Book Review


Reviewed by Aseffa Seyoum, Science, Technology and Environment Policy Lab, Department of Public Administration, University of Illinois at Chicago (UIC), USA.

This book gives a comprehensive and insightful appraisal of the progress and policy challenges ahead in the Ethiopian economy based on empirical evidence. The book has two parts. The first part of the volume deals basically with the food economy. It begins by introducing the socio-political and economic changes the country has undergone and its outcomes. Then it becomes more focused on the economic reforms that took place in the 1990s and 2000s and their implications for the food economy of the country. The second part of the book discusses the agriculture and food policies implemented at various times such as the Agricultural Development-Led Industrialization (ALDI) programme and Ethiopia’s success in reducing poverty and achieving overall economic growth as a result of following these policies. It also demonstrates the contributions of various sectors of the economy to the accelerated agricultural growth and poverty reduction programme of the country. The authors revealed that improving cereals productivity is the intervention that has the highest impact on poverty reduction. Their findings provide evidence that infrastructure development has improved market integration, reduced transaction cost and increased efficiency of the cereal market, even though price variability remains a problem.

The book stresses that the country’s current economic growth could be challenged by i) the slow growth of non-agricultural sector and ii) natural resources (land and water) constraints observed in the central highlands. It explains that without growth in the non-agricultural sectors that creates sufficient demand for agricultural products, increased agricultural productivity could result in falling prices which could have negative effects on producers. Moreover, the book indicates that Ethiopia should focus on intensive production as other options of increasing production such as extensive cultivation, bringing more land under production, are limited. It discusses
that the intensification programmes should target improving smallholder farmers’ use of agricultural information and technological inputs. The authors also suggest that the agricultural development extension system needs to be a more dynamic and competitive service delivery system rather than top-down package approach.

In addition, the book highlights that the land tenure system in the past had limited labour mobility, contributing to today’s rural land shortage. It considers improving labour mobility to ease the natural resource constraints that agricultural production is facing in central highlands and beyond. It also discusses positive outcomes of the recently implemented land registration and certification policy in terms of creating opportunities for transferring land to more efficient farmers, improving tenure security, land management and land productivity. The authors note that some of the shortcomings in the implementation of the land policies, such as high transaction costs involving in land exchange and arbitrary compensation, need to be further addressed through development of detailed implementation guidelines. They state that land privatization is unlikely given current conditions.

The last chapters of the book are focused on Ethiopia’s risk management and food security programmes. They explain how food aid has been used in recent years to successfully build household and community assets through the Productive Safety Net Programme (PSNP) – a cash or grain transfer programme to prevent asset depletion and create assets among food insecure rural areas of Ethiopia. Finally, the book suggests that structural transformation of the economy from agriculture to industry, maintenance of macroeconomic stability, cross-sector distribution of public and private investment remain important for continued economic growth.

In sum, this book appears to be a very important reference for policy makers, academicians, and practitioners. I am sure that readers of IJC will find each chapter of this book very useful. For instance, there is a good explanation embedded in this book as to how the decentralized community-based targets have helped to effectively implement the PSNP. Here the authors present the common implementation challenges in selecting targets for the PSNP and discuss how the decentralized community-based selection mechanism was effective in targeting households for public work or direct support schemes that helped to improve the livelihood of the participants. The community-based target household selection criteria are reported to be more or less consistent. It also evidences that creating flexibility in selecting targets for poverty alleviation interventions by incorporating community level indicators of poverty tends to improve effectiveness of the programme.