

STUDY ON THE HUMAN DIMENSIONS OF THE FINANCIAL CRISIS IN ETHIOPIA

FINAL REPORT

June 2011
Addis Ababa, Ethiopia

Acknowledgments

In December 2009, the Rapid Impact and Vulnerability Analysis Fund (RIVAF) was launched by the United Nations as part of the Global Pulse Initiative, to support innovative, real-time data collection and analysis to help develop a better understanding of how vulnerable populations cope with impacts of global crises. RIVAF was generously funded by the United Kingdom's Department for International Development (DfID), and the Government of Sweden with UNFPA co-financing; this study was made possible due to this generous contribution.

UNFPA Ethiopia commissioned the Center for Development Consulting (CDC) to undertake the Study.

The following professionals of the Center were in charge of the full project implementation and coordination from the preparation of the proposal, the design of the data collection tools, the carrying out of the assessment, to the writing of the reports:

Lulit Mitik Beyene (PhD), Team leader and Economist
Emezat Hailu Mengesha (PhD), Gender specialist
Zelalem Hailegiorgis, Statistician

The authors are grateful for the feedback and information provided by different stakeholders including the Ministry of Finance and Economic Development, The Ministry of Education, The Ministry of Women, Children and Youth, The Ministry of Health, The National Bank of Ethiopia, and the Central Statistical Authority. At the regional level, the project has benefited from the invaluable collaboration and input from the Regional Agriculture and Rural Development, Education, Women's Affairs, Health, Finance, and HAPPCO HIV Offices/Bureaus.

The team is most grateful to the UNFPA Ethiopia and Headquarter Offices for their invaluable comments and feedback. The authors would also like to thank the project coordinator on behalf of the UNFPA, Meron Tewfik, for her continuous support.

Table of Contents

Acknowledgments	2
List of Tables	5
List of Figures	6
Executive summary	7
1. Introduction: background and rationale of the study	9
2. Objectives	12
3. Methodology	13
4. Impact of the global financial crisis in Ethiopia: a macroeconomic approach.....	16
4.1. Overview of the Ethiopian Economy: structure and macroeconomic trend.....	16
4.2. Transmission channels of the crisis: a brief description.....	19
4.3. Impact on trade: volumes and prices	19
4.3.1. Exports	19
4.3.2. Imports	22
4.4. Impact on financial flows.....	23
4.4.1. Remittances	24
4.4.2. ODA.....	24
4.4.3. FDI.....	25
4.5. Spill-over effects: a macro perspective	26
4.5.1. Government revenue and expenditure	26
4.5.2. Government accounts: current account and balance of payments.....	31
4.5.3. Foreign currency reserves.....	32
4.5.4. Exchange rate	33
4.5.5. Inflation.....	34
4.6. Impact on economic growth	37
5. The human dimensions of the global financial crisis in Ethiopia	39
5.1. Brief overview of major social indicators.....	39
5.2. Transmission channels from the economic level to human dimensions	40
5.3. Profile of respondents.....	42
5.4. Impact on household income and purchasing power.....	44
5.4.1. Impact on crop farmers.....	44
5.4.2. Impact on livestock farmers.....	46
5.4.3. Impact on employees of flower farms	48
5.4.4. Impact on construction workers.....	50
5.4.5. Impact on hotel and restaurant services sector employees.....	51
5.4.6. Impact on leather industry employees.....	53

5.5.	Impact on health	55
5.5.1.	Access and affordability of health services and drugs	56
5.5.2.	Impact on people living with HIV/AIDS	57
5.5.3.	Effect on SRH.....	59
5.6.	Impact on education	61
5.6.1.	Access and affordability of education	61
5.6.2.	Is there a gender differentiated impact	62
5.7.	Impact on nutrition and livelihood	62
5.7.1.	Effect on dietary habits	62
5.7.2.	Effect on consumption patterns	65
5.8.	Impact on women	68
5.8.1.	Impact on women’s household and market work burden.....	68
5.8.2.	Effect on women and girls relative to men.....	71
5.9.	Impact on the poor and vulnerable groups.....	72
5.10.	Regional disparities: urban/rural and vulnerable regions.....	75
5.11.	Role of environmental factors in agricultural activities	80
6.	Major coping strategies adopted	82
7.	Policy responses.....	84
7.1.	Monetary policy.....	84
7.1.1.	Fiscal policy.....	85
7.1.2.	Exchange rate policy	85
7.1.3.	Social protection programs.....	85
8.	Conclusion and recommendations.....	87
	Annexes.....	91
	Annex 1: References	91
	Annex 2: Questionnaire for survey	92
	Annex 3: Questions for Woreda Officials.....	102
	Annex 4: Tables: Economic and human impacts of the crisis.....	104
	Annex 5: Methodology.....	133
	Annex 6: Administrative Report	145

List of Tables

- Table 4.1 – Trend in transfers (Million USD)
- Table 4.2 – Level, growth, and share of external grants (2003 – 2011)
- Table 4.3 - Capital of approved investment projects by source (Millions Birr)
- Table 4.4- Balance of Payments (in million USD)
- Table 4.5 – Trend in annual average inflation
- Table 5.1 – Changes in volume of production
- Table 5.2– Changes in income from produce
- Table 5.3 – Inflation has affected farmers’ livelihood (real income and purchasing power)
- Table 5.4 – Changes in sales prices of livestock
- Table 5.5 - Inflation has affected farmers’ livelihood (real income and purchasing power)
- Table 5.6 – Changes in work schedules
- Table 5.7 – Changes in the availability of work
- Table 5.8– Changes in employment and work hours in hotels and restaurants
- Table 5.9– Effect of inflation on capacity to afford basic goods and services
- Table 5.10 – Changes in employment in the leather industry
- Table 5.11 – Effect of inflation on capacity to afford basic goods and services
- Table 5.12 – Use of modern/formal health services and type of services visited
- Table 5.13 – Ability to access/purchase health services
- Table 5.14 – Ability to access/purchase health services for all family members
- Table 5.15 - Reason for reduced access to health services
- Table 5.16 – Access to reproductive health services in the past three years
- Table 5.17 – Cost of reproductive health services
- Table 5.18 – Current access to reproductive health services
- Table 5.19 – Access to education services, pre and post-crisis period
- Table 5.20 – Access to education for all children, pre and post-crisis
- Table 5.21 – Reason for changes in access to education
- Table 5.22 – Major food items consumed by households by region, pre-crisis period
- Table 5.23 – Changes in dietary habits and reason for changes
- Table 5.24 - Number of meals per day
- Table 5.25 – Changes in number of meals and reason for changes
- Table 5.26 - Major categories of essentials the family usually purchases
- Table 5.27 - Major categories of essentials that have been affected
- Table 5.28 – Reason for observed changes
- Table 5.29 – Share of households that have been forced to look for additional sources of income or work to supplement the family’s income and type of income source
- Table 5.30 - Role of women in agricultural production activities, crop and livestock
- Table 5.31 – Functions of women in the household by order of importance
- Table 5.32 – Necessity to take on additional household tasks by women
- Table 5.33 – Reason for taking on additional and actual households chores
- Table 5.34 – Decrease in family real income/purchasing power and reason for decrease
- Table 5.35 - Reason for decrease in real income
- Table 5.36 – Necessity to look for additional source of income
- Table 5.37 – Have environmental changes been observed
- Table 5.38 – Type of changes observed in environment
- Table 5.39 – Effect of observed environmental change on agricultural production, productivity, quality of output

List of Figures

- Figure 4.1 – Sectoral shares of GDP (2000/01 – 2010/11)
- Figure 4.2 - Trend in quarterly values of exports (export proceeds) in Million of USD (2007-08 to 2009-10)
- Figure 4.3 - Trend in quarterly values of selected commodities and total exports (2007-08 to 2009-10)
- Figure 4.4 - Value of exports in % change from previous year (2006-07 to 2009-10)
- Figure 4.5 - Unit value & volume and of exports in % change from previous year (2006-07 to 2009-10)
- Figure 4.6 - Value of imports in % change from previous year (2006-07 to 2009-10)
- Figure 4.7: Trends in government revenue (Millions Birr, from EFY 2003/04 to 2010/11)
- Figure 4.8: Changes in government revenue (% variation from previous year, 2006/07 to 2009/10)
- Figure 4.9: Trends in government expenditure (Millions Birr, from EFY 2003/04 to 2010/11)
- Figure 4.10 – Annual growth rate in total current and capital expenditure (2003/04 to 2010/11)
- Figure 4.11 – Annual growth rate of current general, economic, and social expenditure (2003/04 to 2010/11)
- Figure 4.12 - Annual growth rate of capital expenditure for economic, social, and general sectors (2003/04 to 2010/11)
- Figure 4.13 - Foreign Exchange Trade in the Inter-Bank Foreign Exchange Market
- Figure 4.14 – Nominal inter-bank exchange rate variations
- Figure 4.15 – Trend in quarterly inflation
- Figure 4.16 – Trend in annual GDP growth rate by major industrial classification at constant basic prices
- Figure 5.1 – Profile of respondents by age and gender groups
- Figure 5.2 – Profile of respondents by employment status
- Figure 5.3 – Profile of respondents by level of education
- Figure 5.4– Changes in sales prices of produce
- Figure 5.5 – Changes in volume of production
- Figure 5.6 – Changes in income from livestock
- Figure 5.7 – Changes in income
- Figure 5.8– Changes in income for construction workers
- Figure 5.9 – Changes in income
- Figure 5.10 – Changes in income
- Figure 5.11– Changes in family’s spending habits on different categories of essentials
- Figure 5.12– Other coping mechanisms
- Figure 5.13 - Access to health services by region
- Figure 5.14 – Access to education services by region
- Figure 5.15 – Changes in income from crop agriculture by region
- Figure 5.16 – Changes in livestock agriculture income by region
- Figure 5.17– Changes in the family’s spending habits on the different categories of essentials
- Figure 5.18 – Changes in dietary habits by region
- Figure 5.19 – Changes in the number of meals per day by region
- Figure 5.20 – Necessity to find an additional source of income by region

Executive summary

This report represents the findings from the study that was carried out between February and April 2011 to assess the Human Dimensions of the Financial Crisis in Ethiopia. The main objective of the study was to assess the impact of the Global Financial and Economic Crisis in Ethiopia from two related dimensions: the economic and the human dimensions with a particular focus on the International Conference on Population and Development (ICPD) mandate areas including sexual and reproductive health (SRH), gender and HIV/AIDS, and data gaps and new challenges posed by the recent phenomenon of climate change.

The study covered a representative sample drawn from pastoralist areas, urban centers, emerging regions and the larger regional states of the country. A total of 1,200 households i.e. proxy to the individuals were sampled for the study for both the qualitative and quantitative phases. Particular considerations were made to include the vulnerable groups especially young girls, women and children, populations living in food insecure and vulnerable regions, and men and women in urban and rural areas.

The results of the study show that in the economic dimension which was examined from the perspectives of trade and financial flows, two of the major transmission channels, the financial crisis has brought about certain impacts. Accordingly, contraction in export earnings have been recorded due to the declines in volumes and international prices of major export commodities; this was however mostly offset by increases in volumes of some of the products like oilseeds and flower. Imports have also been impacted by the crisis. The total imports bill during the 2008/09 fiscal year showed a 13.4 % increase compared to the previous year but the annual imports growth rate has decelerated. While imports grew by a much significant rate between 2006/07 and 2007/08, the growth was only modest between 2007/08 and 2008/09. Import of semi-finished goods such as fertilizer (-10.4 %) has declined as well as the import bill of fuel (-22.5 %) between 2007/08 and 2008/09 and further declined in 2009/10. The ratio of imports to GDP also declined in 2008/09. The EFY2009/10 marked a moderate increase in imports compared to the EFY 2008/09. For some items such as raw materials and semi finished goods, imports were still lower than their pre-crisis level.

In regards government revenue and expenditure, declines in growth have been recorded. In the revenue side, although total revenue increased by 37.6 % in 2008/09 due to increase in external grants, the following fiscal year it registered a much slower annual growth rate (21.3 %) due to decline in external grants and non-tax revenue. Given the slower growth in government revenue, public expenditure also grew at a less sustained but still at an increasing rate. Both current and capital expenditures increased compared to their level the preceding year but at a lower rate.

Impact on the financial aspect was examined from the perspective of the flow of remittances, ODI and FDI. Slight decrease in remittances was recorded. Although ODI showed a decline at the start of the crisis, it has picked up in the current fiscal year. Similarly, although FDI showed a decline during the crisis period, this may not be directly attributed to the financial crisis. Another impact in the financial sector relates to the

limitation on the country's financial sector in terms of its capacity to issue LCs for the private sector which is mainly seen in terms of longer waiting periods to access LCs.

The overall impact on the economic growth of the country can be seen in terms of the slight slowdown in GDP growth. GDP growth declined from 11.8 % in 2007/08 to 10.0 % in 2008/09 and to 10.4 % in 2009/10. This entails a decline of 15.2 % in annual growth rate for the EFY 2008/09. It is however estimated to pick-up to 11.0 % in the current fiscal year.

The results of the study on the human dimension which was assessed from the perspective of access to health, education and other basic services for the poor, vulnerable groups like young girls, women and children including access to sexual and reproductive health services, and care and treatment for those affected by HIV/AIDS show no significant adverse impact. In regards the education sector for instance, the data shows the global financial crisis has not had an impact on access to education at the household level.

In regards the health sector, the overall data shows that the global financial crisis has not had an impact on access to health services at the household level. Looking at the impact on people living with HIV/AIDS a notable impact of the crisis has been the cut or reduction in aid and support to various associations and HAPPCO offices. This may bring about adverse impacts on important services such as care, treatment and support to people living with HIV and AIDS. The problem is further compounded by the surge in inflation over the past two years, increase in the number of population which in effect increases the pressure on the existing infrastructure and the fact that more and more people are now seeking modern health service. With regard to services specific to women such as reproductive health services, the crisis did not affect this health sub-sector which still provides most services free of charge.

The study attempted to examine the gender differentiated impact of the crisis if any. The data shows that both men and women were able to access/purchase health and education services hence no significant gender differentiated impact has been witnessed. Interestingly, one positive gender sensitive impact has been a growth in employment and income for the highly female intensive sector, the flower industry. Similar outcome was observed for the hotels and restaurants sector, another female intensive sector.

The study, in assessing the impact of the crisis on the human dimension looked into the possible effects on income on farmers and livestock producers due to the crisis. The focus here was on the rural population which represents the farmers/livestock producer (this includes the majority of the poor and vulnerable of the country). The findings show that crop farming activities have not been significantly affected by changes in international demand and prices for Ethiopian export crops. Rather, the impact seems to be related to the impact of the crisis on inflation rates that have considerably affected farmers' purchasing power. On the other hand, livestock farming activities have been negatively affected during the two post crisis years. International demand for meat and meat products had increased while demand for live animals and leather and leather products had declined during this period. At the same time, prices of these products had increased during this period offsetting the slowdown in demand except for leather products. This has translated into a decrease in income of livestock farmers.

1. Introduction: background and rationale of the study

Over the past decade, Ethiopia has been one of the fastest growing non-oil economies in Africa. Economic growth averaged more than 11% over the past five years. Though Ethiopia is lagging behind in reaching the MDGs, poverty has declined and remarkable progress has been achieved in major social indicators such as education and health.

However, these hard-won improvements in terms of economic growth, poverty reduction and social development may be undermined by the recent global financial crisis and general economic downturn. Contrary to the predictions of some local experts, the effects of the global financial downturn have indeed reached Ethiopia, despite relatively weaker financial linkages between the country's economy and international financial markets.

Although some general, common tendencies have been observed throughout the African continent, the impact of the crisis on specific countries, as well as the strategies adopted by those governments to stem off the negative effects, requires a thorough analysis at country level, taking into consideration country-specific contexts, needs and circumstances. What emerges from many studies is that the severity – and sequencing - of the global downturn on African countries varies depending on their level of integration into the global economy and their economic structure. African countries with greater financial openness were the first to feel the effects of the crisis through financial markets, including bond and equity, and export markets, while oil and other mineral and commodity exporting countries have suffered from lower demand and prices. The effects on low-income countries, agriculture-based economies, such as Ethiopia, occurred later on. But the effects are/were real and were further amplified due to the con-current effects of the food and oil crisis.

Ethiopia has been affected as the global financial crisis deepened and broadened to turn to a global economic slowdown affecting international demand and prices of export commodities. Despite its robust growth performance and the considerable development gains until 2007, Ethiopia has been suffering from the emergence of twin macroeconomic challenges: high domestic inflation and a widened balance of payments deficit (due to rising import demand and import prices) since 2008 (World Bank). In addition to these challenges, high oil, fertilizer and fuel prices have resulted in a further increase in inflation (reaching 64% in July 2008, and falling to 28% in January 2009) and contributed to a decrease in international reserves (by end-November 2008, reserve cover had fallen to just 1 month of imports of goods and services). Considering decreases in remittances and FDI flows, the reduction in export income, and declining levels of donor aid following the global economic slowdown, foreign currency reserves can be expected to remain low. Reports state that there has been a recent recovery in foreign currency reserves (NBE, 2008/09 and 2009/10) but growth in the local economy is causing continuing pressure on foreign reserves because of high demand for imported goods.

It is undoubtedly true that Ethiopia is one of the least integrated countries in the global financial market. The Ethiopian financial sector has no direct link with international financial markets. For this reason, many people believed that Ethiopia would not be directly affected by the current financial turmoil. However, the country has indeed been affected as the global financial crisis has translated into a global economic slowdown. The reason is that the

Ethiopian economy is integrated in the global market through various trade relations. Changes in international export and import prices and demand affect the real economy. Similarly Ethiopia is also linked to the rest of the world in that it has to compete for a finite pool of private transfers, FDI, and even bilateral and multilateral aid. Given the prominent role of these sources of capital to the Ethiopian economy, changes in these sources of foreign financial flows have had significant impact on the Ethiopian economy.

The Ethiopian case has been somewhat different from the general macroeconomic trends observed in other parts of the world. While most developed and some developing countries are experiencing a decrease in overall prices as a consequence of the crisis, the Ethiopian experience reflects the opposite. General domestic prices have been increasing in Ethiopia. This is essentially explained by differences in price determination. Price adjustment and price-setting mechanisms, in the Ethiopian context, are influenced by a number of factors that have led to an increase in inflation while the rest of the world has experienced deflationary pressures.

The Government of Ethiopia has undertaken a number of actions to address these macroeconomic problems. Authorities have adjusted domestic fuel prices by eliminating fuel subsidies, introduced measures to alleviate the adverse impact of high food prices on the poor by importing and distributing grains, and are tightening monetary and fiscal policies significantly by reducing the government's domestic borrowing and borrowing by public enterprises, tightening the money supply by containing broad money growth, and gradually depreciating the local currency to increase export competitiveness. Considerable efforts are being made to mobilize domestic revenue and reduce lower priority expenditures, while increasing spending in key poverty-oriented sectors.

Despite these considerable efforts, challenges to economic growth and social development remain high, particularly in the short run. While these interventions have proven to yield some level of improvement, they have not been able to fully curb the effects of the crisis on Ethiopians' livelihood and capacity to access basic social services.

The combination of these factors has serious implications for the Ethiopian economy and may have limited the government's ability to implement its poverty reduction strategy and its provision of health, education, and other major basic services. That, in turn, is believed to have a detrimental effect on the poor and the vulnerable like girls, women and children. While the impact of the global economic and financial crisis on Ethiopia's economy is obvious, the challenges on development effects and coping strategies have not yet been explored adequately. Thus, this study will explore and assess the impact of the global financial crisis and its effect on access to health, education and other basic services for the poor, vulnerable groups like young girls, women and children including access to sexual and reproductive health services, and care and treatment for those affected by HIV/AIDS.

Our previous experience in conducting assessments of the impact of the crisis, as well as the present assessment, have proven that it is difficult to fully isolate or dissociate the impact of the crisis from the effect of other policies, shocks, or interventions, especially because it has surpassed one year since the first effects were felt in Ethiopia. It is therefore important to keep this in mind when considering the findings of the study. We have used proxies that can

enable us to capture the required information and findings obtained from different data collection methods, and all the data have been triangulated and cross-checked.

This report is organised in eight sections. Section one presented some background information and the rationale of the study. Section 2 presents the objectives and section 3 outlines in detail the methodology utilised to conduct this assessment as well as the challenges encountered during the data collection process. The economic impact of the crisis through direct and indirect transmission channels is presented in section 4. After presenting the linkages from the economic to the human dimensions of the crisis, section 5 outlines extensively the effects of the crisis on Ethiopian households based on findings from primary data. Section 6 summarised the diverse coping mechanisms adopted by Ethiopians to face the challenges posed by the global financial crisis. The Ethiopian government has taken certain measures to address the impacts of the crisis. This is presented in section 7. The last section briefly summarizes the major findings and gives certain recommendations.

2. Objectives

The overall objective of the study is to assess the impact of the Global Financial and Economic Crisis in Ethiopia.

Two dimensions will be considered in the assessment, the Economic Impact and the Human Dimensions with a particular focus on the International Conference on Population and Development (ICPD) mandate areas including sexual and reproductive health (SRH), gender and HIV/AIDS, and data gaps and new challenges posed by the recent phenomenon of climate change.

More specifically, the study aims at assessing the impact on:

- Economic indicators including: GDP, Government spending, trading patterns, food prices, crisis in local market, and remittances
- Poor households in Ethiopia and vulnerable groups, especially young girls, women and children and their access to basic services particularly to SRH and HIV/AIDS services. Food insecure and vulnerable regions and the particular effects of climate change and environmental degradation on food security and accessibility to services.
- Coping strategies used by households to deal with the crisis will be highlighted to inform policy-makers on ways to alleviate the effects of the crisis.

3. Methodology

This section gives a brief outline of the methodology that has been used to conduct the impact evaluation of the financial and economic crisis on economic and human/social dimensions in Ethiopia. Four techniques have been utilized to conduct the study: desk review, key informant interviews, focus group discussions, and a survey. (for a detailed review of the methodology refer to annex 5).

Geographic Scope: the study covered a representative sample drawn from pastoralist areas, urban centers, emerging regions and the larger regional states of the country. Accordingly, Afar, Hawassa and its surroundings, Benishanguel Gumuz and Oromia regional states were selected respectively.

Sampling frame: The sampling frame consists of Enumeration Areas in the study areas, geographically stratified and defined by the computerized Geographic Information System (GIS) data-base of the Ethiopian Central Statistical Authority. In constructing the sampling frame, the selection was based on one of the following specificities that are related to the transmission channels of the crisis: coffee and chat production areas; flower production areas; livestock production areas; hide skin factories; sesame production areas; honey productions area; hotels and restaurants services activity and construction sector activity.

Sampling technique: In order to meet the objectives and requirements of the survey, a three-stage cluster sample design was used for the selection of eligible households. The first stage sampling units were Enumeration Areas (EAs), the second stage units were woredas selected using purposive sampling technique, and the third stage units were households for which the survey questionnaires were administered. To avoid an uneven sample allocation among regions and administrative cities, the sample was allocated by using the Probability Proportion to Size (PPS) procedure. Additional adjustments were also made to ensure that the sample size for each region and administration city included a minimum number of respondents (at least 400) in order to yield estimates with reasonable statistical precision.

Sample size: The sample size for the study, including qualitative and quantitative phases, was 1200 households i.e. proxy to the individuals, the vulnerable groups especially young girls, women and children, populations living in food insecure and vulnerable regions, and men and women in urban and rural areas. Additionally, 52 husbands or wives have been interviewed to measure the differences in perceptions on the same issues within the same household.

Data Collection Instruments: We have used a combination of data collection methods to assess the economic and human dimensions of the financial crisis.

- i) Literature review: the assignment commenced with a comprehensive documents/literature review. Various relevant documents on transmission channels regarding the effect of the economic crisis on developing countries and in particular on Ethiopia were considered. The literature review essentially focused on areas that directly or indirectly affect economic and human development dimensions.

- ii) After determining the economic impacts of the global financial crisis, the next step consisted in assessing whether these macro level effects have percolated to the micro level. A questionnaire based on close-ended questions was developed to collect the required data. A prior identification of social/human level indicators was undertaken when designing the questionnaire. The questionnaire was designed in a way that can capture information on aspects pointed out in the TOR including the following:
- Access to basic services for vulnerable groups (women and children) such as health specifically SRH, immunization, water and sanitation, education, food and shelter disaggregated by sex and region. Specific effects on maternal health were highlighted. This is also to stress the population dimension and the strains unchecked population growth puts on the economic system and social services;
 - Vulnerability to communicable diseases such as HIV/AIDS;
 - Geographical vulnerability as pertaining to rural-urban, food secure/insecure and pastoralist-sedentary differences were explored. This is particularly important due to the possible reduction in export demand and its impact on rural livelihoods;
 - Disposable income or purchasing power taking into consideration implications of increased inflation rates especially for food items;
 - Gender inequality: market employment, income, and education (enrolment ratio as poorer families might afford and prefer only to send boys to schools); and
 - Household well being (qualitatively).
- iii) Key informant interview: The information collected through the desk review was complemented by data provided by stakeholders themselves. This was important because it provided information from households, businesses, government officials, NGOs/CSOs, and other stakeholders based on their personal experiences and observations of the impact of the crisis. A series of semi-structured interview instruments that reflect the range of issues and research questions contained in the assignment were designed. These interviews included lengthy and detailed discussions on stakeholders' conceptualization of the degree of impact of the economic crisis on poor households in Ethiopia and vulnerable groups, especially young girls, women and children and their access to basic services especially SRH and HIV/AIDS services. Using a gender approach, the key informant interviews allowed for the assessment of the effect of the crisis on these vulnerable groups focusing in particular on issues relating to health facilities and specifically sexual and reproductive health services. This technique has also allowed for the identification of coping strategies used by households to inform policy-makers on ways to alleviate the effects of the crisis.
- iv) Focus group discussion: talking to stakeholders in groups provided a uniquely valuable opportunity to elicit new information, triangulate and check impressions gained by others. In this study, focus group discussions were conducted with relevant stakeholders including members of the private, public and informal sectors; women and men in a cross-section of households; NGOs and CSOs and other relevant stakeholders in order to document their experience of Ethiopia's financial and economic crisis.

Data analysis: Data compiled both through primary and secondary means have been edited, coded and compiled using grid structure, by which similar issues were grouped together, thereby allowing for the quantifying and analysis of findings. The information gathered through the review of documents, key informant interviews, focus group discussions, and the survey have been analyzed within the framework of the study and theme objectives. The collected data from these different sources have been analyzed and triangulated in order to conduct the assessment. The analysis assessed the direct and indirect impacts of the different transmission channels of the crisis on human dimensions as defined by the different socio-economic indicators that have been identified as indicated in the above sections. The analysis was also elaborated on interrelations and interconnections between the transmission channels and reflects on the differentiated and combined impacts on human/social dimensions.

Baseline data: For comparison purposes, the study used data reflecting the situation and evolution of selected indicators before the crisis started affecting Ethiopia. Comparisons have been made between the situation in FY 2007/08 (2000 EC) and FY 2008/09 (2001 EC). The crisis is believed to have transmitted to the Ethiopian economy during the last quarter of 2008. The study also looked at the situation in 2009/10 to investigate if there are any lagging effects. This has enabled the comparison between the pre-crisis situation and the post-crisis period both at the macroeconomic and at the microeconomic/human level.

4. Impact of the global financial crisis in Ethiopia: a macroeconomic approach

Ethiopia is one of the least integrated countries in the global financial market. The Ethiopian financial sector remains closed and has no direct link with international financial markets. From this perspective, it may seem that Ethiopia would not be directly affected by the current financial turmoil.

However, the country has indeed been affected as the global financial crisis has deepened and translated into a global economic slowdown. This is due to the fact that the Ethiopian economy is integrated in the global market through various trade relations. The Ethiopian economic sector has been affected following changes in international export and import prices and demand. In addition, Ethiopia is linked to the rest of the world in that it has to compete for a finite pool of private transfers, FDI, and even bilateral and multilateral aid. These sources of capital play a prominent role to the Ethiopian economy as they are an essential source of foreign reserves. Thus, changes in these scarce sources of foreign financial flows have had an impact on the Ethiopian economy.

4.1. Overview of the Ethiopian Economy: structure and macroeconomic trend

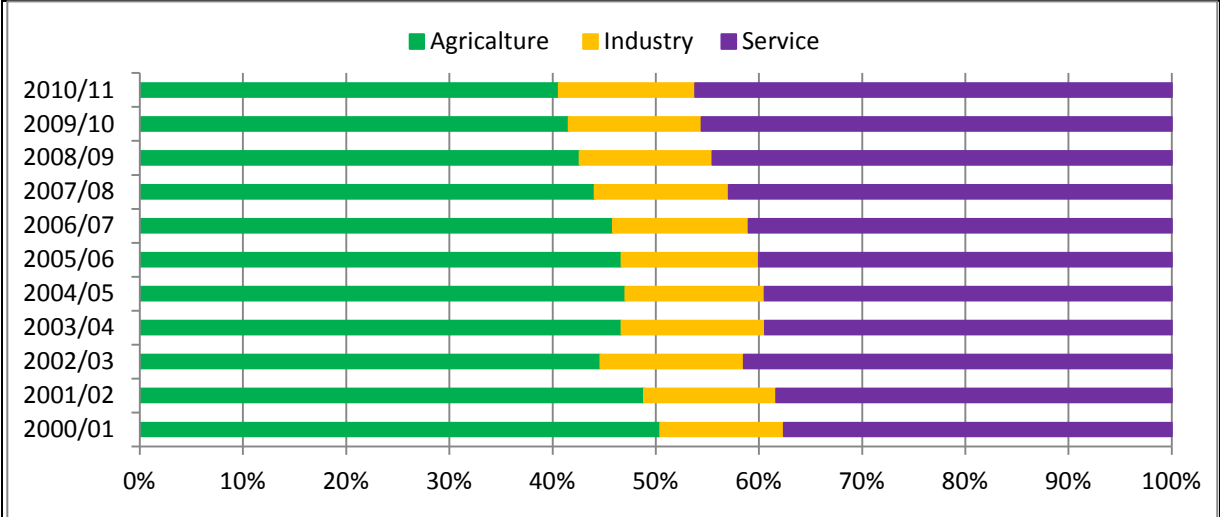
The Ethiopian economy has been growing at a rapid and sustained rate over the past years. Ethiopia's Gross Domestic Product (GDP) at constant basic price amounted to ETB 116.3 billion (12.6 billion USD) in FY 2007/08. The fiscal year ending June 2008 marked the fifth consecutive year of double digit GDP growth rate. Real GDP has grown by 11.9% in 2003/04, 10.5% in 2004/05, 9.6% in 2005/06, 11.4% in 2006/07, and 11.6% in 2007/08. On the demand side, GDP growth is attributable to both consumption and investment increases. Significant public investments have been made to support the expansion of economic and social infrastructures, primarily roads, telecommunication infrastructures, hydroelectric dams, and health and education facilities.

This trend is being sustained although the country has suffered from direct and indirect effects of the global financial crisis. GDP growth remained at a double digit rate reaching 10.0 % in 2008/09 and 10.4 % in 2009/10.

Looking at sectoral shares in GDP, the agricultural sector contributed up to 50 % on average until 2002/03. Its share gradually decreased to 42 % in 2009/10 and is estimated to lower to 41 % during the current fiscal year. Agriculture remains however the major source of exports with shares over 80 %. There has been increased diversification in the export volume in recent years. Coffee, which contributed 70% of export earnings some decade ago, now contributes less than 40%, while flowers, leather, oilseeds and pulses, gold and chat have become increasingly more important, each contributing about USD 50 million per year.

Agriculture plays a significant role in Ethiopia. It is the largest employer in the economy and therefore the largest source of household income. The 2005 LFS shows that significant shares of the employed population were absorbed by agricultural activities amounting 80.2 % of the total population. The share is close to 90 % in rural areas where agriculture and related activities are the principal source of employment.

Figure 4.1 – Sectoral shares of GDP (2000/01 – 2010/11)



Source: MOFED data compiled by author

Because of its size, the agricultural sector has had tremendous influence on the Ethiopian economy in terms of output. It was still the largest source of output until EFY 2007/08. In addition, agriculture is the largest source of exports, and thus foreign currency inflow which enables the country to import essential raw materials and inputs, including those for agricultural production. According to the MOFED data, agriculture has held the largest share in GDP until last year. The sector contributed over 45% to overall GDP, generated 90% of export earnings and supplied about 70% of raw material to other activities in 2006/07. Although its share in GDP has slightly declined in EFY 2008/09 to the advantage of the services sector, it still plays a central role in the development of the country.

In addition to the agricultural sector, the service sector has been increasingly contributing to the GDP reaching 45.6 % in 2009/10 from 37.6 % in 2000/01. With the construction, real estate, retail and wholesale trade, transportation and financial services being the major drivers, the service sector is becoming a significant source of the growth and has benefited from increased public investment. Government investment that has peaked during the period in nominal terms is one major contributor to service sector growth. The services sector is also emerging as a source for exports through tourism and air transport activities. The industry sector maintained an average share of 13 % of GDP over the past five years.

Regardless of substantial allocation of public resources to the agricultural sector, Ethiopia remains highly food insecure. Although significant progress has been made to expand and intensify agriculture, agricultural yield and productivity have not notably improved and production is still heavily dependent on weather conditions and subsistence mode of production. The average number of population needing emergency assistance in 1970’s was 3.25 million and after three decades there are still more people subject to food insecurity. In the 1970’s, food deficit between total cereal production and consumption stood at 1.4 thousand metric tons (26% of total consumption requirement) and increased to 4.8 thousand metric tons (27%) in 2008 indicating the worsening of the situation. In terms of food deficiency, the number of people in need of assistance reached 4.60 million in 2008. To

reach the needy people, an estimated average quantity of 198 thousand metric tons or equivalent of 63.6 million US dollars was required every year between 1970's and 2008.

The poverty situation of the country remains alarming with inequality continuing to rise and the number of poor is still relatively high. Although poverty has declined, the poverty level is still high and rampant. Poverty is more concentrated in rural areas where more than 80% of the population resides. Income inequality has been increasing over the years. Inequality in urban areas increased sharply in the last decade while inequality has not changed in rural areas over the period.

According to the 2005 Labor Force Survey, out of the total population, 71.2% of females and 86.1% of males were reported to be active i.e. engaged in productive activities for sales or own consumption purposes. In terms of occupational group of the employed population, women were overrepresented in unskilled and elementary occupations (50.3%) while men were mostly engaged in skilled work primarily in agriculture and fishery (56.1%). Most women and men are primarily employed in the agricultural sector. The share for males in this sector is higher 92.7 % while that of females is 83.6 % in rural areas. Regarding the employment status, the majority of females (74.7%) in rural areas were working in as unpaid family workers while rural males were dominant in self employment (56.7%). The sector of occupation is different in urban areas where 21.8 % of the employed persons were engaged in the wholesale and retail trades, followed by manufacturing (14.3 %) and hotel and restaurant (10.8 %). Higher proportion of females than males in urban areas participated in the wholesale and retail trade, manufacturing and hotel and restaurant industrial divisions compared to male counterpart. The gap is particularly wide in the hotel and restaurant industry - 3.4 % for males and 19.2 % for females. Self-employment at country level was the dominant employment status among the male (54.8 %), while the majority of females employed were found in unpaid family workers (68%). In addition, women are subject to higher unemployment. The 2005 Labour Force Survey (LFS) reveals that while the rate of unemployment in the current status approach for urban areas is 20.6 % and it is only of 2.6% in rural areas. However, female unemployment (27.2%) is twice the male unemployment rate (13.7%) in urban areas and 0.9% for males and 4.9% for females in rural areas.

Despite its rapid economic growth, Ethiopia has continued to face very serious structural challenges, partly reflected in persistently low levels of foreign exchange reserves. This is mainly due to the continued rise in import demand, largely for investment, reflecting the significant growth rates experienced in recent years. However, during the crisis period under review, the level of foreign exchange reserves have been far lower than the minimum three months import coverage achieved during the 2008/09 period (NBE). So while the country has made some headway in diversifying its foreign exchange sources through export earnings, foreign investment, debt cancellations, loans and assistance from development partners, the high growth rate in recent years continues to outstrip available foreign exchange flows. As the government aims to maintain high growth rates, which are necessary to achieve poverty reduction, more capital goods and productive inputs must be imported, in addition to basic consumer goods, which continue to further threaten already critically low foreign currency levels (NBE, 2008/09).

The recent inflation trend is a second and equally significant challenge to economic growth in Ethiopia. Inflation levels over the last two decades, measured by both consumers' price index (CPI) and GDP deflator, remained below or around 10 % per annum, even reaching negative levels in the early 2000s (NBE, 2008). Since 2007, however, Ethiopia has recorded the highest inflation rates in Africa. Overall year-on-year inflation reached 28.4 % in July 2008; mainly caused by food price increases, which account for 60 % of the weight attached to the CPI basket of goods. Annualized food inflation, in particular, reached a historical high of 61.1 % in February 2009, a 37.4 % increase from the previous year (NBE, 2008). This recent upsurge of high inflation rates has been a major threat to macroeconomic stability in Ethiopia, prompting the government to take several measures to contain inflation. A key measure adopted by government has been to limit credit growth in the economy. In addition, several exogenous factors, including high oil, fertilizer and fuel prices have further exacerbated inflation rates and have contributed to further declines in international reserves (NBE, 2008/09). The Government of Ethiopia has been implementing restrictive monetary policies to mitigate the impact of inflation (NBE, 2008/09). In addition to these measures, considerable efforts are being made to mobilize domestic revenue and reduce lower priority expenditures, while increasing spending in key poverty-oriented sectors. The drop in international oil prices (compared with mid 2008 levels) and imported construction materials could ease inflationary pressure slightly, but erratic oil prices are continuing to put the economy at risk.

4.2. Transmission channels of the crisis: a brief description

The global financial and economic crisis has two major transmission channels to the Ethiopian economy: trade and financial flows. In addition to these, the crisis has spill-over effects at the macroeconomic level due to interrelations within the local economy. Government revenue and expenditure, the current account balance, the capital account and the balance of payments, in addition to foreign currency reserves, are all indirectly affected by the international crisis.

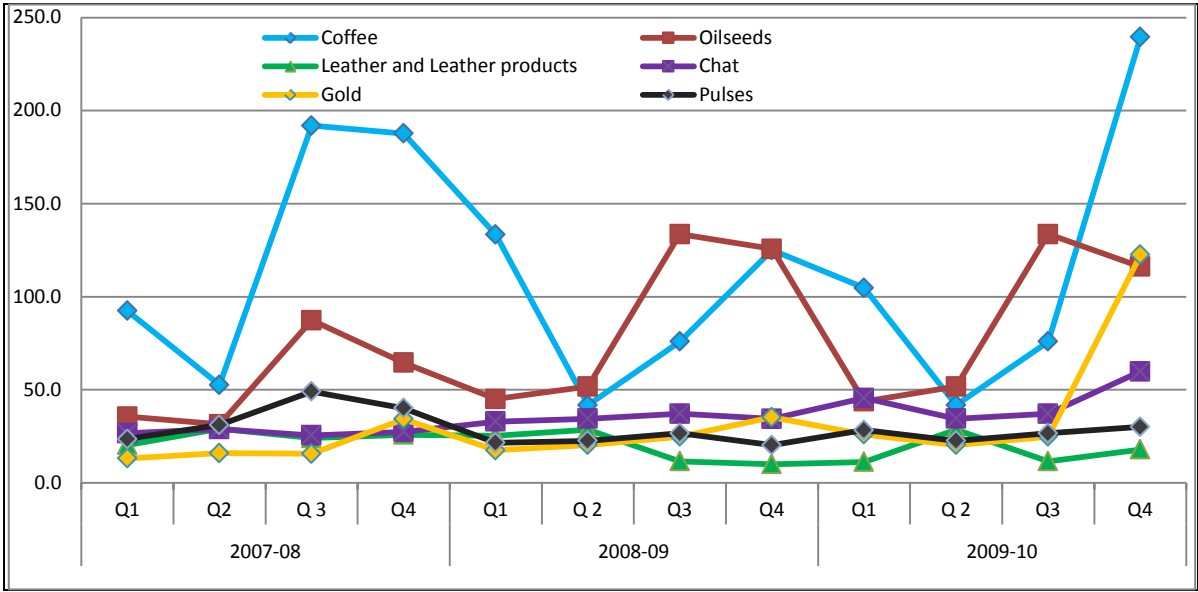
4.3. Impact on trade: volumes and prices

The global financial crisis affected the Ethiopian trade sector through effects on exports and imports with the rest of the world. Both volumes and unit values of exports have been affected translating into a decrease in export earnings in the post crisis period. Imports have also been affected registering a slowdown in annual and quarterly growth rates due to the shortage of foreign currency reserves despite an increasing domestic demand.

4.3.1. Exports

The decline in international demand and prices of major export commodities that followed the global economic crisis has contributed to a general slowdown in Ethiopia's export earnings, although other domestic and external factors also played a role.

Figure 4.2 - Trend in quarterly values of exports (export proceeds) in Million of USD (2007-08 to 2009-10)

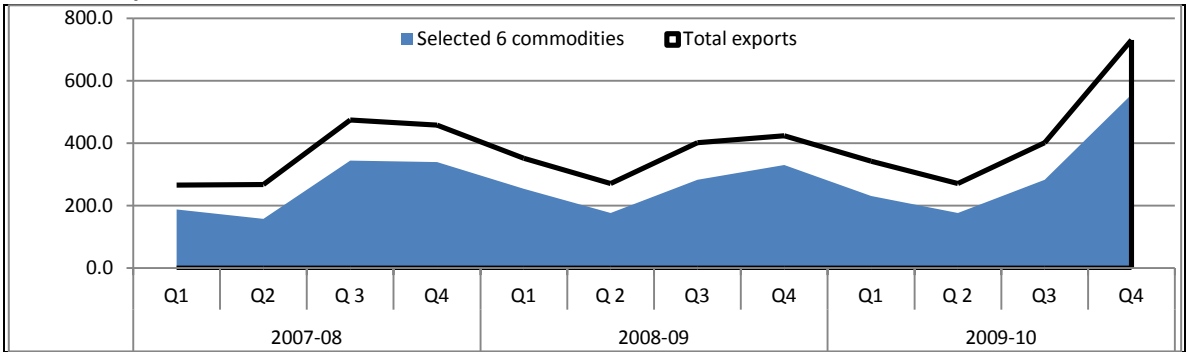


Source: Ethiopian Revenue and Customs Authority quoted in NBE, author’s compilation

The effect of the global economic crisis began to negatively impact Ethiopia’s exports towards the end of the 2007/08 fiscal year (see Figure above). On a quarterly basis, export earnings started decreasing during the first quarter of 2008/09 and plummeted during the second quarter of the same fiscal year. Exports then picked up until the end of the 2008/09 to plunge again during the second quarter of the 2009/10 fiscal year and soared to a record high in the fourth quarter of 2009/10 owing to the strong devaluation of the birr which boosted export competitiveness.

As reflected in the figure below, this trend was driven to a large extent by changes in export values of the above selected six commodities and especially coffee and oilseeds which account for half of Ethiopia’s export earnings.

