

# ኢትዮጵያን ኢኮኖሚክስ አሰራሽን Ethiopian Economics Association



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EEA Newsletter

## Ninth International Conference on Ethiopian Economy

EEA organized the 9<sup>th</sup> International Conference on the Ethiopian Economy from 21-23, July 2011.

EEA opened the 5<sup>th</sup> Chapter in Mekelle University

The 3<sup>rd</sup> Annual Conference on the Amhara Regional state was held at Bahir Dar



The Ethiopian Economics Association organized the Ninth International Conference on the Ethiopian Economy from July 21-23, 2011 at the Ethiopian Economics Association (EEA) conference hall. The Ethiopian Strategic Support Program II (ESSP II) of the International Food Policy Research Institute (IFPRI) co-organized the conference.

The conference was officially opened by **H.E Ato Mekonnen Manyazewal**, Minister, Ministry of Industry (MOI). In his opening remarks, Ato Mekonnen appreciated the contribution of the Ethiopian Economics Association and urged the Association to continue its persistence efforts towards progress and excellence in economic policy research and analysis, and its contribution towards policy formulation and implementation. More than 90 papers were presented in five plenary and five breakout sessions, out of which 32

papers were presented by partner institutions like IFPRI, EDRI, FSS, PANE, Young Lives Ethiopia, Future Agriculture Consortium and TUFTS University, the African Child Policy Forum (ACPF) and the Nile Coordination Project. The rest were presented by individual researchers. The Conference was able to attract about 479, 300 and 270 participants during the first, second and third days of the conference, respectively.

For the first time, the Association honoured four prominent economists for their long years of services in teaching economics at the University and in preparing teaching materials for various economics courses. In this respect, EEA honoured Professor Teshome Mulat, Dr Assefa Bekele, Dr. Assefa Teferi, and the late Dr Dejene Aredo for their contributions.

## EEA opened the 5<sup>th</sup> Chapter at Mekelle University

The Ethiopian Economics Association in collaboration with Mekelle University opened its fifth chapter at Mekelle on August 27, 2011. To commemorate the opening of the EEA Mekelle Chapter, EEA organized a half day panel discussion. During the occasion, Ato Demirew Getachew, Head of the Secretariat of the Association, briefed the participants about the Ethiopian Economics Association, vision, objectives, Governance structure, institutional capacity and the overall activities. Following the briefing, two papers were presented. Dr. Seid Nuru presented

a paper entitled “Development Plans in Retrospect and the Growth and Transformation Plan (GTP) of Ethiopia: Some Reflections” while Dr. Fredu Nega presented a paper entitled “Rural Poverty Dynamics and Impact of Intervention Programs up on Chronic and Transient Poor in Tigray, Northern Ethiopia”. The participants of the workshop expressed their appreciation for the establishment of the EEA Chapter at Mekelle town and promised to support the chapter.

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EEA Head office building

**The increase in foreign saving will benefit the economy more than the increase in the domestic saving to materialize the GTP.**



**Economic Knowledge for Optimal Decision!**

***Excerpts from some papers presented on the 9<sup>th</sup> International conferences: Ethiopia's Growth and Transformation Plan: Observations on Growth, Financing and Household Welfare.***

**Paul Dorosh and Admassu Nebebe**

Dr. Paul Dorosh from International Food Policy Research Institute (IFPRI) and Ato Admassu Nebebe from Ministry of Finance and Economic Development (MoFED) presented their papers on the Growth and Transformation Plan (GTP). Ato Admassu particularly emphasized the government's special emphasis for infrastructural development and industrial sector development while Dr. Paul discussed the financing and household welfare implications of the GTP. He presented the simulation result computed based on the Social Accounting Matrix (SAM). The Total Factor Productivity (TFP) growth rate, saving and income are factors considered in the base model and in the GTP period (projection). According to the author, increase in foreign saving will benefit the economy more than the increase in the domestic saving to materialize the plan. The result also indicated that, agriculture growth still makes a big difference in the economy as it helps to reduce poverty and raise real income to rural households, and generate the input for industrial sector. According to the result, the overall TFP growth will be high (7.6 percent) in the GTP period and the real income of the poor will rise substantially under GTP.

