of Quality and Financing Issues.

Working papers

Drafts of the following working papers are being reviewed by the editorial committee of the Institute, which is made up of all senior researchers.

- The Role of Competitive Agricultural Markets in Improving Food Security in Ethiopia: Some Measures to Improve Markets.
- Poverty and Food Security in Ethiopia: Some Evidence from Wollo: Evidences & Lessons Learnt.
- FDI composition, efficiency and export performance in Ethiopia: The case of Manufacturing Sector.

3.1.2 Conferences, Workshops and Other Activities

Conferences, workshops and other similar forums were organized including the following.

- **Workshop on the New Coalition for National Food Security Program:** A workshop was conducted on February 23, 2004 with the objective of discussing the New Coalition for National Food Security Program which was issued in November 2003.
- **Land Markets in Ethiopia: evidence and policy implications for rural and peri-urban areas:** A video conference lecture was prepared by EEPRI.

3.1.3 Collaborative Activities

EEPRI has been strengthening its collaboration activities with government institutions, the private sector, non-governmental

organizations, and similar other institutions. Professional contributions forwarded to various stakeholders include the following.

- Detailed assessment of the draft report on 'Sustainable Industrial Development and Competitiveness', studied by a South African Consultancy firm for the Ministry of Trade and Industry.
- Short commentary works on "Creation of Subcontracting and Networking Arrangement" for the Manufacturing Sector for the Ministry of Trade and Industry; on "Vision and Strategy for Industrial Development" a questionnaire for UNIDO, , for the study on 'The Role of the Development Bank", a Questionnaire for the Development Bank of Ethiopia, and advisory works for the Addis Ababa Region Trade and Industry Bureau on Trade and Business in Addis Ababa. Advice was also provided on the informal sector activities in Ethiopia for an international study group.
- A paper was presented to a Civil Society and a Safety Net "On Cash for Relief Experience of NGOs in Ethiopia".
- The result of a research on Cash for Relief was presented to various stakeholders: Save the children UK, The Netherlands Embassy, and the Donors Group.
- The Institute extends professional support & guidance to facilitate the involvement of civil society groups in poverty reduction efforts in the country through the establishment of Civil Society Poverty Action Network.

3.1.4 Other Efforts of the Research Staff

In addition to their day to day activities, it has become customary for every research staff in the Institute to contribute papers for the conference on the Ethiopian Economy which is held on an annual basis. Accordingly, 11 papers were presented at the Second International Conference on the Ethiopian Economy. They also contribute articles to journals & for different local and foreign newspapers and present papers upon the request of different stakeholders. The following were two articles published in international journals.

- *An article entitled "The food Security Role of Agriculture in Ethiopia" was published in Journal of*

Agriculture and Development Economics (ESA/FAO). Vol. 1, No. 1, 2004, pp. 138-158.

- A research report with a title "Current Land Policy Issues in Ethiopia: country case study paper" was published in *Land Reform, Land Settlement and Cooperatives. Special Edition of FAO and The World bank, 2003/3.*

Plans for 2004/2005

1. Publications:

The following will be published:

- A. At least 6 issues of Economic Focus
- B. Proceedings of the 2nd International Conference on the Ethiopian Economy
- C. Two issues of Ethiopian Journal of Economics
- D. The 4th Annual Report on the Ethiopian Economy

2. Conferences, Public Lectures and Workshops

- A. The 3rd International Conference on the Ethiopian Economy will be organized
- B. A workshop to assess the outcomes of Vision 2020 and to discuss the way forward will be held before the end of this month
- C. Other conferences, public lectures and workshops will be organized based on the decisions of the new executive committee that will be elected today

3. Training

- √ Training on "Measuring Governance, Democracy and Human Rights" will continue to be conducted in two more regions.
- √ Training on "The Economics of Environment" will also be given.

4. Construction of EEA Office and Training Building

This will be a major preoccupation of the Association during the year which will initially focus on fund raising and selection contractors.

Thank you for your attention!

Planned Activities for 2004/2005

Activities	Responsible Person/Institution	Specific Date	Remarks
1. Organizing discussion forums	EEA/EEPRI		
(a) Third International Conference		June ? July? 2005	
(b) Vision 2020		<i>bi-monthly round table discussions - October, December, February, April, June and August - (end of month)</i>	
(c) General Assembly		mid August	
(d) Others			
• workshops			
• lectures			
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2. Training	EEA/EEPRI		
a) The Economics of Environment			
b) Others			
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3. Publication	EEA/EEPRI		
a) 6 issues of Economic Focus		immediately after the discussion	<i>better to reduce the copies to 1000</i>
b) Proceedings of the Second International Conference		end of may	
c) Two (three ?) Issues of Ethiopian Journal of Economics		October 2004, April 2005, August 2005	
d) Report on the Ethiopian Economy (4th)		July 2005	
e) Working paper series			
4. Construction of EEA Office and Training Building			
5. Establishing working environment			
6. Improving membership base			
7. Network with local and international associations			
8. Public relation			
9. Fund raising			