Figure 4.3 - Trend in quarterly values of selected commodities and total exports (2007-08 to 2009-10)

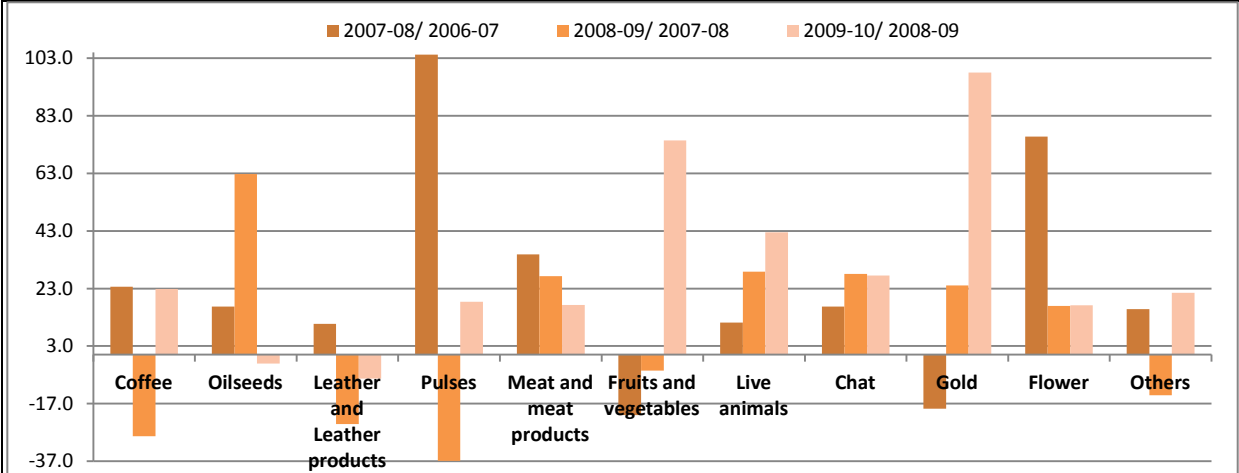


Source: NBE, author’s compilation

Export earnings grew by just 1.6% during the first nine months of 2008/09 compared to an annual average growth rate of 20 % (NBE, 2008/09) over the past years. On an annual basis, export values have declined by 1.2 % between 2007/08 and 2008/09. The figure below

shows that the major commodities affected are coffee (-28.3 %), pulses (-36.8 %), and leather and leather products (-24.1 %) which registered a sharp decline. Although exports increased again in EFY 2009/10, the value of exports for coffee and pulses remained lower than the pre-crisis levels (see table in annex). The downward trend remained for leather and leather products with a further decline in export values of 8.2 % between 2008/09 and 2009/10, a value 30.3 % lower than the pre-crisis level. The share of these three commodities in total export value reached 52.4 % in 2007/08 (coffee representing 35 %) and decreased to 37.5 % in 2008/09. The decrease in export values of these three commodities was counteracted by the surge in the values of oilseeds, gold, and live animals. This is why the decline in export earnings has been less than 2%.

Figure 4.4 - Value of exports in % change from previous year (2006-07 to 2009-10)

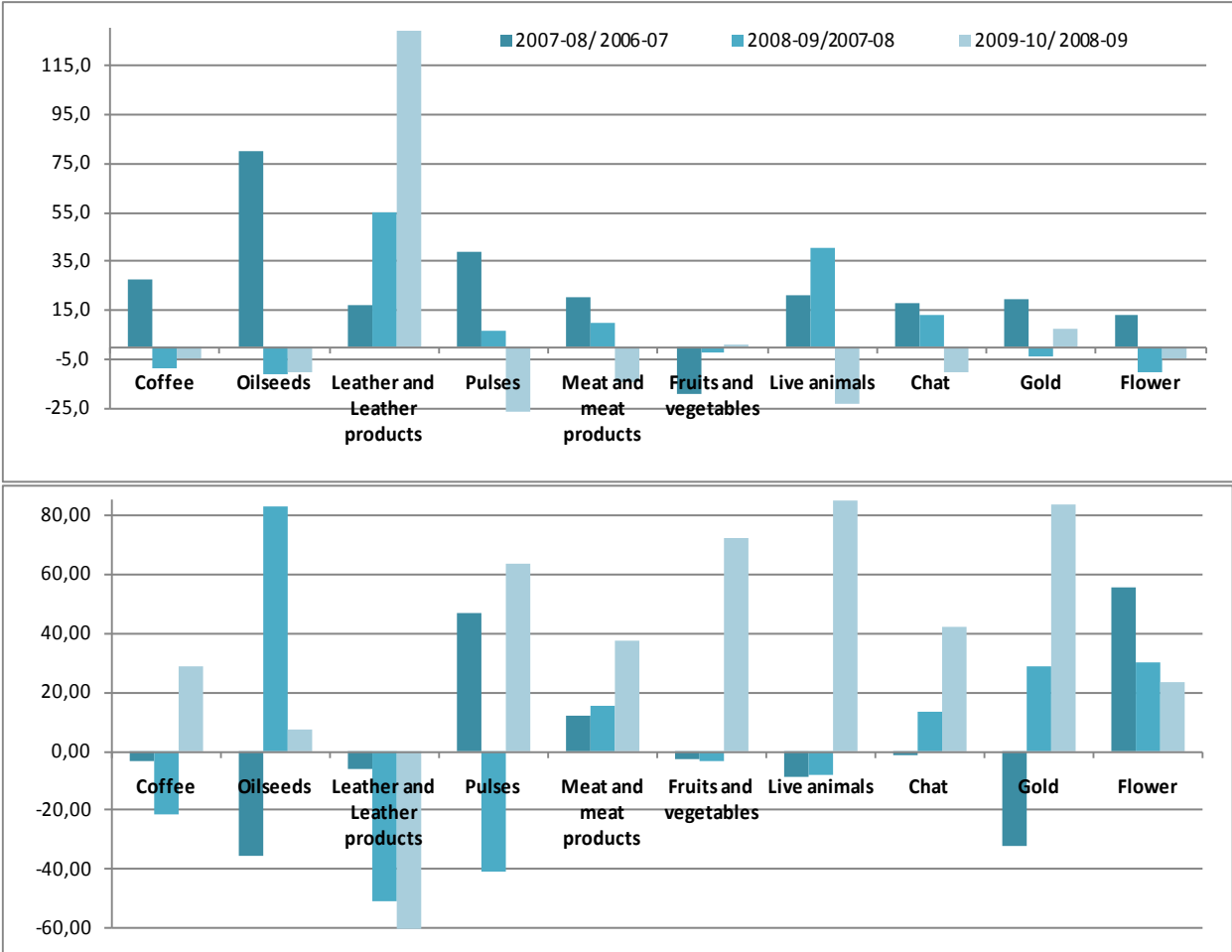


Source: Ethiopian Revenue and Customs Authority quoted in NBE, author’s compilation

The changes in export receipts resulted from a decline in volumes as well as international prices between 2007/08 and 2008/09 (see figure below). The volume of coffee exports decreased by 21.5 % while leather and leather products declined in volume by 51 %, and pulses by 40.8 %. Volumes of fruits and vegetables and live animals also decreased slightly. International prices of Ethiopian exports also declined. On an annual basis, the reduction was very little between 2007/08 and 2008/09 amounting 0.2 % but further declined in 2009/10 by 8.6 %.

It is to be noted that all changes observed during the study period are not entirely or necessarily a result of the global financial and economic crisis. Other internal but also external factors may play a certain role. In the case of coffee exports, the reduction in volumes was partly due to the crisis but also because of problems associated with domestic trading systems and the ban by Japan, the second largest buyer of Ethiopian coffee (NBE, 2010).

Figure 4.5 - Unit value & volume and of exports in % change from previous year (2006-07 to 2009-10)



Source: Ethiopian Revenue and Customs Authority quoted in NBE, author’s compilation

Export revenue from pulses declined by 36.8 % owing to a drop in export volumes despite a 6.6 % increase in international prices. The global financial crisis also affected earnings from leather and leather products due to a reduction in international export demand although unit prices increased by over 50 % between 2007/08 and 2008/09.

Overall, although declines in volumes and international prices of major export commodities resulted in the contraction of export earnings, this was mostly offset by increases in volumes especially for oilseeds (82.8 %) and flower (30.4 %) for which there were drops in international prices. Export volumes of gold and chat also rose by 28.9 % and 13.4 %.

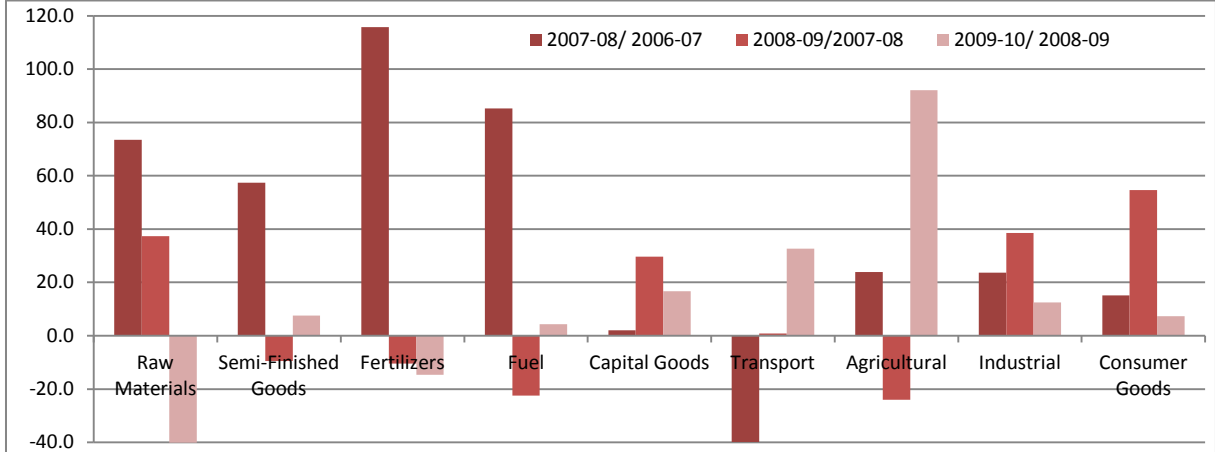
4.3.2. Imports

In addition to the slowdown in the Ethiopian export sector, the crisis has also affected the imports sector. The total imports bill during the 2008/09 fiscal year reached 7726.6 million USD, 13.4 % higher than the previous year but the annual imports growth rate has decelerated. Imports grew by 32.9 % between 2006/07 and 2007/08 while only by 13.4 % between 2007/08 and 2008/09. When disaggregating by categories of commodities, there is a variation in the trend. Import of semi-finished goods such as fertilizer (-10.4 %) has

declined as well as the import bill of fuel (-22.5 %) between 2007/08 and 2008/09. Fertilizer and raw material import values further declined in 2009/10. In addition to the slowdown in imports growth rate, the ratio of imports to GDP declined in 2008/09 to 24.5 % from 26.4 % in 2007/08.

The EFY 2009/10 marked a moderate increase in imports compared to the EFY 2008/09 reflecting steadily rising demand of the economy despite higher commodity prices in the international market (NBE 2010). This was essentially driven by a surge in imports of capital goods despite a 40 % drop in the import value of raw materials. When considering the value of imports in 2009/10 compared to pre-crisis period (2007/08), i.e. looking at the post-crisis recovery, we can see that imports of raw material are 17.1 % lower, those of semi-finished goods are 2.6 % lower, and fuel imports are 19.2 % lower. This indicates that for these selected products, the crisis has had important impacts as imports are still lower than their pre-crisis level despite a total surge of imports of over 20 % during this period. This increase of total imports was mainly driven by consumer goods (51.3 %) and capital goods (66 %) which offset the drop in imports in the commodities mentioned above (see table 9 in Annex).

Figure 4.6 - Value of imports in % change from previous year (2006-07 to 2009-10)



Source: NBE, author’s compilation

These changes in export and import value and volume have an impact on government accounts, foreign currency reserves and inflation. This will be developed in subsequent sections.

4.4. Impact on financial flows

The second transmission channel of the crisis is through reduction in financial inflows from remittances, FDI and aid. The decrease in the inflow of foreign capital has two major effects. It affects the direct beneficiaries of these transfers, for instance households who depend on income from remittances to sustain their livelihood. The second effect is at the macro level on the country’s foreign currency reserves which are essential to the import of goods and materials that are necessary for the development of economic activity. Specifically in relation to Ethiopia’s financial sector, the drop in foreign exchange also affects the letters of credit (LC) market, which is a major contributor to revenue for both public and private banks.

4.4.1. Remittances

Remittances indicated a slight decline in the third quarter of 2008/09 after having increased by 26% compared to the same quarter of the previous year. The trend followed a decreasing path considering losses of jobs and reduced income levels of Ethiopians residing and working abroad. On average, the inflow from remittances declined by 6.5% between January and June 2009. As reflected in the table below, total receipts from private and official transfers have been increasing since 2006/07 indicating there is no impact of the global crisis a priori. However, when considering the annual growth rate of total transfers, one will notice that despite a positive trend, total transfers have grown by 14.6 % between 2007/08 and 2008/09 and by 8.6 % between 2009/10 and 2008/09 while the annual growth rate reached 92.6 % between 2006/07 and 2007/08.

Table 4.1 – Trend in transfers (Million USD)

	2006/07	2007/08	2008/09	2009/10
Private transfers	1728,6	2388,3	2706,8	2822,6
NGOs	536,1	638,5	921,0	887,9
Private individuals	1207,6	1779,7	1812,3	1960,4
Cash	632,6	800,0	723,2	790,3
In kind	58,6	165,1	195,5	96,8
Underground	516,4	814,6	893,6	1073,3
Official transfers	1199,1	1312,5	1551,4	1812,3
Total receipt	1948,4	3752,5	4300,0	4670,7

Source: NBE, author's compilation

At a more disaggregated level, we can see that official transfers have been increasing at an increasing rate between the pre and post crisis period while private transfers have been increasing at a decreasing rate (see table in annex). Transfers from private individuals increased only at 1.8 % in 2008/09 compared to 47.4 % in 2007/08. Transfers from private individuals are composed of cash transfers, transfers in kind, and underground transfers. The crisis has resulted in a 9.6 % decrease in cash transfers from private individuals. Although transfers in kind and underground transfers increased, they increased at a rate 80% lower than that of the pre-crisis period. Cash transfers increased again in 2009/10 (8.2 %) but at a level lower than their pre-crisis level. After having increased less in 2008/09, transfers in kind declined by 50.5 % in 2009/10, this level being also 41.4 % lower than in 2007/08. The macro level impact is limited as remittances represent a very small share of GDP in Ethiopia but this may have significant effects on households receiving these transfers as they may represent an import source of supplementary income.

4.4.2. ODA

The financial crisis is expected to put heavy pressure on many of Ethiopia's traditional donors due to competing needs to tackle the aftermath of the crisis in all affected countries. External aid is still an important source of financing capital expenditure (30 to 40%) and has helped to sustain the growth witnessed during the last five years. Ethiopia receives the largest proportion of aid from multilateral organizations such as the European Union, African

Development Bank, and the World Bank, and the contributions of individual countries such as the U.S. and UK, who are now at the center of the financial crisis.

Table 4.2 – Level, growth, and share of external grants (2003 – 2011)

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
External grants (Million Birr)	4002	4565	3732	7583	9911	14454	12376	16491
Annual growth rate of grant revenue		14,1	-18,3	103,2	30,7	45,8	-14,4	33,2
Share of grants in total revenue(%)	22,3	22,7	16,0	25,8	25,0	26,5	18,7	20,7

Source: MOFED, author's compilation

Unlike other foreign financial flows, external grants were not affected in 2008/09 having increased by 45.8 % from the preceding year. However, a downward trend was registered in 2009/10. External grants decreased by 14.4 %. This was however a transitory phase as external grants picked up again in 2010/11 to reach 16491 million USD, a level 14.1 % higher than the level in 2008/09.

4.4.3. FDI

Foreign Direct Investment (FDI) declined by 8% in the 3rd quarter of 2007/08 compared to the previous quarter though it increased by a slight margin of 0.7% compared to the same period the previous year. On an annual basis, foreign investment capital in terms of newly approved projects increased by 82.1 % in the pre-crisis period to decrease by 20.7 % in 2008/09. This may not be directly attributed to the financial crisis; however, it overlaps with the period of crisis.

Table 4.3 - Capital of approved investment projects by source (Millions Birr)

	Domestic	Foreign	Public	Total
2006/07	46630,1	46949,0	0,0	93579,0
2007/08	77868,2	92248,8	261,6	170378,5
2008/09	83630,2	73111,1	82783,5	239524,8

Source: NBE, author's compilation

In terms of shares of the three types of investment outlined in the table above, domestic capital investment accounted for 34.9 % while foreign capital reached 30.5 % in 2008/09. The role of foreign investment is therefore not negligible when considering newly approved investment capital.

FDI contributes to about 3% of GDP for Ethiopia, indicating that the country is not significantly dependent on FDI and variations in FDI may not have significant implications. In addition, although foreign capital of newly approved investment projects declined in 2008/09, total FDI increased annually. FDI increased from 814.6 million USD in 2007/08 to 893.6 million USD in 2008/09. This growth rate was however much lower (9.7 %) than the

one registered the previous year of 69 %. Although FDI contributes little to the GDP, it is a source of foreign currency and lower levels of FDI may put an extra burden on the financial sector to support growth in investment.

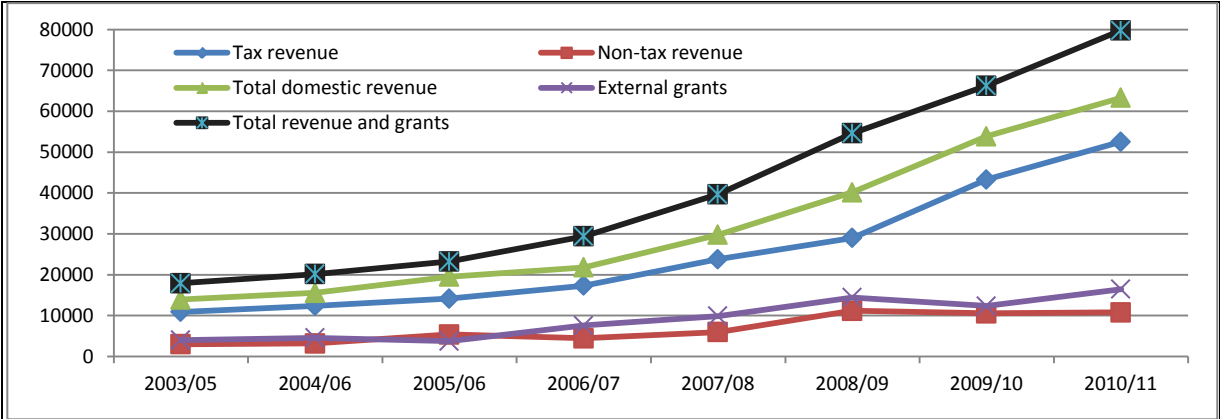
4.5. Spill-over effects: a macro perspective

As discussed above, the global financial and economic crisis has affected the Ethiopian economy through a general downturn in trade and foreign financial flows as presented in the previous sections. However, these changes have further, spill-over effects on the country’s key macroeconomic variables because of interconnections in the economic system. Spill-over effects are observed on government revenue and expenditure, government accounts and foreign currency reserves. The combination of these factors has also resulted in a surge in inflation rates.

4.5.1. Government revenue and expenditure

At a first glance, the financial crisis does not seem to have affected government revenue as total revenue kept on rising and it is still estimated to rise during the current fiscal year (see figure below).

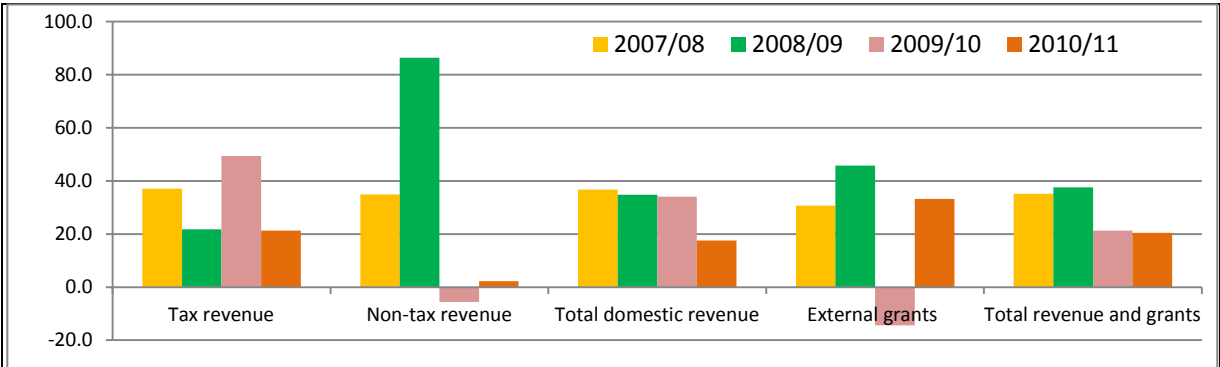
Figure 4.7: Trends in government revenue (Millions Birr, from EFY 2003/04 to 2010/11)



Source: MOFED, author’s compilation

Looking at the annual growth rate of the different components of government revenue (see figure below), we can see that domestic revenue increased less in 2008/09 than the previous year. This reflects the slowdown in domestic activities that have translated into a slower growth rate of tax revenue.

Figure 4.8: Changes in government revenue (% variation from previous year, 2006/07 to 2009/10)

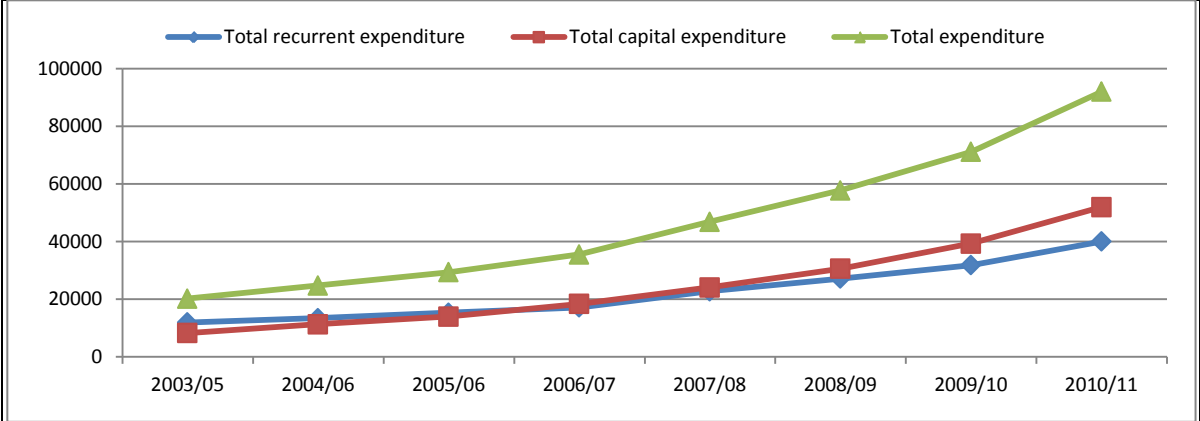


Source: MOFED 2011, author’s compilation

Total revenue increased by 37.6 % in 2008/09 due to the increase in external grants. However, the following fiscal year registered a much slower annual growth rate of total government revenue (21.3 %) because of a decline in external grants and non-tax revenue. Government revenue is estimated to grow by an even slower rate in 2010/11 due to a slower growth in domestic revenue.

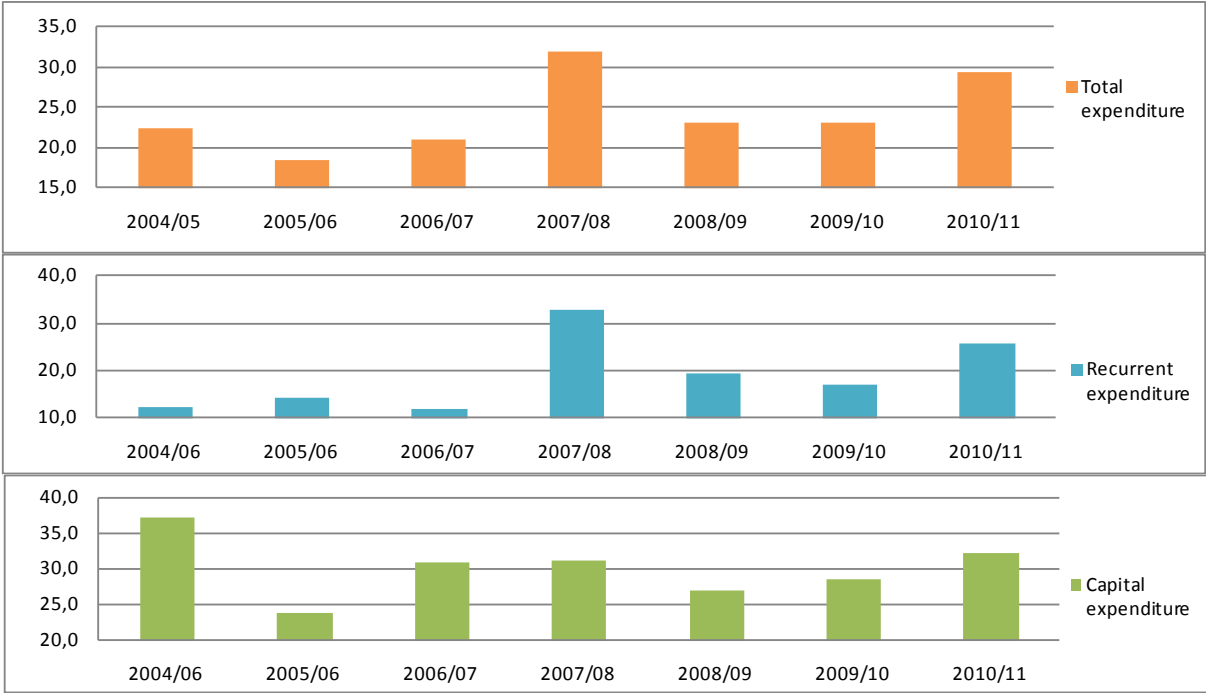
Following a slower growth in government revenue, public expenditure grew at a less sustained but still an increasing rate (see figures below). Both current and capital expenditures increased compared to their level the preceding year but at a lower rate.

Figure 4.9: Trends in government expenditure (Millions Birr, from EFY 2003/04 to 2010/11)



Source: MOFED 2011, author’s compilation

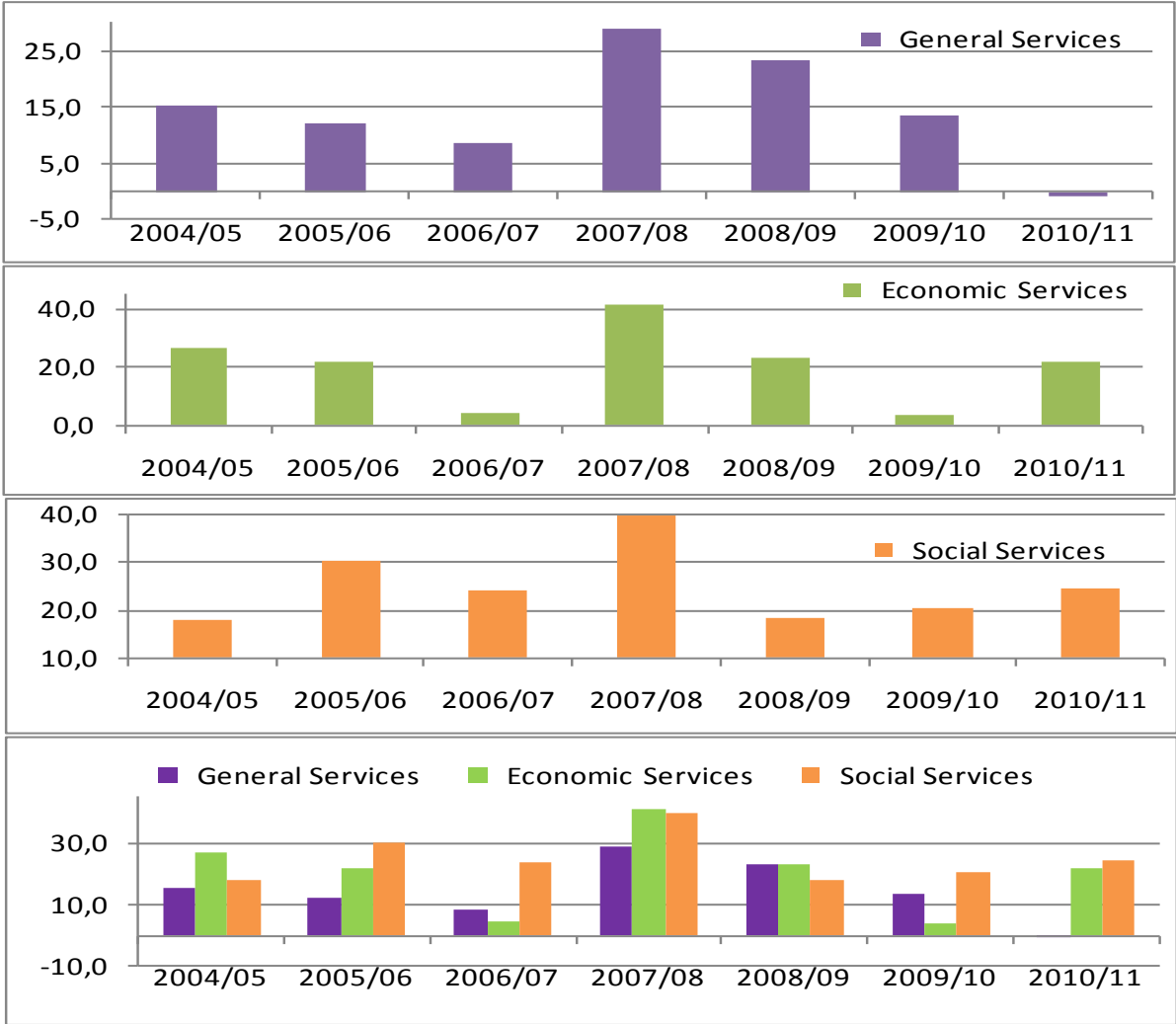
Figure 4.10 – Annual growth rate in total current and capital expenditure (2003/04 to 2010/11)



Source: MOFED, author’s compilation

This implies that there may be some distributional effects at the sector level as all sectors will not benefit from the same increase in expenditure. As reflected in the figures below, current expenditure growth rate slowed down for general, economic and social sectors. The deceleration in growth rate in 2008/09 from the preceding year was more important for social services (from 39.8 % in 2008/09 to 18.3 % in 2008/09). In 2009/10, it is the expenditure for economic services that grew less (from 23.3 % to 3.9 %) while it is estimated that expenditure in general services will decrease (-0.8 %) in 2010/11. In terms of share of current expenditure, there are no major changes during the post-crisis period. General services benefit from an average of 45.9 % of current expenditure and social services benefited from an average of 39.4 % while economic services held an average of 14.7 % between 2003/04 and 2010/11.

Figure 4.11 – Annual growth rate of current general, economic, and social expenditure (2003/04 to 2010/11)

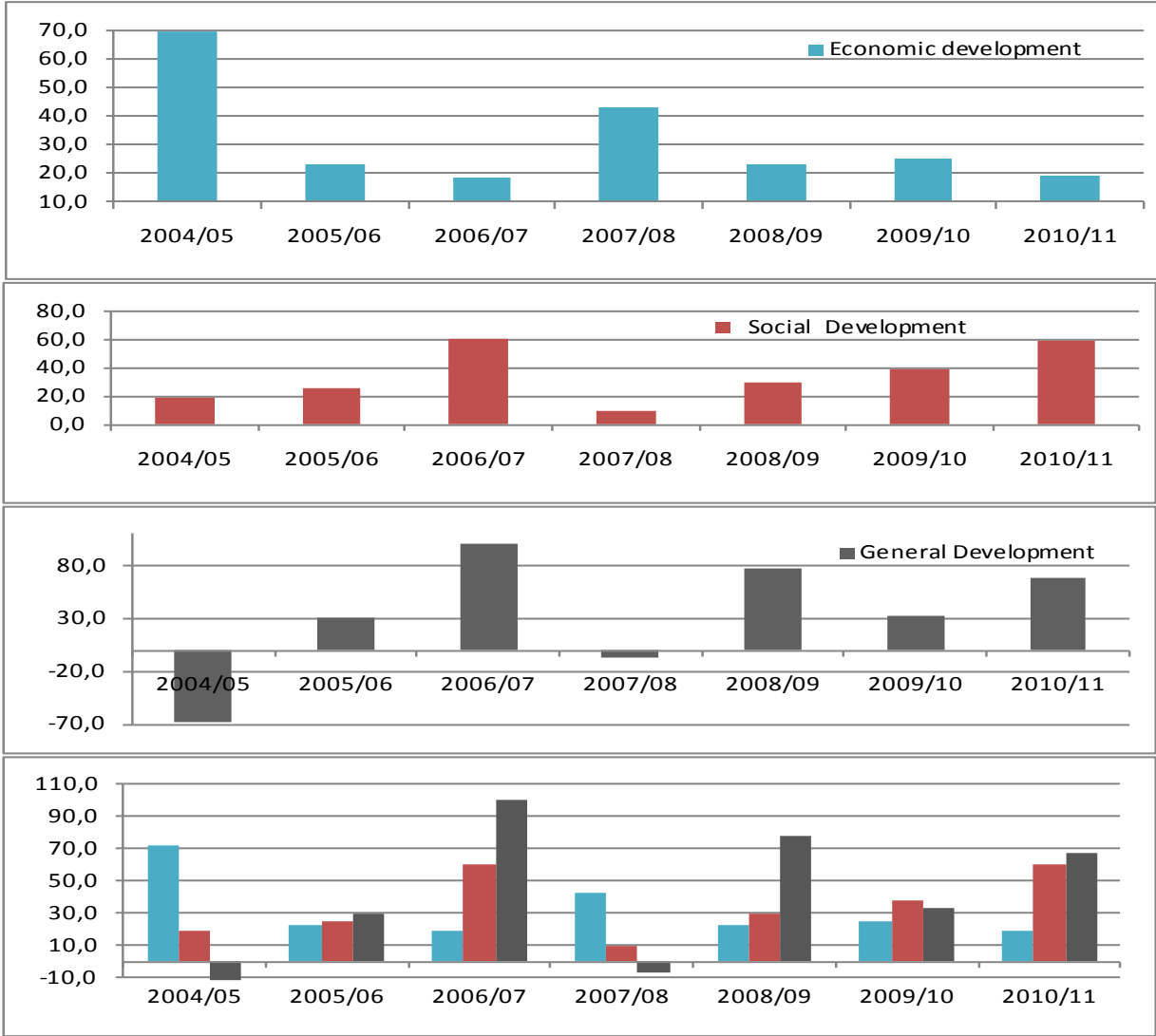


Source: MOFED, author’s compilation

Among economic sectors, the most affected sectors are mostly impacted by a decreasing annual growth in current expenditure in 2008/09 compared to the previous year. These sectors are Mines & Energy (from 21.6 % to 1.4 %), Transport and Communication, tourism (from 185.5 % to 28.7 %), and Agriculture & natural resources (from 36.8 % to 16.5 %). While current expenditure grew at a less important rate for all sectors in 2008/09 relative to 2007/08, it decreased in the agricultural and urban development and construction sectors (- 1.2 % and -1.5 % respectively).

Among social sectors, current expenditure grew at a less important pace in the education and training and public health sectors. Culture and sport, labor and social welfare, and rehabilitation suffered a decline in current expenditure (-5.7 %, -1.5 %, and -42.7 % respectively). Although expenditure picked up in the following year labor & social welfare suffered a further reduction in expenditure (-16 %).

Figure 4.12 - Annual growth rate of capital expenditure for economic, social, and general sectors (2003/04 to 2010/11)



Source: MOFED 2011, author’s compilation

The evolution of capital expenditure during the post-crisis period is similar to that of recurrent expenditure. Total capital expenditure grew at a less sustained pace (26.9 %) in 2008/09 compared to its growth in 2007/08 (31.1 %). At a disaggregated level, capital expenditure for economic, social, and general development evolved differently. In terms of share in capital expenditure, economic development has been concentrating an average of 69.1 % since 2003/04 followed by social development (24.5 %) and general development (6.4 %). The respective shares of the three categories have not changed during the post-crisis period.

Economic development benefited from increased capital expenditure of 23 % but this level is much lower than that of the previous year of 43 %. At the sector level, capital expenditure in agriculture grew less in 2008/09 (17.3 %) compared to 2007/08 (23.3 %). Urban development and housing capital expenditure growth declined from 97.1 % in 2007/08 to 30 % in 2008/09 to drop to a negative trend in 2009/10 (-64.6 %). Road construction also saw a decreasing growth rate of capital expenditure in 2008/09 (19 % from 68.1 %). While

these three sectors saw a reduction in capital expenditure growth rates, other sectors have benefited from a substantial increase. These include trade, Industry, & tourism (211 %) and transport & communication (163.3 %).

Capital expenditure for general development soared in 2008/09 by 77.9 % compared to a decrease in 2007/08 of 7 %. Expenditure grew by a lower rate in 2009/10 (33.2 %) and is estimated to have picked up in 2010/11 (68 %).

Capital expenditure for social development grew even further during the crisis (9.4 %) and at the post-crisis period (30.3 % in 2008/09, 38.6 % in 2009/10, and 60 % 2010/11). At the sector level, after a decline in expenditure in 2007/08 of 3.5 % preceded by a 41.8 % growth in 2006/07, the education sector was allocated public capital 40.2 % higher in 2008/09 and was sustained. In contrast, the health sector saw a decline in growth in capital expenditure during the post crisis period from 43.2 % in 2007/08, to 11.2 % in 2008/09 and 13.8 % in 2009/10 to pick up in to 49.2 % in 2010/11. Education and health concentrate over 95 % of capital expenditure for social development. The two other components are social welfare which saw a decrease in expenditure and culture & sport which witnessed an important increase.

4.5.2. Government accounts: current account and balance of payments

The spillover effects of reduced trade and financial flows have affected government accounts. The following paragraphs present the impact on the current account balance, the capital account and the balance of payments.

Current Account - The current account deficit expanded in 2008/09 owing to a widening trade deficit of 17.5 % as exports declined by 1.2 % while imports increased by 13.5 % despite improvements in surplus in the services account as well as the increase in private transfers.

Table 4.4: Balance of Payments (in million USD)

	2006/07	2007/08	2008/09	2009/10
Trade balance	-3940,9	-5344,8	-6278,7	-6269,7
Exports	1185,1	1465,7	1447,9	2003,2
Imports	5126,0	6810,5	7726,6	8268,9
Net services	230,0	142,3	385,9	457,3
Private transfers	1728,6	2388,3	2706,8	3069,4
Current account balance (excluding Public transfers)	-1982,3	-2814,2	-3185,9	-2742,9
Public transfers	1199,1	1312,5	1551,4	1812,3
Non-monetary capital	676,1	1055,8	1664,9	2359,9
Direct investment	482,0	814,6	893,6	1320,1
Overall Balance	85,2	-263,5	376,8	687,4

Source: NBE 2006/06, 2007/08, 2008/09, 2009/10 annual and quarter reports, author's compilation

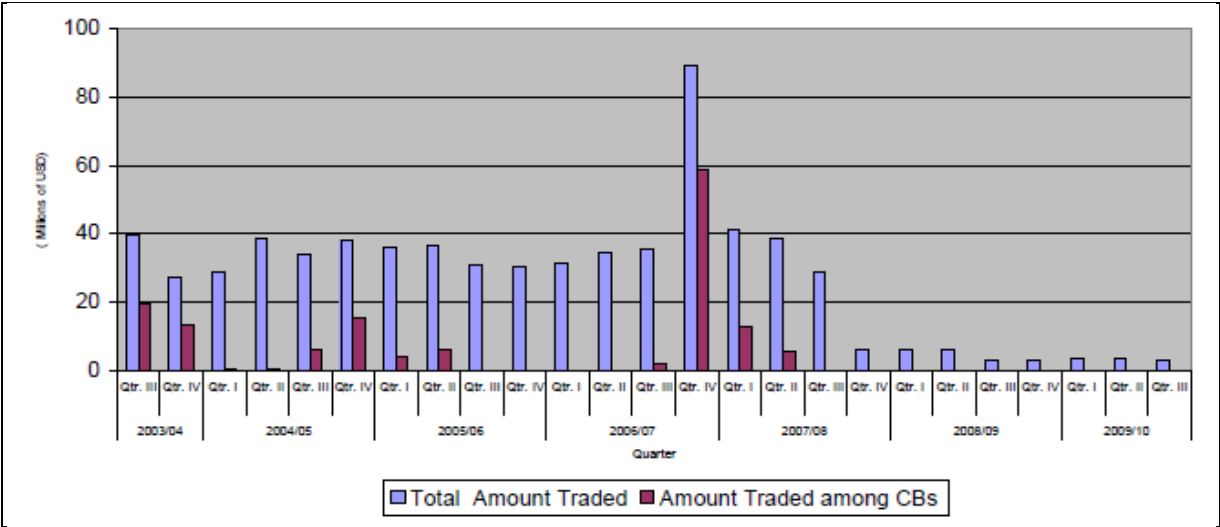
Balance of payments (BoPs) - After registering a 263.5 million USD deficit in 2007/08, the Balance of Payments registered a surplus in 2008/09 amounting to 376.8 million USD. Although the current account deficit widened during this period, this was offset by net capital inflows. The BoPs balance remained positive in 2009/10 due to the slowdown in imports growth and an increase in other capital inflow.

4.5.3. Foreign currency reserves

Several factors have contributed to the decline in foreign currency reserves. Ethiopia already faced a foreign currency shortage because of the food and oil crisis towards the end of 2007. This was further aggravated by the decrease in foreign currency inflows from exports, private transfers, FDI and aid monies. Higher import demand had also put stress on reserves due to increased outflows.

The country’s foreign exchange reserves began depleting in September 2007. Reserve coverage had reached a record low of just one month of imports of goods and services by end November 2008. This has resulted in the rationing of foreign currency aimed at rebuilding reserves (NBE, 2008/09). However, this has been detrimental to private sector activities, specifically those dependent on imported raw materials and inputs.

Figure 4.13 - Foreign Exchange Trade in the Inter-Bank Foreign Exchange Market



Source: NBE, Quarterly Bulletin, Third Quarter 2009/10

According to the NBE, foreign exchange transactions between NBE and commercial banks were significantly affected by the low foreign currency reserves, lower foreign exchange earnings from exports and increasing demand for imports. Foreign exchange traded in the inter-bank foreign exchange market dropped from USD 114.4 million in 2007/08 to 18.4 million in 2008/09. In contrast, foreign exchange transactions in the retail market slightly increased during the EFY 2008/09 due to a surge in travel services and growing conference tourism. The growth rate remains much lower compared to its growth between EFY 2006/07 and 2007/08. Meanwhile, foreign exchange bureaus’ purchase increased by 44.1% and their sales by 15.0 % on an annual basis in EFY 2008/09.

The Ethiopian financial sector has been notably affected by the global crisis regarding its capacity to issue LCs for the private sector to import raw material and inputs for production. LCs previously took two to three days to issue. Due to the crisis, the waiting time had been prolonged and took between three to six months to obtain.

Sectors had been prioritized by the government with regard to their ability to obtain letters of credit. For example, businesses related to agricultural inputs such as agro-chemicals have been given priority access to foreign currency, as they have found it easier to obtain letters of credit from banks. Other sectors have a longer waiting time.

The prolonged waiting period to acquire an LC had a significant impact on private sector activities. It had the impact of creating a mismatch between the initial price of imported items (the corresponding amount in local currency) and the actual price that is paid by importers. The continuous fluctuation of the exchange rate (USD to Birr and other currencies) is another major factor contributing to this mismatch where importers finally end up paying a higher price for the same product (in local currency). This has repercussions for the consumer as the increase in prices of imported inputs/commodities impacts the local selling price and contributed to the already significant inflation. Similarly, the farmer will increase the price of his products as fertilizers and other agro-chemicals increase in price. Given that the food basket has a significant representation in the inflation rates, this also has important implications for inflation.