In his reflection on Dr. Dorosh's paper, Professor Stefen Dercon from Oxford University commented that agricultural growth may not trigger the growth of other sectors sustainably and underscored the need to bring structural transformation to address the fundamental development

country. According to him, this requires the industrial sector to take a leading role in the economy. In his opinion, the basic assumptions and strategies of the GTP, the expected massive TFP growth is ambitious and hence difficult to attain. He added Ethiopia needs to adopt error correction mechanisms like China in its economic system in its policy actions. In other words, policy makers have to learn from experiences and past mistakes both at the macro and micro levels. He concluded by suggesting the following issues to achieve the targets in the GTP. Firstly, there is a need to work more on the structural and political economies, and the development of market institutions. Secondly, there is a need to integrate both small and large farmers, firms, and both domestic and foreign investors for the realization of the plan.



### **Land to Investors: by Dessaegn Rahmato**

The Ethiopian government has leased out huge tracts of land to domestic and foreign investors on terms that are highly favorable to both but particularly to foreign ones, argues Dessaegn in his paper presented on the 9<sup>th</sup> international conference on the Ethiopian economy. The government's objective in this direction is to increase foreign exchange earnings, create employment, enable the transfer of technology to small-holders, and provide infrastructure and basic services to

local communities. These objectives, according to the author, have not yet been realized as expected. According to the author the land is transferred from peasant farmers, pastoralists and their communities to mostly foreign investors, which in the long run shifts the agrarian system from small scale to large scale dominated by foreign production. This will marginalize small producers, and cause immense damage to local ecosystem, wildlife and biodiversity, according to the author.

### **New Arrivals to EEA library**

- Ethiopian Journal Of Economics Vol XVIII No. 2 Oct 2009 and Vol XIX No. 1 April 2010
- Amin Abdella. - Ethiopians Trade Potential in the Inter-Governmental Authority on Development(IGAD)
- Amin Abdella & John Clifford. Impact of Tax Reform of Tax on Private Sector Development
- Appleyard /Field /cob. - International Economics. – 5<sup>th</sup> ed.
- Velupillai, K. Vela. – Computable Foundations For Economics
- Vitenam – the 150<sup>th</sup> WTO-Member Implications for Industrial Policy and Export Promotion
- The Emergence of Land Markets in Africa (Ed. by Stein T. Holden)
- Regional Integration and Trade Liberalization in Sub-Saharan Africa
- The Demographic Transition and Development Africa

### **The 3<sup>rd</sup> Amhara Regional Annual Conference**

The third regional conference on the economic development of the Amhara National Regional State was held on the 20<sup>th</sup> of August 2011 at the Amhara Regional State Bureau of Finance and Economic Development Conference Hall in Bahir Dar. The Conference was officially opened by **H.E. Ato Gedu Andargachew**, the V/President of the Amahara National Regional State and Head of the Bureau of Agriculture. The conference attracted about 120 participants including several officials of the Amhara National Regional State and experts from the various Bureaux of the Regional State, Universities, NGOs, private sector representatives and EEA members in the region.

### **The 19<sup>th</sup> General Assembly**

The Executive Committee of the Association decided that the 19<sup>th</sup> General Assembly of the Ethiopian Economics Association should be held in the month of September 2011 at the Association's Conference hall. The Assembly will discuss the External Auditors Report, the Annual Performance Report (2010/11) and the plan for the year 2011/12. The General Assembly will also elect new members of the Executive Committee to replace those members who have finished their terms of office.

### **Training on Qualitative Research Methods and Application of the SPSS software**

EEA organized a five-days training on Qualitative Research Methods and Report Writing and the application of the SPSS software to the employees of the Ethiopian Commodity Exchange Authority at the Authority's meeting Hall from Sept 13 to 17, 2011. A total of 36 employees attended the training.



## Newsletter Date September 2011

### Vision:

“To become the premier Economic association in Africa renowned for its excellence in membership services and economic policy research.”

### Mission:

“ To represent the professional interests of our members, advance the discipline of economics and contribute to the development of the Ethiopian Economy”

### Organizational Values:

Professionalism  
Independence  
Credibility  
Integrity  
Teamwork  
Inspiring Leadership  
Accountability and  
transparency

Ethiopian Economics Association (EEA) is a non-profit, non-political and non-religious professional Association established in 1991. The objectives of EEA are:

- to contribute to the economic policy formulation capability and broadly to the economic advancement of Ethiopia ;
- to promote the professional interest of Economists;
- to promote the study of economics in the country's educational institutions;
- to promote economic research and assist in the dissemination of the findings of such research in Ethiopia ;
- to provide forum for the discussion of economic issues, and
- to promote professional contacts between Ethiopian economists and those of other countries.

We are on the web!

[www.eeaecon.org](http://www.eeaecon.org)



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