Ethiopian Economics Association
Ethiopian Economic Policy Research Institute

Influencing food security policy through research
Establishment, Vision, Mission, and Objectives

EEA was established in 1992 as a:

- Not for profit, Non-political, and Non-religious Independent Professional Association.

Objectives

- To contribute to the economic policy formulation capability and 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 fora for the discussion of economic issues, and
- To promote professional contacts between Ethiopian economists and those of other countries.
The Ethiopian Economic Policy Research Institute – EEPRI

- EEA established EEPRI in July 2000 as its research and publication wing.
- The tasks of EEPRI include, among others to:
  - Strengthen research capacity and provide quality policy relevant research and disseminate the results.
  - Collect and compile macroeconomic and sectoral data.
  - Improve the policy environment through informed public debate and enhance public participation in policy issues.
  - Provide an organic linkage between Ethiopian economic researchers and other researchers.
  - Provide short-term trainings to stakeholders.
- EEPRI is the first independent economic policy research institute in the country.
Strategic Project Activities of EEA/EEPRI

EEA/EEPRI’s Major Project Activities:

1. Research Undertakings: (i) Core Research - research projects internally initiated by EEA staff, (ii) Commissioned research - analytical studies that are initiated and commissioned by other organizations, (iii) collaborative research, and (iv) Self-initiated non-core Research.

EEA/EEPRI has organized its activities under four thematic research areas:

- Macroeconomics issues,
- Agricultural Development & Natural Resource issues,
- Trade & Industry, and
- Poverty and Sectoral issues.
Several research projects, each providing detailed analytical study, are being undertaken in the areas of:

- Agriculture
- Finance
- Energy
- Industry
- Health
- Education
- Labour
- Poverty
- Trade

The research projects have been conducted by internal capacity and in collaboration with international and local partners such as universities and research institutes.

The outputs of these research projects have been important analytical information sources for policy makers, donors and the general public.

They also serve as reference materials for researchers and university students.
Strategic Project Activities of EEA/EEPRI

2. **Short term trainings:** short term training programs are organized to policy makers and other stakeholders. University level teaching, advising, and internship programs are also provided.

3. **Publications:** research outputs are published in print and in electronic forms for wide dissemination.

4. **Organizing Public Dialogue Forums:** These are the main avenues for interactive dissemination of the research outputs – Annual Conferences, seminars, workshops, thematic workshops, public lectures.

5. **Providing professional advice:** EEA staffs provide professional advice on issues related to economic development to various stakeholders – participating in technical committees, attending various meetings, giving briefing to expatriates, giving media interviews, commenting on policy documents, etc.

6. **Institutional linkage and exchange programs:** collaborative network with national and international organizations and institutions.
The establishment of a Food Price Dynamics Information and Analysis Hub

• With the view of generating information and initiating critical analysis in the area of food security and price analysis EEA in collaboration with IFPRI has established a Food Price Dynamics Information and Analysis Hub in 2011.

• A workshop was organized on May 17, 2011 with the aim of

  ✓ Identifying priority research topics related to the causes and consequence of price dynamics in Ethiopia.

    ✓ What are the most critical research topics - what do we know, what do we need to know?

    ✓ What are the key gaps on information/knowledge for policy making?

    ✓ What are the key analytical tools needed at the national/sub-national level?

  ✓ And establishing the hub
The establishment of a Food Price Dynamics Information and Analysis Hub

• The Hub has also constituted a steering committee the members of which are drawn from:
  ▪ the National Bank of Ethiopia,
  ▪ Central Statistical Agency,
  ▪ Ethiopian Grain Marketing Enterprise,
  ▪ Ethiopian Chamber of Commerce and Sectoral Association,
  ▪ International Food Policy Research Institute (IFPRI), and
  ▪ The Ethiopian Economics Association (EEA).
**The establishment of a Food Price Dynamics Information and Analysis Hub**

- The overall objective of the Hub is to encourage economic policy-relevant empirical research focusing on food price dynamics in Ethiopia.

- The Hub has identified two sets of research priority areas with respect to which information and knowledge are lacking or insufficient.
  - Information gaps
  - Knowledge gaps.

- It is hoped that establishing a small research grant scheme will encourage researchers to undertake research in the area which will contribute to the relevant policy dialogue.
The establishment of a Food Price Dynamics Information and Analysis Hub

• Information Gaps
  • Market Structure (the state of, and changes in market structure that are important elements of the price formation process).
    • The type, number, and size of players – current state and history
    • The degree of competition – current state and history
  • Transaction costs (no systematically and regularly collected or compiled information on elements of transaction costs)
    • Transportation costs;
    • Handling costs;
    • Storage costs
    • Other marketing cost; and
    • Marketing margins
  • Data quality issues, etc.
The establishment of a Food Price Dynamics Information and Analysis Hub

- Knowledge Gaps
  - Up-to-date and detailed analysis of the price formation process for key commodities including market players, competition, seasonality and post harvest losses is absent.
  - Price developments over time and explanations.
    - Fiscal developments and prices;
    - Link between rapid economic growth and inflationary pressures;
    - The role of the services sector in the observed price dynamics;
    - Price Control – history, theory, impact
  - Disaggregated analyses of the behavioral responses of economic agents (households, firms,...) to price dynamic.
    - Disaggregated supply response analysis;
    - Demand responses;
    - Welfare outcomes and price volatility; and
    - Minimum wage levels and prices.
The small research grant project

- Based on the research priorities identified by the Hub, EEA has invited research proposals from prospective applicants on major aspects of food price dynamics in Ethiopia in February 2012.
- Around 30 research proposals were received out of which nine research projects were selected and recommended for support based on a rigorous review process of two rounds.
- The plan was to provide a small research grant amounting to US$ 3000 for each of the nine recommended projects.
- IFPRI provided the financial support for the scheme.
- Apart from providing the financial support IFPRI has also provided technical advice such as assigning experts for reviewing papers.
The small research grant project

• The announcement of the winners of the grant was delayed since the contract agreement with IFPRI was signed only in July 2013.
• The disbursement of the grant was also delayed even after the contract agreement was signed.
• So, the winners of the Competitive Research Grant were informed only in May 2014.
• Contract agreement was signed with only seven winners in June 2014.
  • Two of the winners declined to accept the grant due to the delayed announcement of the grant.
• Out of the seven winners, four have already submitted their research articles which are sent to two external reviewers for publication in the Ethiopian Journal of Economics.
• The remaining three are yet to submit the research article.
The small research grant project

• Selected Research Proposals
  • Inflation – Growth nexus: Estimation of Inflation Threshold for Ethiopia
  • The Welfare and Poverty Impact of the change in Food Price
  • The Dynamics of Price Convergence in the Ethiopian Agri-food Sector: A Dynamic Panel Modeling Approach
  • Determinants of Inflation in Ethiopia
  • Impact of Higher Food Prices on the Welfare of Ethiopian Rural Households
  • Analysis of Vegetables and Fruits Marketing System in Amhara Regional State, Ethiopia
  • Marketing and Transaction costs of Fruit and vegetable Trade in Ethiopia: Challenges and Opportunities
  • Analysis of Factors That Dictate Farmers to Sell Their Produces Early: Implication for seasonal price fluctuation?
  • A proposal on household inflation expectation formation in Ethiopia: Evidence from rural and urban household
The small research grant project

• Affiliated Institutions
  • 4 proposals from Universities (2 declined)
  • 3 proposals from Research institutes
  • 1 proposal from NBE
  • 1 Proposal from NGO