Banks were also prioritizing export businesses when giving loans and LCs to cope with the shortage of foreign currency, as these businesses aid the influx of foreign exchange. The government was supporting this initiative by providing export guarantees and supporting risk-sharing mechanisms whereby the bank was 20% liable and the government was 80% liable if export businesses are unsuccessful (mainly in the flower sector). The rationing of foreign currency reserves was a temporary strategy until the influx of foreign currency recovered.

Ethiopia's reserve position has improved. According to the NBE annual report for the fiscal year 2008/09, the surplus in the balance of payments (see table 4.4.) has enabled an increase in net foreign assets by the Ethiopia banking system although net foreign assets of commercial banks declined. At the end of the 2008/09 period, gross foreign reserves of the NBE had recovered to cover 2.0 months of imports of goods and non-factor services. In June 2009, Ethiopian foreign exchange reserves leveled to USD 1.5 billion corresponding to 2.4 months of imports. On July 7 2010, the gross official reserve position had been stable enabling coverage of 2.2 months of imports of goods and non-factor services.

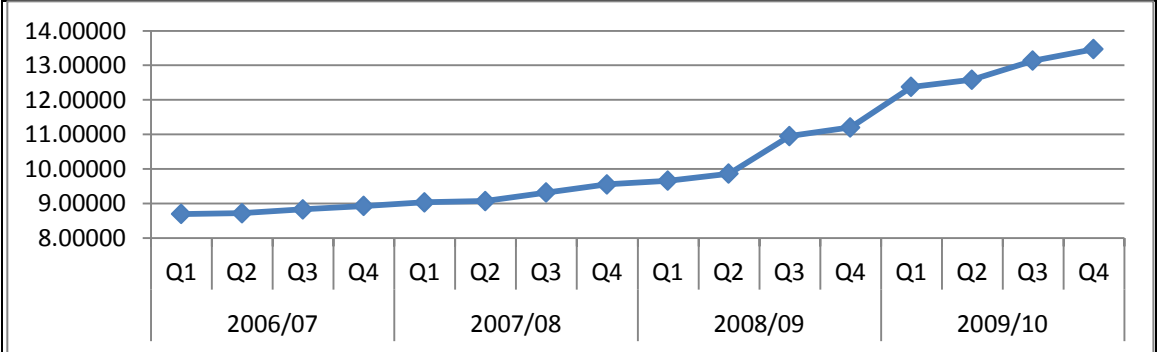
4.5.4. Exchange rate

Average nominal foreign exchange rate in the inter-bank foreign exchange market reached Birr 10.42/USD in 2008/09. This marks an annual depreciation rate of 12.7 % much higher than the depreciation during the previous year of 5.1 %. The devaluation of the birr was the result of the intervention of the NBE to enhance the country's export competitiveness and to encourage import substitution.

The Birr depreciated against all major currencies but appreciated against the pound sterling and the Swedish kroner. The depreciation rate against the US dollar, the main intervention currency in Ethiopia amounted 16.2 %.

The devaluation of the Birr and the fluctuating exchange rate have resulted in increased import prices measured in local currency and reduced earnings from exports, which are generating less local currency. The reduction in foreign reserves had put pressure on the exchange rate. The government continued to devalue the Birr against the US Dollar, aimed at increasing the export competitiveness of the country. In addition, the mismatch between increasing demand and stagnating or diminishing supply of foreign currency reserves had resulted in the depreciation of the country’s local currency.

Figure 4.14 – Nominal inter-bank exchange rate variations



Source: NBE, author’s compilation

As a result of the inflation differential with major trading partners as well as the continuous depreciation of the nominal exchange rate, the Birr depreciated significantly in the post-crisis period. The real effective exchange rate continued to depreciate in the last quarter of 2009/10.

The combination of foreign currency shortages and surging inflation has had important implications as the resulting effects of both combine with or add on to those of other factors. Though the financial sector has not been directly affected by the crisis, these effects have highlighted important limitations of the Ethiopian financial sector with regards to its major activities: issuing loans and facilitating access to foreign currency for the real economy sector.

The devaluation and depreciation of the birr aimed at increasing the country’s export competitiveness has also resulted in the increase of prices of essential imported commodities. This has translated into an imported inflation as it has contributed to the soaring of domestic prices (which were already affected by the imbalance between increased demand and limited supply of imported items).

4.5.5. Inflation

The government has taken drastic measures to contain inflation. As reflected in the figure below, the rate of inflation has decreased. Ethiopia’s food prices, though decreasing, are still high. The global financial crisis and economic slowdown in addition to the depreciation of

the Ethiopian birr is still putting pressure on non-food inflation which tends to systematically transmit to food and inflate prices.

On an annual basis, average headline inflation reached 36.4 % in the immediate post-crisis year. It slowed down the following year reaching an average of 2.8 %. Inflation was mainly fuelled by increasing food prices which rose to 44.3 % in 2008/09. Food inflation was most important for cereals, potatoes, other tubers and stems and pulses (NBE 2010).

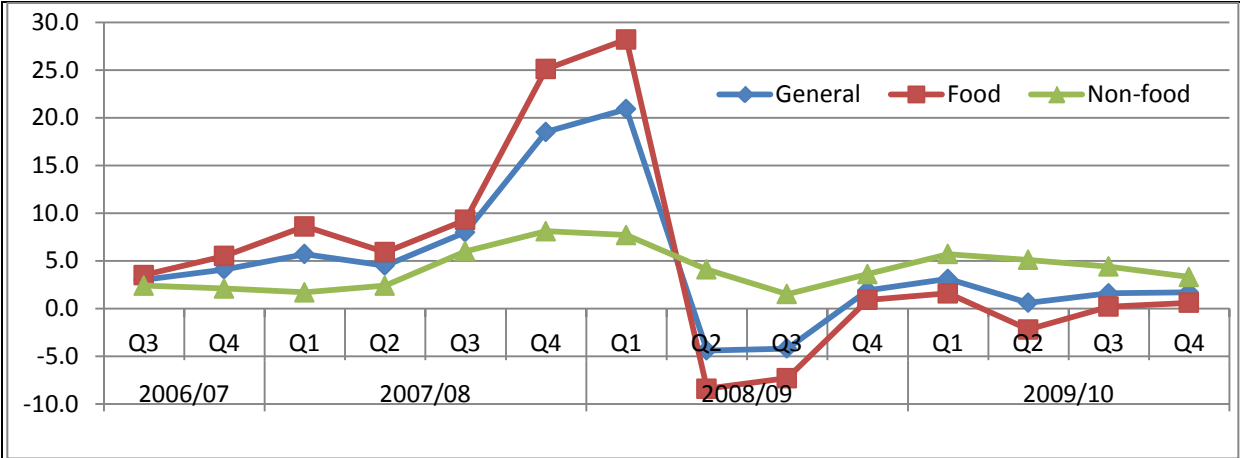
Table 4.5 – Trend in annual average inflation

	General	Food	Non-food
2006/07	15,8	17,5	13,5
2007/08	25,3	34,9	12,5
2008/09	36,4	44,3	23,8
2009/10	2,8	-5,4	18,2

Source: NBE, author’s compilation

On a quarterly basis, the peak inflation was in the first quarter of 2008/09 reaching 20.9 %. The highest monthly inflation rate was 55.2 %. It slowed down after the second quarter of 2008/09. It was mainly attributed to the increase in prices of food items which reached a historic high of 91.7 % in July 2008. The major items contributing to general inflation in 2008/09 were cereals (22.5 %), house rent, construction materials, water and fuel, and power (20.6 %), potatoes and other tubers and stems (4.2 %), clothing and footwear (8.3 %) and pulses (4.3 %).

Figure 4.15 – Trend in quarterly inflation



Source: NBE, author’s compilation

Inflation rates sharply declined towards the end of the 2008/09 fiscal year to reach an annual average of 2.8 % in 2009/10. However, this slowdown is being offset by soaring fuel prices in the current fiscal year which are transmitting to the prices of major consumer items.

Also, although inflation has seen a downward trend since the second quarter of 2009, production and consumption prices are becoming unpredictable. This is due to various factors including imported inflation, fluctuation of oil prices, fluctuation of exchange rates,

price distorting factors and market imperfections (the suppliers tend to hold products to increase prices). Furthermore, the source of Ethiopia's rapid monetary expansion in recent years seems to be fuelled by the public sector. Evidence shows that the bulk of banking system credit was absorbed by the public sector in recent years. Government and public enterprises absorbed over three-quarters of the 19.2 Billion Birr in new loans disbursed by banks in 2008/9, allocating significant capital to infrastructure development programs (NBE).

Despite the reduction in international commodity prices, the shortage of foreign currency reserves which resulted in reduced imports, has created a mismatch between import demand and supply, pushing local import prices upwards. As a consequence, the country has been unable to benefit from the global reduction in commodity prices. The incompatibility and mismatch between import demand and import supply, plus the uncertainty of importers with regards to their capacity to maintain revenue, has resulted in an increase in domestic prices. Price adjustment market mechanisms seem to fail in the Ethiopian context because of numerous interrelated internal factors such as artificial increase of prices provoked by suppliers who tend to withhold products to create shortage but also the lack of appropriate institutions and control system of the price adjustment mechanism. Changes in trade have also had a direct effect on the private trading companies and sectors that rely on imported goods.

Another factor contributing to increased inflation is the recent progressive and partial shift in agricultural production from food crops to cash crops which are much more income generating for farmers. This puts a downward trend on the supply side while demand from consumers and producers (agro-industry) continues increasing, resulting in higher food prices.

Current soaring fuel prices have translated in a peak in prices. The government is not subsidizing fuel prices since 2007. Following this policy decision, domestic oil prices are adjusted monthly on the basis of price changes in the international market. Although local fuel prices had not been significantly affected due to the drop in international oil prices in 2008/09, the situation is quite the opposite at present times. Quarterly NBE reports indicate that in the first quarter of 2009/10, domestic retail prices (Birr/ Liter) of all petroleum products, proxied by Addis Ababa retail price, showed an average increment of 27.7 % and 22.2 % against the previous quarter and same quarter of last year, respectively. The fourth quarter of 2009/10 marked an increase of 59.2 % of petroleum products reaching 11.1 Birr per liter. The liter had reached a historic high of a little over 20 birr in April 2011.

In view of the soaring domestic prices, the government recently intervened through measures that target specific commodities prices by ceiling their retail price. This is in addition to other measures that consisted in importing for instance cement and grains to stabilize local market prices during the past years.

It has also taken restrictive monetary measures that consisted in reducing loans disbursement on to contain inflation. Decreases in lending to the private sector have implications as the sector plays an important role in the economy. There is a growing body of research showing the many ways in which the private sector contributes to development. For instance, the private sector is capable of rapid job creation, which is a significant factor

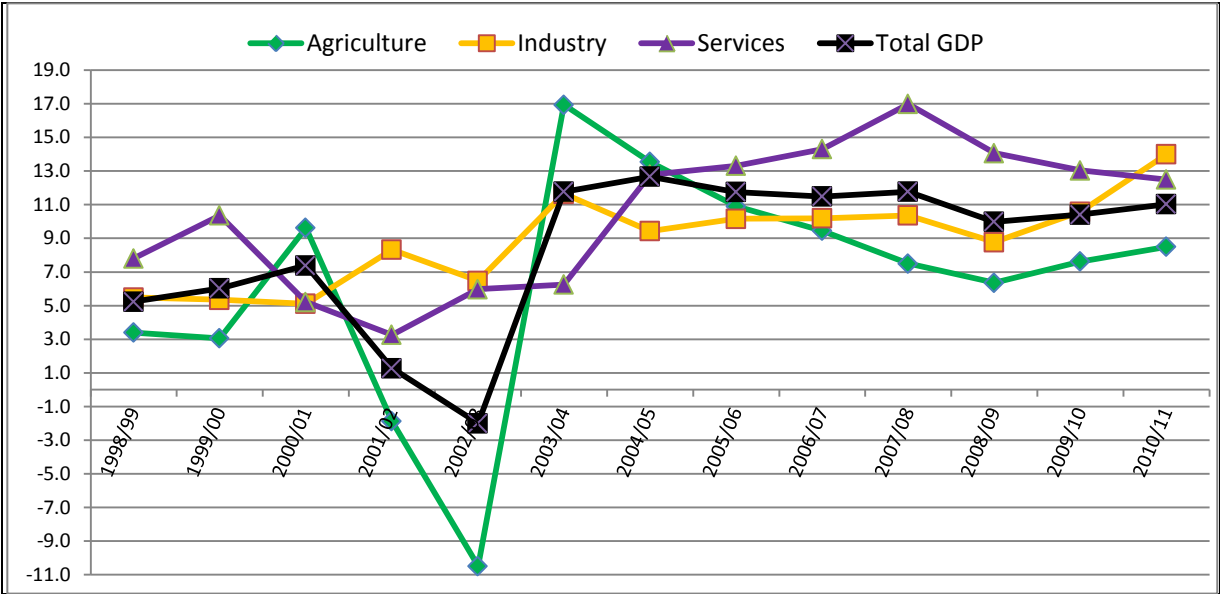
in upward income mobility and poverty reduction. One of the direct benefits of a developed private sector is the generation of tax revenue. In addition, private sector investment has proven to be more closely associated with overall economic growth than public sector investment. It has important benefits in terms of promoting the transfer of technology which supports greater efficiency in production. Developing a strong and dynamic private sector is a vital part of a country's economic development and efforts to reduce poverty, unemployment and other obstacles to growth.

4.6. Impact on economic growth

Ethiopia remains one of the fastest growing economies in Africa despite having been affected by the crisis. The Ethiopian economy has been growing at a rapid and sustained rate over the past years. Ethiopia's Gross Domestic Product (GDP) at constant basic price amounted to ETB 116.3 billion (12.6 billion USD) in FY 2007/08. The fiscal year ending June 2008 marked the fifth consecutive year of double digit GDP growth rate.

The global financial crisis had an impact on the Ethiopian economy as reflected in the previous sections. The major transmission mechanisms were trade and financial flows. These in turn had spill-over effects on major macroeconomic indicators. As a result of these variations, the Ethiopian economy went through a slight slowdown in growth. GDP growth declined from 11.8 % in 2007/08 to 10.0 % in 2008/09 and to 10.4 % in 2009/10. This entails a decline of 15.2 % in annual growth rate for the EFY 2008/09. It is however estimated to pick-up to 11.0 % in the current fiscal year.

Figure 4.16 – Trend in annual GDP growth rate by major industrial classification at constant basic prices



Source: MOFED, author's compilation

In terms of sectoral GDP annual growth rate, all three major sectors have registered a slowdown between 2007/08 and 2008/09. Although it is difficult to attribute this deceleration of growth entirely to the global financial crisis, it seems that all three sectors have been affected during the period estimated to have been the start of the contagion to

the Ethiopian economy. The agricultural sector had been on a downward growth trend since 2000/01. Agricultural annual growth declined by 15.2 % between 2007/08 and 2008/09. The industrial sector's growth also decelerated by a similar level (15.3 %) during the same period. The services sector is the one that seems to have been the most affected by the crisis. Its annual growth rate decreased by 17.2 % between 2007/08 and 2008/09 and this slowdown in growth continued through the next year (-7.3 %) and is estimated 12.5 % for the current fiscal year, which is still 4.1 % lower than 2009/10.

Despite these declines, all sectors have been registering a positive growth rate despite the crisis. The industry sector is expected to register its highest growth rate ever in the current fiscal year (14.0 %), a rate higher than that of the two other sectors that have been consecutively driving economic growth in Ethiopia until now. This reflects the current government medium term development policy, the Growth and Transformation Plan (GTP), which targets an accelerated industrialization process.

5. The human dimensions of the global financial crisis in Ethiopia

The previous section presented the economic impacts of the crisis. It addressed the major macroeconomic effects of the crisis through well defined direct and indirect transmission mechanisms. The impact of the global financial crisis is not only limited to the macroeconomic aspect. It has the potential to impinge on Ethiopians working in different sectoral activities that have been affected by the crisis.

This section outlines the transmission channels of the global financial crisis from the economic to human dimensions. The following sub sections present the findings on the actual impact of the crisis on Ethiopians' livelihood and access to basic social services and the major coping strategies adopted.

5.1. Brief overview of major social indicators

In what follows, the major social indicators: health and education will be presented based on data gathered from various sources. This is important to the extent that it gives the general context on the basis of which new phenomenon like the impact of the crisis on these indicators can be assessed.

Ethiopia with a population of 73,918,505 is ranked 171st in the human development index. 50.5% of the population is reported to be female (Central Statistics Authority, 2008). The population growth rate stands at 2.6% per annum (2005-2010). The growth rate in population shows a significant difference in urban and rural areas. During the same period, 2005-2010, urban growth rate stood at 4.2% while in rural areas it was 2.2%. The urban population represents close to 17% of the population, the remaining residing in rural areas.

Coming to the specific sectors, the health sector is one of the pro-poor sectors in the country. Data from the Ministry of Health for the periods 2004/5, 2005/6 and 2008/9 show the following situation with regard to access to health services, in particular reproductive health services. Women have extremely limited access to antenatal and postnatal health care constituting one of the main problems. There is high fertility rate which stands at 5.4 (it is 2.4 and 6 in urban and rural areas respectively) and high maternal mortality rate at 673/100,000. Morbidity rate among women is higher (76 percent for women and 23 percent for men). Maternal Mortality Ratio (MMR) is 871/100,000, and is one of the highest in Africa. The Maternal Health Service coverage in 2004/05 shows antenatal service coverage at 42.1%, all attended delivery coverage at 12.4% and health postnatal service coverage at 13.6 %. Access to Family Planning (FP) and choice of methods is very limited. The unmet need for FP is at 34%. In 2005 FP of any method stood at 11%.

Current data from 2008/9 (Ministry of Health) shows: antenatal coverage stands at 59.5%, postnatal coverage reached at 34.3%, skilled birth at health institutions has reached at 24.9%. Due to wide ranging efforts towards raising awareness, access to the use of contraceptives reached 51%.

In the area of HIV and AIDS, 1.4% of the Ethiopian population 15-49 years old is infected with HIV. According to the 2005 EDHS, for women the prevalence rate was 1.9% and for men it was 0.9%. In order to address the increase in HIV prevalence and infection rate among

women, the government has started integrating services such as PMTCT and HIV counselling and testing (HCT) with family planning and maternal, newborn and child health services.

The education sector is another pro-poor sector under the country's development plan. According to a 2004/5 adult literacy for women stood at 34%, while it was 49% for men, the national Gross Enrolment Ratio (GER) for primary enrolment was 88.0% for boys and 71.5% for girls; the GER for secondary education was 34.6% for boys 19.8% for girls. The national repetition rate for girls was 4.0% and 3.6% for boys.

A more recent data, 2008/9 shows the admission rate for girls at the primary level stood at 79.9% while the drop-out rate for girls stood at 13.2%. Primary completion rate for females is at 40.5%. The female gross enrolment (FGE) rate at primary level stands at 32.4% and in cycle 2 (grades 11-12), FGE stood at 3.5 %.

5.2. Transmission channels from the economic level to human dimensions

The aforementioned impacts of the crisis at the macroeconomic level have implications on human development aspects. Possible transmission channels identified so far include the following:

- Exports: reduction in income for export commodity producers
- Imports: limited access to finance for importing inputs and raw material
- Financial inflows: adds up to the existing shortage of foreign currency reserves essential for imports and therefore the survival of some sectors
- Government revenue: effects on expenditure and especially for social development
- Inflation: decrease in real income or purchasing power thus capacity to afford basic goods and services
- Limited access to bank loans: contraction in private sector activities thus less employment creation

The global financial crisis affected the Ethiopian trade sector through effects on exports and imports with the rest of the world. Both volumes and unit values of exports have been affected translating into a decrease in export earnings in the post-crisis period. A reduction of activities in this sector may have implications for farmers. Farmers may be affected through the reduction in income from the sales of their product either because of a decrease in prices or because of a fall in demand. This has an important human dimension as most of the Ethiopian agricultural sector is composed of small holder farms and characterized by subsistence farming dependent on family labor. Income from this activity is often the main source of livelihood for an entire family.

Imports have also been affected, registering a slowdown in annual and quarterly growth rates due to the shortage of foreign currency reserves despite an increasing domestic demand. In parallel, foreign currency reserves declined forcing the NBE to impose a tight restriction on the issuing of letters of credit necessary to import inputs and raw material. Limited access to finance for importing inputs and raw material may result in the contraction or slow down in activities such as the construction sector which is a highly labor-intensive sector.

There is a mixed report by key informants with regard to the impact of the crisis on the income of farmers. In Benishangul region for example, key informants reported the following: In some *woredas* (districts) it was reported that their income is rising because the value of their products is increasing. In others it was reported that it hasn't increased because the increase in the price of inputs and the rise in inflation of consumables has led to a decrease in the farmer's purchasing power. This is further compounded by natural disasters for example death of animals and unexpected change of weather.

In Oromia region, it was reported that in some *woredas* the farmers' ways of life has improved. Key informants were of the view that the weather also contributes tremendously in terms of determining whether the farmers will have good income from their produce.

In Afar, it was reported that the communities' income has increased in the past three years but their purchasing power is decreasing. And also there is inability to distribute adequate amount of animal medicine to the pastoralists' because of the decline of their purchasing power. The cost of animals (sheep and goat) is increasing and they are gaining more money than before and accordingly they are spending more money for animal drugs, consumptions, and transport as they gain more money; so that the increase in their income is not sufficient to change their life unless their purchasing power increases as their income increases.

Foreign capital inflow was also affected. The inflow from remittances declined slightly possibly affecting recipients who may be dependent on this source of income to access certain basic goods and services. A downward trend was also registered in external grants and foreign investment capital in terms of newly approved projects decreased putting an additional pressure on the shortage of foreign currency reserves and thus the country's capacity to satisfy ever increasing import demand.

Domestic revenue increased less on an annual basis. Public expenditure grew at a less sustained rate. The cut backs or slowdown in expenditure may result in a reduction of basic services provided to citizens especially if they affect social sectors such as education and health.

The Birr depreciated against all major currencies translating into an imported inflation especially related to fuel imports. On an annual basis, headline inflation reached record high rates the country has ever experienced especially for food items. Families may be in a situation where they have to make a trade-off between feeding their children and sending them to school. Basic services such as education and health can become unaffordable. Moreover, this could create inequalities within the family members if the reduction of income affects girls' schooling rather than boys'.

The key informants in the various *woredas* were asked this question: What has been the effect of the crisis if any on livelihood, availability of services, and employment/wage.

Some key informants have reported that regarding the living standards of the people they can't say much about the exact effect of the financial crisis but increase on price of food and consumptions had affected the society.

Generally when living costs increase, according to the key informants, the effect is worse for women because they are forced to work additional jobs. For example, women engage in collecting woods in forests to sell in the market. Similarly, in some of the *woredas* the effect of the fall in the price of agricultural products as well as the accompanying rise in the cost of living is very much felt on gender equality.

In *woredas* where the majority of the agricultural work is done by women, the fall in price of produce has forced the women to switch to other activities like digging for gold and selling of woods and bamboo. These kinds of work consume high energy and time which obviously results in poor health conditions. Even the girl child is recruited for this kind of work thereby forgoing the opportunity to go to school.

The key informants in Oromia stated that there has been inflation especially on fuel and food items which leads the people to become poorer. Before the inflation the people in the various *woredas* used to produce butter and different kinds of crops but after the inflation the production has tremendously decreased.

In SNNPR, regarding the impact of the crisis on MDGs there is a notable increase in the price of coffee. This is an opportunity for the residents of the city/region. This doesn't mean that the crisis doesn't have negative impact. It has implications on employment opportunities, on salary scale, and equality in terms of infrastructure in urban and rural areas.

In Afar similar adverse impacts on livelihood have been reported. The causes are attributed mainly to inflation, the rise in cost of living as well as on inputs such as fuel, medicine and others.

The study aimed at addressing the human dimensions of the global financial crisis by utilizing three tools. A survey based on a detailed questionnaire was conducted among 1260 households. In parallel, key informant interviews and focus group discussions were conducted to complement findings from the survey. Also, the team benefited from its members prior experience in assessing financial crisis related effects. The following sections present the human dimensions of the global financial crisis in Ethiopia based on the above mentioned potential transmission channels.

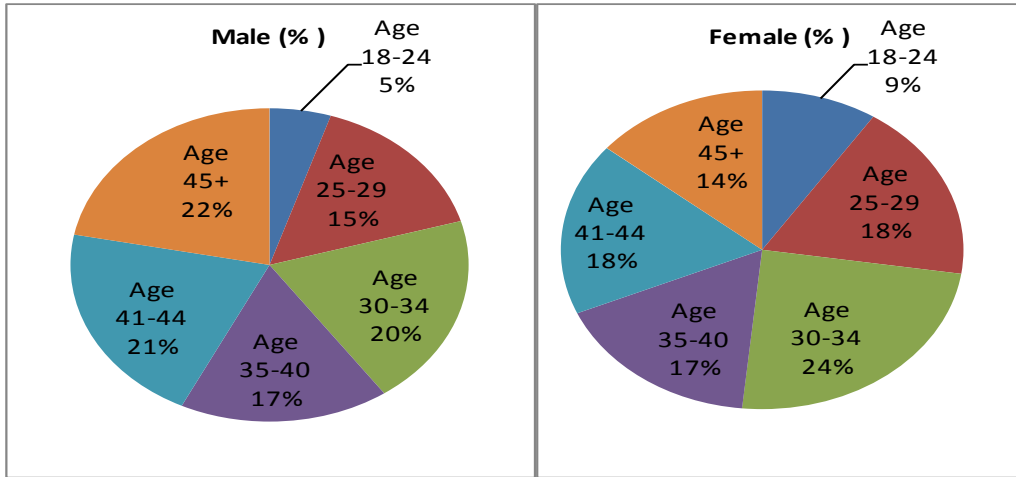
5.3. Profile of respondents

The first set of questions of the survey questionnaire aimed at establishing the profile of respondents. The tables below give a general picture. Disaggregated data at regional levels are provided in the annex.

In terms of the size of the household, 35.8 % are composed of more than six members and 41.9 % have between three and five members. 22.3 % have two or less people in the household. Regarding the number of children per household, the profiling showed that 46.2 % of households had between three and five boys/girls. While 9 % had no children, 17.5 % had between six and eight children. 22.6 % of the households have one or two children.

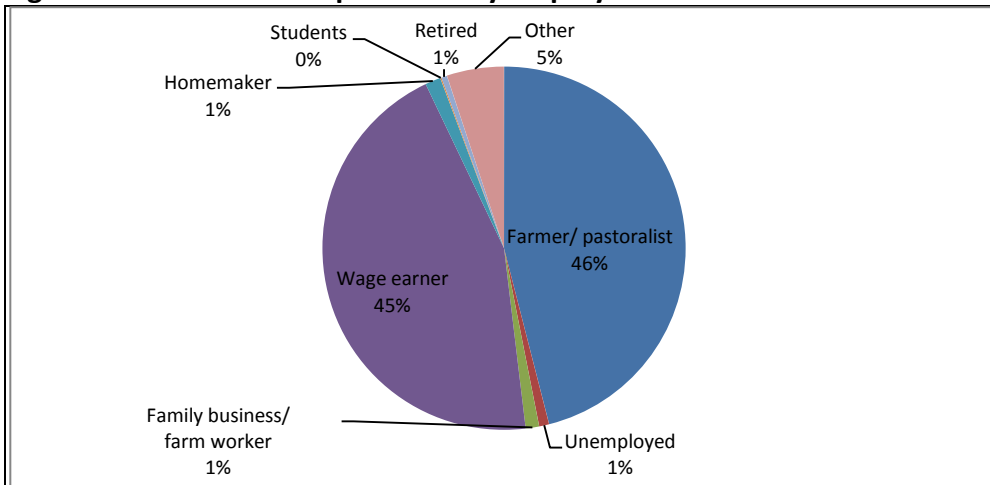
Looking at the composition of respondents by age group and gender, we can see that the survey respected a gender balance and the distribution across age groups is also well balanced.

Figure 5.1 – Profile of respondents by age and gender groups



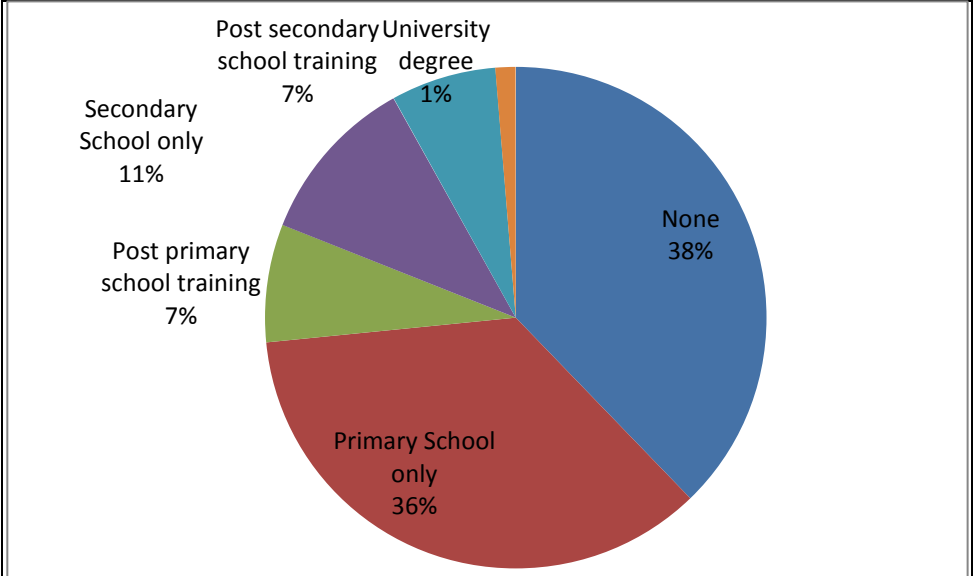
Respondents were also asked about their employment status. The options presented in the table below were provided. 46 % of them were crop or livestock farmers. 44.8 % were wage earners. Only 0.9 % were unemployed and only one student was among the interviewees.

Figure 5.2 – Profile of respondents by employment status



Looking at respondents' education level, 37.8 % had no education at all while only a little over one third of the respondents had primary level education. Less than 2 % had university degree.

Figure 5.3 – Profile of respondents by level of education



More details on the profile of respondents are provided in the form of tables in the Annex. The gender balance was maintained in all the regions reaching a near parity. The distribution by age group was also well representative. Those interviewed in the Oromia region are either farmers or wage earners while those in Afar and Benishangul regions are essentially pastoralists. In SNNPR, the interviewees are 30 % wage earners, 20 % farmers, and the rest are engaged in other types of activities. The rate of those having no education at all is the highest in Afar and Benishangul regions. Oromia region concentrated the highest share of respondents that have at least primary level schooling.

5.4. Impact on household income and purchasing power

This section aims at assessing the impact of the global financial crisis on households’ income and purchasing power. To do this, it uses data from the questions designed for the different categories of occupation: crop farmer, livestock farmer, employee of flower farm, construction worker, services sector employee, and leather industry employee.

The indicators utilized for this purpose are the following:

- Nominal income
- Real income/purchasing power
- Availability of work

5.4.1. Impact on crop farmers

Crop farmers represent an important share of the survey respondents. Nearly 40 % are engaged in coffee production followed by chat, vegetables. Farmers cultivating other crops essentially cereal crops such as maize, teff, beans, barley, and wheat were also interviewed and make up for about 27 % of interviewed farmers.

To capture the potential impact of the crisis on crop farmers, respondents were asked questions on volume and value of production before being questioned on changes in income

and purchasing power. This enabled us to understand if price or volumes of production have helped change income.

The post-crisis period was characterized by a decrease in production by a little over half of the farmers interviewed. 36.1 % indicated having experienced an increase while 11.5 % didn't see any changes in the volumes produced in 2008/09. The trend didn't change the following year.

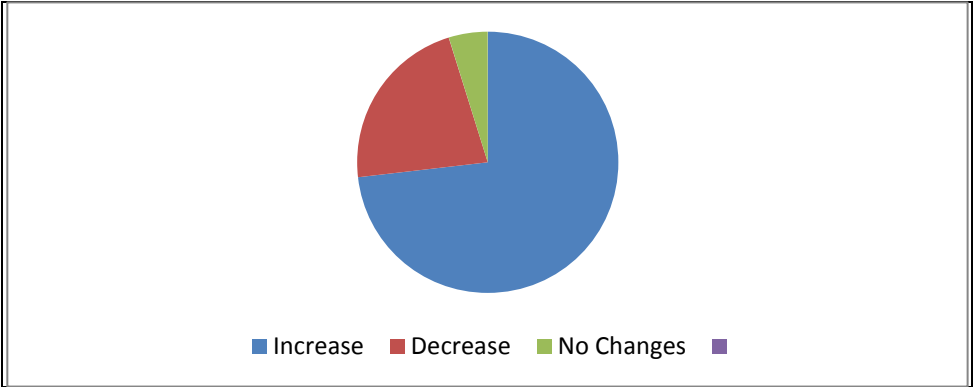
Table 5.1 – Changes in volume of production

	2008/09		2009/10	
	Count	(%)	Count	(%)
Increase	176	36,3%	176	36,1%
Decrease	250	51,5%	256	52,5%
No Changes	59	12,2%	56	11,5%
Total	485	100,0%	488	100,0%

The reasons behind these changes in output volumes are for 55.5 % of them related to weather conditions, followed by the availability and price of fertilizer, and cultivation techniques and finally the supply of seeds.

Farmers were also asked about changes in sales price of their produce. For nearly 75 % of them, sales prices have increased during the two years following the crisis. This is in line with our macroeconomic findings that indicated an increase in food inflation. This also means that farmers have been able to benefit, to a certain extent, from the increase in local food prices. This however needs to be accompanied by positive variations in real income.

Figure 5.4– Changes in sales prices of produce



The combination of changes in volumes and prices of produce have an impact on farmers' nominal income. The table below shows that the fiscal year 2008/09 has been a rather good year for nearly 55 % of farmers as their income from produce increased compared to the previous year. However, the remaining farmers have experienced a decline in income during the same period. Changes in income are inconclusive in 2009/10 as a very similar number of farmers stated having experienced an increase and a decrease in income from produce. This also means that interviewed farmers have not been able to benefit from the overall increase in local food prices.

Regarding the scope of the changes in income, only 15.6 % of farmers said it was very important. For the rest, it was either medium (40.4 %) or insignificant (44.1 %).

Table 5.2– Changes in income from produce

	2008/09		2009/10	
	Count	(%)	Count	(%)
Increase	263	54,2%	227	48,0%
Decrease	220	45,4%	230	48,6%
No Changes	2	0,4%	16	3,4%
Total	485	100,0%	473	100,0%

When asked about the reason for changes in income, nearly half of the farmers indicated sales price, nearly 40 % pointed out changes in volume of production while a little less than 10 % indicated changes in demand for their produce. This means that the crisis has not had a significant impact on farmers although important declines in exports in agricultural commodities were observed at the macroeconomic level. This was probably offset by increases in volumes and in local prices.

Although the crisis has not had a significant impact on crop farmers' nominal income, its indirect impacts on inflation have considerably affected Ethiopian farmers. Close to 90 % (432 of the 483) crop farmers that replied to this question indicated that inflation has affected their livelihood. 94.4 % of farmers stated that the price hikes of the past two years have resulted in a much diminished purchasing power (see Table 11 in Annex).

Table 5.3 – Inflation has affected farmers' livelihood (real income and purchasing power)

	Count	(%)
Yes	432	89,4%
No	51	10,6%
Total	483	100,0%

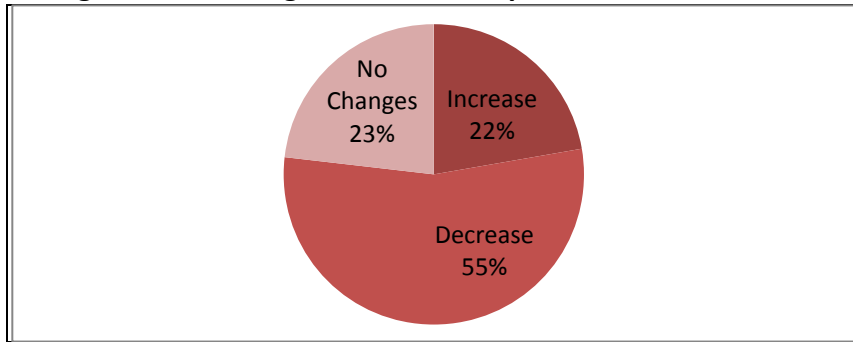
Overall, the survey has revealed that crop farming activities have not been significantly affected by changes in international demand and prices for Ethiopian export crops. Rather, the effect seems to be related to the impact of the crisis on inflation rates that have considerably affected farmers' purchasing power.

5.4.2. Impact on livestock farmers

Livestock farmers represent the second most important group of interviewees. Most of them breed different types of livestock at the same time. The most important is oxen (87.9 %), followed by goats (69.3 %), sheep (59.3 %) and camels (36.6 %).

Similar to crop farmers, livestock farmers were asked questions on volume and value of production before being questioned on changes in income and purchasing power. This enabled us to understand if prices or volumes of production have helped change their income.

Figure 5.5 – Changes in volume of production



Like crop farmers, nearly 55 % of livestock farmers indicated a decline in production volumes during the immediate year following the crisis while 23.2 % indicated that there were no changes in volumes. Only 22.3 % indicated an increase in production during this period. The reasons behind these changes are 39.1 % due to weather and more specifically shortage of water and 31.5 % due to availability and prices of animal fodder. 19 % of livestock farmers pointed out animal disease as the main reason for changes in the volumes of production. Demand was not an issue in volume of production.

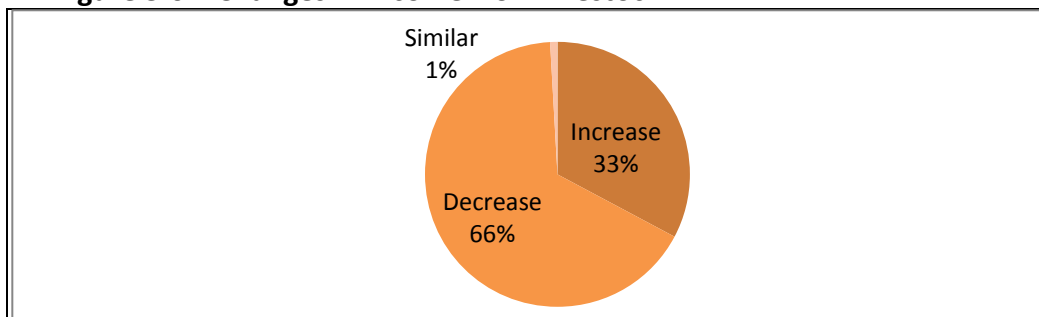
Livestock farmers were asked about changes in prices of produce. They have indicated that the post-crisis period was characterized by an increase in sales prices of livestock. 75.3 % of them confirmed this while 23.5 % indicated experiencing a decrease in prices. This trend in prices may be able to offset the decrease in volumes of production presented above.

Table 5.4 – Changes in sales prices of livestock

	2008/09	
	Count	(%)
Increase	247	75,3%
Decrease	77	23,5%
Similar	4	1,2%
Total	328	100,0%

Unlike crop farmers, the changes in volumes and prices have not resulted in an increase in income from produce. 66.3 % of livestock farmers indicated a decline in their income in 2008/09. Only one third have been able to increase their income from produce.

Figure 5.6 – Changes in income from livestock



When asked about the main reason for changes in income from produce, nearly half of the interviewed farmers indicated volumes of production as the explanatory variable while 42.6 % pointed out prices. The scope of the changes in income levels from produce has been significant only for 21.4 % of respondents. 34.3 % of farmers said the changes in income were of average importance while 44.3 % indicated that this had not been significant.

With regard to real income, the trend is similar in the case of livestock farmers as in crop farmers. The surging inflation rates have affected the livelihood of 93.8 % of livestock farmers. This is even more significant if these farmers do not have parallel crop farming activities that can enable them to produce some food items and thereby enabling them to purchase less on the market. 77.7 % of interviewed livestock farmers indicated having experienced a significant drop in their purchasing power during the post-crisis years (See Table 16 in Annex).

Table 5.5 - Inflation has affected farmers’ livelihood (real income and purchasing power)

	Count	(%)
Yes	305	93,8%
No	20	6,2%
Total	325	100,0%

Overall, the survey has revealed that livestock farming activities have been negatively affected during the two post crisis years. As reflected by the macro data, international demand for meat and meat products had increased while demand for live animals and leather and leather products had declined in 2008/09 and 2009/10. At the same time, prices of these products had increased during this period offsetting the slowdown in demand except for leather products. At the micro level, this has translated into a decrease in income of livestock farmers. It is to be noted that the changes observed at the micro level are not necessarily fully related to the macro level. Other domestic and various factors may have played a role. What is certain in the case of livestock farmers is that the global financial crisis has affected their livelihood through its indirect effects on domestic inflation, especially food inflation.

5.4.3. Impact on employees of flower farms

At the macro level, flower exports have not declined in values but have been growing at a much reduced annual pace during the post-crisis period averaging 17 % after an expansion of 75 % one year earlier. Volumes increased by 30.4 % in 2008/09 and by 23.3 % in 2009/10 offsetting important drops in unit values of 10.3 % in 2008/09 and 4.9 % in 2009/10.

This implies that we may not observe a decline in employment rates in the sector as the increase in volumes has been the strategy adopted by the sector to cope with declining international prices of flower. This sector is a gender sensitive sector as it employs a majority of women. A decline in its activities will therefore have a more severe impact on women relative to men.

As indicated by the employees of flower farms, working in this sector has only moderately improved their lives but it has enabled them (66 %) to have a stable and reliable source of

income as well as an increased income for one third of respondents. The survey also found that over 90 % of respondents were able to access/purchase basic services such as education and health.

The assessment of potential impacts of the global financial crisis on employment was undertaken through questions on employees work schedules and on the number of staff. Reflecting findings on volumes of production at the macro level, both indicators are following a positive trend.

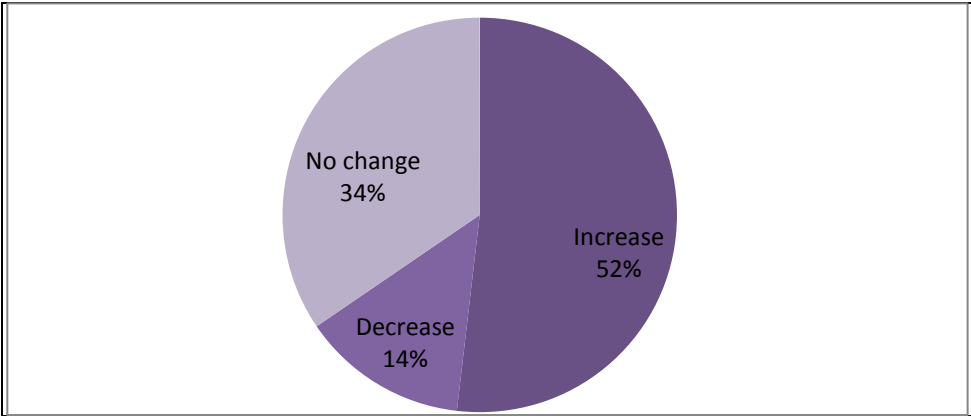
Table 5.6 – Changes in work schedules

	Changes in work schedule				Changes in the number of staff		
	Pre-crisis		Post-crisis			Post-crisis	
	Count	(%)	Count	(%)		Count	(%)
Full time	295	82,9%	102	46,2%	Increase	216	60,2%
Part-time	60	16,9%	46	20,8%	Decrease	103	28,7%
Overtime work	1	0,3%	15	6,8%	No change	40	11,1%
No Change			58	26,2%	Total	359	100,0%
Total	356	100,0%	221	100,0%			

As presented in the table above, during the pre-crisis period, 82.9 % of employees worked on a full-time basis and only 16.9 % worked on a part-time basis. During the post-crisis period, 26.2 % of respondents had not changed their working hours while 46.2% were working full-time. 6.8 % indicated having even done some over-time work. Regarding the employment level in the industry, 60.2% of respondents indicated there was an increase in the number of staff, 11.1 % indicated there was no change, while 28.7 % said the number of employees had decreased.

Changes in income also reflect this situation. Indeed, over 85 % of interviewed flower farm employees have either been able to earn a higher income or have been able to maintain their income during the post-crisis period. Only 13.6 % of respondents have indicated suffering a reduction in their income during this period.

Figure 5.7 – Changes in income



Overall, the level of employment as well as the number of hours worked did not decline in the flower sector reflecting the macroeconomic trend of an increase in volume and a slight

rise in value of flower exports during the post-crisis two years. In addition, flower farm employees did not suffer a loss of income. Rather, a little over half even witnessed an increase in their income. This shows that the sector has been able to overcome these difficult times without having to cutback costs related to labor. This is a rather good thing as the sector is highly intensive in female labor.

5.4.4. Impact on construction workers

The construction sector has been one of the sectors heavily affected by the crisis. Indeed, the sector is highly dependent on imported materials. Imports of such materials had been curtailed by the serious shortage of foreign currency the country experienced after the food and oil crisis in 2007 and the global financial crisis as well as the shortage of local supply.

Construction workers interviewed for the purpose of this study are essentially engaged in the private construction sector. They are mostly day laborers earning a daily wage and are more or less specialized. Nearly 65 % of them work between five and six days a week, 25 % work seven days in one week, while a minority works less than five days per week.

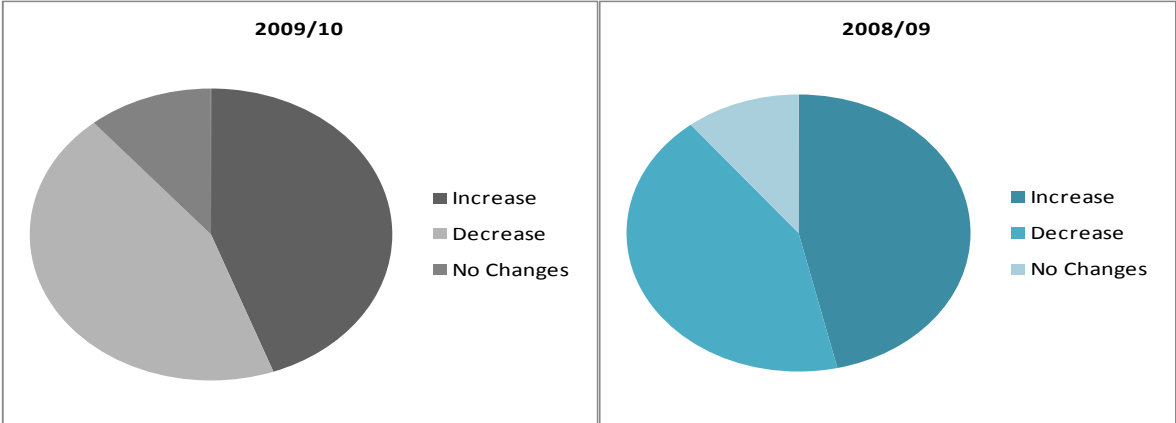
When asked about the availability of work in the past two years compared to the year 2007/08, half of the respondents indicated an increasing trend while the other half indicated a decrease. This applies both in 2008/09 and in 2009/10. The reason for this trend was indicated to be the level of activity in the sector (slow down or expansion) for 60 % of interviewees while the rest pointed out the supply of labor relative to demand by the sector.

Table 5.7 – Changes in the availability of work

	2008/09		2009/10	
	Count	(%)	Count	(%)
Increase	14	51,9%	14	50,0%
Decrease	13	48,1%	14	50,0%
Total	27	100,0%	28	100,0%

Similar to the responses given regarding the availability of work in the construction sector variations in income levels of daily laborers are inconclusive. Indeed, as reflected by the table below, while 46.4 % of respondents indicated an increase in their income, another 42.9 % indicated a decline in their income in 2008/09. The same trend is observed for income changes in 2009/10. This is at least consistent with the findings on the level of employment presented in the table above. It is also confirmed by the reasons provided by the respondents who indicated the lack of work as the main reason for a decline in their income.

Figure 5.8– Changes in income for construction workers



Overall, the survey did not give a clear trend on the human dimensions of the global financial crisis in the construction sectors assessed. The same number of respondents indicated an increase in their work and income as those having experienced a decline in both.

In contrast to the findings of this study, an assessment conducted by our team leader, Mitik (2010) for the UNDP Ethiopia, indicates a rather harsh impact on the construction sector. Indeed, she finds that the construction industry had suffered because the price of materials has increased resulting in a standstill in the construction industry for some time because no one could afford to build. For an increasing number of private sector activities, the initial investment cost for businesses had inflated because there had been an increase in unit cost/price of products. Private sector businesses that had on-going projects or plans for new projects were at a standstill due to the lack of loans (the government having been implementing a restrictive monetary policy to contain inflation).

The construction sector has also laid-off a significant number of employees keeping only the minimum necessary. In line with this, Behute (2009) had found that most of professional workers had lost their over-time work and about 30% daily laborers had lost their job due to reduced supply of construction materials like cement, metal and others and overall slowdown of construction. Job losses were more severe for the daily laborers, who earn small amount of income, and were not able to manage due to the pressure of the high cost of living. He also found that construction material renters’ earnings had declined because of the slowdown in the construction.

5.4.5. Impact on hotel and restaurant services sector employees

The services sector is the one that seems to have been more affected by the crisis. Its annual growth rate decreased by 17.2 % between 2007/08 and 2008/09 and this slowdown in growth continued through the next year (-7.3 %) and is estimated 12.5 % for the current fiscal year, which is still 4.1 % lower than 2009/10.

The slowdown in growth in the services sector is however not systematic for all sub-sectors. The hotels and restaurants sub-sector has been witnessing an increase in its annual growth rates since 2007/08 although it is only by 2.6 in 2008/09 and by 0.8 % in 2009/10. The slowdown in growth in the services sector was due to a slowdown in whole sale and retail;

transport and communication; financial intermediation; and real estate, renting and business activities. It is therefore to be expected to obtain an insignificant impact of the crisis with regard to the availability of work. The impact of the crisis will be better captured through its effects on inflation.

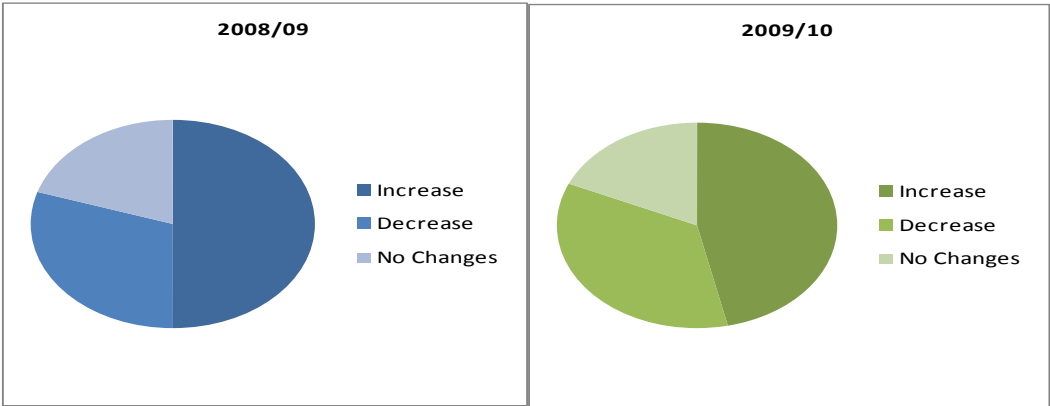
The respondents interviewed were 54.8 % engaged in restaurants and cafes while 26 % were employed in hotels and resorts. The study aimed at assessing the impact of the crisis using three indicators: employment, income, and purchasing power. With regard to employment, the years 2008/09 and 2009/10 were not conclusive on a specific trend. The table below shows that work has increased for half of the respondents in 2008/09 while it has decreased for 47.1 % of other respondents. The trend is similar the following year. The information obtained on work schedule is more indicative. Compared to the pre-crisis year of 2007/08, the post-crisis period has not witnessed a decline in the hours worked, but rather seems to show an increase. Although employees of the hotel and restaurant sector perceived a somewhat inconclusive and contradictory trend in employment, they have not been affected by the crisis with regard to the hours worked but rather experienced an increase in full time work and overtime. The justification behind the increase in working hours is the expansion of the sector activities as indicated by 70 % of the respondents.

Table 5.8– Changes in employment and work hours in hotels and restaurants

Changes in availability of work					Changes in work schedule				
	2008/09		2009/10			2008/09		2009/10	
	Count	(%)	Count	(%)		Count	(%)	Count	(%)
Increase	35	50,0%	29	40,8%	Full time	51	72,9%	60	84,5%
Decrease	33	47,1%	41	57,7%	Part-time	15	21,4%	9	12,7%
No Changes	2	2,9%	1	1,4%	Overtime	4	5,7%	2	2,8%
Total	70	100,0%	71	100,0%	Total	70	100,0%	71	100,0%

In addition to information on employment, the impact of the crisis was assessed using questions that address changes in nominal income. As presented in the table below, half of the respondents indicated having benefited from an increase in income in 2008/09 and 46.5 % in 2009/10. 20 % and 18.3 % indicated there were no changes in their income level. The remaining respondents, a little under one third of them, have however experienced a decline in their income during these two post-crisis years.

Figure 5.9 – Changes in income



Although employees of hotels and restaurants experienced either an increase or no change in their nominal income, this does not tell us how their real income was affected. To this end, respondents were asked about the impact of inflation on their livelihood and especially their capacity to afford basic goods and services. The table below shows that unlike most of the respondents working in other industries (see sections before this one), only 25.7 % of employees working in the hotels and restaurants services sector have seen their purchasing power decrease. Surprisingly, 64.3 % said they have a greater purchasing power despite the surge in inflation while 10 % didn't see their situation change.

Table 5.9– Effect of inflation on capacity to afford basic goods and services

	Count	(%)
Less purchasing power	18	25,7%
More purchasing power	45	64,3%
No change	7	10,0%
Total	70	100,0%

Overall, unlike all the other groups of respondents interviewed from different employment sectors, employees of hotels and restaurants services sector seem to have not been affected by the surge in inflation the country experienced. Respondents indicated that both their income and purchasing power increased or was maintained for the majority of them. This is consistent with macro level findings although precautions are necessary as the maximum number of respondents in the hotels and restaurants does not exceed 71 and is certainly not representative. Despite this, the results are acceptable from an analytical perspective as this sector has not been affected by the crisis through any other transmission channel except that of inflation.

5.4.6. Impact on leather industry employees

The leather industry is one of the sectors significantly affected by the global financial crisis. Export values declined by 24 % in 2008/09, by 8 % in 2009/10 amounting to a total decrease of 30 % between 2007/08 and 2009/10. Although international unit prices of leather products increased significantly during this period, reaching 255 % between 2007/08 and 2010, this did not offset the decline in international demand. Over this period of post-crisis two years, export volumes of leather and leather products dropped by 60 %.

A total of 126 men and women working in the leather industry were interviewed for the purpose of this study. 80 % of them were already engaged in the industry in 2007/08, the pre-crisis year.

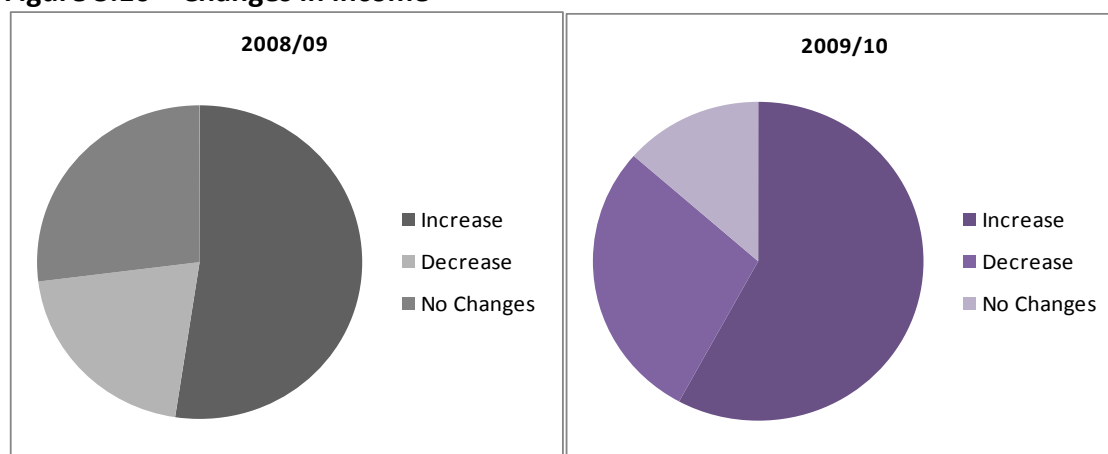
The table below presents the responses of leather industry employees on the sectoral employment and their working schedule. It shows that the availability of work has increased as stated by half of them in 2008/09 and by nearly 55 % of them in 2009/10. Only 26.2 % of them and 31.7 % of them indicated a reduction in employment in 2008/09 2009/10 respectively. The remaining didn't perceive any changes bringing the number of respondents perceiving either an improvement or no change in employment to 73.8 %in 2008/09 and 68.3 % in 2009/10.

Table 5.10 – Changes in employment in the leather industry

	Changes in availability of work				Changes in work schedule				
	2008/09		2009/10			2008/09		2009/10	
	Count	(%)	Count	(%)		Count	(%)	Count	(%)
Increase	63	50,0%	68	54,0%	Full time	41	33,1%	65	52,4%
Decrease	33	26,2%	40	31,7%	Part-time	23	18,5%	9	7,3%
No Changes	30	23,8%	18	14,3%	Overtime	60	48,4%	50	40,3%
Total	126	100,0%	126	100,0%	Total	124	100,0%	124	100,0%

In addition to this, the respondents also indicated an increase in the hours worked both in 2008/09 and 2009/10. The share of respondents working full-time increased and the share of those working part-time diminished while 40 % on average were also working overtime. When asked about the reason behind the changes in employment, the major reason given was the scarcity of labor supply.

Figure 5.10 – Changes in income



In accordance with the tendencies in the availability of work and the hours worked, more than half of the respondents have seen their income increase and only 20.6 % indicated a decline in 2008/09. In 2009/10, 57.9 % of respondents had an increase in income while 13.5 % had a decrease. Overall, the majority of respondents either saw an increased or a maintained income during the two years following the crisis.

In accordance with the majority of respondents from other categories of employment, the indicated increase in employment, working hours and income has not offset the impact of the surge in inflation witnessed in the country. Only 18.4 % of the respondents indicated an increase in their purchasing power while the remaining either had a decline or similar purchasing power when compared to the post-crisis year.

Table 5.11 – Effect of inflation on capacity to afford basic goods and services

	Count	(%)
More purchasing power	23	18,4%
Less purchasing power	56	44,8%
No change	46	36,8%
Total	125	100,0%

The significant negative macro impact of the crisis on volumes of production seems to have not percolated to the microeconomic level. Two factors have potentially contributed to that. First, the soaring prices of leather and leather products may have completely offset the impact of a slump in international demand. The industry may also have shifted some share of its sales towards the domestic market. In addition, this industry employs people who become specialized in a certain activity and it may not be effective to systematically reduce labor forces when difficult times arise as it would entail costs to hire new workers who still have to learn the job before becoming fully operational. The income of most respondents has either increased or been maintained in the post-crisis years. The real income of leather industry workers has however been affected by the crisis. Despite the increase in income, more than 80 % of respondents either had a decline or no change in their purchasing power because of record inflation rates.

The present section showed that the global financial crisis affected Ethiopian in different ways and in different scopes depending on their sectors of employment. Unlike macro level effects, the impact of the crisis at the micro level has been limited. The major transmission channel of the crisis seems to have been through its indirect effects on rising inflation which severely affected households' purchasing power.

Nominal income has risen for crop farmers, flower sector employees, employees in hotels and restaurants, and those working in the leather industry. It has declined only for livestock farmers. Regarding the impact of inflation, it has negatively affected crop and livestock farmers while employees of hotels and restaurants have seen their real income increase and those working in the leather industry have been moderately affected.

Overall, despite some alarming levels of macro level indicators, the crisis seems to have a much lesser impact when it comes to employment, income and purchasing power of respondents. The impact on human dimensions seems to be limited two years after the crisis reached the Ethiopian economy through trade and financial flows.

5.5. Impact on health

As presented in previous sections, the global financial and economic crisis has affected government revenue and expenditure. Among social sectors, current expenditure grew at a less important pace in the health sector. After an annual growth rate of 47.1 % in 2007/08, recurrent expenditure in health slowed down to 17 % in 2008/09 and to 21.8 % in 2009/10.

In addition, the health sector saw a decline in annual growth of capital expenditure during the post crisis period from 43.2 % in 2007/08, to 11.2 % in 2008/09 and 13.8 % in 2009/10 to pick up to 49.2 % in 2010/11.

One can therefore expect that the global crisis may have not resulted in cuts in health services provision by the public sector but rather a possible slowdown in its expansion. The factor that can perhaps affect households' use of public health services is the price hike of other basic commodities that may create a shift of budget away from health.

5.5.1. Access and affordability of health services and drugs

As presented in the section outlining the impact on livelihood, health is the second most important category of essentials the family usually purchases. It was also pointed out as the second most affected expenditures of a household.

Table 5.12 – Use of modern/formal health services and type of services visited

	Count	(%)
Yes	1170	94,4%
No	69	5,6%
Total	1239	100,0%
Type of facilities visited		
	Count	(%)
Health post	642	55,4%
Clinic	125	10,8%
Hospital	94	8,1%
Other	298	25,7%
Total	1159	100,0%

Before assessing the impact of the crisis on health services, the team tried to examine whether the interviewed households used modern/formal medicine provided by the public sector. The table above shows that close to 95 % of households utilize modern health services mostly visiting health posts.

Among the minority of households that indicated not using modern health services, the majority explained relying on traditional medicine followed by far by home care.

Table 5.13 – Ability to access/purchase health services

	2007/08		2008/09		2009/10	
	Count	(%)	Count	(%)	Count	(%)
Yes	1063	85,3%	1067	85,8%	1058	85,2%
No	183	14,7%	176	14,2%	184	14,8%
Total	1246	100,0%	1243	100,0%	1242	100,0%

The ability to access/purchase health services includes the entire range of health services, from visits to the health specialist, purchasing drugs, maternal and child health, to

immunization. Over 80 % of households were able to access public health services during the pre-crisis period. The two post-crisis years also show no changes in access to health services.

Table 5.14 – Ability to access/purchase health services for all family members

	2007/08		2008/09		2009/10	
	Count	(%)	Count	(%)	Count	(%)
Both girls and boys	993	82,4%	1014	85,0%	987	83,4%
Only boys	46	3,8%	26	2,2%	36	3,0%
Only girls	39	3,2%	34	2,8%	35	3,0%
Neither girls or boys	127	10,5%	119	10,0%	126	10,6%
Total	1205	100,0%	1193	100,0%	1184	100,0%

From a gender perspective, there does not seem to be a bias as both girls and boys or males and females in the household were able to access/purchase health services. There is no change induced by the global financial crisis on households' ability to afford health services.

Table 5.15 - Reason for reduced access to health services

	2007/08		2008/09		2009/10	
	Count	(%)	Count	(%)	Count	(%)
Couldn't afford it	90	41,5%	99	48,8%	108	46,6%
Use of traditional medicine	41	18,9%	31	15,3%	36	15,5%
House Treatment	23	10,6%	21	10,3%	24	10,3%
Emergency Only	27	12,4%	18	8,9%	27	11,6%
Others	36	16,6%	34	16,7%	37	15,9%
Total	217	100,0%	203	100,0%	232	100,0%

For those households having indicated not being able to access/purchase health services, the primary reason was affordability. These households also tended to use traditional medicine as indicated by over 15 % of them. Close to 10 % preferred home care while an average of 11 % utilized modern medicine only in cases of emergency.

Overall, we can conclude that the global financial crisis has not had an impact on health services at the household level. Although macroeconomic data showed a slowdown in annual growth of public recurrent and capital expenditure in health, this does not seem to have percolated to the household level translating into cuts in public health services provision. Also, although households indicated having changes their spending habits with regard to basic essentials such as health, this does not seem to be very significant.

5.5.2. Impact on people living with HIV/AIDS

Assessing the impact of the crisis on people living with HIV/AIDS was a very challenging task. Indeed, very few respondents were willing to participate in the survey. A total of 12 respondents were interviewed and out of these, 66 % were infected by the virus since more than three years ago. All interviewees are under treatment. While nine of them get the treatment for free, the rest have to incur a certain cost. None of them have suffered an

interruption in their treatment during the post-crisis years. All of the interviewed HIV affected people are actively engaged in a certain work activity as a source of livelihood and come from different walks of life. A great majority of them have been negatively impacted by the surge in inflation over the past two years but this has not resulted in an interruption of their treatment. This is also corroborated by HAPPCO offices which engage in providing different kinds of support to these people. A key informant in the SNNPR was of the view that inflation is exacerbating the problem. *“The amount we used to disburse for income generating activities – 2000 birr, is not sufficient anymore”*. He further claimed that it is also causing problems in the support we provide in relation to educational materials. This is essentially due to the fact that the treatment is for most of them accessible for free.

However, the information received from HAPPCO offices in some of the regions that were visited for the survey shows a different and a mixed picture. Key informants in the HAPPCO offices in the various regions indicated they provide a range of services to victims of HIV and AIDS. These include: counselling service, care and support, creating awareness and engaging them in income generating activities.

The sources of budget for these offices are two: government and non-governmental sources. The proportion of the budgetary sources varies. In some regions like Afar the government provides the majority of the share like 70-80% while in regions like SNNPR and that of Benishangul the non-governmental sources play a significant role. The major non-governmental sources mentioned by the key informants in the different regions are: World Vision, Red Cross, OSSA, UNICEF, UNFPA, Global Fund and IDA.

In regards to changes in budget between 2007/8 and now, there has been a mixed response. Key informants in Benishangul and SNNPR have indicated that there has been a significant change in the amount of budgetary support they receive from non-governmental sources. For example in the SNNPR there is a reduction in budget. The Global Fund which contributes the major share (the sole source - to use the interviewees' words) has stopped now. The interviewee speculates that this may be due to auditing issues – audit reports have been taken last year this time around. We only pay for salaries now from the Global Fund. At the woreda and zone levels, the Global Fund support has stopped. It was in Miazya 2002 that the last amount was disbursed. Similarly, support from WFP (which is channelled as part of the food assistance) has also stopped. They have not received the usual 625 tonnes for the last two months.

Similarly in Benishangul, one key informant reported that their budget has decreased in the consecutive years. Some organizations have fully stopped giving aid.

We further inquired as to the kinds of services that were affected due to the reduction in budget. Awareness creation and support and care services have been pointed out as some of the major services that have been affected.

In Benishangul for example the area of work which is highly affected is the care and support unit. In the past where there was no budget problem, the key informant stated that they used to give different kinds of support for HIV patients and homeless children in the form of money (300-600 per month) and nutritional foods.

However, now because of the absence of these supports, people who were getting help from these programs are not getting similar support. As a result, they are now exposed to activities like sex work and are becoming homeless. One evaluation that was done recently showed that a woman who is HIV positive and who was in the program is now found working in bars (Benishanguel Gumuz Regional State HAPPCO Office) . It is very likely that she might infect many people. When she was asked the reason for becoming a sex worker, she stated that as the support has stopped she did not have anything to eat so she did not have any choice.

In Afar region, the key informants reported that the government has increased the budget allocated starting from the past year. This is allowing the office to reach its goal but there is no change in budget by the NGOs side.

The information obtained in this section is informative but should be considered cautiously as only 12 respondents living with HIV/AIDS have been interviewed. The findings therefore only represent the situation of these people. All the tables containing the responses are available in the annex.

5.5.3. Effect on SRH

The study aimed at assessing the impact of the global financial crisis on reproductive health. For this purpose, women were asked several questions on their capacity to access such services by providing details of the different components of reproductive health services in the country.

Over 90 % of women responded having received family planning/birth spacing services. 76.6 % confirmed receiving education on gender-based violence and 71.8 % of them indicated also accessing education and support on prevention of harmful practices such as female genital cutting. 41.1 % indicated having received treatment for reproductive tract infections and sexually transmitted infections including HIV/AIDS.

Table 5.16 – Access to reproductive health services in the past three years

	Count	(%)
Family planning/birth spacing services	536	90,4%
Antenatal care, skilled attendance at delivery, and postnatal care	139	23,4%
Obstetric and neonatal complications and emergencies	167	28,2%
Treatment related to unsafe abortion	92	15,5%
Treatment for reproductive tract infections and sexually transmitted infections including HIV/AIDS	244	41,1%
Education and support for exclusive breast feeding	126	21,2%
Education and support on prevention of harmful practices such as female genital cutting	426	71,8%
Adolescent sexual and reproductive health	110	18,5%
Education on gender-based violence	454	76,6%
Total	593	100,0%

An average of 25% also received antenatal care, skilled attendance at delivery, and postnatal care, obstetric and neonatal complications and emergencies, education and support for exclusive breast feeding, and adolescent sexual and reproductive health while only 15.5 % of women indicated having received treatment related to unsafe abortion.

The above mentioned services were 85 % provided by government health center, clinics or health posts while 8.9 % were provided by NGOs. The table below shows that in addition to providing the bulk of reproductive health services, the government provides these services free of charge as indicated by 90.7 % of female respondents. This reflects the effort having been made by the government to have a female targeted health service provision.

Table 5.17 – Cost of reproductive health services

	Count	(%)
With Payment	56	9,3%
Free	544	90,7%
Total	600	100,0%

These reproductive health services are still accessible to women during this post-crisis period as indicated by 88.4 % of the 580 women who responded to this question.

Table 5.18 – Current access to reproductive health services

	Count	(%)
Yes	513	88,4%
No	67	11,6%
Total	580	100,0%

For the minority of women that have indicated not being able to access reproductive health services at the present time, it seems that the lack of access concerns all the above mentioned services. This indicates the near total absence of reproductive health services nearby the residence of these women.

These findings can further be corroborated by the information obtained from key informants in the various woredas. Attempt was made to assess if there has been any change in terms of budgetary allocations to health bureaus and health centers taking the target period into account. The majority of the key informants reported that there has been an increment in budgetary allocations. However, the increase doesn't seem to take into consideration the inflationary pressure as well as the increasing demand for health services.

One observation that can be made here is there is continuing challenge in terms of securing adequate budget to provide the required services both for HIV/AIDS patients as well as in the provision of reproductive health. The pressure however mainly appears to have come from factors like inflation, increase of population which in effect increases the pressure on the existing infrastructure and finally the fact that more and more people are now seeking modern health service.

We can conclude that the global financial crisis had no impact on health services provision or its accessibility. There is also no gender differentiated impact as women and men were both

able to access/purchase such services. With regard to services specific to women such as reproductive health services, the crisis did not affect this health sub-sector which still provides most services free of charge.

5.6. Impact on education

As presented in previous sections, the global financial and economic crisis has affected government revenue and expenditure. Among social sectors, current expenditure grew at a less important pace in the education and training sector. After an annual growth rate of 35.2 % in 2007/08, recurrent expenditure in education and training slowed down to 21 % in 2008/09 and to 20.6 % in 2009/10.

In contrast, capital expenditure in the education sector rose by 40.2 % in 2008/09 and was sustained the following year. The education sector benefited from a more important increase in public capital during the post crisis period.

One can therefore expect that the global crisis may have not resulted in cuts in education services provision by the public sector. The factor that can possibly affect girls and boys education is the price hike of other essential basic commodities that may create a shift of budget away from education.

5.6.1. Access and affordability of education

As presented in the section outlining the impact on livelihood, education has been identified as the fourth major category of essentials the family usually purchases out of four categories of goods and services. It is therefore an important component of family budget. We also found that education is the fourth item that has been affected by changes in households' livelihood.

Table 5.19 – Access to education services, pre and post-crisis period

	2007/08		2008/09		2009/10	
	Count	(%)	Count	(%)	Count	(%)
Yes	872	71,2%	875	71,4%	874	71,5%
No	352	28,8%	350	28,6%	348	28,5%
Total	1224	100,0%	1225	100,0%	1222	100,0%

Before attempting to assess the possible impact of the global financial crisis on education in Ethiopia, we started by looking at access to education in the pre-crisis year. By access to education we mean ability to afford school fees, uniforms, books, transport, and all other related fees. The pre-crisis period was characterized by a large access to education services by households. The post-crisis period does not affect access to education services neither for the majority of interviewed households. Only an average of 28 % of households was not able to access education services whether it be before or after the crisis.

5.6.2. Is there a gender differentiated impact

The team also tried to capture gender disaggregated impacts when assessing impacts on education. Households were asked if they were able to access/provide education services for all their children. The table above reflects their responses. The majority of interviewed households indicated having been able to access education service for both boys and girls. The crisis does not seem to have especially affected girls or boys education. The general trend has not changed between the pre and post-crisis years.

Table 5.20 – Access to education for all children, pre and post-crisis

	2007/08		2008/09		2009/10	
	Count	(%)	Count	(%)	Count	(%)
Both girls and boys	798	69,6%	804	70,7%	813	71,6%
Only boys	104	9,1%	115	10,1%	105	9,2%
Only girls	28	2,4%	29	2,5%	34	3,0%
Neither girls or boys	216	18,8%	190	16,7%	184	16,2%
Total	1146	100,0%	1138	100,0%	1136	100,0%

For those families that have not been able to access education services, a little over half indicated affordability as the major reason. An average of 15 % explained that children were not enrolled in school because they had to engage in other activities. The remaining households gave other reasons than affordability and engaging in other activities.

Table 5.21 – Reason for changes in access to education

	2007/08		2008/09		2009/10	
	Count	(%)	Count	(%)	Count	(%)
Couldn't afford it	170	52,0%	169	53,1%	158	50,5%
Children had to engage in other activities	48	14,7%	47	14,8%	52	16,6%
Other reason	109	33,3%	102	32,1%	103	32,9%
Total	327	100,0%	318	100,0%	313	100,0%

We can therefore conclude that the global financial crisis has not had an impact on education at the household level. Although macroeconomic data showed a slowdown in annual growth of public expenditure in education, this does not seem to have percolated to the household level translating into cuts in public education services provision.

5.7. Impact on nutrition and livelihood

5.7.1. Effect on dietary habits

In order to capture the potential impact of the global financial crisis on nutrition, respondents were asked questions on their usual dietary habits and changes in these if any as well as questions on changes in the number of meals per day. They were also asked to

provide the reason for these changes. For the specific questions, the entire questionnaire is available in the Annex.

In terms of dietary habits, respondents were asked to list the main food items they usually consume. This was done without giving them a specific list so as to let them identify the items for themselves. The items were then categorized during the data analysis.

Table 5.22 – Major food items consumed by households by region, pre-crisis period

			Maize & Milk	Pasta, Macaroni & Sugar	Wheat & Sorghum	Maize & Sorghum	Pea Bean & Teff	Bread & Tea	Tomato & Cabbage	Total	
Region	Oromia	Count	3	0	45	183	556	9	0	796	
		% within region	0,4%	0,0%	5,7%	23,0%	69,8%	1,1%	0,0%	100,0%	
	Afar	Count	120	1	3	0	0	0	0	124	
		% within region	96,8%	0,8%	2,4%	0,0%	0,0%	0,0%	0,0%	100,0%	
	Benishangul	Count	0	0	55	65	1	0	0	121	
		% within region	0,0%	0,0%	45,5%	53,7%	0,8%	0,0%	0,0%	100,0%	
	SNNPR	Count	1	0	2	0	194	0	1	198	
		% within region	0,0	0,0	0,0	0,0	1,0	0,0	0,0	1,0	
	Total		Count	124	1	105	248	751	9	1	1239
			%	10,0%	0,1%	8,5%	20,0%	60,6%	0,7%	0,1%	100,0%

The main food items consumed by most respondents are pea beans and teff. This is what is commonly eaten in Ethiopia and it is called “injera be shiro”. It is followed by maize and sorghum, maize and milk, and wheat and sorghum. This shows that meat and meat products are not among the major food items, nor are they among the secondary and third main food items. These are expensive products and are only consumed during special occasions and holidays. Similarly, vegetables and fruit are also hardly consumed. These are expensive commodities if purchased in the market and thus not consumed by the average Ethiopian.

Table 5.23 – Changes in dietary habits and reason for changes

Changes in dietary habits				
	2008/09		2009/10	
	Count	Percentage (%)	Count	Percentage (%)
Yes	1016	82,1%	1046	86,0%
No	221	17,9%	170	14,0%
Total	1237	100,0%	1216	100,0%
Reasons for these changes				
	Count		Percentage (%)	
Some food items have become inaccessible	90		8,3%	
Some food items have become too expensive	966		89,0%	
Other	29		2,7%	
Total	1085		100,0%	

As reflected in the table above, a great majority of respondents have changed their dietary habits in 2008/09 and 2009/10. This change is of course not directly attributable to the global financial crisis but it does coincide with the post-crisis period. 82.1 % of respondents indicated having changed their dietary habit in 2008/09 and 86 % the following year out of a total of 1237 and 1216 respondents respectively.

The post-crisis period has been characterized by an important surge in inflation in Ethiopia as presented in the section analyzing the macroeconomic impacts of the crisis. The major contributor to the surge in headline national inflation was food inflation. This is also reflected in the microeconomic analysis. As presented in the table above, the main reason for changing the composition of nutritional food items is the price. Out of 1085 households who responded to this question, 89 % changes their dietary habits because food items have become too expensive. Only 8.3 % attributed the changes due to lack of access of food items.

Another indicator of the human impact of the crisis on nutrition is the number of meals per day. The table below reflects the number of meals consumed by a household during the pre-crisis period (2000 EC). We can see that most respondents eat three times a day. 32.7 % of the 1238 households indicated eating two times per day. Only 1.1 % have a single meal in one day.

Table 5.24 - Number of meals per day

No. of meals	Count	Percentage (%)
1	14	1,1%
2	405	32,7%
3	780	63,0%
4	39	3,2%
Total	1238	100,0%

In addition to the changes in the composition of dietary habits due to soaring food prices, another coping mechanism has been found to be the reduction in the number of meals per day. The table below shows that in the immediate post-crisis year, 60 % of households reduced the number of meals per day against 23.9 % who didn't change anything. The following year followed the same trend as 63.2 % of households indicated having reduced the number of meals per day.

Table 5.25 – Changes in number of meals and reason for changes

Changes in number of meals per day				
	2008/09		2009/10	
	Count	Percentage (%)	Count	Percentage (%)
Increase	179	16,1%	142	12,7%
Decrease	665	60,0%	706	63,2%
No Changes	265	23,9%	269	24,1%
Total	1109	100,00%	1117	100,0%
Reason for changes				
	Count	Percentage (%)		
Affordability	732	80,4%		
Availability	155	17,0%		
Other	24	2,6%		
Total	911	100,0%		

Once again, the reason for reducing the number of meals per day is justified by affordability issues. The soaring food prices have therefore significantly affected Ethiopian households. 80.4 % of the 911 households that responded to this question have indicated that food items they usually consume have become unaffordable forcing them to reduce the number of meals per day. Only 17 % indicated having changed the number of meals per day due to accessibility of food items.

5.7.2. Effect on consumption patterns

Human dimensions of the global financial crisis are also captured through the effect on livelihood. This aspect was captured using different questions. Respondents were asked about changes in their spending habits and the different categories of essentials that have been affected. Households were also asked whether they were forced to take on additional sources of income or work during the post crisis period. They were also asked if they adopted other coping strategies such as seeking for aid or taking up loans.

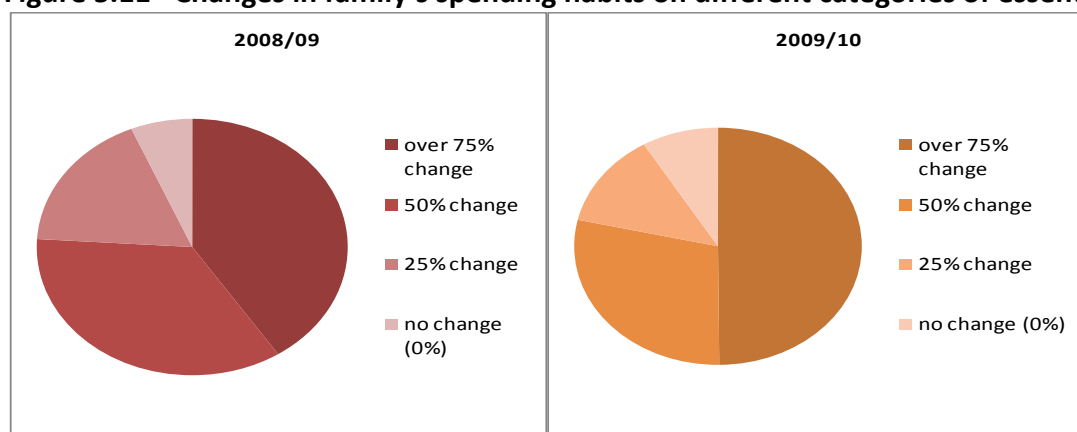
Table 5.26 - Major categories of essentials the family usually purchases

	Ranking	1	2	3	4	5	6	7	Total
FOOD	Count	958	184	52	30	6	1	0	1231
	(%)	77,8%	14,9%	4,2%	2,4%	0,5%	0,1%	0,0%	100,0%
CLOTHES	Count	103	228	408	395	68	24	0	1226
	(%)	8,4%	18,6%	33,3%	32,2%	5,5%	2,0%	0,0%	100,0%
EDUCATION	Count	34	217	264	525	108	31	0	1179
	(%)	0,0	0,2	0,2	0,4	0,1	0,0	0,0%	1,0
HEALTH	Count	103	543	391	140	26	13	0	1216
	(%)	8,5%	44,7%	32,2%	11,5%	2,1%	1,1%	0,0%	100,0%
RENT	Count	42	55	64	46	252	327	2	788
	(%)	5,3%	7,0%	8,1%	5,8%	32,0%	41,5%	0,3%	100,0%

TRANSPORT	Count	12	19	48	48	525	333	0	985
	(%)	1,2%	1,9%	4,9%	4,9%	53,3%	33,8%	0,0%	100,0%

In concordance with the general tendency in Ethiopia where the share of food in total household expenditure approximates 50%, food has been ranked as the number one essential usually purchased by households. 77.8 % of households ranked food as the number one item usually purchased by the household. It is followed by health, clothing, education, transports and rent.

Figure 5.11– Changes in family’s spending habits on different categories of essentials



Respondents were asked about changes in their spending habits over the past two years. 40.7 % of the 1230 respondents indicated having changed their habits to over 75 % while the share increases to 76 % when considering the number of respondents that asserted having changed their spending habits by at least half in 2008/09. This trend increases slightly in 2009/10. The post crisis period seems to be characterized by major changes in spending habits of Ethiopian households.

Table 5.27 - Major categories of essentials that have been affected

	Ranking	1	2	3	4	5	6	Total
FOOD	Count	888	180	17	19	3	1	1108
	(%)	80,1%	16,2%	1,5%	1,7%	0,3%	0,1%	100,0%
CLOTHES	Count	109	348	59	66	6	1	589
	(%)	18,5%	59,1%	10,0%	11,2%	1,0%	0,2%	100,0%
EDUCATION	Count	48	158	73	30	30	0	339
	(%)	14,2%	46,6%	21,5%	8,8%	8,8%	0,0%	100,0%
HEALTH	Count	74	384	49	17	3	0	527
	(%)	14,0%	72,9%	9,3%	3,2%	0,6%	0,0%	100,0%
RENT	Count	34	94	2	4	3	3	140
	(%)	24,3%	67,1%	1,4%	2,9%	2,1%	2,1%	100,0%
TRANSPORT	Count	84	63	13	14	8	3	185
	(%)	45,4%	34,1%	7,0%	7,6%	4,3%	1,6%	100,0%

Among the categories of essentials that have been affected, the major one is food. Indeed, as presented in the section outlining the impact on nutrition and dietary habits, the survey confirmed that food is the most affected consumption good by the global crisis. After food,

clothes and health are the most affected expenditures followed by education, rent and transport.

Once again, the main reason for these changes in the composition of major essentials purchased by Ethiopian households is affordability. Price hikes have had significant impacts on households' dietary habits as well as their expenditure on basic items. In addition to the changes induced by price increases, households have tended to prioritize items when adjusting their budget.

Table 5.28 – Reason for observed changes

	Count	(%)
Affordability	718	58,1%
Availability	144	11,7%
Prioritization	365	29,6%
other	8	0,6%
Total	1235	100,0%

In order to cope with these challenges, households have adopted different approaches to increase family income and maintain/sustain a certain level of livelihood. One of these is increasing the amount of work one performs. Taking up an additional work activity to supplement family income has been chosen by 37.5 % of households while the rest indicated not having increased their amount of work.

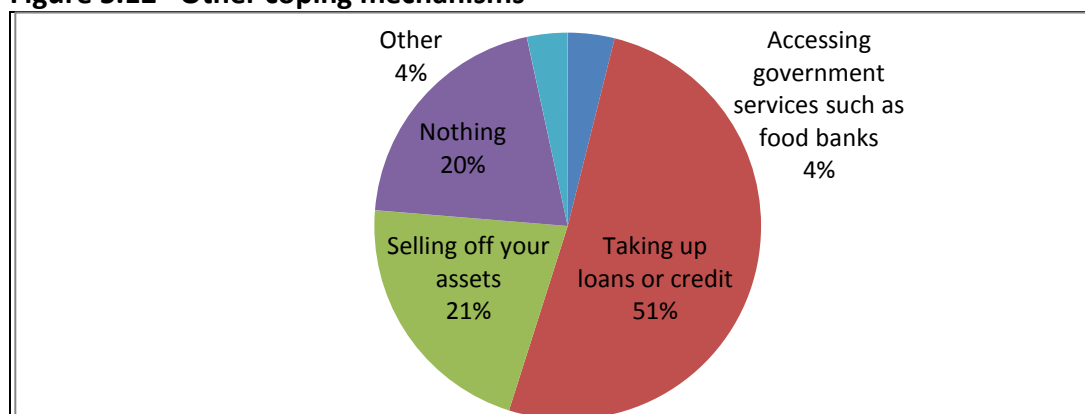
Among those who opted for additional work activities to increase or maintain/sustain family income, over half chose to engage in other income generating activities while close to 35 % opted for an increase in the hours worked within their current work place.

Table 5.29 – Share of households that have been forced to look for additional sources of income or work to supplement the family's income and type of income source

Additional source of income explored		
	Count	(%)
Yes	465	37,5%
No	774	62,5%
Total	1239	100,0%
Type of additional sources of income		
	Count	(%)
Increase the hours worked in current work place	164	34,7%
Take up another job in the formal sector	39	8,2%
Take up another job in the informal sector	30	6,3%
Engage in other income generating activities	240	50,7%
Total	473	100,0%

Households have also adopted other methods to cope with the challenges they are facing to maintain or sustain their livelihood. Among the 1185 respondents who answered this question, a little over half have taken up loans or credit. The second non work related coping mechanism is to sell off assets as indicated by 21.4 % of households. Only a very limited number of them indicated accessing government services such as food banks.

Figure 5.12– Other coping mechanisms



5.8. Impact on women

5.8.1. Impact on women’s household and market work burden

The study aimed at assessing the impact of the global financial crisis on women and girls because women and men are not in general affected in the same way by policies and shock. This is due to the fact that women and men do not play the same role in the society, in the work place, and at home. They have different roles and responsibilities.

This aspect of the analysis aims at assessing whether there has been a shift in costs from the market to the household thereby increasing women’s work load. As in many parts of the developing world, women play a role both in the market and the household sectors. In the market sector, those engaged in agricultural activities are involved in different stages of production and marketing.

As reflected in the table below, women engaged in crop production are involved in cultivation, harvesting and sales activities. Regarding livestock production, they are also involved in feeding, looking after, and milking and a little less in sales.

Table 5.30 - Role of women in agricultural production activities, crop and livestock

Role in the production and marketing of crop		
	Count	(%)
Cultivation	187	63,8%
Harvesting	180	61,4%
Sales	139	47,4%
Others	33	11,3%
Role in the production and marketing of the livestock		
	Count	(%)
Feeding	208	70,3%
Looking after	175	59,1%
Milking	215	72,6%
Sales	76	25,7%

Other	32	10,8%
-------	----	-------

In addition to these activities, women also play an active and pivotal role in the household. The table below shows that women are responsible for several activities without which the household would not be able to fulfill its basic needs. Among these activities, the primary one is cooking. It is followed by collecting water and wood. Then come cleaning, laundry, and caring for kids and elders.

Table 5.31 – Functions of women in the household by order of importance

	Rank	1	2	3	4	5	6	7	Total
Cooking	Count	462	104	12	23	8	0	0	609
	(%)	75,9%	17,1%	2,0%	3,8%	1,3%	0,0%	0,0%	100,0%
Cleaning	Count	32	103	210	161	79	2	0	587
	(%)	5,5%	17,5%	35,8%	27,4%	13,5%	0,3%	0,0%	100,0%
Laundry	Count	9	59	142	213	128	10	0	561
	(%)	1,6%	10,5%	25,3%	38,0%	22,8%	1,8%	0,0%	100,0%
Collecting water & wood	Count	80	209	106	74	64	7	0	540
	(%)	14,8%	38,7%	19,6%	13,7%	11,9%	1,3%	0,0%	100,0%
Care Kids	Count	25	113	95	73	192	38	0	536
	(%)	4,7%	21,1%	17,7%	13,6%	35,8%	7,1%	0,0%	100,0%
Care Elders	Count	6	7	10	8	36	279	1	347
	(%)	1,7%	2,0%	2,9%	2,3%	10,4%	80,4%	0,3%	100,0%
Other	Count	0	4	0	0	0	5	4	9
	(%)	0,0%	30,8%	0,0%	0,0%	0,0%	38,5%	30,8%	100,0%

In order to capture whether women have been forced to take on additional household tasks so as to compensate for some services, women were asked if they had been forced to take on additional responsibilities within the household illustrating these by examples such as providing care for the sick at home instead of taking them to a nearby clinic. As indicated in the table below, nearly one third of the 591 women who responded to this question responded with a positive answer. This reflects that the burden of household chores has increased for these women. There is no clear cut between the additional activities taken on that can enable us to conclude on a possible shift of costs from the market to the household sector (see table in annex).

Table 5.32 – Necessity to take on additional household tasks by women

	Count	(%)
Yes	166	28,1%
No	425	71,9%
Total	591	100,0%

Women were asked why they had to perform such activities within the household. The majority of them replied by indicating that these services are not available in close proximity of their residential areas. The answers provided also reflect a certain time poverty that women are subject to. Indeed, 27.9 % of women who answered this question indicated that

they lack time to access these services because of their heavy work load. 24.6 % of them indicated that they were not able to afford these services and therefore were forced to perform increased levels of household chores.

Table 5.33 – Reason for taking on additional and actual households chores

	Count	(%)
Lack of income to purchase these services	104	24,6%
Lack of accessibility of these services	188	44,4%
Lack of time to access these services because of heavy load of work	118	27,9%
Other	13	3,1%
Total	423	100,0%

Women were also asked whether the family income has changed during the post-crisis period compared to pre-crisis levels. As reflected by the table below, women confirmed that the family real income, thus their purchasing power, has decreased both in 2008/09 and 2009/10.

Table 5.34 – Decrease in family real income/purchasing power and reason for decrease

	2008/09		2009/10	
	Count	(%)	Count	(%)
Yes	516	84,5%	535	88,7%
No	95	15,5%	68	11,3%
Total	611	100,0%	603	100,0%

The main reason for such a decrease is inflation. 73.8 % of female respondents identified the price hike as the major reason for the decrease in their real income in 2008/09 while the share increased to 76.8 % in 2009/10. An average of 15 % of women also identified low levels of pay as another explanation to the decline in their family's real income. Once again, findings at the macroeconomic level have been confirmed by data at the microeconomic level regarding inflation.

Table 5.35 - Reason for decrease in real income

	2008/09		2009/10	
	Count	(%)	Count	(%)
Availability of work	45	8,3%	45	7,9%
Level of Pay	92	16,9%	80	14,0%
Inflation	401	73,8%	438	76,8%
Other	5	0,9%	7	1,2%
Total	543	100,0%	570	100,0%

Availability of work has been pointed out by a minority of women reflecting the country's situation. The survey covered essentially rural areas and the level of unemployment is very low. The major challenge faced by Ethiopians, who are over 80 % located in rural areas, is inflation which is curbing their ability to purchase basic goods and services.

Table 5.36 – Necessity to look for additional source of income

	Count	(%)
Yes	177	29,7%
No	419	70,3%
Total	596	100,0%
Type of additional source of income		
	Count	(%)
Increase the hours worked in current work place	11	7,7%
Take up another job in the formal sector	17	12,0%
Take up another job in the informal sector	11	7,7%
Engage in other income generating activities	103	72,5%
Total	142	100,0%

Most interviewed women were not forced to look for additional sources of income to cope with the loss of income of their family. However, nearly one third of them had to take on additional income generating activities.

5.8.2. Effect on women and girls relative to men

The sections above have shown that the global financial crisis had no gender differentiated impact on education and health services. Both men and women were able to access/purchase these services. In addition, no notable reduction in these two services has been indicated by the interviewed household female and male members.

The flower sector, a highly female intensive sector demonstrated a surprising growth in employment and income. The gender differentiated impact is rather positive for women in this sector. The hotels and restaurants sector, also a female intensive sector but also a labor-intensive sector has been expanding during the post-crisis period. Women have therefore not been adversely affected by changes in this sector.

Beyond the gender focused analysis presented above and in earlier section, we have tried to check whether there are gender disparities for a selected number of indicators. The gender disaggregated findings of the survey are presented in the following. The indicators chosen for this analysis are income, nutrition, and livelihood.

By comparing the responses given by women to those of men, we can verify whether there is a difference in perception. This approach is interesting because there is little difference in the employment status and category between men and women that have been interviewed. Regarding the number of meals per day, its changes, and the reasons, both men and women have given are very similar. The tables containing the comparative answers are provided in the annex. Women engaged in agriculture crop and livestock production have also provided similar answers to questions addressing changes in production and income compared to their male counterparts. The gender disaggregation of the findings in the flower, leather and hotels and restaurants sectors have also shown no notable disparity between men and women with regard to the impact of the crisis.

The team also aimed at cross-checking information provided by men and women living within the same household. Accordingly, 54 additional respondents were interviewed. These respondents are either the husband or wife of the respondents initially interviewed by the enumerators.

We extracted the answers provided by the two heads of households and proceeded to compare them for four indicators: education, health, nutrition, and livelihood the tables are available in the Annex. Regarding access to health services during the post-crisis period, while 92.3 % of wives indicated having access, 84.3 % of husbands gave the same answer in 2008/09 and the shares were 88.5 % and 84.3 % respectively in 2009/10. Regarding access to education, 75 % of wives responded yes while 70.6 % of husbands responded no in 2008/09 and the shares were 76.9 % and 68.6 % respectively in 2009/10. The comparison was also made for nutrition indicators. This showed that 86.5 % of wives responded yes to changes in dietary habits while 84.3 % of husbands responded no in 2008/09 and the shares were 88.2 % and 90.2 % in 2009/10. Another indicator utilized for nutrition is the number of meals per day. With regard to changes in that, 80.9 % of wives indicated a decrease while 75.6 % of husbands gave that answer.

The comparison between the wives' and husbands' responses to the same question does not show any significant difference. Therefore, there is not a discrepancy in perceptions of the situation in families regarding important indicators. The idea behind sampling two members of the same households for a sub set of households was aimed at capturing gender differences in coping mechanisms. The survey showed that both the male and female heads of household gave similar answers. The only point here is that the share of wives' answers was higher than that of husbands'.

5.9. Impact on the poor and vulnerable groups

One of the objectives of this study was to assess the impact of the global financial crisis on poor households and vulnerable groups especially young girls, women and children and their access to basic services especially SRH and HIV/AIDS services and education. To this end, the survey was designed in such a way so it can directly and indirectly address these aspects. The sampling selection was gender sensitive and nearly half of respondents were women. Also, specific questions were designed for women and girls concerning their access to education, general health and SRH services as well as their role in the household to capture time poverty issues. A special section of the questionnaire was also designed for people living with HIV/AIDS. The different sections above have presented the impact of the crisis on these groups of respondents. This section will summarize the general findings and indicate whether these groups have been more affected by the crisis.

The most notable impact on these vulnerable groups channeled through soaring inflation rates and especially food inflation. Like the other respondents, these groups have had to modify their spending habits as a number of food items had become unaffordable. Also, we have found that households have also reduced the number of meals they consume per day to face these challenging times. This is of course believed to have a much more important impact on children and the poor as the reduction in food intake will impact their health. In addition, the fact that respondents have indicated modifying the composition of their food

intake will also have a more severe impact on children and the poor as their initial food composition is probably not varied and rich enough to fulfill basic nutritional requirements.

HIV/AIDS infected respondents, as one of the groups being considered as vulnerable, have also not experienced adverse effects of the crisis. Although a very limited number of such respondents were accessed by the survey, the overall results show that almost all have been able to maintain their treatment in the post-crisis years essentially because the latter are provided for free by the government health institutions. Assessing the impact of the crisis on people living with HIV/AIDS was a very challenging task as very few respondents were willing to participate in the survey. A great majority of them have been negatively impacted by the surge in inflation over the past two years but this has not resulted in an interruption of their treatment. This is also corroborated by HAPPCO offices which engage in providing different kinds of support to these people. A key informant in the SNNPR was of the view that inflation is exacerbating the problem. "The amount we used to disburse for income generating activities – 2000 birr, is not sufficient anymore. He further claimed that it is also causing problems in the support we provide in relation to educational materials.

However, as the information received from HAPPCO offices in some of the regions shows there has been a significant cut in terms of the support that these offices receive from donors like the Global Fund, World Vision, Red Cross, OSSA, UNICEF, UNFPA, IDA. As a result, they have not been able to provide services like awareness creation as well as support and care services have been pointed out as some of the major services that have been affected. In Benishagul for example the area of work which is highly affected is the care and support unit.

The following personal story from the region vividly illustrates the impact of the crisis on an HIV/AIDS victim.

Her name is Bauy Misganaw (not real name). She was born in Assossa town and grew up there. Her parents came from the Amahara regional state. They were settled there as a result of the 1977 draught that hit their area – wollo. Her parents were farmers. Her parents died sometime ago.

As she didn't have anyone to depend on she left the village and went to the city centre. She was engaged in various types of activities to support herself. In 1994 e.c she found out that she is HIV positive. She then immediately joined an association for people living with HIV and AIDS called "tesfa bilicta". As a member, she was engaged in teaching and awareness creation activities. She used to receive 600 birr a month which covered her rent as well as daily essentials like food.

However, starting from 1999/2000 her support she received from the association stopped. As a result she was forced to leave the rented house. As she was desperate to support herself she was forced to engage in sex work as a prostitute. Currently she is taken ill gravely and isn't able to do the sex work. It is her friends that look after her.

The Association that used to provide support to Bayush claims that it has stopped providing support to people like Bayush. The main reason is that its major donors have stopped

providing support to the Association. As a result, its activities are now limited to providing minimum support in the form of nutritious food rations to limited a number of people.

The impact on women has been found to be similar to that of men. Women and girls were not found to be more affected than men for several indicators. Their access to education has not been more affected compared to boys. The same applies to health services and especially SRH services. Regarding the load of household work undertaken by women and girls, findings show that their chores have not increased as a result of the crisis confirming that there has not been a shift of costs from the market to the household sector where women and girls are the major duty bearers. This means that within the interviewed households, there does not seem to be young girls that have been taken out of school to the advantage of their brother. In addition, it also means that no girls have been forced to take on additional household tasks to the disadvantage of time devoted to leisure or schooling activities. At the sector level, findings have shown that female intensive sectors have not been negatively impacted by the crisis although macroeconomic level indicators may have suggested otherwise.

However, if one views the impact of the crisis on women from the perspective of the impact of the crisis on livelihood as well as the impact on the agriculture sector, they seem to be more likely to be affected than men. This is because in both cases, any positive or adverse impact is likely to have gender differentiated impact to the extent that women bear the burden of providing livelihood as well as engaging in agriculture to a great extent.

As the data as well as findings from key informants indicates, the impact of the crisis on the agricultural sector is going to be hard on women. According to key informants whenever there is less output; men can be hired in alternative means of livelihood for example in Bensihagnul the men can migrate to areas where there are investors like in the neighbouring woredas or they will be engaged in chat trade. But women don't get this chance because most of them are Muslims and women cannot work far away from home and further they cannot move to another place and work because they have to take care of their children.

Another gender impact in the agricultural sector relates to the rise in the price of fertilizers and how this has a gender-differentiated impact. Whenever there is rise in price, the female heads of households resist using fertilizers or other inputs because they don't want to take the risk. This would have implications on productivity and income and generally on livelihood.

Some key informants have reported that generally when living costs increase the effect is worse for women because they are forced to work additional jobs. For example, in some of the regions we visited they engage in collecting woods in forests to sell it in the market. Similarly, in some others the effect of the fall in the price of agricultural products as well as the accompanying rise in the cost of living on gender equality is very much felt. In woredas where the majority of the agricultural work is done by women, the fall in price of produce has forced the women to switch to other activities like digging for gold and selling of woods and bamboo. These kinds of work consume high energy and time which obviously results in poor health conditions. Even the girl child is recruited for this kind of work thereby forgoing the opportunity to go to school.

Similarly, the effect on women can be seen from the perspective of the work done by women’s affairs bureaus in the various regions. Some of the key informants in women’s affairs bureaus of the various regions indicated that they have been receiving support from NGOs/donors like Action Aid and Care Ethiopia in 2001 EC but these kinds of support have stopped now. As a result activities around cottage industry, income generating activities have been severely affected.

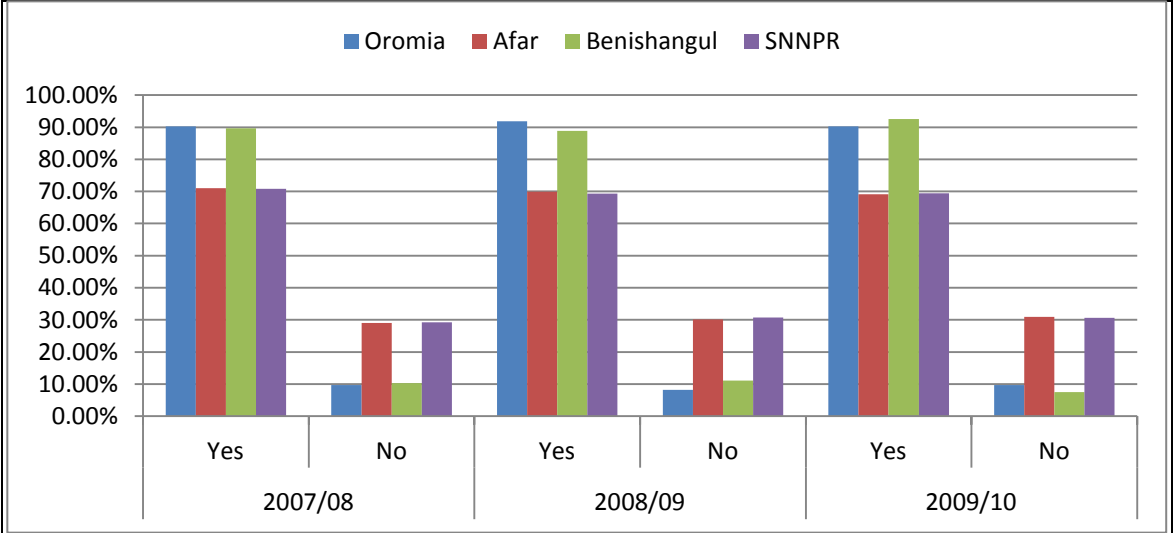
5.10. Regional disparities: urban/rural and vulnerable regions

The survey essentially focused on rural areas reflecting the situation of the country where over 80 % of the population is concentrated in rural zones. To undertake a rural versus urban comparative analysis, we utilized a selected number of indicators. These are: livelihood, income, employment, nutrition, education and health.

Urban areas are defined as Hawassa in the SNNP region and the remaining corresponds to rural settings. The section also looks at specific impacts on the two food insecure and vulnerable regions of Afar and Benishangul more closely to identify whether there are specific tendencies in these regions.

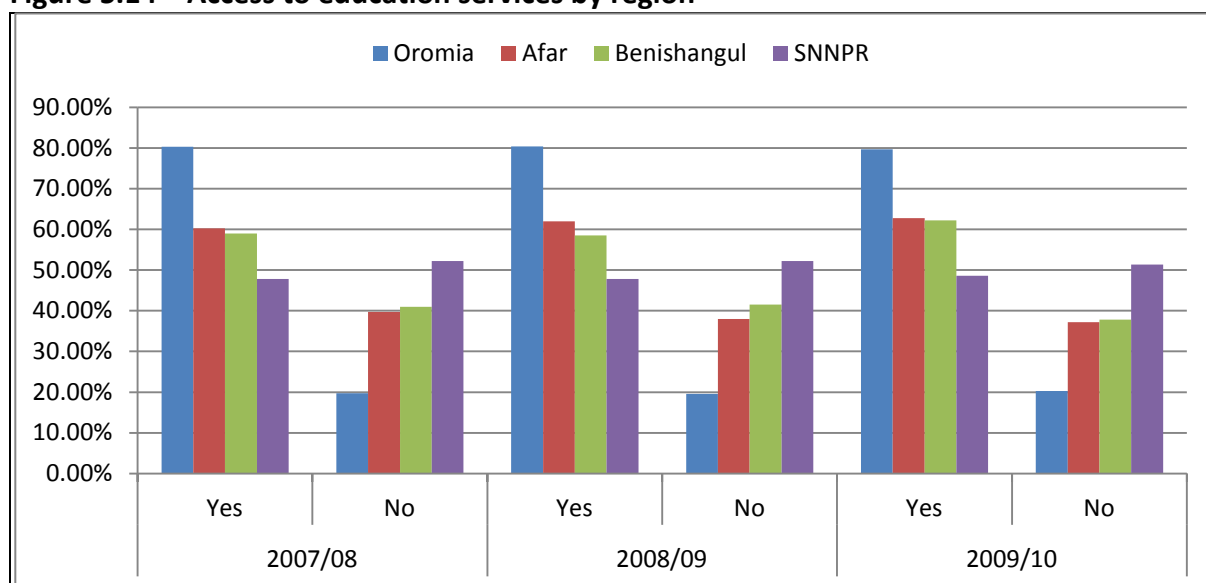
Regarding access to health services, there doesn’t seem to be a regional disparity in access during the post-crisis period compared to the pre-crisis year. However, a greater proportion of households have access to health services in Oromia region. The urban center, Hawassa, does not seem to present a different trend from the other regions.

Figure 5.13 - Access to health services by region



Regional disparities are also limited with regard to access to education services when comparing pre and post-crisis situations. Both in urban and rural settings, the crisis does not seem to have impacted access to education services. Disparities however exist when looking at the pre-crisis shares of respondent with access to education. While over 80 % of respondents indicated having access to education in Oromia, a much lower share stated accessing education services in the three other areas.

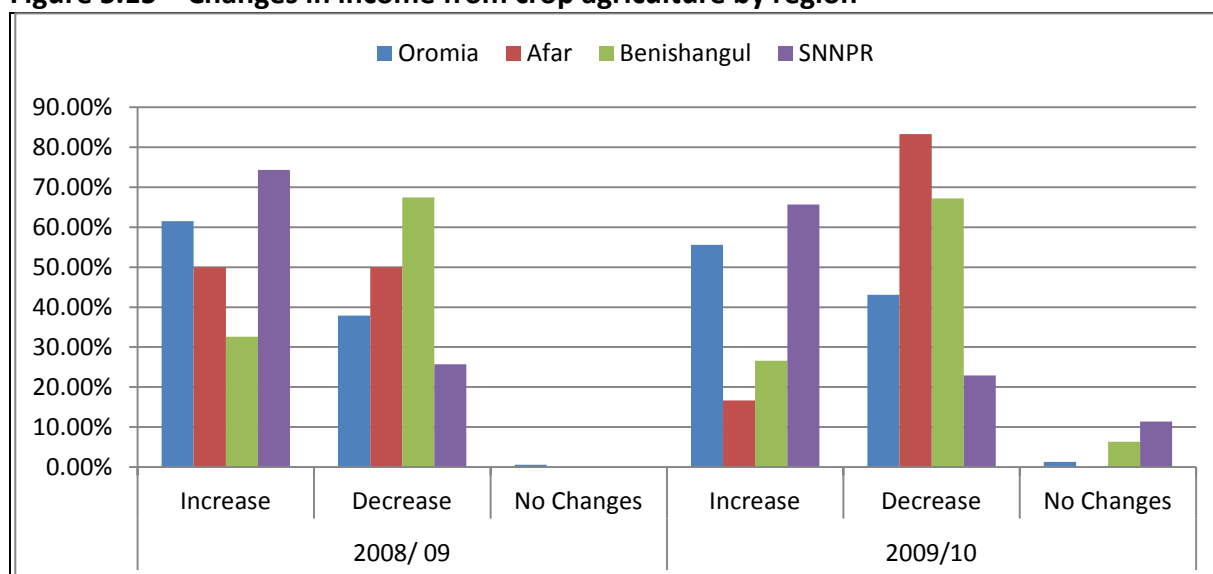
Figure 5.14 – Access to education services by region



Regional disparities are however more apparent when it comes to income from agricultural produce. While income has increased for a greater number of respondents in Oromia and SNNP, income from crop production has decreased in Benishangul in 2008/09. The same trend was observed in the following year. Here, there does not seem to be disparities between urban and rural settings.

Afar and Benishangul, the two food insecure and vulnerable regions, do not seem to have been especially affected by the crisis regarding access to health and education services. However, these two regions seem to present a much lower access to education at the pre-crisis year compared to the big region of Oromia.

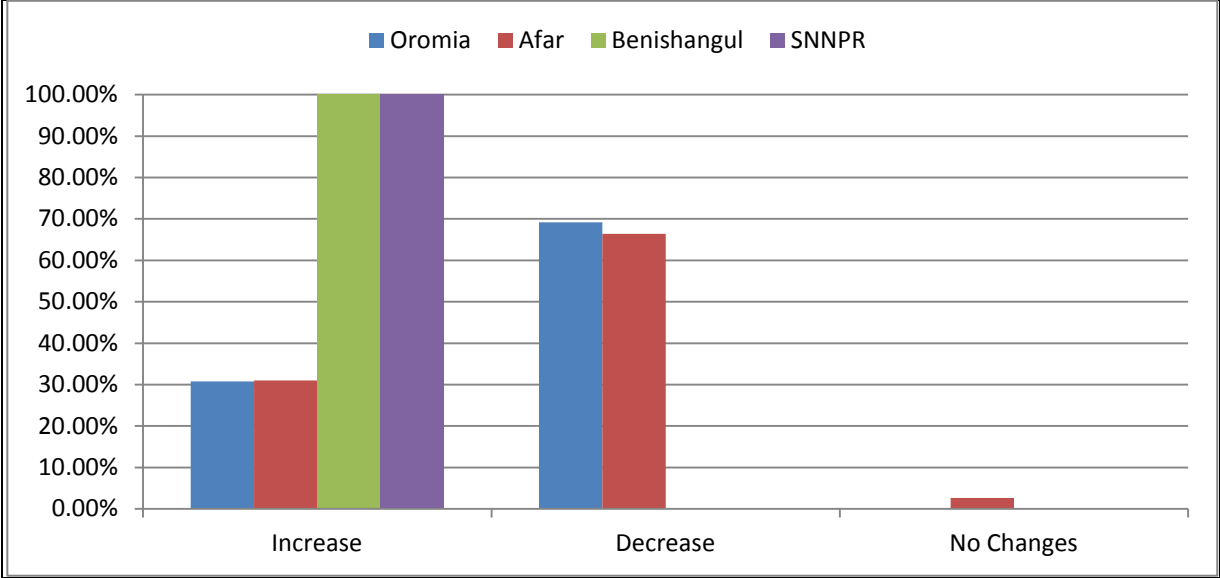
Figure 5.15 – Changes in income from crop agriculture by region



Regional data shows that there are no disparities regarding the changes in income from livestock farming. Both farmers in Oromia and Afar indicated a decline in income from their

activities during the post-crisis years. The impact of decreases in Afar may however be more severe for farmers as it is probably their major and only source of income unlike in Oromia where farmers would engage in different agricultural activities thereby diversifying their sources of income.

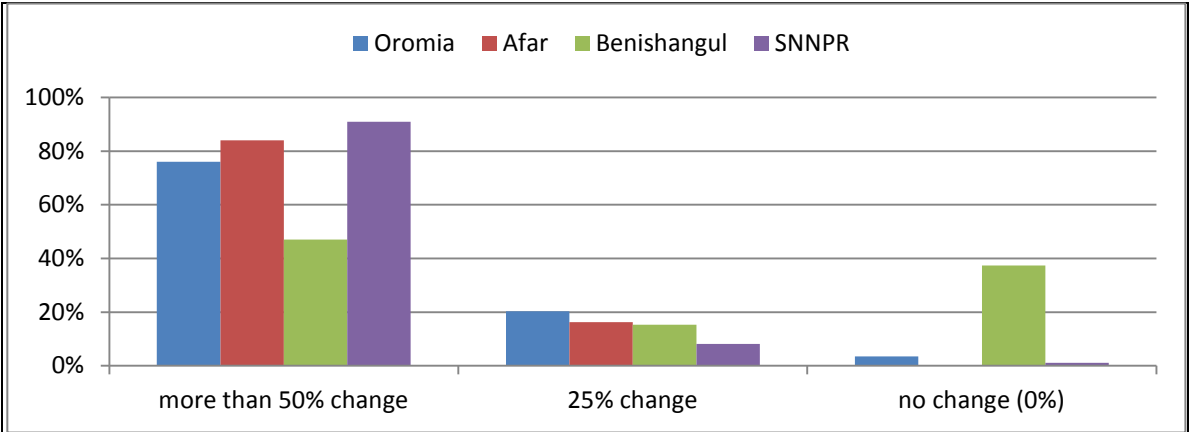
Figure 5.16 – Changes in livestock agriculture income by region



Some regional disparities have been found regarding the impact of inflation on real income. Overall, close to 80 % of respondents indicated having been affected by the surge in food and non-food prices. At the regional level, the urban center of Hawassa in SNNPR seems to have been slightly less affected by a diminishing real income. This is due to the fact that interviewees in this urban center are mostly employed in industries that have expanded during the post-crisis years. The respondents that seem most affected by the decline in real income are from the Afar region. Here, we have some urban versus rural and vulnerable versus big region disparities.

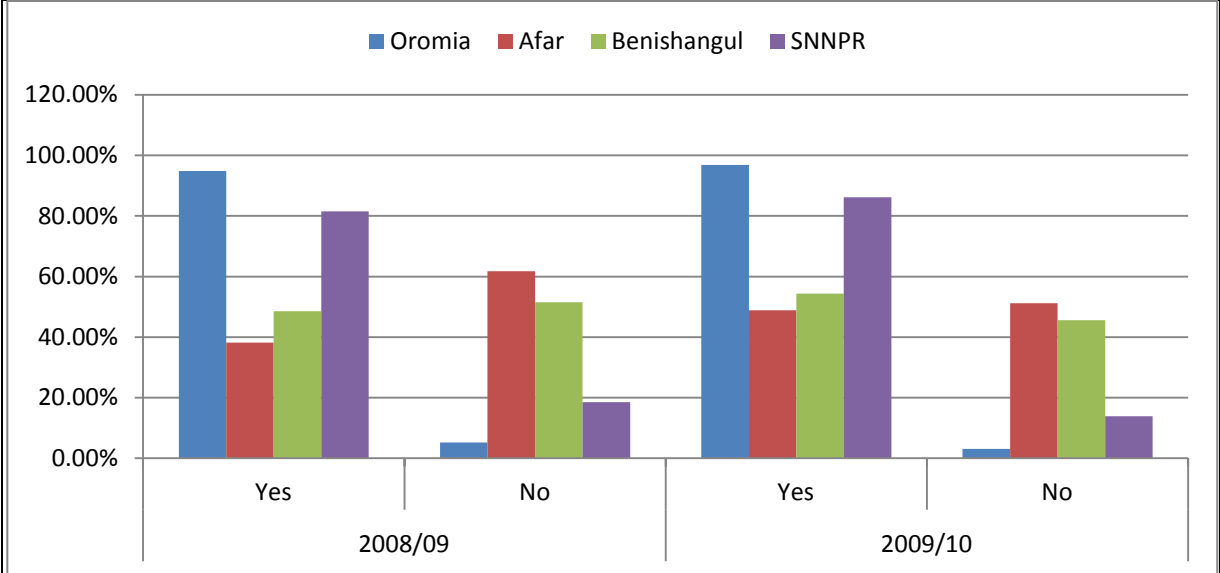
Looking at changes in the family’s spending habits on major categories of essentials such as food, clothes, education, health, transport, and rent, the overall survey indicated that 76 % of households had to make at least 50 % changes. At the regional level, the same trend is observed except in Benishangul where more than half of respondents indicated having made little or no change to their spending habits. In Afar where most residents are engaged in livestock farming, the proportion of households having adjusted their spending habits is important because they have to purchase almost all the food items they consume.

Figure 5.17– Changes in the family’s spending habits on the different categories of essentials



In parallel to changes in spending habits, the survey found that respondents also adjusted their dietary habits. More than 80 % of respondents indicated having changed the composition of their food consumption. Regional disaggregated data shows that while residents of Oromia and SNNPR changed their habits in 2008/09 and 2009/10, those residing in the two food insecure regions have not for over half of them. The situation in Afar is explained by availability of food items as most food commodities are imported from other regions in Ethiopia. In Benishangul, the main reasons are affordability and prioritization.

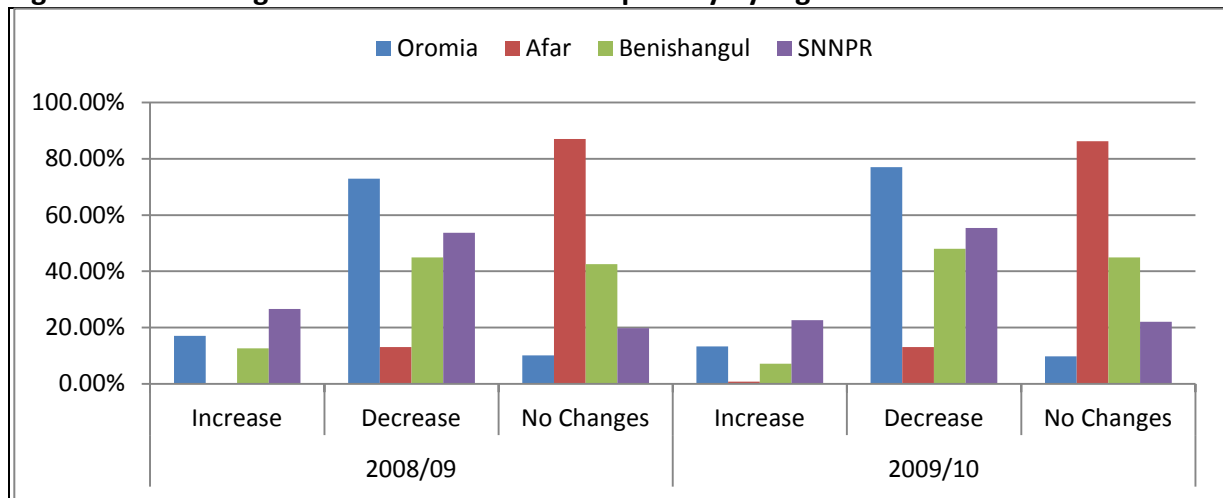
Figure 5.18 – Changes in dietary habits by region



In addition to questions on changes in dietary habits referring to the types of food items consumed, respondents were asked whether they also made changes to the number of meals they consumed per day. The general tendency indicates a decrease in the number of meals in one day. There are regional disparities observed. Oromia concentrates the highest share of respondents that have indicated having reduced the number of meals per day while Afar concentrates those having indicated not changing their level of consumption. The urban center of SNNPR shows that half of the respondents reduced their meals per day. In

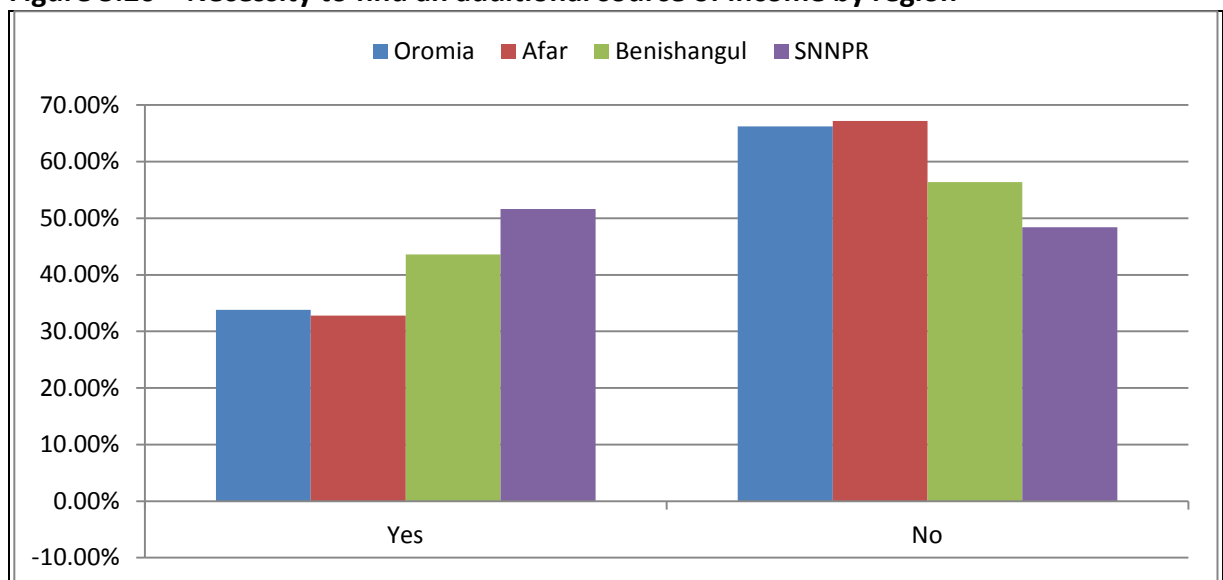
Benishangul, a similar share of respondents indicated either having decreased or having made no changes to the number of meals consumed in one day.

Figure 5.19 – Changes in the number of meals per day by region



People tend to adopt different coping strategies when facing difficult times in life. When income and purchasing power decline one strategy is to find another source of additional income as indicated by 37.5 % of respondents. Regional disparities arise regarding this question. While respondents living in urban settings indicated looking for an additional source of income, those residing in rural settings indicated the opposite. This can be explained by the fact that most urban residents are wage earners and have the opportunity to access other types of employments while rural settlers are essentially self employed.

Figure 5.20 – Necessity to find an additional source of income by region



Overall, the disaggregation of the findings by region has not revealed major disparities with regard to the impact of the crisis. The few variations do not allow to state there are notable regional differences. The urban versus rural difference is also not apparent on a general basis. Finally, food insecure and vulnerable regions such as Afar and Benishangul do not seem to be particularly more affected. The impact is visible when it comes to food inflation

as most of the food items are not produced in the region and therefore more expensive than other places.

5.11. Role of environmental factors in agricultural activities

One of the tasks of this assignment consisted in identifying whether environmental factors played a role in agricultural activities outcome level and quality as well as productivity. Accordingly, respondents engaged in agricultural activities were asked three questions on environmental/climate issues. The findings are presented below.

Both crop farmers and livestock farmers indicated having observed environmental/climatic changes over the past years in their area of residence and in their line of work. More than 84.6 % of crop farmers and 90.8 % of livestock farmers indicated having observed such changes.

Table 5.37 – Have environmental changes been observed

	Crop farmers		Livestock farmers	
	Count	(%)	Count	(%)
Yes	411	84,6%	295	90,8%
No	75	15,4%	30	9,2%
Total	486	100,0%	325	100,0%

Farmers were also questioned about the types of environmental changes they observed. Most respondents indicated having observed weather related degradation such as rain level, drought, floods, etc. Soil degradation and erosion has also been identified as another environmental change.

Table 5.38 – Type of changes observed in environment

	Crop farmers		Livestock farmers	
	Count	(%)	Count	(%)
Weather (rain level, drought, flood, etc)	363	89,0%	261	87,6%
Soil degradation	38	9,3%	26	8,7%
Other	7	1,7%	11	3,7%
Total	408	100,0%	298	100,0%

The effects of the changing environmental/climate conditions have been found to negatively affect the agricultural sector. Indeed, over 85 % of both crop and livestock farmers indicated that the observed environmental degradations have negatively affected their agricultural production, productivity and quality of output.

This is further corroborated by key informants from the Agriculture and Rural Development Bureaus of the various woredas visited. In all the woredas visited, certain common factors were identified as having exacerbated the impact of the crisis on the economy in the country and the agriculture sector in particular. Among these factors, stands climate change. The main problem with regard to climate change has been the inadequacy of the level of rainfall as well as the fact that rain doesn't come according to the usual season.

Table 5.39 – Effect of observed environmental change on agricultural production, productivity, quality of output

	Crop farmers		Livestock farmers	
	Count	(%)	Count	(%)
Increase	52	12,5%	36	11,2%
Decrease	365	87,5%	274	85,1%
No changes	-	-	12	3,7%
Total	417	100,0%	322	100,0%

This is therefore an aspect that needs to get increased attention from the government as the environmental factor adds another constraint on agricultural activities and may curtail the efforts engaged by the government to develop this sector with the aim of ensuring food security and reduction of poverty.

6. Major coping strategies adopted

One of the aims of this study was to assess major coping strategies adopted by the different groups of respondents. Accordingly, questions addressing this aspect were integrated all along the survey questionnaire. These were either targeting specific groups or the bulk of all respondents. The findings are presented in what follows.

At the sectoral level, what the study has found is that industries affected by one or the other of the transmission channels have not systematically opted for a reduction of costs through cuts in the labor force. This has enabled employees in flower farms and in the leather industry to maintain their jobs and sometimes even increase their work. The construction sector is the one sector that has shown some variations in labor demand as the majority of workers are day laborers with little specialization and a high substitutability rate. In the agricultural sector, crop farmers have coped with the impact of the crisis by producing more or by benefiting from the general increase in food prices. Regarding the livestock sector, important increases in prices have had little impact on the decreases in volumes.

The present study has shown that the global financial crisis affected Ethiopians in different ways and in different scopes depending on their sectors of employment. Unlike macro level effects, the human impact of the crisis at the micro level appears to have been fairly limited. The major transmission channel of the crisis from the macroeconomic level to human dimensions seems to have been through its effects on rising inflation which severely affected households' purchasing power.

To cope with the impact of inflation, and especially food inflation, the study has found that households have adjusted their expenditure levels and types both in food and non-food items. The number one consumption commodity that has been affected is food both in terms of quality and quantity of food intake by households(see section 5.7.1.).

Consumption patterns have also been affected by the crisis. Important inflation rates have led households to modify the composition of the major basic goods and services they budget for. The post crisis period seems to be characterized by major changes in spending habits of Ethiopian households. Among the categories of essentials that have been affected, the major one is food which represents over half of household expenditure in Ethiopia. After food, clothes and health are the most affected expenditures followed by education, rent and transport.

A great majority of respondents have changed their dietary habits in 2008/09 and 2009/10 because food items have become much more expensive. Another indicator of the human impact of the crisis on nutrition is the number of meals per day. The study has found that another coping mechanism adopted by households in the face of soaring food prices has been found to be the reduction in the number of meals per day.

Crop farmers have adopted different coping mechanisms to face the challenges of loss of real income. A little over half have indicated consuming fewer products that are purchased in the local market. Others (19 %) are producing more in their farms for own consumption purposes thereby reducing goods purchased on the market. A little over 20 % have chosen

to partially shift to other crops (cash crops) that can generate an increased income. Others have diversified cultivated crop to diversify source of income and consumption.

Another coping strategy adopted by the respondents consists in engaging in an activity that can generate an additional income or to maintain real income. This was adopted by over one third of respondents. Among those who opted for this strategy they either chose to engage in other income generating activities outside their work while others opted for an increase in the hours worked within their current work place.

Households have also adopted non-work related methods to cope with the challenges they are facing to maintain or sustain their livelihood. The survey has found that it is not uncommon for respondents to take up loans or credits. The second non work related coping mechanism is to sell off assets as indicated by a little over 20 % of households. Only a very limited number of them indicated accessing government services such as food banks.

7. Policy responses

After an initial inaction and a belief that Ethiopia was shielded from the global financial crisis, the government responded by taking several policy measures to mitigate the impact of the crisis as it turned from a financial crisis to a global economic slowdown. The government intervened on the monetary, fiscal and external fronts. No explicit policy intervention has been implemented on the social arena.

7.1. Monetary policy

The Government of Ethiopia has been implementing restrictive monetary policies to mitigate the impact of inflation (NBE,2008/09). These include:

- Tightening of the money supply by containing broad money growth to below 20%;
- Raising the minimum saving deposit interest rate from 3 to 4% and recently to 4.5 %;
- Adjusting liquidity requirements from 15% to 25% as of April 7, 2008 and reserve requirements for banks from 5% to 15%.

Disbursement of Loans - The Ethiopian government has been implementing a restrictive monetary policy using reserve and liquidity requirements to control inflation rates. Reserve requirements have almost tripled to 15% and the monetary growth target was set to 20% for FY 2008/09. Lending by private and public banks had reached a standstill until the month of April 2011. The average level of private bank lending has declined to half of the peak lending volume seen in 2006. Credit to the private sector has declined from an annual growth of 32% in 2005 to 22% in 2008 and 8% in the first half of 2009 (NBE,2008/09 2009/10).

The monetary adjustment is being felt most strongly by the private sector. According to the private sector business community, accessing bank loans had become increasingly difficult. The tight monetary policy implemented by the government has reduced the loans/capital ratio of banks. Private sector activities have slowed due to lack of access to financing, among other factors.

Resulting from the restrictive monetary policy implemented in 2008, the disbursement of loans has been significantly reduced. The FY 2008/09 witnessed declines in fresh loan disbursements of 6.5 % after a considerable increase of 75.2 % the previous year. Loan disbursement picked up again in 2009/10 but at a rate only 6 % higher than the pre-crisis level of 2007/08.

Letters of Credit (LCs) - The Ethiopian financial sector has been notably affected by the global crisis regarding its capacity to issue LCs for the private sector to import raw material and inputs for production. LCs previously took two to three days to issue. Due to the crisis however, the waiting time has been prolonged and now takes between three to six months to obtain.

The monetary policy was therefore geared towards rebuilding international reserves through the rationing of foreign exchange. The situation has currently improved as the country has slowly recovered a relatively comfortable reserves level.

Reduction of Non-Performing Loans (NPLs) - In addition to the above mentioned measures, the NBE has strengthened regulation of banking, insurance and microfinance institutions by issuing a revised proclamation. This was aimed at reducing risky behavior of banks by reducing their non-performing loans below 5 %.

7.1.1. Fiscal policy

In addition to these monetary measures, efforts have been and are being made to mobilize domestic revenue and reduce lower priority expenditures, while maintaining spending in key poverty-oriented sectors. This fiscal approach was planned in such a way that expenditure on key poverty-oriented sectors namely: education, health, agriculture and rural development & roads, is not affected. Poverty-oriented sectors accounted for 46% of current and over 80% of capital expenditure in EFY 2007/08. Poverty reducing expenditure as a percentage of GDP rose from 12.2 % in 2007/08 to 12.8 % in 2008/09

In line with this policy intervention, government borrowing from the domestic banking system was reduced in 2008/09. Credit to government dropped by 0.9 % in 2008/09. Also, government fiscal deficit slowed down from 2.9 % in 2007/08 to less than 1 % in 2008/09. The overall fiscal deficit of the general government excluding grants narrowed to 5.4 % of GDP from 7 % in 2007/08. This was due to the decline in government expenditure as a share of GDP from 19.1 % in 2007/08 to 17.2 % in 2008/09 while the ratio of revenue to GDP remained similar. In parallel, the government made progress in its revenue collection from taxes which rose by over 20 % owing to a 40 % growth of income from direct taxes.

7.1.2. Exchange rate policy

The government continued to create a conducive environment to enhance exports and private remittance transfers through greater flexibility in the foreign exchange market and by undertaking structural reforms to improve productivity and export competitiveness. Accordingly, the average nominal foreign exchange rate had depreciated by 12.7 % in 2008/09. The Birr depreciated against all major currencies but appreciated against the pound sterling and the Swedish kroner. The depreciation rate against the US dollar, the main intervention currency in Ethiopia amounted 16.2 %. In addition to this, the government issued a foreign currency-denominated Diaspora bond. The bond was issued in 2008 by the state owned power utility company, the Ethiopian Electric Power Corporation(EEPKO) through the Commercial Bank of Ethiopia (CBE) with maturity period of 5, 7 and 10 years. The government also made currency swap arrangement with China.

7.1.3. Social protection programs

No direct social policies have been implemented explicitly by the government to tackle the adverse human effects of the crisis. Authorities have adjusted domestic fuel prices by eliminating fuel subsidies to face major macroeconomic imbalances. Fuel prices tend to transmit to other prices very rapidly affecting the most vulnerable populations especially when it affects already high food prices.

Although no direct interventions have been observed on the social front, the government has been intervening to limit the effects of soaring prices. The government has been importing grains and distributing them in the local market thereby lowering food prices. Also, the government has waived value added tax on grain and edible oil to stabilize prices. To ease the shortage of cement that is creating a soar in prices due to ever increasing demand, the government has put in place a mechanism to import cement and supply it to users through the government-owned Wholesale Trade Enterprise.

Furthermore, it has recently taken price ceiling measures targeting a certain number of essential consumption items (both local and imported) imposing a maximum sales price. The government fixed the price of seventeen commodities including: bread, rice, imported milk, soap, beer, soft drinks, orange, banana, pasta, meat, paint corrugated sheet, exercise books and pen. This intervention was aimed at fighting artificial price determination caused by speculators in the market.

8. Conclusion and recommendations

The Ethiopian economy has made tremendous strides over the years. In the wake of the global economic and financial crisis, there are fears that these hard-won improvements in terms of economic growth and poverty reduction may be undermined. This report assesses whether the effects of the global financial downturn have indeed reached Ethiopia given the relatively weaker financial linkages of the country's economy with international financial markets. The assessment proceeded on two fronts: the economic and the human dimensions.

The impact of the crisis on the economic front was examined from the perspectives of the two major transmission channels to the Ethiopian economy: trade and financial flows. In addition to these, as the crisis is expected to have spill-over effects at the macroeconomic level due to interrelations within the local economy, the following indicators were investigated: government revenue and expenditure, the current account balance, the capital account and the balance of payments and foreign currency reserves.

Export: As the figures from the compiled data indicate, the global financial crisis has affected the exports of the country. The figures show that on a quarterly basis, export earnings started decreasing during the first quarter of 2008/09 and plummeted during the second quarter of the same fiscal year. Although there was a slight respite in terms of decrease, exports plunged again during the second quarter of the 2009/10 fiscal year and soared to a record high level in the fourth quarter of 2009/10 due to the strong devaluation of the birr. This trend was driven to a large extent by changes in export values of the major export commodities of the country and especially coffee and oilseeds which account for half of Ethiopia's export earnings. Another impact is seen in terms of the slowdown in the growth of export earnings during the crisis period. The changes in export receipts resulted from a decline in volumes as well as international prices during the target period. It should be noted that other internal and also external factors may play a certain role for this outcome in addition to the crisis. Overall, the declines in volumes and international prices of major export commodities resulted in the contraction of export earnings; this was however mostly offset by increases in volumes of some of the products like oilseeds and flower.

Import: The crisis has had impact on the imports sector. The total imports bill during the 2008/09 fiscal year showed a 13.4 % increase compared to the previous year but the annual imports growth rate has decelerated. Imports grew by 32.9 % between 2006/07 and 2007/08 while only by 13.4 % between 2007/08 and 2008/09. Import of semi-finished goods such as fertilizer (-10.4 %) has declined as well as the import bill of fuel (-22.5 %) between 2007/08 and 2008/09 and further declined in 2009/10. The ratio of imports to GDP also declined in 2008/09. The EFY2009/10 marked a moderate increase in imports compared to the EFY 2008/09. For some items such as raw materials and semi finished goods, imports were still lower than their pre-crisis level.

What has been the impact on government's revenue and expenditure as well as the various sectors?

Total revenue increased by 37.6 % in 2008/09 due to the increase in external grants. However, the following fiscal year registered a much slower annual growth rate of total government revenue (21.3 %) because of a decline in external grants and non-tax revenue. Government revenue is estimated to grow by an even slower rate in 2010/11 due to a slower growth in domestic revenue.

Following a slower growth in government revenue, public expenditure grew at a less sustained but still at an increasing rate. Both current and capital expenditures increased compared to their level the preceding year but at a lower rate.

The spillover effects of reduced trade and financial flows have affected government accounts. On the current account, the effect has been expansion of its deficit. The deficit expanded in 2008/09 owing to a widening trade deficit of 17.5 % as exports declined by 1.2 % while imports increased by 13.5 % despite improvements in surplus in the services account as well as the increase in private transfers.

Another impact is seen on balance of payments. After registering a 263.5 million USD deficit in 2007/08, the Balance of Payments registered a surplus in 2008/09 amounting to 376.8 million USD. Although the current account deficit widened during this period, this was offset by net capital inflows. The BoPs balance remained positive in 2009/10 due to the slowdown in imports growth and an increase in other capital inflow.

Although several factors have contributed to the decline in foreign currency reserves such as the food and oil crisis towards the end of 2007, this was further aggravated by the decrease in foreign currency inflows from exports, private transfers, FDI and aid monies which can be attributed in part to the crisis.

Coming to the financial flows, the impact of the crisis was examined from the perspective of its impact on remittances, ODI and FDI.

Remittances: There was a slight decline in the third quarter of 2008/09 compared to the same quarter of the previous year. The trend followed a decreasing path for the coming period. On average, the inflow from remittances declined by 6.5% between January and June 2009. At a more disaggregated level, one can see that official transfers have been increasing at an increasing rate between the pre and post crisis period while private transfers have been increasing at a decreasing rate. The crisis has resulted in a 9.6 % decrease in cash transfers from private individuals. Although transfers in kind and underground transfers increased, they increased at a rate 80% lower than that of the pre-crisis period. It should be noted that this may have significant effects on households receiving these transfers as they may represent an import source of supplementary income.

ODA: As expected, the financial crisis has put some pressure for sometime on many of Ethiopia's traditional donors due to competing needs to tackle the aftermath of the crisis in all affected countries. Unlike other foreign financial flows, external grants were not affected in 2008/09 having increased by 45.8 % from the preceding year. However, a downward trend was registered in 2008/09. External grants decreased by 14.4 %. This was however a

transitory phase as external grants picked up again in 2010/11 a 14.1 % higher than the level in 2008/09.

FDI: On an annual basis, foreign investment capital in terms of newly approved projects increased by 82.1 % in the pre-crisis period to decrease by 20.7 % in 2008/09. This may not be directly attributed to the financial crisis; however, it overlaps with the period of crisis.

Another impact on the finance front is the effect of the crisis on the country's financial sector in terms of limiting its capacity to issue LCs for the private sector to import raw materials and inputs for production. LCs previously took two to three days to issue. Due to the crisis, the waiting time had been prolonged and took between three to six months to obtain. Further, some sectors had been prioritized by the government with regard to their ability to obtain letters of credit. For example, businesses related to agricultural inputs such as agro-chemicals have been given priority access to foreign currency, as they have found it easier to obtain letters of credit from banks. Other sectors have a longer waiting time.

When one examines the overall impact on the economic growth of the country, the global financial crisis had an impact on the Ethiopian economy. The Ethiopian economy went through a slight slowdown in growth. GDP growth declined from 11.8 % in 2007/08 to 10.0 % in 2008/09 and to 10.4 % in 2009/10. This entails a decline of 15.2 % in annual growth rate for the EFY 2008/09. It is however estimated to pick-up to 11.0 % in the current fiscal year.

In the human dimension front, the assessment focused on the impact of the global financial crisis on access to health, education and other basic services for the poor, vulnerable groups like young girls, women and children including access to sexual and reproductive health services, and care and treatment for those affected by HIV/AIDS.

Overall, the data shows that the global financial crisis has not had an impact on health services at the household level. Although at the macro level, the data showed a slowdown in annual growth of public recurrent and capital expenditure in the health sector, this has not been transmitted to the household level through cuts in public health services provision.

In regards to the impact of the crisis on people living with HIV/AIDS, getting adequate and representative data was a very challenging task. Indeed, very few respondents were willing to participate in the survey. From the available data, one can observe that the negative impact on these people comes from the surge in inflation over the past two years. A notable impact of the crisis on people living with HIV/AIDS is the cut or reduction in aid and support to various associations and HAPPCO offices. There has been a significant change in the amount of budgetary support they receive from non-governmental sources. This may bring about adverse impacts on important services such as care, treatment and support to people living with HIV and AIDS.

One observation that can be made here is there is continuing challenge in terms of securing adequate budget to provide the required services both for HIV/AIDS patients as well as in the provision of reproductive health. The pressure however mainly appears to have come from factors like inflation, increase in the number of population which in effect increases the

pressure on the existing infrastructure and finally the fact that more and more people are now seeking modern health service.

With regard to services specific to women such as reproductive health services, the crisis did not affect this health sub-sector which still provides most services free of charge.

Similar conclusion can be made with regard to the education sector. Based on the available data, one can conclude that the global financial crisis has not had an impact on education at the household level. Although macroeconomic data showed a slowdown in annual growth of public expenditure in education, this does not seem to have percolated to the household level translating into cuts in public education services provision.

An important focus of the study was the impact of the global financial crisis on women and girls because women and men are not in general affected in the same way by policies and shock. The data shows that no significant gender differentiated impact has been witnessed on education and health services. Both men and women were able to access/purchase these services. In addition, no notable reduction in these two services has been indicated by the interviewed household female and male members. One positive gender sensitive impact has been a growth in employment and income for the highly female intensive sector, the flower industry. Similar outcome was observed for the hotels and restaurants sector, also a female intensive sector.

One mechanism employed in this study to assess the impact of the crisis has been to see possible effects on income on farmers and livestock producers. The focus here was to capture the large majority of the population – rural population which represents the farmers/livestock producers – which also includes the majority of the poor and vulnerable of the country. Overall, the survey has revealed that crop farming activities have not been significantly affected by changes in international demand and prices for Ethiopian export crops. Rather, the impact seems to be related to the impact of the crisis on inflation rates that have considerably affected farmers' purchasing power.

On the other hand, the survey has revealed that livestock farming activities have been negatively affected during the two post crisis years. International demand for meat and meat products had increased while demand for live animals and leather and leather products had declined in 2008/09 and 2009/10. At the same time, prices of these products had increased during this period offsetting the slowdown in demand except for leather products. At the micro level, this has translated into a decrease in income of livestock farmers. It is to be noted that the changes observed at the micro level are not necessarily fully related to the macro level. Other domestic and various factors may have played a role. What is certain in the case of livestock farmers is that the global financial crisis has affected their livelihood through its indirect effects on domestic inflation, especially food inflation.

Annexes

Annex 1: References

- Behute, B. (2009), Macro and Household level Impact of the Global Financial Crises, Ethiopian case study, Paper presented at the Conference on Rethinking African Economic Policy in Light of the Global Economic and Financial Crisis, 6-8 December 2009, Hotel InterContinental, Nairobi, Kenya
- Getnet Alemu (2010), Global Financial Crisis Discussion Series, Paper 16: Ethiopia Phase 2, Overseas Development Institute
- Mitik, L. (2009), "The implications of the global economic slowdown for Africa: a synthesis" Presentation at "The Credit Crunch- Implications for Africa" Seminar organized by the Institute for Security Studies and the Hanns Seidel Foundation, 28th of July, 2009, Addis Ababa
- Mitik, L. (2010), The Economic and Human Dimensions of the Financial Crisis in Ethiopia, Report prepared for UNDP Ethiopia
- Mitik, L. et al (2010), Review of the Ethiopian Financial Sector in the Context of Economic Development, Report prepared for USAID Ethiopia WTO Accession Plus Project
- MOFED, General government annual revenue and expenditure, 2003/04-2010/11
- MOFED, National Accounts Statistics, (GDP) Estimates for 2002 E.F.Y.
- National Bank of Ethiopia (2009), NBE's Monetary Policy Framework of Ethiopia
- National Bank of Ethiopia, Annual Report 2006/07, Economic Research & Monetary Policy Directorate
- National Bank of Ethiopia, Annual Report 2007/08, Economic Research & Monetary Policy Directorate
- National Bank of Ethiopia, Annual Report 2008/09, Economic Research & Monetary Policy Directorate
- National Bank of Ethiopia, Quarterly Bulletin First Quarter 2007/08
- National Bank of Ethiopia, Quarterly Bulletin First Quarter 2008/09
- National Bank of Ethiopia, Quarterly Bulletin First Quarter 2009/10
- National Bank of Ethiopia, Quarterly Bulletin Fourth Quarter 2009/10
- National Bank of Ethiopia, Quarterly Bulletin Fourth Quarter 2008/09
- National Bank of Ethiopia, Quarterly Bulletin Fourth Quarter 2007/08
- National Bank of Ethiopia, Quarterly Bulletin Second Quarter 2009/10
- National Bank of Ethiopia, Quarterly Bulletin Second Quarter 2008/09
- National Bank of Ethiopia, Quarterly Bulletin Second Quarter 2007/08
- National Bank of Ethiopia, Quarterly Bulletin Third Quarter 2007/08
- National Bank of Ethiopia, Quarterly Bulletin Third Quarter 2008/09
- National Bank of Ethiopia, Quarterly Bulletin Third Quarter 2009/10
- Weeks, J., Sireh-Jallow, A., Alebachew, S., Ababa, A., and Mitik, L. (2010), Human Dimensions of the Financial and Economic Crisis in Ethiopia: An Econometric Analysis, Paper extracted from report prepared for the UNDP Ethiopia by the team

Annex 2: Questionnaire for survey

Human Dimensions of the Financial and Economic Crisis Questionnaire

Notes and Instructions

Good morning/afternoon. We are conducting a survey for the UNFPA to learn about citizens' livelihood conditions ("current global crisis") over the past two years and their input on areas of intervention that need attention. This interview is anonymous; your name will not be printed in any document. The answers will be dealt with as a group and in a totally confidential manner. None of the questionnaires will be revealed to any person or institution. The interview lasts approximately 30 minutes. Could you please answer the following questions?

In cases that the citizen declines participation, thank him or her and look for another respondent.

Place of Interception

Region _____ Woreda _____ City _____ Kebele _____

PERSONAL INFORMATION				
1. Gender	2. Residence	3. Date of Interview	4a. Start time	4b. End time
5. How many members does your household have?	6. How many children do you have?	7. How many girls?	8. How many boys?	
<input type="checkbox"/> 2 <input type="checkbox"/> 3-5 <input type="checkbox"/> 6-10	<input type="checkbox"/> none <input type="checkbox"/> 1-2 <input type="checkbox"/> 3-5 <input type="checkbox"/> 6-8 <input type="checkbox"/> 9-11	<input type="checkbox"/> none <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> >5	<input type="checkbox"/> none <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> >5	
9. Current employment status		10. Age	11. Highest level of education attained	
<input type="checkbox"/> Farmer <input type="checkbox"/> Wage earner <input type="checkbox"/> Unemployed <input type="checkbox"/> Family business/farm worker <input type="checkbox"/> Homemaker <input type="checkbox"/> Student <input type="checkbox"/> Retired <input type="checkbox"/> Other (specify) _____		<input type="checkbox"/> 18-24 <input type="checkbox"/> 25-29 <input type="checkbox"/> 30-34 <input type="checkbox"/> 35-40 <input type="checkbox"/> 41-44 <input type="checkbox"/> 45+	<input type="checkbox"/> None <input type="checkbox"/> Primary School only <input type="checkbox"/> Post primary school training <input type="checkbox"/> Secondary School only <input type="checkbox"/> Post secondary school training <input type="checkbox"/> University degree	

QUESTIONS FOR RESPONDENTS BASED ON OCCUPATIONAL CATEGORY

Questions for Farmers: AGRICULTURE (Crop)		
12. What products do you and your family cultivate? <input type="checkbox"/> Coffee <input type="checkbox"/> Chat <input type="checkbox"/> Vegetables <input type="checkbox"/> Other (specify) _____	13. What are the changes in volume of production between 2007/2008 and 2008/2009 (EC 2000 and 2001)? <input type="checkbox"/> Increase <input type="checkbox"/> Decrease	14. What are the reasons for these changes? <input type="checkbox"/> Bad weather conditions <input type="checkbox"/> Supply of seeds <input type="checkbox"/> Cultivation techniques <input type="checkbox"/> Availability and price of fertilizer <input type="checkbox"/> Other (specify) _____
15. What are the changes in volume of production between 2008/2009 and 2009/2010 (EC 2001 and 2002)? <input type="checkbox"/> Increase <input type="checkbox"/> Decrease	16. What are the reasons for these changes? <input type="checkbox"/> Bad weather conditions <input type="checkbox"/> Supply of seeds <input type="checkbox"/> Cultivation techniques <input type="checkbox"/> Availability and price of fertilizer <input type="checkbox"/> Other (specify) _____	17. Have there been any changes in sales prices during the past two years (between 2007/2008 - 2008/2009, EC 2000 - 2001 and 2001 - 2002)? <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> No change
18. Has the income from produce changed during the past two years compared to 2007 (2000 EC)? 2001 <input type="checkbox"/> Increase <input type="checkbox"/> Decrease 2002 <input type="checkbox"/> Increase <input type="checkbox"/> Decrease		19. Please explain the reasons <input type="checkbox"/> Decrease in sales prices <input type="checkbox"/> Decrease in production <input type="checkbox"/> Decrease in demand <input type="checkbox"/> Other (specify) _____
20. Please state the significance of the changes in income <input type="checkbox"/> Very important <input type="checkbox"/> Medium <input type="checkbox"/> Not significant	21. Has the increase in inflation rates over the past year and a half affected your livelihood (real income or purchasing power)? <input type="checkbox"/> Yes (go to next question) <input type="checkbox"/> No	22. Please explain how it has affected your livelihood (real income)? <input type="checkbox"/> Less purchasing power <input type="checkbox"/> More purchasing power <input type="checkbox"/> No change
23. What type of coping mechanisms have you adopted to face these challenges? <input type="checkbox"/> producing more for own consumption purposes and reducing purchased goods <input type="checkbox"/> diversifying cultivated crop to diversify source of income and consumption <input type="checkbox"/> shift to other crops generating an increased income (from coffee to chat for instance) <input type="checkbox"/> consuming less market products <input type="checkbox"/> Other (specify) _____		
24. Have you observed any environmental/climate/whether changes in your area? <input type="checkbox"/> Yes (Go to next question) <input type="checkbox"/> No	25. Please state the type of changes <input type="checkbox"/> Whether (rain level, drought, flood, etc) <input type="checkbox"/> Soil degradation	26. Please state the effect of climate changes on your agricultural production and productivity as well as the quality of output? <input type="checkbox"/> Decrease <input type="checkbox"/> Increase <input type="checkbox"/> No changes

	___ Other (specify) _____	
--	---------------------------	--

Questions for farmers: AGRICULTURE (Livestock)

27. What types of live animals do you and your family breed?	28. What are the changes in volume of production since 2008/2009 (EC 2001)?	29. What are the reasons for these changes?
___ Oxen ___ Cheep ___ Goats ___ Camels ___ Other (specify) _____	___ Increase ___ Decrease ___ No change	___ Availability & price of animal fodder ___ Weather conditions (water) ___ Animal disease ___ Low demand ___ Other (specify) _____
30. Have there been any changes in sales prices since 2008/2009 (EC 2001)?	31. Has the income from produce changed since 2008/2009 (EC 2001)?	32. Please explain the reasons
___ Increase ___ Decrease	___ Increase ___ Decrease	___ Decrease in sales prices ___ Decrease in production ___ Decrease in demand ___ Other (specify) _____
33. Please state the significance of the changes in income	34. Has the increase in inflation rates over the past year and a half affected your livelihood (real income or purchasing power)?	35. Please explain how it has affected your livelihood (real income)?
___ Very important ___ Medium ___ Not significant	___ Yes (go to next question) ___ No	___ Less purchasing power ___ More purchasing power ___ No change
36. Have you observed any environmental/climate/whether changes in your area?	37. Please state the type of changes	38. Please state the effect of climate changes on your livestock production and productivity as well as the quality of output?
___ Yes (Go to next question) ___ No	___ Weather (rain level, drought, flood, etc) ___ Soil degradation ___ Other (specify) _____	___ Decrease ___ Increase ___ No changes

Questions for EMPLOYEES OF FLOWER FARMS

39. What was your source of livelihood prior to working here?	40. Has working here improved your life?	41. What has been the biggest change that this work has brought about?	42. Are you able to access services such as health and education for you and your children that you were not able to access earlier?
	___ Significantly ___ Moderately ___ Little	___ Increased income ___ Stable source of income ___ Other (specify) _____	___ Yes ___ No
43. What has been your work schedule since you started working here?	44. How about in 2001 and 2002 EC compared to 2000 EC?	45. Have there been any changes in your income in 2001 and 2002 EC compared to 2000 EC?	46. Has the number of staff been on the increase or has there been a decline?
___ Full time ___ Part-time ___ Overtime work	___ Full time ___ Part-time ___ Overtime work	___ Increase ___ Decrease ___ No change	___ Increase ___ Decrease ___ No change
47. Can you give us examples of friends or colleagues who have lost their jobs?			

--

Questions for CONSTRUCTION WORKERS

48. How often do you work in one week?	49. How is the availability of work compared to the past?	50. Please explain why?	51. Has your income changed since EC 2000?
<input type="checkbox"/> 1 day <input type="checkbox"/> 2 days <input type="checkbox"/> 3 days <input type="checkbox"/> 4 days <input type="checkbox"/> 5 days <input type="checkbox"/> 6 days <input type="checkbox"/> 7 days	2001 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same 2002 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same	<input type="checkbox"/> Slow down (growth) in the sector activities <input type="checkbox"/> Too many (too few) day labourers <input type="checkbox"/> Other (specify) _____	2001 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same 2002 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same
52. Please state the reason for that	How does inflation affect your personal life in terms of your ability to purchase food items, children's school fees, health expenses, and other basic goods and services?		
<input type="checkbox"/> No (more) work <input type="checkbox"/> Lower (higher) pay <input type="checkbox"/> Inflation <input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Less purchasing power <input type="checkbox"/> More purchasing power <input type="checkbox"/> No change		

Questions for SERVICES SECTOR EMPLOYEES

53. In what kind of service sector are you engaged in?	54. Were you in the sector in 2000?	55. How is the availability of work compared to the past?	56. What has been your work schedule compared to the past?
<input type="checkbox"/> Hotel and resort <input type="checkbox"/> Restaurant/cafe <input type="checkbox"/> Others (specify) _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	2001 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same 2002 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same	2001 <input type="checkbox"/> Full time <input type="checkbox"/> Part-time <input type="checkbox"/> Overtime 2002 <input type="checkbox"/> Full time <input type="checkbox"/> Part-time <input type="checkbox"/> Overtime
57. Please explain why?	58. Has your income changed since EC 2000?	59. How does inflation affect your personal life in terms of your ability to purchase food items, children's school fees, health expenses, and other basic goods and services?	
<input type="checkbox"/> Slow down (or growth) in the sector activities <input type="checkbox"/> Too many (few) workers <input type="checkbox"/> Other (specify) _____	2001 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same 2002 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same	<input type="checkbox"/> Less purchasing power <input type="checkbox"/> More purchasing power <input type="checkbox"/> No change	

Questions for LEATHER INDUSTRY EMPLOYEES

60. Were you employed in the leather industry in 2000?	61. How is the availability of work compared to the past?	62. What do you think is the reason?
<input type="checkbox"/> Yes <input type="checkbox"/> No	2001 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same 2002 <input type="checkbox"/> increased	<input type="checkbox"/> Slow down (or growth) in the sector activities <input type="checkbox"/> Too many (few) workers <input type="checkbox"/> Other (specify) _____

	<input type="checkbox"/> decreased <input type="checkbox"/> same	
63. What has been your work schedule compared to the past?	64. Has your income changed since EC 2000?	65. How does inflation affect your personal life in terms of your ability to purchase food items, children's school fees, health expenses, and other basic goods and services?
2001 <input type="checkbox"/> Full time <input type="checkbox"/> Part-time <input type="checkbox"/> Overtime 2002 <input type="checkbox"/> Full time <input type="checkbox"/> Part-time <input type="checkbox"/> Overtime	2001 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same 2002 <input type="checkbox"/> increased <input type="checkbox"/> decreased <input type="checkbox"/> same	<input type="checkbox"/> Less purchasing power <input type="checkbox"/> More purchasing power <input type="checkbox"/> No change

Questions for PEOPLE LIVING WITH HIV/AIDS

66. How long has it been since you found out your HIV status?	67. Have you been receiving treatment since then?	68. Is the treatment service for free or do you have to pay for services such as medicine and medical procedures?	69. Has the treatment that you have been receiving been disrupted, if so when and why?
<input type="checkbox"/> Less than one year <input type="checkbox"/> 1 year <input type="checkbox"/> 2 years <input type="checkbox"/> Between 3-5 years <input type="checkbox"/> More than 5 years	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Free <input type="checkbox"/> Costly	<input type="checkbox"/> Yes <input type="checkbox"/> No Reason _____
70. What was your source of livelihood in 2007/2008?	71. Were you able to afford all your needs in terms of for example getting nutritious food, medical treatment and drugs?	72. What is your source of livelihood now?	73. Are you able to buy or afford all your needs in terms of for example getting nutritious food, medical treatment and drugs?
<input type="checkbox"/> Farmer <input type="checkbox"/> Wage earner <input type="checkbox"/> Unemployed <input type="checkbox"/> Family business/farm <input type="checkbox"/> Homemaker <input type="checkbox"/> Student <input type="checkbox"/> Retired <input type="checkbox"/> Other (specify) _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Farmer <input type="checkbox"/> Wage earner <input type="checkbox"/> Unemployed <input type="checkbox"/> Family business/farm <input type="checkbox"/> Homemaker <input type="checkbox"/> Student <input type="checkbox"/> Retired <input type="checkbox"/> Other (specify) _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
74. Can you give us the reason for this?			
<input type="checkbox"/> Loss of livelihood <input type="checkbox"/> Reduction in income <input type="checkbox"/> Unavailability of the services/products <input type="checkbox"/> Increase in income <input type="checkbox"/> Abundance of services/products <input type="checkbox"/> Other(specify) _____			

QUESTIONS FOR ALL RESPONDENTS

Impact on EDUCATION (questions for ALL)		
75. Were you able to access/purchase services like education during the past two years (school fee, uniforms, books, transport, etc)?	76. Were you able to access/purchase services like education during the past two years for all your children?	77. Please state the reason for this
In 2000 EC <input type="checkbox"/> Yes <input type="checkbox"/> No In 2001 EC <input type="checkbox"/> Yes <input type="checkbox"/> No In 2002 EC <input type="checkbox"/> Yes <input type="checkbox"/> No	In 2000 EC <input type="checkbox"/> Both girls and boys <input type="checkbox"/> Only boys <input type="checkbox"/> Only girls <input type="checkbox"/> Neither girls or boys In 2001 EC <input type="checkbox"/> Both girls and boys <input type="checkbox"/> Only boys <input type="checkbox"/> Only girls <input type="checkbox"/> Neither girls or boys In 2002 EC <input type="checkbox"/> Both girls and boys <input type="checkbox"/> Only boys <input type="checkbox"/> Only girls <input type="checkbox"/> Neither girls or boys	In 2000 EC <input type="checkbox"/> Couldn't afford it <input type="checkbox"/> Children had to engage in other activities <input type="checkbox"/> Other reason (specify) _____ _____ In 2000 EC <input type="checkbox"/> Couldn't afford it <input type="checkbox"/> Children had to engage in other activities <input type="checkbox"/> Other reason (specify) _____ _____ In 2000 EC <input type="checkbox"/> Couldn't afford it <input type="checkbox"/> Children had to engage in other activities <input type="checkbox"/> Other reason (specify) _____ _____

Impact on HEALTH (questions for ALL)		
78. Do you use modern/formal health services?	79. If yes, which type of facilities do you visit	80. If no, what do you do and where do you go when having health problems?
<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> health post <input type="checkbox"/> clinic <input type="checkbox"/> hospital <input type="checkbox"/> other (specify) _____	<input type="checkbox"/> traditional medicine <input type="checkbox"/> home care <input type="checkbox"/> nothing <input type="checkbox"/> other (specify) _____
81. Were you able to access/purchase services like health during the past two years (visits to the health specialist, purchasing drugs, maternal and child health, immunization, etc)?	82. Were you able to access/purchase health services during the past two years for all your family members?	83. Please state the reason for this
In 2000 EC <input type="checkbox"/> Yes <input type="checkbox"/> No In 2001 EC <input type="checkbox"/> Yes <input type="checkbox"/> No In 2002 EC <input type="checkbox"/> Yes <input type="checkbox"/> No	In 2000 EC <input type="checkbox"/> Both females and males <input type="checkbox"/> Only males <input type="checkbox"/> Only females <input type="checkbox"/> Neither females or males In 2001 EC <input type="checkbox"/> Both females and males <input type="checkbox"/> Only males <input type="checkbox"/> Only females <input type="checkbox"/> Neither females or males In 2002 EC <input type="checkbox"/> Both females and males <input type="checkbox"/> Only males <input type="checkbox"/> Only females <input type="checkbox"/> Neither females or males	In 2000 EC <input type="checkbox"/> Couldn't afford it <input type="checkbox"/> Use of traditional medicine <input type="checkbox"/> Prefer home care <input type="checkbox"/> Only use it for emergency <input type="checkbox"/> Other reason (specify) _____ _____ In 2001 EC <input type="checkbox"/> Couldn't afford it <input type="checkbox"/> Use of traditional medicine <input type="checkbox"/> Prefer home care <input type="checkbox"/> Only use it for emergency <input type="checkbox"/> Other reason (specify) _____ _____ In 2001 EC <input type="checkbox"/> Couldn't afford it <input type="checkbox"/> Use of traditional medicine <input type="checkbox"/> Prefer home care <input type="checkbox"/> Only use it for emergency <input type="checkbox"/> Other reason (specify) _____

Impact on NUTRITION (questions for ALL)			
84. How was your family's dietary habit (two years ago, 2000 EC)? Give composition of food items below		85. Has anything changed in EC 2001?	86. Has anything changed in EC 2002?
Main item _____ _____ Secondary item _____ _____ Other items _____ _____		___ Yes ___ No	___ Yes ___ No
87. Please state the reasons for these changes	88. How many meals per day do you and your family members usually consume?	89. Has anything changed in the number of meals since 2000?	90. Please state the reasons for these changes
___ Some food items have become inaccessible ___ Some food items have become too expensive ___ Other (specify) _____	___ 1 ___ 2 ___ 3 ___ 4	In 2001 EC ___ Increase ___ decrease In 2002 EC ___ increase ___ decrease	___ Affordability ___ Availability ___ Other (Specify) _____ _____

Impact on LIVELIHOOD (questions for ALL)		
91. What are the major categories of essentials the family usually purchases? (put number by order of importance)	92. Has there been a change in EC 2001 in the family's spending habits on the different categories of essentials compared to the situation in 2000 EC?	93. Has there been a change in EC 2002 in the family's spending habits on the different categories of essentials compared to the situation in 2000 & 2001 EC?
___ Food ___ Clothes ___ Basic services: education ___ Basic services: health ___ Rent ___ Transport ___ Other (specify) _____	___ 100% change ___ 75% change ___ 50% change ___ 25% change ___ no change (0%)	___ 100% change ___ 75% change ___ 50% change ___ 25% change ___ no change (0%)
94. What are the major categories of essentials that have been affected?	95. Please state the reasons for these changes	96. Have you been forced to look for additional sources of income or work to supplement the family's income within this period?
___ Food ___ Clothes ___ Basic services: education ___ Basic services: health ___ Rent ___ Transport ___ Other (specify) _____	___ Affordability ___ Availability ___ Prioritization ___ Other (Specify) _____ _____	___ Yes ___ No
97. What were/are these additional sources of income?	Have you adopted other coping mechanisms to overcome difficult livelihood situations such as the following?	
___ increase the hours worked in current work place ___ take up another job in the formal sector (specify) _____ ___ take up another job in the informal sector (specify) _____ ___ engage in other income generating activities (specify) _____	___ accessing government services such as food banks ___ taking up loans or credit ___ selling off your assets ___ other (specify) _____	

--	--

QUESTIONS DESTINED FOR WOMEN/GIRLS ONLY

Impact on GENDER (questions for women/girls)		
98. As the female member of the household, what has been your role in the production and marketing of the produce? <input type="checkbox"/> Cultivation <input type="checkbox"/> Harvesting <input type="checkbox"/> Sales <input type="checkbox"/> Other (specify) _____	99. As the female member of the household, what has been your role in the production and marketing of the livestock? <input type="checkbox"/> Feeding <input type="checkbox"/> Looking after <input type="checkbox"/> Milking <input type="checkbox"/> Sales <input type="checkbox"/> Other (specify) _____	100. What are your other functions in the household? (put number by order of importance) <input type="checkbox"/> Cooking <input type="checkbox"/> Cleaning <input type="checkbox"/> Laundry <input type="checkbox"/> Collecting water & wood <input type="checkbox"/> Care for kids <input type="checkbox"/> Care for elders and sick <input type="checkbox"/> Other (specify) _____
101. Have you been forced to take on additional responsibilities like taking care of the sick instead of sending them to the nearby clinic in the past 2 years? <input type="checkbox"/> Yes (go to next question) <input type="checkbox"/> No	102. Please state which activity you have taken on <input type="checkbox"/> Cooking <input type="checkbox"/> Cleaning <input type="checkbox"/> Laundry <input type="checkbox"/> Collecting water & wood <input type="checkbox"/> Care for kids <input type="checkbox"/> Care for elders and sick <input type="checkbox"/> Other (specify) _____	103. Please state the reason for that <input type="checkbox"/> Lack of income to purchase these services <input type="checkbox"/> Lack of accessibility of these services <input type="checkbox"/> Lack of time to access these services because of heavy load of work <input type="checkbox"/> Other (specify) _____
104. Has the family income and purchasing power decreased in 2001 EC compared to 2000 EC? <input type="checkbox"/> Yes <input type="checkbox"/> No	105. Please state the reason for that <input type="checkbox"/> No work <input type="checkbox"/> Lower pay <input type="checkbox"/> Inflation <input type="checkbox"/> Other (Specify) _____	106. Has the family income and purchasing power decreased in 2002 EC compared to 2001 EC? <input type="checkbox"/> Yes <input type="checkbox"/> No
107. Please state the reason for that <input type="checkbox"/> No work <input type="checkbox"/> Lower pay <input type="checkbox"/> Inflation <input type="checkbox"/> Other (Specify) _____	108. Have you been forced to look for additional sources of income to supplement the family's income within this period? <input type="checkbox"/> Yes <input type="checkbox"/> No	109. What were/are these additional sources of income?
Impact on REPRODUCTIVE HEALTH (questions for women/girls)		
110. Which services have you received in the past 3 years?	111. Where do you usually receive these services from?	112. Are these services provided for free or do you have to pay?

<input type="checkbox"/> Family planning/birth spacing services <input type="checkbox"/> Antenatal care, skilled attendance at delivery, and postnatal care <input type="checkbox"/> Obstetric and neonatal complications and emergencies <input type="checkbox"/> Treatment related to unsafe abortion <input type="checkbox"/> Treatment for reproductive tract infections and sexually transmitted infections including HIV/AIDS <input type="checkbox"/> Education and support for exclusive breast feeding <input type="checkbox"/> Education and support on prevention of harmful practices such as female genital cutting <input type="checkbox"/> Adolescent sexual and reproductive health <input type="checkbox"/> Education on gender-based violence	<input type="checkbox"/> Government health centers/clinics/posts <input type="checkbox"/> NGOs <input type="checkbox"/> Private health facility	<input type="checkbox"/> Yes <input type="checkbox"/> No
113. Are you still receiving these services now?	114. If the answer is no, which one of the above services are not available now?	115. If the answer to question number 113 is no, what do you think is the reason?
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Family planning/birth spacing services <input type="checkbox"/> Antenatal care, skilled attendance at delivery, and postnatal care <input type="checkbox"/> Obstetric and neonatal complications and emergencies <input type="checkbox"/> Treatment related to unsafe abortion <input type="checkbox"/> Treatment for reproductive tract infections and sexually transmitted infections including HIV/AIDS <input type="checkbox"/> Education and support for exclusive breast feeding <input type="checkbox"/> Education and support on prevention of harmful practices such as female genital cutting <input type="checkbox"/> Adolescent sexual and reproductive health <input type="checkbox"/> Education on gender-based violence	<input type="checkbox"/> The services are no longer available <input type="checkbox"/> Rise in cost <input type="checkbox"/> Loss or reduction of livelihood <input type="checkbox"/> No longer a priority <input type="checkbox"/> Others (specify) _____

Annex 3: Questions for Woreda Officials

I. Agriculture and Rural Development Bureau

1. In your view, how has the global financial and economic crisis affected Ethiopia, especially in the agricultural sector and in relation to trade?
2. How have export volumes and prices been affected for the major commodities in your woreda? What is the scope of the impact?
3. Has the crisis affected the price and availability of major inputs such as seeds, fertilizers, pesticides, etc? Is there an impact on food production, productivity, and quality of output? What are the impacts from a food security perspective?
4. Has the crisis affected local government budget (revenue loss and expenditure cuts) for agricultural activities?
5. Findings have shown that the crisis has human development dimensions. The crisis may hamper the country's progress towards the MDGs by affecting employment, wages, livelihoods, access and affordability of basic services, gender equality, rural/urban disparities, etc. How have these dimensions been affected in your woreda?
6. How do you view the situation of farmers in your woreda? Has their income increased over the past two years? Please explain why.
7. Do you think there are other factors that may have contributed to exacerbating the impact of the global financial and economic crisis on Ethiopia (food and oil crisis for instance, inflation, and other factors)?

II. Health bureau

1. What kind of services does your office provide to people living with HIV and AIDS?
2. What kind of sexual and reproductive health services does your office provide?
3. Which section of the population receives these services?
4. Has there been a change in your allocated budget between 2007/8 and now?
5. Which aspect of your area of work has been affected either positively or negatively due to a change in amount of budget?
6. What was the scale of the provision of services in 2007/8 for example in terms of the number of beneficiaries reached?
7. How is the scale of the provision of services now for example in terms of the number of beneficiaries reached?
8. If there are increases in the reach of the service, what do you think is the reason? Similarly, if there is a decrease why?
9. What are the factors that affect the provision of these services in your woreda?

III. Health centers/posts

1. What kind of services does your office provide to people living with HIV and AIDS?
2. What kind of sexual and reproductive health services does your office provide?
3. Which section of the population receives these services?
4. Has there been a change in your allocated budget between 2007/8 and now?
5. What was the scale of the provision of services in 2007/8 for example in terms of the number of beneficiaries reached?
6. How is the scale of the provision of services now for example in terms of the number of beneficiaries reached?
7. If there are increases in the reach of the service, what do you think is the reason? Similarly, if there is a decrease why?
8. What are the factors that affect the provision of these services in your woreda?

IV. Women's affairs

1. What kinds of programs does your office implement to improve the lives of women in your woreda?
2. What has been the amount of your budget allocation in the past three years including this year?

3. Has the budget been sufficient in the years 2000, 2001 and 2002 respectively to carry out your mandate?
4. Which aspects of your work have been affected due to changes in the size of the budget?
5. Do you receive support such as project grants from NGOs, donors and/or UN agencies?
6. Has there been a change in such support since 2000, for example increase or decrease?
7. How has this change affected your priority areas? Has there been a change in priority areas for example?

V. HAPPCO HIV office

1. What kind of services does your office provide to people living with HIV and AIDS?
2. Which section of the population receives these services?
3. What is the source of your budget; government, NGO, donors?
4. Has there been a change in your allocated and/or total budget between 2007/8 and now?
5. Which aspect of your area of work has been affected either positively or negatively due to a change in amount of budget?
6. What was the scale of the provision of services in 2007/8 for example in terms of the number of beneficiaries reached?
7. How is the scale of the provision of services now for example in terms of the number of beneficiaries reached?
8. If there are increases in the reach of the service, what do you think is the reason? Similarly, if there is a decrease why?
9. What are the factors that affect the provision of these services in your woreda?

Annex 4: Tables: Economic and human impacts of the crisis

Economic Impact

Table 1 – Trend in annual GDP growth rate by major industrial classification at constant basic prices

	Agriculture	Industrie	Services	Total GDP	Agriculture	Industrie	Services	Total GDP
1998/99	3,4	5,5	7,8	5,2				
1999/00	3,1	5,3	10,4	6,0	-10,1	-2,5	32,8	15,1
2000/01	9,6	5,1	5,2	7,4	215,2	-4,3	-49,6	22,4
2001/02	-1,9	8,3	3,3	1,3	-119,5	62,8	-37,4	-82,7
2002/03	-10,5	6,5	6,0	-2,0	459,1	-22,2	83,0	-256,1
2003/04	16,9	11,6	6,3	11,8	-261,6	79,8	4,6	-689,0
2004/05	13,5	9,4	12,8	12,7	-20,1	-19,0	104,3	7,6
2005/06	10,9	10,2	13,3	11,8	-19,5	7,7	4,2	-7,2
2006/07	9,4	10,2	14,3	11,5	-13,4	0,3	7,4	-2,3
2007/08	7,5	10,4	17,0	11,8	-20,6	1,7	18,8	2,4
2008/09	6,4	8,8	14,1	10,0	-15,2	-15,3	-17,2	-15,2
2009/10	7,6	10,6	13,0	10,4	19,9	20,6	-7,3	4,4
2010/11	8,5	14,0	12,5	11,0	11,4	32,3	-4,1	5,9

Source: MOFED

Table 2 – Share of sectors in total GDP

Year	Agriculture	Industrie	Service
1997/98	51,7	12,3	36,0
1998/99	50,8	12,3	36,9
1999/00	49,4	12,2	38,4
2000/01	50,4	12,0	37,6
2001/02	48,9	12,8	38,3
2002/03	44,6	13,9	41,5
2003/04	46,7	13,9	39,4
2004/05	47,0	13,5	39,4
2005/06	46,7	13,3	40,0
2006/07	45,8	13,2	41,0
2007/08	44,1	13,0	42,9
2008/09	42,6	12,8	44,5
2009/10	41,6	12,9	45,6
2010/11	40,6	13,2	46,2

Table 3: Trends in exports in value in USD (2007/08 – 2009/10)

	2007-08					2008-09					2009-10				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Coffee	92,4	52,6	191,9	187,7	524,5	133,3	41,7	75,9	125,0	375,9	104,7	41,7	75,9	239,5	461,8
Oilseeds	35,5	31,4	87,3	64,5	218,8	45,0	51,7	133,6	125,7	356,1	43,7	51,7	133,6	116,1	345,1
Leather and Leather products	20,3	29,1	24,0	25,8	99,2	25,3	28,5	11,5	10,0	75,3	11,2	28,5	11,5	17,9	69,1
Pulses	23,5	31,1	49,0	40,1	143,6	21,5	22,5	26,6	20,2	90,7	28,3	22,5	26,6	30,0	107,4
Meat and meat products	3,2	5,6	5,5	6,6	20,9	8,5	7,1	6,1	4,8	26,6	7,3	7,1	6,1	10,7	31,2
Fruits and vegetables	3,7	2,9	3,4	2,9	12,8	4,7	2,9	2,3	2,2	12,1	3,0	2,9	2,3	12,9	21,1
Live animals	7,8	16,1	8,3	8,7	40,9	15,7	16,8	12,1	8,0	52,7	17,6	16,8	12,1	28,6	75,1
Chat	26,6	28,8	25,5	27,4	108,3	32,9	34,4	37,1	34,3	138,7	45,5	34,4	37,1	59,8	176,8
Gold	13,1	15,9	15,6	34,2	78,8	17,5	20,3	24,8	35,2	97,8	26,0	20,3	24,8	122,5	193,6
Flower	19,9	24,0	32,7	35,2	111,8	26,8	28,8	38,4	36,7	130,7	34,8	28,8	38,4	51,2	153,2
Others	19,9	30,4	31,1	24,9	106,3	20,3	16,2	33,2	21,7	91,3	20,2	16,2	33,2	41,3	110,9
TOTAL	265,9	267,7	474,3	457,9	1465,7	351,7	270,9	401,6	423,8	1447,9	342,4	270,9	401,6	730,5	1745,4

Source: Ethiopian Revenue and Customs Authority quoted in NBE, author's compilation

Table 4: Changes in exports in value in USD (2006/07 – 2009/10)

	2007-08/ 2006-07	2008-09/ 2007-08	2009-10/ 2008-09	2009-10/ 2007-08
Coffee	23,6	-28,3	22,9	-12,0
Oilseeds	16,8	62,8	-3,1	57,7
Leather and Leather products	10,7	-24,1	-8,2	-30,3
Pulses	104,3	-36,8	18,4	-25,2
Meat and meat products	34,8	27,3	17,3	49,3
Fruits and vegetables	-21,0	-5,5	74,4	64,8
Live animals	11,1	28,9	42,5	83,6
Chat	16,7	28,1	27,5	63,3
Gold	-18,8	24,1	98,0	145,7
Flower	75,8	16,9	17,2	37,0
Others	15,8	-14,1	21,5	4,3
TOTAL	23,7	-1,2	20,5	19,1

Source: Ethiopian Revenue and Customs Authority quoted in NBE, author's compilation

Table 5: Changes in shares of exports value in USD (2007/08 – 2009/10)

	2007-08	2008-09	2009-10
Coffee	35,8	26,0	26,5
Oilseeds	14,9	24,6	19,8
Leather and Leather products	6,8	5,2	4,0
Pulses	9,8	6,3	6,2
Meat and meat products	1,4	1,8	1,8
Fruits and vegetables	0,9	0,8	1,2
Live animals	2,8	3,6	4,3
Chat	7,4	9,6	10,1
Gold	5,4	6,8	11,1
Flower	7,6	9,0	8,8
Others	7,3	6,3	6,4
TOTAL	100,0	100,0	100,0

Source: Ethiopian Revenue and Customs Authority quoted in NBE, author's compilation

Table 6 - Value of exports in % change from previous quarter (2007-08 to 2009-10)

	2007-08			2008-09				2009-10			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Coffee	-43,1	264,8	-2,2	-29,0	-68,7	82,0	64,7	-16,2	-60,2	82,0	215,5
Oilseeds	-11,5	178,0	-26,1	-30,2	14,9	158,4	-5,9	-65,2	18,3	158,4	-13,1
Leather and Leather products	43,3	-17,5	7,5	-1,9	12,6	-59,6	-13,0	12,0	154,5	-59,6	55,7
Chat	8,3	-11,5	7,5	20,1	4,6	7,8	-7,5	32,7	-24,4	7,8	61,2
Gold	21,4	-1,9	119,2	-48,8	16,0	22,2	41,9	-26,1	-21,9	22,2	394,0
Flower	20,6	36,3	7,6	-23,9	7,5	33,3	-4,4	-5,2	-17,2	33,3	33,3

Source: Ethiopian Revenue and Customs Authority quoted in NBE, author's compilation

Table 7: Trends in exports in volumes in Millions of Kg (2006/07 – 2009/10)

	Volume of exports				Changes in volume		
	2006/07	2007/08	2008/09	2009/10	2007-08/ 2006/07	2008-09/ 2007/08	2008-09/ 2009/10
Coffee	176,40	170,70	134,00	172,20	-3,23	-21,50	28,51
Oilseeds	235,00	152,10	278,00	299,00	-35,28	82,77	7,55
Leather and Leather products	15,80	14,90	7,30	2,92	-5,70	-51,01	-60,00
Pulses	158,80	233,00	138,00	225,60	46,73	-40,77	63,48
Meat and meat products	5,80	6,50	7,50	10,30	12,07	15,38	37,33
Fruits and vegetables	40,90	39,90	38,50	66,30	-2,44	-3,51	72,21
Live animals	43,70	40,00	36,70	67,90	-8,47	-8,25	85,01
Chat	22,70	22,40	25,40	36,10	-1,32	13,39	42,13
Gold	0,01	0,00	0,00	0,01	-32,14	28,95	83,47
Flower	14,40	22,40	29,20	36,00	55,56	30,36	23,29
TOTAL	713,51	701,90	694,60	916,33	-1,63	-1,04	31,92

Source: Ethiopian Revenue and Customs Authority quoted in NBE, author's compilation

Table 8 – Unit value of exports in % change from previous year (2007-08 to 2009-10)

	Export unit values				Changes in Export unit values			
	2006-07	2007-08	2008-09	2009-10	2007-08/ 06-07	2008-09/ 07-08	2009-10/ 08/09	2009-10/ 07-08
Coffee	2,4	3,1	2,8	2,7	27,8	-8,7	-4,4	-12,7
Oilseeds	0,8	1,4	1,3	1,2	80,4	-11,0	-9,9	-19,8
Leather and Leather products	5,7	6,7	10,3	23,7	17,4	54,9	129,4	255,4
Pulses	0,4	0,6	0,7	0,5	39,2	6,6	-27,6	-22,8
Meat and meat products	2,7	3,2	3,5	3,0	20,3	10,3	-14,6	-5,8
Fruits and vegetables	0,4	0,3	0,3	0,3	-19,0	-2,0	1,3	-0,8
Live animals	0,8	1,0	1,4	1,1	21,4	40,4	-23,0	8,2
Chat	4,1	4,8	5,5	4,9	18,3	12,9	-10,3	1,3
Gold	17321,4	20736,8	19959,2	21535,0	19,7	-3,8	7,9	3,8
Flower	4,4	5,0	4,5	4,3	13,0	-10,3	-4,9	-14,7
TOTAL	1,7	2,1	2,1	1,9	25,7	-0,2	-8,6	-8,8

Source: National Bank of Ethiopia, author's compilation

Table 9: Value of major import items (in millions USD)

	Value of Imports				% change in values from previous year			2009- 10/2007-08
	2006/2007	2007/2008	2008/2009	2009/2010	2007/2008	2008/2009	2009/2010	
Raw Materials	148,60	257,80	354,20	212,25	73,5	37,4	-40,1	-17,7
Semi-Finished Goods	800,30	1259,70	1140,10	1226,50	57,4	-9,5	7,6	-2,6
Fertilizers	140,00	302,10	270,70	231,10	115,8	-10,4	-14,6	-23,5
Fuel	875,10	1621,40	1256,70	1310,62	85,3	-22,5	4,3	-19,2
Petroleum Products	872,30	1614,40	1247,00	1343,57	85,1	-22,8	7,7	-16,8
Others	2,70	7,00	9,70	7,71	159,3	38,6	-20,5	10,1
Capital Goods	1868,50	1907,70	2474,40	2885,96	2,1	29,7	16,6	51,3
Transport	633,80	380,90	384,20	509,85	-39,9	0,9	32,7	33,9
Agricultural	33,00	40,90	31,10	59,76	23,9	-24,0	92,2	46,1
Industrial	1201,70	1485,90	2058,90	2316,45	23,6	38,6	12,5	55,9
Consumer Goods	1317,00	1515,70	2344,10	2515,71	15,1	54,7	7,3	66,0
Durables	520,70	459,40	635,50	864,74	-11,8	38,3	36,1	88,2
Non-durables	796,30	1056,30	1708,70	1650,29	32,7	61,8	-3,4	56,2
Miscellaneous	116,60	231,70	157,00	117,23	98,7	-32,2	-25,3	-49,4
Total Imports	5126,20	6810,70	7726,60	8268,27	32,9	13,4	7,0	21,4

Source: National Bank of Ethiopia, author's compilation

Table 10 – Changes in transfers (2006/07 to 2009/10)

	2007/08 - 2006/07	2008/09 - 2007/08	2009/10 - 2008/09	2009/10 - 2007/08
--	----------------------	----------------------	----------------------	----------------------

Private transfers	38,2	13,3	4,3	18,2
NGOs	19,1	44,2	-3,6	39,1
Private individuals	47,4	1,8	8,2	10,2
cash	26,5	-9,6	9,3	-1,2
in kind	181,7	18,4	-50,5	-41,4
underground	57,7	9,7	20,1	31,8
Official transfers	9,5	18,2	16,8	38,1
Total receipt	92,6	14,6	8,6	24,5

Table 11 – Balance of Payments

BoPs	2006/07	2007/08	2008/09	2009/10
Trade balance		35,6	17,5	-0,1
exports		-1,2	38,4	38,4
imports		13,5	7,0	7,0
Net services		-38,1	171,2	18,5
Private transfers		38,2	13,3	13,4
current account balance		42,0	13,2	-13,9
Public transfers		9,5	18,2	16,8
non monetary capital		56,2	57,7	41,7
direct investment		69,0	9,7	47,7
Overall Balance		-409,3	-243,0	82,4

Table 12: Trends in Ethiopian government revenue and expenditure (in millions of Birr)

	2003/05	2004/06	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Tax revenue	10906	12398	14158	17353	23800	28998	43315	52534
Direct taxes	3431	3930	4461	5167	7014	9858	14903	19717
Domestic indirect taxes	2200	2721	3111	3997	5092	7325	10727	12386
Import duties and taxes	5276	5746	6587	8189	11693	11814	17685	20431
Non-tax revenue	3010	3184	5371	4444	5993	11176	10546	10781
Total revenue	13917	15582	19530	21796	29793	40174	53861	63315
External grants	4002	4565	3732	7583	9911	14454	12376	16491
Total revenue and grants	17918	20147	23261	29380	39704	54627	66237	79806
Total recurrent expenditure	11965	13438	15334	17165	22794	27176	31832	40046
Total capital expenditure	8271	11343	14042	18398	24121	30599	39322	52003
Total expenditure	20237	24781	29376	35563	46915	57774	71155	92048

Source: Ministry of Finance and Economic Development

Table 13 – General government revenue (domestic and external)

	Tax revenue	Non-tax revenue	Total domestic revenue	External grants	Total revenue and grants
2007/08	37,2	34,9	36,7	30,7	35,1
2008/09	21,8	86,5	34,8	45,8	37,6
2009/10	49,4	-5,6	34,1	-14,4	21,3
2010/11	21,3	2,2	17,6	33,2	20,5

Table 14 – General government expenditure

	2004/06	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total recurrent expenditure	12,3	14,1	11,9	32,8	19,2	17,1	25,8

Total capital expenditure	37,1	23,8	31,0	31,1	26,9	28,5	32,2
Total expenditure	22,5	18,5	21,1	31,9	23,1	23,2	29,4

Table 15 – Current expenditure

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
-							
General Services	15,2	12,1	8,4	29,1	23,4	13,3	-0,8
Economic Services	26,8	22,2	4,4	41,4	23,1	3,9	21,6
Social Services	18,0	30,1	24,1	39,8	18,3	20,5	24,6
General Services							
-	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Organ of the State	12,7	9,0	18,7	54,1	25,9	40,5	-26,7
Justice	4,5	8,8	40,6	66,8	14,3	50,6	3,5
Defence	19,1	3,1	-0,2	14,9	15,9	0,0	10,0
Public order & security	16,5	34,6	13,3	32,2	41,2	-2,0	6,2
General services	8,8	21,8	9,8	27,6	21,7	18,8	-0,7
Economic Services							
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Agricu & Nat Res	33,1	35,3	8,7	36,8	16,5	-1,2	12,9
Trade, Indus & Tourism	-6,9	30,4	16,7	37,4	55,9	33,3	38,4
Mines & Energy	-41,7	48,4	6,2	21,6	1,4	38,8	23,9
Transp & commun, Tourism	-54,4	-46,0	24,7	185,5	28,7	20,2	216,7
Urban devt. & constr (+ road)	-0,2	50,2	-6,0	51,3	48,8	-1,5	49,1
Social Services							
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Education & training	18,7	31,0	25,3	35,2	21,0	20,6	24,9
Culture & sports	-8,8	27,3	64,3	157,5	-5,7	20,9	40,9
Public health	30,9	18,1	22,7	47,1	17,0	21,8	21,7
Labour & social welfare	-25,0	150,5	-25,2	27,8	-1,5	-16,0	8,6
Rehabilitation	-37,1	5,2	20,6	45,5	-42,7	67,2	4,4

Table 16 – Capital expenditure

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Economic development	71,8	23,1	18,7	43,0	23,0	24,9	19,3
Social Development	19,1	25,2	60,9	9,4	30,3	38,6	60,0
General Development	-68,6	30,0	101,0	-7,0	77,9	33,2	68,0
Economic development							
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Agriculture & Natural Resources	75,3	16,5	5,1	23,0	17,3	23,0	40,7
Mines & Energy	-81,3	208,7	387,6	-12,4	3,2	1,6	315,3
Trade, Industry & Tourism	39,4	-40,3	100,6	-22,1	211,0	37,4	47,9
Urban dev't & housing	402,4	-13,8	45,4	97,1	30,0	-64,6	212,3
Road construction	43,6	30,6	39,7	68,1	19,0	49,1	3,8

Transport & communication	655,5	80,7	-89,1	29,0	163,3	101,8	-23,4
Social Development							
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Education	13,8	30,8	41,8	-3,5	40,2	51,8	49,2
Health	46,0	2,7	158,3	43,2	11,2	13,8	84,7
Socail welfare	-6,5	107,0	-91,1	131,8	-28,3	56,5	33,9
Culture & sport	24,8	-9,2	197,2	5,5	64,8	-22,1	194,5

Figure 1: Trend in government capital expenditure (Millions Birr, from EFY 2003/04 to 2010/11)

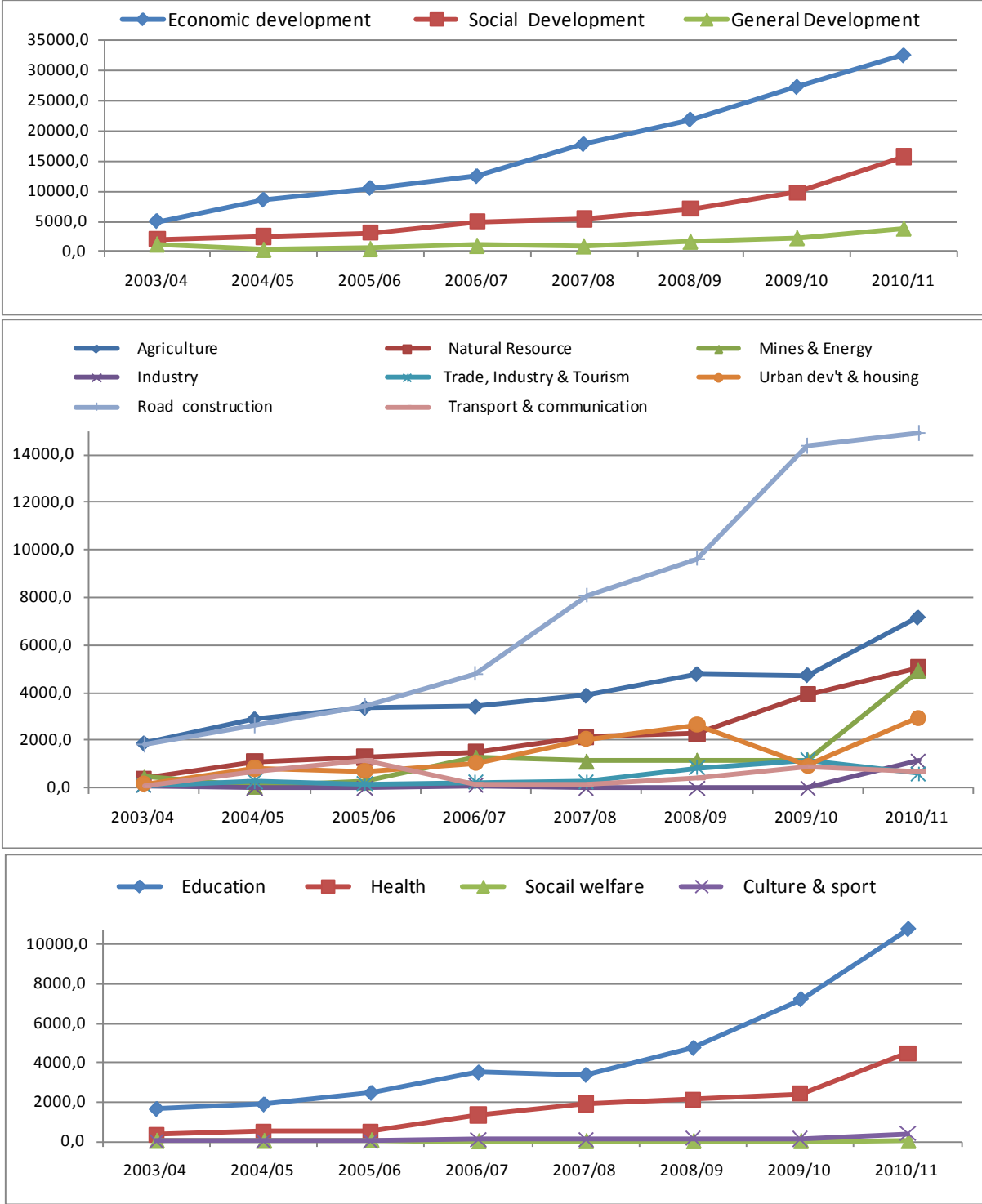


Figure 2: Trend in government current expenditure (Millions Birr, from EFY 2003/04 to 2010/11)

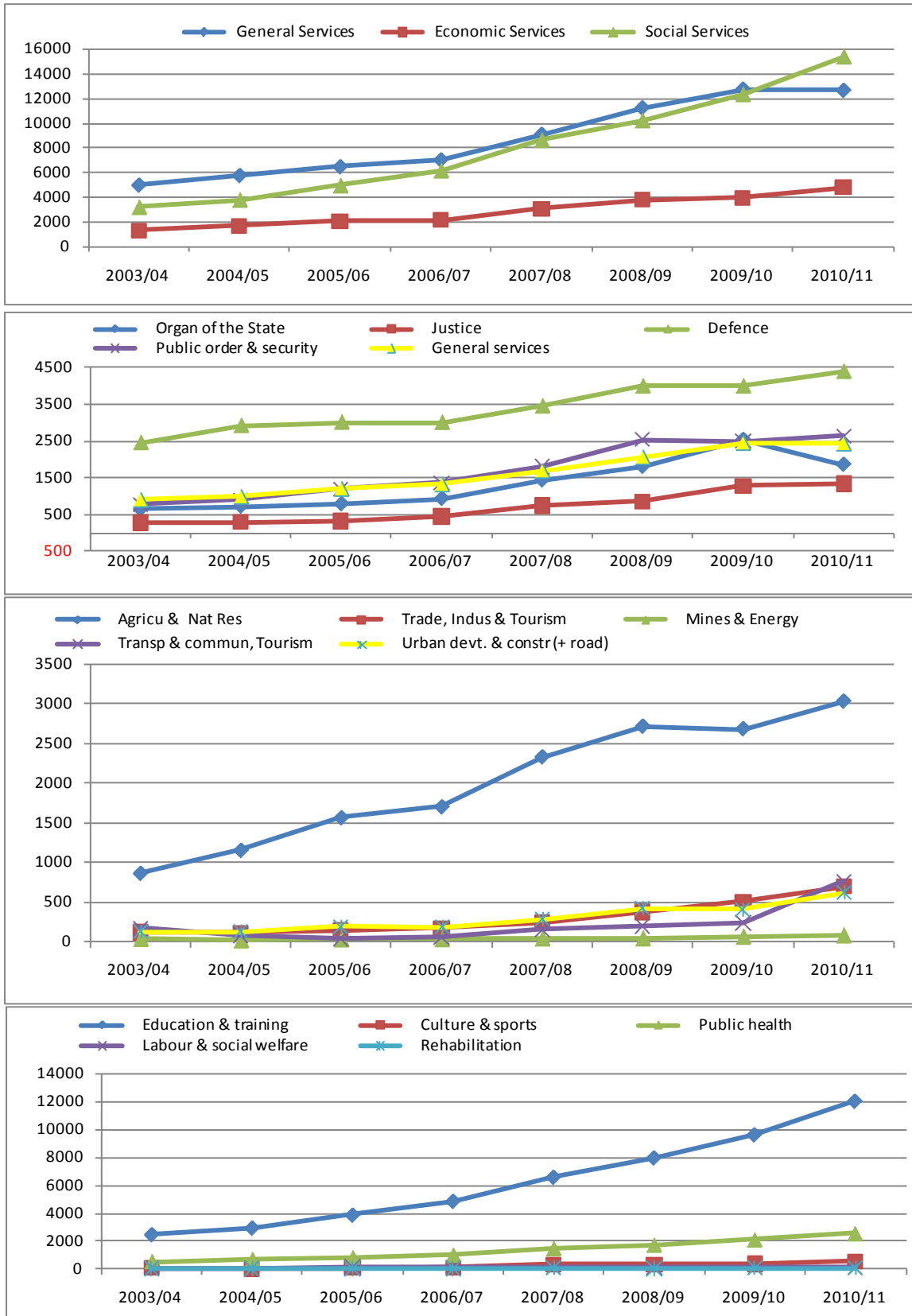


Table 17 - General Government Capital Expenditures by Functional Classification, Performance (2002/03-2009/10, cumulative)

(In millions of Birr)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Economic development	4938,4	8483,9	10443,0	12399,7	17728,9	21812,1	27240,0	32492,7
Agriculture	1875,6	2888,8	3359,6	3410,4	3880,0	4788,0	4743,4	7168,6
Natural Resource	405,4	1109,3	1296,4	1484,3	2138,8	2272,2	3943,8	5055,5
Mines & Energy	457,0	85,6	264,2	1288,4	1128,7	1164,4	1183,3	4913,8
Industry	98,4	16,3	0,0	116,9	0,0	0,0	0,0	1136,6
Trade, Industry & Tourism	112,1	277,2	175,1	234,3	273,7	851,0	1169,6	593,4
Urban dev't & housing	164,9	828,4	714,2	1038,5	2046,6	2661,5	942,3	2942,5
Road construction	1836,4	2637,0	3445,2	4814,1	8093,8	9634,8	14368,9	14915,3
Transport & communication	87,0	657,6	1188,4	129,6	167,2	440,3	888,7	680,8
Social Development	2067,6	2462,1	3081,9	4959,2	5426,1	7067,9	9793,0	15663,9
Education	1665,9	1895,6	2479,0	3514,5	3390,8	4752,2	7215,8	10762,5
Health	346,3	505,4	519,2	1341,3	1920,6	2136,3	2431,6	4491,4
Socail welfare	26,1	24,4	50,5	4,5	10,4	7,4	11,7	15,6
Culture & sport	29,4	36,6	33,3	98,9	104,3	172,0	133,9	394,4
General Development	1265,3	397,5	516,9	1039,1	966,0	1718,7	2289,4	3846,2
Total Capital Expenditure	8271,3	11343,4	14041,8	18398,0	24121,0	30598,7	39322,4	52002,8
Domestic source	5400,2	8365,4	10785,4	13832,4	18276,9	22712,6	29946,7	38181,8
External assistance *	1047,2	1512,8	2195,8	3081,4	4033,7	4518,4	4929,6	8694,8
External loan	1820,6	1454,2	1060,6	1484,2	1810,4	3367,7	4446,1	5126,2

Table 18 - General Government Current Expenditures, Performance 2002/03-2009/10, cumulative)

(In millions of Birr)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
General Services	5048	5816	6522	7073	9128	11261	12762	12666
Organ of the State	639	721	786	933	1437	1809	2542	1863
Justice	280	293	319	448	748	854	1286	1331
Defense	2452	2920	3009	3005	3453	4000	4000	4400
Public order & security	766	892	1201	1362	1800	2541	2491	2646
General services	911	991	1207	1325	1691	2057	2444	2426
Economic Services	1361	1726	2109	2201	3111	3829	3979	4840
Agriculture	870	1158	1566	1703	2329	2714	2212	2225
Natural Resource							470	802
o/w: Water	0	194	90	0	418	164	356	620
Trade, Industry & Tourism	125	117	152	177	244	380	507	701
Mines & Energy	44	26	38	41	49	50	69	86
Tourism	16	16	10	0	0	0	0	428
Transport & communication	161	65	33	54	155	200	240	333
Urban devt. & constr (+ road)	132	132	198	187	282	420	414	617
Economic development studies	28	19	21	39	51	65	67	76
Social Services	3253	3839	4996	6198	8662	10249	12355	15397
Education & training	2511	2981	3906	4896	6621	8009	9660	12068
Culture & sports	71	64	82	135	347	327	395	557
Public health	532	696	822	1009	1484	1737	2116	2575
Labour & social welfare	76	57	143	107	137	135	113	123
Rehabilitation	63	40	42	50	73	42	70	74
Interest & Charges	1080	1011	1054	1207	1133	1286	1587	2326
Internal debt	576	525	621	727	908	1036	1220	1664
External debt	504	486	433	480	225	251	368	662
Miscellaneous	525	325	67	76	359	210	517	4067
External assistance *	699	721	586	411	401	340	631	750
Total Expenditure	11965	13438	15334	17165	22794	27176	31832	40046

Table 19 – Fresh Laon dispersement

2006/07	15559	
2007/08	27255	75,2
2008/09	25477	-6,5
2009/10	28905	13,5

Table 20 – Trend in Quarterly Inflation

		General	Food	Non-food
2006/07	Q3	3,0	3,5	2,4
	Q4	4,1	5,5	2,1
2007/08	Q1	5,7	8,6	1,7
	Q2	4,5	5,9	2,4
	Q3	8,0	9,3	6,0
	Q4	18,5	25,1	8,1
2008/09	Q1	20,9	28,2	7,7
	Q2	-4,4	-8,4	4,1
	Q3	-4,2	-7,3	1,5
	Q4	1,9	0,9	3,6
2009/10	Q1	3,1	1,6	5,7
	Q2	0,6	-2,2	5,1
	Q3	1,6	0,2	4,4
	Q4	1,7	0,6	3,3

Table 21 – Inter-Bank Foreign Exchange Market rates USD/Birr

2006/07	Q1	8,69860
	Q2	8,71970
	Q3	8,83150
	Q4	8,92750
2007/08	Q1	9,03440
	Q2	9,07040
	Q3	9,31920
	Q4	9,55260
2008/09	Q1	9,66020
	Q2	9,86700
	Q3	10,95210
	Q4	11,20280
2009/10	Q1	12,37460
	Q2	12,58510
	Q3	13,13420
	Q4	13,46970

Human Dimensions

Table 1– Secondary food items consumed by households by region, pre-crisis period

Secondary food items in dietary habits		Maize & Milk	Pasta, Macaroni with Sugar	Wheat & Sorghum	Maize & Sorghum	Bean & Teff	Bread & Tea	Tomato & Cabbage	Pasta, Macaroni	Total	
Region	Oromia	Count	7	29	194	127	57	165	54	30	663
		% within region Dietary habit	1,1%	4,4%	29,3%	19,2%	8,6%	24,9%	8,1%	4,5%	100,0%
	Afar	Count	2	8	37	0	0	0	0	0	47
		% within region Dietary habit	4,3%	17,0%	78,7%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
	Benishan gule	Count	0	0	31	25	30	0	0	0	86
		% within region Dietary habit	0,0%	0,0%	36,0%	29,1%	34,9%	0,0%	0,0%	0,0%	100,0%
	SNNPR	Count	0	55	0	0	100	43	0	0	198
		% within region Dietary habit	0,0%	27,8%	0,0%	0,0%	50,5%	21,7%	0,0%	0,0%	100,0%
Total	Count	9	37	262	152	87	363	54	30	994	
	% of Total	0,7%	2,9%	20,8%	12,1%	6,9%	28,9%	4,3%	2,4%	100,0%	

Table 2 – Additional activities taken on by women in the household

	Count	(%)
Cooking	96	60,6%
Cleaning	86	54,4%
Laundry	99	62,7%
Collecting water	95	60,1%
Care for kids	60	38,0%
Care for elders	55	34,8%
Other	35	22,2%
Total	160	-

Table 3– Type of non formal/modern health services

	Count	(%)
Traditional medicine	45	67,2%
Home care	19	28,4%
Nothing	3	4,5%
Total	67	100,0%

Table 4 – Reproductive health services providing institutions

	Count	(%)
Government health centers/clinics/posts	503	84,7%
NGOs	53	8,9%
Private health facility	6	1,0%
Government and NGOs	32	5,4%
Total	594	100,0%

Table 5 – Reproductive health services no longer available

	Count	(%)
Family planning/birth spacing services	35	70,0%
Antenatal care, skilled attendance at delivery, and postnatal care	34	68,0%
Obstetric and neonatal complications and emergencies	28	56,0%
Treatment related to unsafe abortion	45	90,0%
Treatment for reproductive tract infections and sexually transmitted infections including HIV/AIDS	33	66,0%
Education and support for exclusive breast feeding	35	70,0%
Education and support on prevention of harmful practices such as female genital cutting	32	64,0%
Adolescent sexual and reproductive health	39	78,0%
Education on gender-based violence	31	62,0%
Total	50	100,0%

Table 6 – Reasons for lack of access to Reproductive health services

	Count	(%)
The services are no longer available	24	52,2%
No longer a priority	11	23,9%
Others	11	23,9%
Total	46	100,0%

Table 7 – Products cultivated by the family

	Count	(%)
Coffee	195	41,1%
Chat	71	14,9%
Vegetables	77	16,2%
Other crops	132	27,8%
Total	475	100,0%

Table 8 – Reason for changes in volume of production for crop farmers

	2008/09		2009/10	
	Count	(%)	Count	(%)
Weather conditions	242	54,9%	256	55,5%
Supply of seeds	55	12,5%	45	9,8%
Cultivation techniques	65	14,7%	67	14,5%
Availability and price of fertilizer	52	11,8%	70	15,2%
Other	27	6,1%	23	5,0%
Total	441	100,0%	461	100,0%

Table 9 – Reason for changes in income from produce for crop farmers

	Count	(%)
Sales prices	235	49,9%
Production	188	39,9%
Demand	45	9,6%
Other	3	0,6%
Total	471	100,0%

Table 10 – Scope of changes in income for crop farmers

	Count	(%)
Very important	76	15,6%
Medium	197	40,4%
Not significant	215	44,1%
Total	488	100,0%

Table 11 – Type of impact on livelihood for crop farmers

	Count	(%)
Less purchasing power	420	94,4%
More purchasing power	14	3,1%
No change	11	2,5%
Total	445	100,0%

Table 12 – Type of live animals bread by the household

	Count	(%)
Oxen	283	87,9%
Sheep	147	59,3%
Goats	140	69,3%
Camels	69	36,3%
Other animals	15	7,7%
Total	322	100,0%

Table 13 – Reason for changes in volume of production of livestock

	Count	(%)
Availability & price of animal fodder	88	31,5%
Weather conditions (water)	109	39,1%
Animal disease	53	19,0%
Low demand	12	4,3%
Other	17	6,1%
Total	279	100,0%

Table 14 – Reasons for changes in income from livestock

	Count	(%)
Sales prices	136	42,6%
Production	159	49,8%
Demand	20	6,3%
Other	4	1,3%

Total	319	100,0%
-------	-----	--------

Table 15 – Scope of changes in income for livestock farmers

	Count	(%)
Very important	68	21,4%
Medium	109	34,3%
Not significant	141	44,3%
Total	318	100,0%

Table 16 – Type of impact on livelihood for livestock farmers

	Count	(%)
Less purchasing power	244	77,7%
More purchasing power	66	21,0%
No change	4	1,3%
Total	314	100,0%

Table 17 – Life improvements from working in a flower farm

	Count	(%)
Significantly	81	22,6%
Moderately	228	63,7%
Little	49	13,7%
Total	358	100,0%

Table 18 – Change brought by this work

	Count	(%)
Increased income	117	33,0%
Stable source of income	234	65,9%
Other	4	1,1%
Total	355	100,0%

Table 19 - Ability to access basic services such as health and education by employees of flower farms

	Count	(%)
Yes	321	90,7%
No	33	9,3%
Total	354	100,0%

Table 20 – Number of days worked in one week by construction day laborers

	Count	(%)
1 day	2	7,1%
4 days	1	3,6%
5 days	2	7,1%
6days	16	57,1%
7 days	7	25,0%
Total	28	100,0%

Table 21- Reason for changes in level of work in the construction sector

	Count	(%)
Slow down (or growth) in the sector activities	17	60,7%
Too many (few) workers	11	39,3%
Total	28	100,0%

Table 22 - Reason for decline in income of construction workers

	Count	(%)
No work	16	66,7%
Lower pay	6	25,0%
Inflation	2	8,3%
Total	24	100,0%

Table 23 – Type of services sector engaged in

	Count	(%)
Hotel and resort	19	26,0%
Restaurant/café	40	54,8%
Others	14	19,2%
Total	73	100,0%

Table 24 - Reason for changes in working hours in the hotels and restaurants sector

	Count	(%)
Slow down (or growth) in the sector activities	47	70,1%
Too many (few) workers	11	16,4%
Other	9	13,4%
Total	67	100,0%

Table 25 – employment in the leather industry prior to the crisis

	Count	(%)
Yes	100	80,0%
No	25	20,0%
Total	125	100,0%

Table 26 – reason for changes in employment in the leather industry

	Count	(%)
Slow down (or growth) in the sector activities	33	30,8%
Too many (few) workers	67	62,6%
Other	7	6,5%
Total	107	100,0%

Table 27 – Period since infected by HIV/AIDS

	Count	(%)
1 year	2	16,7%
2 years	2	16,7%
Between 3-5 years	4	33,3%
More than 5 years	4	33,3%
Total	12	100,0%

Table28 – Intake of HIV/AIDS treatment

	Count	(%)
Yes	12	100,0%
No	0	0,0%
Total	12	100,0%

Table 29 – Cost of HIV/AIDS treatment

	Count	(%)
Free	9	75,0%
Costly	3	25,0%
Total	12	100,0%

Table 30 – Disruption in HIV/AIDS treatment

	Count	(%)
Yes	0	0,0%
No	12	100,0%
Total	12	100,0%

Table 31 – Source of livelihood

	Pre-crisis	
	Count	(%)
Wage earner	5	45,5%
Family business/farm worker	2	18,2%
Homemaker	1	9,1%
Farmer/pastoralist	-	-
Other	3	27,3%
Total	11	100,0%

Table 32 – Capacity to afford basic goods and services, and medical treatment and drugs

	Pre-crisis		Post-crisis	
	Count	(%)	Count	(%)
Yes	8	72,7%	13	65,0%
No	3	27,3%	7	35,0%
Total	11	100,0%	20	100,0%

Table 33 – Type of coping mechanisms adopted by crop farmers to face challenges

	Count	(%)
producing more for own consumption purposes and reducing purchased goods	87	19,3%
diversifying cultivated crop to diversify source of income and consumption	56	12,4%
shift to other crops generating an increased income (from coffee to chat for instance)	95	21,1%
consuming less market products	161	35,8%
Other	51	11,3%
Total	450	100,0%

Table 34 – Impact of inflation by region

		Less purchasing power	More purchasing power	Total
Oromia	Count	535	101	636
	(%)	84%	16%	100%
Afar	Count	124	7	131
	(%)	95%	5%	100%
Benishangule	Count	104	31	135
	(%)	77%	23%	100%
SNNPR	Count	52	76	128
	(%)	41%	59%	100%
Total	Count	815	215	1030
	(%)	79%	21%	100%

Husband and Wife: comparison of responses

Table 35 - HEALTH: Ability to access/purchase services like health during the past two years (visit to the health specialist, drugs, maternal and child health care, immunization, etc

		2007/08			2008/09			2009/10		
		Yes	No	Total	Yes	No	Total	Yes	No	Total
Wife	Count	47	5	52	48	4	52	46	6	52
	(%)	90,4%	9,6%	100,0%	92,3%	7,7%	100,0%	88,5%	11,5%	100,0%
Husband	Count	46	6	52	43	8	51	43	8	51
	(%)	88,5%	11,5%	100,0%	84,3%	15,7%	100,0%	84,3%	15,7%	100,0%
Total	Count	93	11	104	91	12	103	89	14	103
	(%)	89,4%	10,6%	100,0%	88,3%	11,7%	100,0%	86,4%	13,6%	100,0%

Table 36 - EDUCATION: Ability to access/purchase services like education during the past two years (school fee, uniforms, books, transport, etc

		2007/08			2008/09			2009/10		
		Yes	No	Total	Yes	No	Total	Yes	No	Total
Wife	Count	38	14	52	39	13	52	40	12	52
	(%)	73,1%	26,9%	100,0%	75,0%	25,0%	100,0%	76,9%	23,1%	100,0%
Husband	Count	40	11	51	36	15	51	35	16	51
	(%)	78,4%	21,6%	100,0%	70,6%	29,4%	100,0%	68,6%	31,4%	100,0%
Total	Count	78	25	103	75	28	103	75	28	103
	(%)	75,7%	24,3%	100,0%	72,8%	27,2%	100,0%	72,8%	27,2%	100,0%

Table 37 - NUTRITION: Changes in dietary habits (composition of food items)

		2008/09			2009/10		
		Yes	No	Total	Yes	No	Total
Wife	Count	45	7	52	45	6	51
	(%)	86,5%	13,5%	100,0%	88,2%	11,8%	100,0%
Hasband	Count	43	8	51	46	5	51
	(%)	84,3%	15,7%	100,0%	90,2%	9,8%	100,0%
Total	Count	88	15	103	91	11	102
	(%)	85,4%	14,6%	100,0%	89,2%	10,8%	100,0%

Table 38 - NUTRITION: Changes in number of meals consumed per day by the family

		2008/09			2009/10				
		Increase	Decrease	No Changes	Total	Increase	Decrease	No Changes	Total
Wife	Count	5	38	4	47	6	37	4	47
	(%)	10,6%	80,9%	8,5%	100,0%	12,8%	78,7%	8,5%	100,0%
Husband	Count	6	34	5	45	5	37	5	47
	(%)	13,3%	75,6%	11,1%	100,0%	10,6%	78,7%	10,6%	100,0%
Total	Count	11	72	9	92	11	74	9	94
	(%)	12,0%	78,3%	9,8%	100,0%	11,7%	78,7%	9,6%	100,0%

Profile of Respondents

Table 39- Number of Household members By Region

			Number of members in the household				Total
			1	2	3-5	>=6	
Region	Oromia	Count	12	49	376	357	794
		Percentage (%) Within the Region	1,5%	6,2%	47,4%	45,0%	100,0%
	Afar	Count	7	49	53	15	124
		Percentage (%) Within the Region	5,6%	39,5%	42,7%	12,1%	100,0%
	Benishangule	Count	8	29	51	48	136
		Percentage (%) Within the Region	5,9%	21,3%	37,5%	35,3%	100,0%
	SNNPR	Count	51	74	45	28	198
		Percentage (%) Within the Region	25,8%	37,4%	22,7%	14,1%	100,0%
Total		Count	78	201	525	448	1252
		Percentage (%) Within the Region	6,2%	16,1%	41,9%	35,8%	100,0%

Table 40-Number of Children in the Household by Region

			Number of children in the household					Total
			none	1-2	3-5	6-8	>=9	
Region	Oromia	Count	46	173	396	145	34	794
		Percentage (%) Within the Region	5,8%	21,8%	49,9%	18,3%	4,3%	100,0%
	Afar	Count	5	27	50	31	11	124
		Percentage (%) Within the Region	4,0%	21,8%	40,3%	25,0%	8,9%	100,0%
	Benishangule	Count	5	27	70	23	9	134
		Percentage (%) Within the Region	3,7%	20,1%	52,2%	17,2%	6,7%	100,0%
	SNNPR	Count	56	56	62	20	4	198
		Percentage (%) Within the Region	28,3%	28,3%	31,3%	10,1%	2,0%	100,0%
Total		Count	112	283	578	219	58	1250
		Percentage (%) Within the Region	9,0%	22,6%	46,2%	17,5%	4,6%	100,0%

Table 41: Number of Female Children in the Household by Region

			Number of girls in the household					Total
			none	1-2	3-5	6-8	>=9	
Region	Oromia	Count	90	459	215	24	1	789
		Percentage (%) Within the Region	11,4%	58,2%	27,2%	3,0%	0,1%	100,0%
	Afar	Count	15	20	35	39	13	122
		Percentage (%) Within the Region	12,3%	16,4%	28,7%	32,0%	10,7%	100,0%
	Benishangule	Count	9	42	42	36	0	129
		Percentage (%) Within the Region	7,0%	32,6%	32,6%	27,9%	0,0%	100,0%
	SNNPR	Count	70	18	70	35	3	196
		Percentage (%) Within the Region	35,7%	9,2%	35,7%	17,9%	1,5%	100,0%

Total	Count	184	539	362	134	17	1236
	Percentage (%) Within the Region	14,9%	43,6%	29,3%	10,8%	1,4%	100,0%

Table 42: Number of Male Children in the Household by Region

			Number of boys in the household					Total
			none	1-2	3-5	6-8	>=9	
Region	Oromia	Count	87	481	188	30	1	787
		Percentage (%) Within the Region	11,1%	61,1%	23,9%	3,8%	0,1%	100,0%
	Afar	Count	20	29	31	33	9	122
		Percentage (%) Within the Region	16,4%	23,8%	25,4%	27,0%	7,4%	100,0%
	Benishangule	Count	10	37	40	43	2	132
		Percentage (%) Within the Region	7,6%	28,0%	30,3%	32,6%	1,5%	100,0%
	SNNPR	Count	66	22	69	40	1	198
		Percentage (%) Within the Region	33,3%	11,1%	34,8%	20,2%	0,5%	100,0%
	Total	Count	183	569	328	146	13	1239
		Percentage (%) Within the Region	14,8%	45,9%	26,5%	11,8%	1,0%	100,0%

Table 43: Number of Respondents by Sex, Age, and Region

Region			Age					Total	
			18-24	25-29	30-34	35-40	41-44		45+
Oromia	Male	Count	14	59	83	75	78	82	391
		Percentage (%) Within the Region	3,6%	15,1%	21,2%	19,2%	19,9%	21,0%	100,0%
	Female	Count	17	63	104	76	84	55	399
		Percentage (%) Within the Region	4,3%	15,8%	26,1%	19,0%	21,1%	13,8%	100,0%
	Total	Count	31	122	187	151	162	137	790
		Percentage (%) Within the Region	3,9%	15,4%	23,7%	19,1%	20,5%	17,3%	100,0%
Afar	Male	Count	7	9	4	15	13	14	62
		Percentage (%) Within the Region	11,3%	14,5%	6,5%	24,2%	21,0%	22,6%	100,0%
	Female	Count	18	11	19	8	1	5	62
		Percentage (%) Within the Region	29,0%	17,7%	30,6%	12,9%	1,6%	8,1%	100,0%
	Total	Count	25	20	23	23	14	19	124
		Percentage (%) Within the Region	20,2%	16,1%	18,5%	18,5%	11,3%	15,3%	100,0%
Benishangule	Male	Count	1	8	10	6	19	24	68
		Percentage (%) Within the Region	1,5%	11,8%	14,7%	8,8%	27,9%	35,3%	100,0%
	Female	Count	4	13	10	14	12	15	68
		Percentage (%) Within the Region	5,9%	19,1%	14,7%	20,6%	17,6%	22,1%	100,0%
	Total	Count	5	21	20	20	31	39	136
		Percentage (%) Within the Region	3,7%	15,4%	14,7%	14,7%	22,8%	28,7%	100,0%
SNNPR	Male	Count	9	21	26	11	20	17	104
		Percentage (%) Within the Region	8,7%	20,2%	25,0%	10,6%	19,2%	16,3%	100,0%
	Female	Count	19	26	18	7	12	12	94
		Percentage (%) Within the Region	20,2%	27,7%	19,1%	7,4%	12,8%	12,8%	100,0%
	Total	Count	28	47	44	18	32	29	198
		Percentage (%) Within the Region	14,1%	23,7%	22,2%	9,1%	16,2%	14,6%	100,0%
Total	Male	Count	31	97	123	107	130	137	625
		Percentage (%) Within the Region	5,0%	15,5%	19,7%	17,1%	20,8%	21,9%	100,0%
	Female	Count	58	113	151	105	109	87	623
		Percentage (%) Within the Region	9,3%	18,1%	24,2%	16,9%	17,5%	14,0%	100,0%
	Total	Count	89	210	274	212	239	224	1248
		Percentage (%) Within the Region	7,1%	16,8%	22,0%	17,0%	19,2%	17,9%	100,0%

Table 44: Respondent's Employment Status by Region

		Current Employment status								Total
		Farmer/ Pastoralist	Wage earner	Unemploy ed	Family business	Home maker	Student	Retired	Other	
Oromia	Count	286	488	0	10	6	0	1	0	791
	(%)	36,2%	61,7%	0,0%	1,3%	0,8%	0,0%	0,1%	0,0%	100,0%
Afar	Count	114	3	2	0	4	0	0	1	124
	(%)	91,9%	2,4%	1,6%	0,0%	3,2%	0,0%	0,0%	0,8%	100,0%
Benishangule	Count	134	0	0	0	2	0	0	0	136
	(%)	1,0	,0	,0	,0	,0	,0	,0	,0	1,0
SNNPR	Count	40	69	9	5	6	1	5	63	198
	(%)	,2	,3	,0	,0	,0	,0	,0	,3	1,0
Total	Count	574	560	11	15	18	1	6	64	1249
	(%)	46,0%	44,8%	0,9%	1,2%	1,4%	0,1%	0,5%	5,1%	100,0%

Table 45: Respondent's Highest Level of Education Attained by Region

			Highest level of education attained					Total	
			None	Primary School only	Post primary school training	Secondary School only	Post secondary school training		University degree
Region	Oromia	Count	224	334	72	88	58	11	787
		Percentage (%)	28,5%	42,4%	9,1%	11,2%	7,4%	1,4%	100,0%
	Afar	Count	107	16	0	0	0	0	123
		Percentage (%)	87,0%	13,0%	0,0%	0,0%	0,0%	0,0%	100,0%
	Benishangule	Count	68	53	9	6	0	0	136
		Percentage (%)	50,0%	39,0%	6,6%	4,4%	0,0%	0,0%	100,0%
	SNNPR	Count	71	41	13	41	26	5	197
		Percentage (%)	36,0%	20,8%	6,6%	20,8%	13,2%	2,5%	100,0%
Total		Count	470	444	94	135	84	16	1243
		Percentage (%)	37,8%	35,7%	7,6%	10,9%	6,8%	1,3%	100,0%

Table 46 – Profile of respondents by age and gender groups

		Age						Total
		18-24	25-29	30-34	35-40	41-44	45+	
Male	Count	31	97	123	107	130	137	625
	(%)	5,0%	15,5%	19,7%	17,1%	20,8%	21,9%	100,0%
Female	Count	58	113	151	105	109	87	623
	(%)	9,3%	18,1%	24,2%	16,9%	17,5%	14,0%	100,0%
Total	Count	89	210	274	212	239	224	1248
	(%)	7,1%	16,8%	22,0%	17,0%	19,2%	17,9%	100,0%

Table 47 – Profile of respondents by employment status

	Farmer/ pastoralist	Wage earner	Unemployed	Family business/ farm worker	Homemaker	Students	Retired	Other	Total
Count	574	560	11	15	18	1	6	64	1249
(%)	46,0%	44,8%	0,9%	1,2%	1,4%	0,1%	0,5%	5,1%	100,0%

Table 48 – Profile of respondents by level of education

	None	Primary School only	Post primary school training	Secondary School only	Post secondary school training	University degree	Total
Count	470	444	94	135	84	16	1243
(%)	37,8%	35,7%	7,6%	10,9%	6,8%	1,3%	100,0 %

Table 49 – Changes in sales prices of produce

	2008/09 and 2009/10	
	Count	(%)
Increase	349	73,2%
Decrease	105	22,0%
No Changes	23	4,8%
Total	477	100,0%

Table 50 – Changes in volume of production

	2008/09	
	Count	(%)
Increase	73	22,3%
Decrease	179	54,6%
No Changes	76	23,2%
Total	328	100,0%

Table 51 – Changes in income from livestock

	2008/09	
	Count	(%)
Increase	106	32,8%
Decrease	214	66,3%
Similar	3	0,9%
Total	323	100,0%

Table 52 – Changes in income

	Count	(%)
Increase	186	51,8%
Decrease	49	13,6%
No change	124	34,5%
Total	359	100,0%

Table 53 – Changes in income for construction workers

	2008/09		2009/10	
	Count	(%)	Count	(%)
Increase	13	46,4%	12	44,4%
Decrease	12	42,9%	12	44,4%
No Changes	3	10,7%	3	11,1%
Total	28	100,0%	27	100,0%

Table 54 – Changes in income

	2008/09		2009/10	
	Count	(%)	Count	(%)
Increase	35	50,0%	33	46,5%
Decrease	21	30,0%	25	35,2%
No Changes	14	20,0%	13	18,3%

Total	70	100,0%	71	100,0%
-------	----	--------	----	--------

Table 55 – Changes in income

	2008/09		2009/10	
	Count	(%)	Count	(%)
Increase	66	52,4%	73	57,9%
Decrease	26	20,6%	36	28,6%
No Changes	34	27,0%	17	13,5%
Total	126	100,0%	126	100,0%

Table 56 – Changes in family's spending habits on different categories of essentials

	2008/09		2009/10	
	Count	(%)	Count	(%)
over 75% change	501	40,7%	613	49,8%
50% change	434	35,3%	353	28,7%
25% change	216	17,6%	158	12,8%
no change (0%)	79	6,4%	106	8,6%
Total	1230	100,0%	1230	100,0%

Table 57 – Other coping mechanisms

	Count	(%)
Accessing government services such as food banks	46	3,9%
Taking up loans or credit	604	51,0%
Selling off your assets	254	21,4%
Nothing	241	20,3%
Other	40	3,4%
Total	1185	100,0%

Table 58 - Access to health services by region

		2007/08			2008/09			2009/10			
		Yes	No	Total	Yes	No	Total	Yes	No	Total	
Region	Oromia	Count	717	77	794	728	65	793	715	77	792
		(%)	90,3%	9,7%	100,0%	91,8%	8,2%	100,0%	90,3%	9,7%	100,0%
	Afar	Count	88	36	124	86	37	123	85	38	123
		(%)	71,0%	29,0%	100,0%	69,9%	30,1%	100,0%	69,1%	30,9%	100,0%
	Benishangule	Count	122	14	136	120	15	135	124	10	134
		(%)	89,7%	10,3%	100,0%	88,9%	11,1%	100,0%	92,5%	7,5%	100,0%
	SNNPR	Count	136	56	192	133	59	192	134	59	193
		(%)	70,8%	29,2%	100,0%	69,3%	30,7%	100,0%	69,4%	30,6%	100,0%
Total	Count	1063	1063	183	1246	1067	176	1243	1058	184	
	(%)	85,3%	85,3%	14,7%	100,0%	85,8%	14,2%	100,0%	85,2%	14,8%	

Table 59 – Access to education services by region

			2007/08		Total	2008/09		Total	2009/10		Total
			Yes	No		Yes	No		Yes	No	
Region	Oromia	Count	635	156	791	636	155	791	627	160	787
		(%)	80,3%	19,7%	64,6%	80,4%	19,6%	64,6%	79,7%	20,3%	64,4%
	Afar	Count	73	48	121	75	46	121	76	45	121
		(%)	60,3%	39,7%	9,9%	62,0%	38,0%	9,9%	62,8%	37,2%	9,9%
	Benishangul	Count	79	55	134	79	56	135	84	51	135
		(%)	59,0%	41,0%	10,9%	58,5%	41,5%	11,0%	62,2%	37,8%	11,0%
	SNNPR	Count	85	93	178	85	93	178	87	92	179
		(%)	47,8%	52,2%	14,5%	47,8%	52,2%	14,5%	48,6%	51,4%	14,6%
Total		Count	872	352	1224	875	350	1225	874	348	1222
		(%)	71,2%	28,8%	100,0%	71,4%	28,6%	100,0%	71,5%	28,5%	100,0%

Table 60– Changes in income from crop agriculture by region

			2008/ 09			Total	2009/10			Total
			Increase	Decrease	No Changes		Increase	Decrease	No Changes	
Region	Oromia	Count	190	117	2	309	169	131	4	304
		(%)	61,5%	37,9%	0,6%	100,0%	55,6%	43,1%	1,3%	100,0%
	Afar	Count	3	3	0	6	1	5	0	6
		(%)	50,0%	50,0%	0,0%	100,0%	16,7%	83,3%	0,0%	100,0%
	Benishangul	Count	44	91	0	135	34	86	8	128
		(%)	32,6%	67,4%	0,0%	100,0%	26,6%	67,2%	6,3%	100,0%
	SNNPR	Count	26	9	0	35	23	8	4	35
		(%)	74,3%	25,7%	0,0%	100,0%	65,7%	22,9%	11,4%	100,0%
Total		Count	263	220	2	485	227	230	16	473
		(%)	54,2%	45,4%	0,4%	100,0%	48,0%	48,6%	3,4%	100,0%

Table 61 – Changes in livestock agriculture income by region

			Increase	Decrease	No Changes	Total
Region	Oromia	Count	61	137	0	198
		(%)	30,8%	69,2%	0,0%	100,0%
	Afar	Count	36	77	3	116
		(%)	31,0%	66,4%	2,6%	100,0%
	Benishangul	Count	1	0	0	1
		(%)	100,0%	0,0%	0,0%	100,0%
	SNNPR	Count	8	0	0	8
		(%)	100,0%	0,0%	0,0%	100,0%
Total		Count	106	214	3	323
		(%)	32,8%	66,3%	0,9%	100,0%

Table 62 – Changes in the family’s spending habits on the different categories of essentials

			more than 50% change	25% change	no change (0%)	total
Region	Oromia	Count	603	161	28	792
		(%)	76%	20,3%	3,5%	100,0%
	Afar	Count	103	20	0	123
		(%)	84%	16,3%	0,0%	100,0%
	Benishangul	Count	62	20	49	131
		(%)	47%	15,3%	37,4%	100,0%
	SNNPR	Count	167	15	2	184
		(%)	91%	8,2%	1,1%	100,0%
Total	Count	935	216	79	1230	
	(%)	76%	17,6%	6,4%	100,0%	

Table 63 – Changes in dietary habits by region

			2008/09		Total	2009/10		Total
			Yes	No		Yes	No	
Region	Oromia	Count	746	41	787	751	24	775
		(%)	94,8%	5,2%	100,0%	96,9%	3,1%	100,0%
	Afar	Count	47	76	123	59	62	121
		(%)	38,2%	61,8%	100,0%	48,8%	51,2%	100,0%
	Benishangule	Count	64	68	132	68	57	125
		(%)	48,5%	51,5%	100,0%	54,4%	45,6%	100,0%
	SNNPR	Count	159	36	195	168	27	195
		(%)	81,5%	18,5%	100,0%	86,2%	13,8%	100,0%
Total	Count	1016	221	1237	1046	170	1216	
	(%)	82,1%	17,9%	100,0%	86,0%	14,0%	100,0%	

Table 64 – Changes in the number of meals per day by region

			2008/09			Total	2009/10			Total
			Increase	Decrease	No Changes		Increase	Decrease	No Changes	
Region	Oromia	Count	116	497	69	682	92	531	67	690
		(%)	17,0%	72,9%	10,1%	100,0%	13,3%	77,0%	9,7%	100,0%
	Afar	Count	0	16	107	123	1	16	106	123
		(%)	0,0%	13,0%	87,0%	100,0%	0,8%	13,0%	86,2%	100,0%
	Benishan gul	Count	16	57	54	127	9	61	57	127
		(%)	12,6%	44,9%	42,5%	100,0%	7,1%	48,0%	44,9%	100,0%
	SNNPR	Count	47	95	35	177	40	98	39	177
		(%)	26,6%	53,7%	19,8%	100,0%	22,6%	55,4%	22,0%	100,0%
Total	Count	179	665	265	1109	142	706	269	1117	
	(%)	16,1%	60,0%	23,9%	100,0%	12,7%	63,2%	24,1%	100,0%	

Table 65 – Necessity to find an additional source of income by region

		Region				Total
		Oromia	Afar	Benishangul	SNNPR	
Yes	Count	268	40	58	99	465
	(%)	33,8%	32,8%	43,6%	51,6%	37,5%
No	Count	524	82	75	93	774
	(%)	66,2%	67,2%	56,4%	48,4%	62,5%
Total	Count	792	122	133	192	1239

Annex 5: Methodology

This section outlines the methodology that has been used to conduct the impact evaluation of the financial and economic crisis on economic and human/social dimensions in Ethiopia. Four techniques have been utilized to conduct the study: desk review, key informant interviews, focus group discussions, and a survey. The first step was the design of the sampling framework. The desk review has been essential for the elaboration of indicators and the design of the questionnaire. The data collected from the different sources have been triangulated and major findings have been extracted. Based on the data analysis and assessment, recommendations have been detailed with the objective of informing policy formulation.

1. Sampling frame and technique

1.1 Geographical scope of the study

Ethiopia is a geographically diverse country with different population, livelihood, climate, religious, traditional, etc. characteristics. Therefore it is necessary to determine a sample size that reflects this diversity. In addition, the crisis has major transmission channels that have been identified but that do not affect all regions. Some channels occur in some regions and others in different locations. This distinction is crucial as the reduction in export demand, which is one of the observed impacts of the crisis in Ethiopia, will affect regions differently depending on their type of activity. In pastoralist areas for instance, the population is more likely to be affected by the decrease in meat export as well as in the demand for leather and leather products. Other export commodity producers, such as coffee, may also be affected, but the scope and extent will be different from flower producers for example. In urban areas, the resulting reduction in export demand is likely to affect small and medium businesses highly dependent on international export demand and that specialize in one product.

A representative sample has been drawn from the following;

1. **Pastoralist areas**, Afar, since it has certain characteristics different due to its non-sedentary and mobile lifestyle and hence its special needs and coping strategies. It specializes in the production of live animals and meat and meat products as well as hides and skins. It is an area that is food insecure and dependent on other regions for food supplies making it more vulnerable to price changes.

2. **Urban centers**, Hawassa and its surroundings, is an urban center that can enable the assessment of different aspects of the crisis. It is a sector that is highly dependent on services especially relating to tourism. It is surrounded by several agricultural (horticulture) and some industrial activities. It will enable us to address some dimensions of the crisis, such as unemployment and inflation, which may be over or under represented in bigger urban centers such as Addis Ababa or Dire Dawa, in a fair a representative manner.

3. **Emerging regions**, Benishangul-Gumuz, since it is facing peculiar development challenges especially in face of the financial crisis. It is also a region that produces export commodities,

mainly sesame and soya beans. Although the region has a great potential for development and has very favorable climate conditions, it is still food insecure.

4. **Larger regions, Oromia.** The team chose to focus on Oromia as the region that has concentration on a wide range of activities and sectors as well as a diversified population that may be diversely affected by the crisis. The region produces coffee, chat, flower, fruits and vegetables, and other export commodities. It concentrates primarily on leather and leather products' factories. In addition, as mentioned in the ToR, because of higher population sizes and densities, peculiar challenges could be faced in terms of adaptation to the financial crisis as demand for services could increase putting more pressure on an already strained public services sector with implications on the socio-economic development of the regions.

1.2 Sampling Frame

The survey has used the sampling frame provided by the list of Census Enumeration Areas (EAs) with population and household information from Central Statistical Authority (CSA). The CSA Enumeration Area is defined on the basis of common characteristics in ethnicity, language, agro-forestry cropping patterns and production, trade interactions, population density, market options, income level, etc.

The sampling frame consists of Enumeration Areas in the study areas, geographically stratified and defined by the computerized Geographic Information System (GIS) data-base of the Ethiopian Central Statistical Authority. This sampling frame was chosen for three reasons:

- It will ensure complete spatial coverage of the study areas;
- It will make it possible to take a genuinely random sample before starting fieldwork, thus avoiding any potential bias towards easily accessible EAs ; and
- The resulting maps and GIS information will be invaluable both as an operational guide for the field-teams and as a basis for geographical analysis of the study findings.

During the construction of the sampling frame of the representative regions, the main task was to identify areas that are highly related to foreign trade and the agricultural production and agro-industry so that one can draw representative samples that can reflect the main objective of the survey. In parallel to this, the selection of woredas was based on the relevance of the woreda for the study. The selection was based on one of the following specificities that constitute the sample frame of the survey presented below. These are in relation to the transmission channels of the crisis, which have been identified by the study.

- coffee and chat production areas
- flower production areas
- livestock production areas
- hide skin factories
- sesame production areas
- honey productions area
- hotels and restaurants services activity
- construction sector activity

Using the above criterion the sampling frame was constructed. This means that, the sample EAs have been drawn from those respective areas based on the above criteria. However, during the survey, when we felt that the selected EA did not meet the above criteria we replaced it with one that was appropriate and located within the same woreda. As a consequence, some sampled EAs have been replaced and are different from the ones provided initially in the Inception report. This has been done mostly in the Oromia region to track the flower and leather industry areas.

1.3 Sampling technique

In order to meet the objectives and requirements of the survey, a three-stage cluster sample design was used for the selection of eligible households. The first stage sampling units were Enumeration Areas (EAs), the second stage units were woredas selected using purposive sampling technique, and the third stage units were households for which the survey questionnaires were administered. The sampling frame used the list of Census Enumeration EAs with population and household census 2007 G.C. from Central Statistical Authority (CSA).

The first stage of sampling of EAs within the region and the selection of Kebeles within the Enumeration Areas was done by computer prior to the fieldwork. The CSA had the necessary software to make the selections according to the specifications.

To avoid an uneven sample allocation among regions and administrative cities, the sample was allocated by using the Probability Proportion to Size (PPS) procedure. Additional adjustments were also made to ensure that the sample size for each region and administration city included a minimum number of respondents (at least 400) in order to yield estimates with reasonable statistical precision.

Hence, for a given region or administrative city, the first stage of determining sample size was done systematically with probability proportional to size. This can be mathematically expressed as:

$$P_{li} = \frac{(a * M_{OSi})}{(\sum_i M_{OSi})}$$

Where:

a is the number of allocated EAs for selection in the urban or rural area of the region

M_{OSi} is the number of adult men and women in the i^{th} EA and

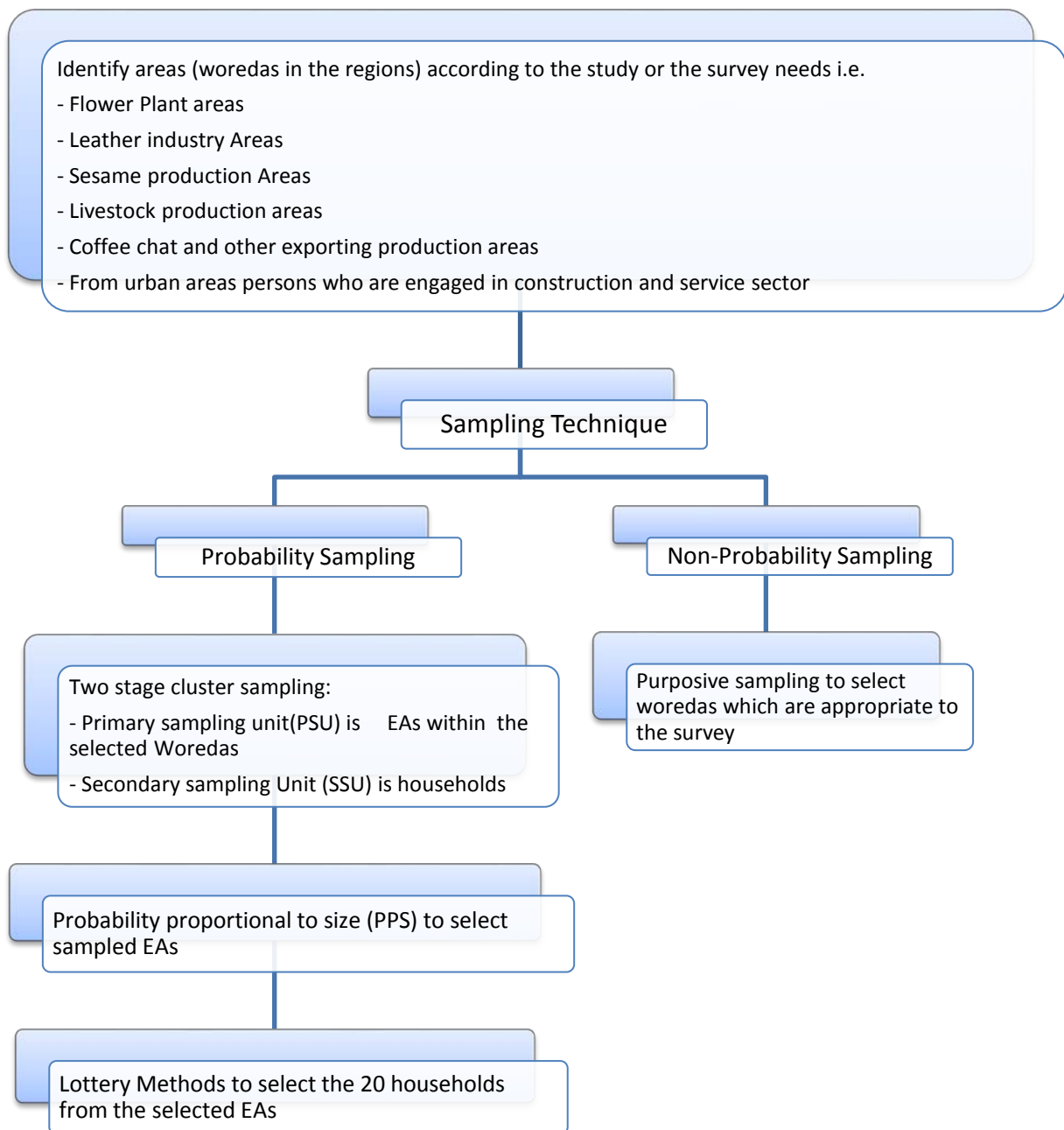
$\sum_i M_{OSi}$ is the total number of people in all the urban or rural areas of the region

The major determinants of the required sample size have not been the size (nor a fixed percentage) of the population, but the heterogeneity of the target population and the frequency of the characteristic to be measured (in this case, poor households, vulnerable groups especially young girls, women and children, populations living in food insecure and vulnerable regions, and men and women in urban and rural areas in the selected study areas).

1.4 Sample Domains and Structure

The sample aimed at collecting a representative set of adult women and men in selected regions and administrative municipalities. The primary focus of the sample was to provide estimates of key sample indicators in poor households, vulnerable groups especially young girls, women and children, populations living in food insecure and vulnerable regions, and men and women in urban and rural areas. The sample was designed to provide estimates of key variables for the three regions namely Oromia from larger regions, Benishangul from emerging regions, Afar from pastoral regions and one Administrative City, namely Hawassa.

The sampling technique and stages used in the study are as follows:



1.5 Sample size

The sample size for the study, including qualitative and quantitative phases, was 1200 households i.e. proxy to the individuals, the vulnerable groups especially young girls, women and children, populations living in food insecure and vulnerable regions, and men and women in urban and rural areas. Additionally, 52 husbands or wives have been interviewed to measure the differences in perceptions on the same issues within the same household. The following section will describe the selection procedure in each stage. The distribution and number of sample Woredas and EAs for each region is given in the tables below.

Table 1.1 – Sampling structure and procedures of selection

Sampling Unit	Procedure
Enumeration Areas (primary sampling unit)	Random sample (computerized) Probability Proportional to Size (PPS)
Woredas (secondary sampling unit)	Random sample (computerized) Purposive sampling
House hold (tertiary sampling unit)	Random sample (lottery)
Respondents (fourth and final sampling unit)	Adult men & women per household

Table 1.2 – Selected woredas and EAs in Afar region

Region	Wereda	City	Kebele	Eas
Afar	Gewane	NA	Yigile	2
Afar	Amibera	NA	Buri	1
Afar	Dulecha	NA	Durefule	1
Afar	Awash	NA	Kebena	1
Afar	Amibera	NA	Gelsa	1

Table 1.3 – Selected woredas and EAs in Benishangul region

Region	Wereda	City	Kebele	Eas
Benishangul	Asosa	NA	Akuda Tumet	1
Benishangul	Asosa	NA	Megele 39	1
Benishangul	Maocomo	NA	T/G	1
Benishangul	Asosa	NA	Selga 19	1
Benishangul	Kamisha	NA	Bedesa Kobi	1
Benishangul	Bamobasi	NA	Qishamado	2

Table 1.4 – Selected woredas and EAs in Oromia region

Region	Wereda	City	Kebele	Eas
Oromia	Adea	Bishoftu	5	2
Oromia	Adea	Bishoftu	Filitino	1
Oromia	Mojo	Ajersa	1	6
Oromia	Ginibichu	Bishoftu	Qoretu	1
Oromia	Adami Tulu	Zeway	2	2
Oromia	Lome	Moja	2	6
Oromia	Lome	Moja	Baqa	3
Oromia	Lome	Moja	Baqa	3
Oromia	Lome	Alemtena	1	7
Oromia	Zewaye duguda	Zeway	biyanesha Sadan	4
Oromia	Adea	Bishoftu	Danbi	4
Oromia	Adea	Bishoftu	Kaliti	2
Oromia	Ginibichu	Bishoftu	Odda	2
Oromia	Lome	Moja	99	3
Oromia	Akaki	Addis Abeba	Gorche	2
Oromia	Amaya	NA	Mari	4
Oromia	Waliso	NA	Marobarario	1
Oromia	Waliso	NA	Marobarario	4
Oromia	Welmera	NA	Kolobo	1
Oromia	Welmera	NA	Kolobo	3
Oromia	Dedo	NA	Didiboro	5
Oromia	Dedo	NA	Yaye Seke	1
Oromia	Welmera	NA	Wechecha	5
Oromia	Mana	Haro	Haro	1
Oromia	Sika Chokoresa	NA	Kusaro	6
Oromia	Sebeta	NA	Tefeki	8
Oromia	Sebeta	NA	Tefeki	2
Oromia	Welmera	NA	Wechecha	4
Oromia	Welmera	NA	Wechecha	2
Oromia	Limu	Galile	Wariso	4
Oromia	Sibu Sire	Cuguni	Quni	1
Oromia	Guto Gida	Uke	Meti	3
Oromia	Sasiga	Sasiga	Odda	4
Oromia	Dulecha	Getema	Bandira	2
Oromia	G/Ayana	Ayana	Ejere	2
Oromia	G/Bila	Bila	Abaya Dale	1
Oromia	Sibu Sire	Sire	Qeso	4
Oromia	Gida Keramu	Keremu	Homa Anisar	1
Oromia	Guto Gida	Uke	Kejale	1

Table 1.5 – Selected woredas and EAs in SNNP region

Region	Wereda	City	Kebele	Eas
SNNPR	ADDIS KETE	HAWASSA	DOKA	10
SNNPR	MENAHERIA	HAWASSA	MILLINIU	18
SNNPR	Hawilatula	HAWASSA	Chefe Se	5
SNNPR	Bahil Adar	HAWASSA	Adare	19
SNNPR	Tabor	HAWASSA	Hogame	20
SNNPR	HAWELATULA	HAWASSA	CHEFAKOT	12
SNNPR	TABOR	HAWASSA	DUMA	48
SNNPR	MISRAK	HAWASSA	TASO	5
SNNPR	HAYEK DAR	HAWASSA	GUDUMALE	4
SNNPR	HAWILATULU	HAWASSA	ALAMURA	4

Table 1.6– Total sample size by region

		No.of EAs covered	No.of households interviewed
Region	Oromia	39	799
	Afar	5	124
	Benishangul	6	136
	SNNPR	10	198
Total		60	1257

1.6 Selection of Households

The third and fourth stages of the sampling were implemented by the survey teams in the course of field work as described below.

Within each selected Kebele proxy to EAs, simple lottery methods were used to randomly select a fixed number of households. The sampling frame for the household selection was community maps obtained from the CSA and checked by a group of key informants. Team leaders discussed and crosschecked the map with the informants, to ensure that it included all households within the boundaries of the Kebele (including non-tax-payers, single-persons and female-headed households and any socially marginalized groups). CDC gave training to the enumerators to understand and follow this method during data collection.

Once a correct map of villages was obtained, each household was assigned a number on the map, corresponding to a number on lottery tickets, which were drawn at random by the key informants. An additional number of households were drawn at the same time, and kept in reserve by the team leader: in cases where it was proven impossible (after reasonable efforts) to interview the selected members in the households, one of these reserves was substituted at the team leader's discretion.

1.7 Selection of Respondents

Since the survey deals with a number of issues which need to be addressed by the adult members of the household, it is important that adult men and women of the households respond to the questions without interference from others. There were situations where there were no adults within the age bracket; and in these cases the household was omitted from the sample. The interviewer then proceeded to the next sample household. In a situation where there were multiple adults, the interviewer interviewed the head of the household in the age bracket. It is presumed that these procedures have yielded a proportional number of male and female adults.

While we acknowledge that this may not be a strictly representative sample, from a stringent statistical point of view, every effort has been made to capture a cross-section of the study population. Factors such as educational level, occupational status, gender, PLWHAs, etc. have been considered to ensure some degree of heterogeneity in the sample population. The objective was to get the broadest possible opinion and crosscheck and verify the findings with those directly involved with the issues.

Since the sampling procedure employed in this study deviates from the self-weighting model, the sample size might be biased towards smaller Regions and Administration Cities. It is, however, important to note that if one wants to generate regional level indicators, the sampling procedure will remain self-weighted. On the other hand, if it is required to generate the indicators at the whole study population level (or for the regions combined), then sample weighting should be done on the original data. This is because the proposed sample size from smaller regions and Administrative City is over-represented in proportion to their enumeration areas. Therefore, to generate indicators across all survey areas, sample weights have been introduced to compensate for this disproportionate sample allocation. Within the sampling domains, the sample remains self-weighting.

1.8 Data Collection Instruments

We have used a combination of data collection methods to assess the economic and human dimensions of the financial crisis. The first stage was to conduct a thorough literature review of all existing documentation including a review of up to date quantitative and qualitative data. After the identification of relevant indicators, the team designed a questionnaire that was utilised to collect crucial data at the household level. The household level data gathered from the survey was complemented by Key Informant Interviews and Focus Group Discussions.

1.8.1 Literature Review

The assignment commenced with a comprehensive documents/literature review. Various relevant documents on transmission channels regarding the effect of the economic crisis on developing countries and in particular on Ethiopia were considered. The literature review essentially focused on areas that directly or indirectly affect economic and human development dimensions.

1.8.2 Survey

After determining the economic impacts of the global financial crisis, the next step consisted in assessing whether these macro level effects have percolated to the micro level. A questionnaire based on close-ended questions was developed to collect the required data. A prior identification of social/human level indicators was undertaken when designing the questionnaire. The questionnaire was designed in a way that can capture information on aspects pointed out in the TOR including the following:

- Access to basic services for vulnerable groups (women and children) such as health specifically SRH, immunization, water and sanitation, education, food and shelter disaggregated by sex and region. Specific effects on maternal health were highlighted. This is also to stress the population dimension and the strains unchecked population growth puts on the economic system and social services;
- Vulnerability to communicable diseases such as HIV/AIDS;
- Geographical vulnerability as pertaining to rural-urban, food secure/insecure and pastoralist-sedentary differences were explored. This is particularly important due to the possible reduction in export demand and its impact on rural livelihoods;
- Disposable income or purchasing power taking into consideration implications of increased inflation rates especially for food items;
- Gender inequality: market employment, income, and education (enrolment ratio as poorer families might afford and prefer only to send boys to schools); and
- Household well being (qualitatively).

1.8.3 Key Informant Interviews

The information collected through the desk review was complemented by data provided by stakeholders themselves. This was important because it provided information from households, businesses, government officials, NGOs/CSOs, and other stakeholders based on their personal experiences and observations of the impact of the crisis. A series of semi-structured interview instruments that reflect the range of issues and research questions contained in the assignment were designed. These interviews included lengthy and detailed discussions on stakeholders' conceptualization of the degree of impact of the economic crisis on poor households in Ethiopia and vulnerable groups, especially young girls, women and children and their access to basic services especially SRH and HIV/AIDS services. Using a gender approach, the key informant interviews allowed for the assessment of the effect of the crisis on these vulnerable groups focusing in particular on issues relating to health facilities and specifically sexual and reproductive health services. This technique has also allowed for the identification of coping strategies used by households to inform policy-makers on ways to alleviate the effects of the crisis.

1.8.4 Focus Group Discussions

Talking to stakeholders in groups provided a uniquely valuable opportunity to elicit new information, triangulate and check impressions gained by others. In this study, focus group discussions were conducted with relevant stakeholders including members of the private, public and informal sectors; women and men in a cross-section of households; NGOs and

CSOs and other relevant stakeholders in order to document their experience of Ethiopia's financial and economic crisis.

1.9 Data Management

Appropriate data management procedures were developed and implemented. A central database was created that allows capturing of the data collected from different sites and layers into one system. The collected data was checked for completeness periodically throughout the survey. In cases where there were missed data, supervisors and data collectors re-visited survey sites to fill the data deficiencies.

Office editing and post-coding - In addition to editing each questionnaire at the site by field survey supervisors, all questionnaires were edited and post-coded for computerization. Office editing was performed by carefully selected and well-trained data entry clerks under the close supervision of the core consultants' team.

Data entry - At central level, the collected data was computerized using appropriate software (SPSS V.19). Double data entry was implemented to assure data quality. The data was organized so as to allow linking of information obtained from different sources as well as triangulation of information/data.

Data quality assurance - In order to assure the quality of the data, the database was programmed in order to capture all the necessary rules including skip rules, range rules, and internal consistency checks. Data security and confidentiality was maintained throughout the study period.

Staff training and team organization - The data collectors and field supervisors were gender balanced with females interviewing females and males interviewing males. They all spoke local languages and were familiar with the socio-economic norms of the locals. Data collectors had received intensive class room training before they were deployed for the actual data collection. The training focused on the subject matter of the survey and the use of instruments. Data collectors were provided with detailed explanations and definitions for each question of the questionnaire so as to have a uniform understanding of the meaning of each question and response choices, and to improve the consistency of the data collected by different data collectors in different regions.

1.10 Challenges During Data Collection

There were different challenges during the data collection, including challenges that were diversified according the culture and the character of the population. To mention a few:

- In most of the Woredas getting in touch with the government officials was difficult (Afar)
- Interviewers were expected to buy chatte for the officials, so they can set up meetings (Afar)
- inaccessibility or remoteness of some Kebeles or EAs that were selected for assessment (Afar)

- Condition/accessibility of the roads (Afar)
- It was very difficult to find the respondents without local guides
- Some respondents would not consent to interviews, because they had been interviewed so many times by peoples like “us”
- Very difficult to interview people living with HIV AIDS (PLWHA)
- The data collection schedule was tight, which resulted in surpassing allotted time
- Interviewers had to pay some of the government officials of the Woredas money to get interviews
- Not easy to communicate with technical persons because of poor mobile network connections (oromia)
- In the key informant interviews, the health officials were not willing to answer some questions because they did not want to be responsible for exposing such information as lack of drugs in drug stores (oromia)
- In some areas because of conflict of religion amongst the people, interviewers were denied interviews until they got a letter of proof from higher/regional officials, which delayed the data collection process by hours at a time (oromia)
- In Jimma there were Muslim-Christian conflicts which resulted in approximately 72 churches being burned down. In the mean time, the federal police was there investigating and they detained the data collectors for several hours
- Most of the government officials were either busy and couldn't give the interviewers' ample time to interview them, or were not around or easily found.
- In some Woredas the officials were not cooperative, even if the interviewers showed letter of proof. In some cases the officials called and reported to the police that the interviewers were trying to “manipulate the people”. The interviewers had to show IDs and prove that they had permission from the regional offices to conduct these interviews.
- In some Woredas the officials insisted that there be separate letters for each Kebele officials, even though there was a letter from the region
- Lots of respondents had to be given money in return for his/her cooperation during the interview.

1.11 Data Analysis

Data compiled both through primary and secondary means have been edited, coded and compiled using grid structure, by which similar issues were grouped together, thereby allowing for the quantifying and analysis of findings. The information gathered through the review of documents, key informant interviews, focus group discussions, and the survey have been analyzed within the framework of the study and theme objectives. The collected data from these different sources have been analyzed and triangulated in order to conduct the assessment.

The analysis assessed the direct and indirect impacts of the different transmission channels of the crisis on human dimensions as defined by the different socio-economic indicators that have been identified as indicated in the above sections. The analysis was also elaborated on interrelations and interconnections between the transmission channels and reflects on the differentiated and combined impacts on human/social dimensions.

1.12 Assessment of the Impact of the Crisis

The analysis conducted using the information gathered through the review of documents, key informant interviews, focus group discussions and the survey have been used to conduct a full assessment of the human dimensions of the financial and economic crisis in Ethiopia. Special attention was given to effects on livelihoods in rural and urban communities distinguished by gender; on poor households and vulnerable groups such as young girls, women, and children; issues relating to sexual and reproductive health services; food insecure and vulnerable regions including the effects of climate change and environmental degradation on food security and access to services.

The assessment also provides information on challenges faced by the different stakeholders, in particular the poor and vulnerable and the government as well as information on coping strategies adopted by different stakeholders.

1.13 Baseline Data

For comparison purposes, the study used data reflecting the situation and evolution of selected indicators before the crisis started affecting Ethiopia. Comparisons have been made between the situation in FY 2007/08 (2000 EC) and FY 2008/09 (2001 EC). The crisis is believed to have transmitted to the Ethiopian economy during the last quarter of 2008. The study also looked at the situation in 2009/10 to investigate if there are any lagging effects. This has enabled the comparison between the pre-crisis situation and the post-crisis period both at the macroeconomic and at the microeconomic/human level.

Annex 6: Administrative Report

The study on the Human Dimension of the Financial Crisis in Ethiopia was conducted over the period between February and April 2011. The study covered a representative sample drawn from pastoralist areas, urban centers, emerging regions and the larger regional states of the country with a sample size of 1,200 for both the qualitative and quantitative phases.

The study was managed by a team of researchers including several enumerators deployed across the study areas. Attempt was made to deploy enumerators that can speak the language of the particular region under the study and/or utilize the services of translators where necessary. The team of enumerators was given a one day training including a simulation exercise on the data collection instruments. The team leader was responsible for the overall conduct of the study. Experts in the various areas contributed in their respective fields at different stages of the study.

Administrative issues including logistics and communication with the different regional authorities were handled both at the center (CDC head office) as well as at the data collection sites through data collectors' supervisors. Direct communication was maintained between enumerators and the team of researchers at head office at all times.

There were different challenges during the data collection process, including challenges that were diversified according to the culture and the character of the population. The major challenges include:

- In most of the Woredas getting in touch with the government officials was difficult (Afar)
- Interviewers were expected to buy chatte for the officials, so they can set up meetings (Afar)
- Inaccessibility or remoteness of some Kebeles or EAs that were selected for assessment (Afar)
- Condition/accessibility of the roads (Afar)
- It was very difficult to find the respondents without local guides
- Some respondents would not consent to interviews, because they had been interviewed so many times by peoples like "us"
- Very difficult to interview people living with HIV AIDS (PLWHA)
- The data collection schedule was tight, which resulted in surpassing allotted time
- Interviewers had to pay some of the government officials of the Woredas money to get interviews
- Not easy to communicate with technical persons because of poor mobile network connections (Oromia)
- In the key informant interviews, the health officials were not willing to answer some questions because they did not want to be responsible for exposing such information as lack of drugs in drug stores (Oromia)
- In some areas because of conflict of religion amongst the people, interviewers were denied interviews until they got a latter of proof from higher/regional officials, which delayed the data collection process by hours at a time (Oromia)
- In Jimma there were Muslim-Christian conflicts which resulted in approximately 72 churches being burned down. In the mean time, the federal police was there investigating and they detained the data collectors for several hours

- Most of the government officials were either busy and couldn't give the interviewers' ample time to interview them, or were not around or easily found.
- In some Woredas the officials were not cooperative, even if the interviewers showed letter of proof. In some cases the officials called and reported to the police that the interviewers were trying to "manipulate the people". The interviewers had to show IDs and prove that they had permission from the regional offices to conduct these interviews.
- In some Woredas the officials insisted that there be separate letters for each Kebele officials, even though there was a letter from the region
- Lots of respondents had to be given money in return for his/her cooperation during the interview.