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## **Recognizing the Importance of Subsistence Farmers through Policy Changes and a New Market**

Ethiopia is one of the world's oldest countries but decades of conflict and environmental issues has created a weak economy, poverty, and famine. Ruled as a monarchy for most of its history, the Ethiopian dynasty was last ruled by Haile Selassie, who successfully resisted Italian colonization, but was then overthrown in 1974 by a military junta known as the Derg ("Ethiopia", Country Review). The Derg formed a socialist state but was plagued with various coups, drought, and influx of refugees. The government was eventually toppled in 1991 by the Ethiopian People's Revolutionary Democratic Front. The EPRDF led to the adoption of a constitution in 1994 and multiparty elections in 1995 ("Ethiopia", The World Factbook). While Ethiopia's government was fairly stable, a war with north neighboring Eritrea devastated the economy ("Ethiopia", Country Review).

Years of conflict prevented Ethiopia from growing economically. After the war with Eritrea ended in 2000, Ethiopia began growth supported by foreign programs and debt relief. Ethiopia's GDP grew rapidly, averaging 11% from 2004 to 2009, and an estimated growth rate of 7.5% in 2011 ("Ethiopia", Country Review). Despite strong improvement, Ethiopia is still one of the world's poorest countries with the GDP per capita in 2011 at \$1,100 ("Ethiopia", The World Factbook).

With almost 50% of GDP coming from agriculture and 85% of the labor force working in agriculture, most Ethiopians are subsistence farmers ("Ethiopia", The World Factbook). Many important grains are grown in Ethiopia including wheat, millet, barley, and teff, a grain native to the country. Another important crop is coffee because it is Ethiopia's largest export and most profitable commodity ("Ethiopia", Country Review). Because the Ethiopian economy relies so heavily on agriculture and it lacks infrastructure, its stability is dependent on the land and weather conditions.

Ethiopia is located in eastern Africa, west of Somalia and is the largest country on the Horn of Africa. Ethiopia has a total area of 1,104,300 sq km, or almost twice the size of Texas ("Ethiopia", The World Factbook). It consists of mountains and a plateau bisected by the Great Rift Valley and surrounded by low deserts. The climate varies depending on topographical regions and altitude. The central plateau has a moderate climate while temperature varies greatly in the lowlands with extreme heat. There are rainy seasons twice a year but the rest of the time, Ethiopia is dry. The northern area of Ethiopia and the far east, bordering Somalia, receive much less rain than other parts of the country (Ember). Only about 10% of the land is arable ("Ethiopia", The World Factbook). Drought dramatically affects Ethiopia and causes crops to wither and die. In the summer of 2011, the Horn of Africa experienced an intense drought and famine, with conditions not seen in decades and while the situation has improved, millions of people still do not have access to food.

### **Culture**

Traditionally, families in Ethiopia are close knit and the extended family relies on each other day to day. In rural areas, several generations of the male line usually live in one house or on one family compound. In urban areas, the extended family is less likely to live under one roof and share responsibilities. Elders are highly respected in Ethiopia and the oldest male is the head of the household. Men are responsible for financially supporting the household and make all major decisions while women are responsible for domestic life ("Ethiopia", CultureGrams).

In urban centers, men and women eat together but in traditional rural areas, men usually eat first, then women, and children last. Ethiopians rely on cereal crops for food, especially the teff plant, which they make sponge-like bread out of called *injera*. *Injera* is eaten daily with *wat*, a stew made from chicken, beef, or vegetables. Coffee is a main export, but people often drink coffee after meals. Many Ethiopian are Orthodox Christians so animals with uncloven hoofs and that do not chew their cud are not eaten (Ember).

Children are often needed to help earn income to support the family. Children help on farms and girls learn domestic responsibilities so many children are not able to attend school. More boys attend school than girls and boys' education is valued more, both of which is reflected in the literacy rate ("Ethiopia", CultureGrams). In Ethiopia, only 42.7% of people are literate and 50.3% of the male population is literate compared to only 25.1% of the female population. Only 47% of children attend school but schools are usually run-down classrooms with poorly-trained teachers ("Ethiopia", The World Factbook). Children are allowed to live at home as long as they would like and most women do not move out until they are married ("Ethiopia", CultureGrams).

Urban families have varying living conditions depending on income. Poorer families usually live in crowded conditions. Plumbing and electricity is available but outages are common. However, in rural areas, there is no electricity or running water so people get water from rivers or other bodies of water ("Ethiopia", CultureGrams).

#### Overview of Problems

Ethiopia faces many environmental issues including deforestation, overgrazing, soil erosion, desertification, and loss of bio-diversity ("Ethiopia", Country Review). Environmental issues along with intense drought, lack of irrigation and infrastructure causes famine every few years. With enough rain and the proper support, subsistence farmers often can produce enough food to feed themselves and to sell. If farmers do have surplus crops, the lack of infrastructure prevents the surplus from being sold and distributed to areas in need. Investments are needed to build irrigation systems, roads, and other areas of infrastructure. Infrastructure would make distributing and selling crops and food aid faster, cheaper, and more efficient (von Braun and Olofinbiyi 176-182). While families farm the same land previous generations have cared for, all land is technically owned only by the government but local governments can rent land to farmers (Lefort). In an effort to boost production by improving technology, the government also offers farmers fertilizer, which farmers pay for after their harvest but many are unable to pay back the money they owe because of poor harvest. Local governments often use the threat of collecting debts to quiet dissent (Albin-Lackey). Farmers often do not have proper or fair access to land, technology, and credit. Many government policies only exacerbate food insecurity. Also, the weak marketing system can cause severe fluctuations in grain prices, making it unprofitable for farmers to even harvest their crops, and in turn, causes an insufficient amount of food and eventually famine ("The Market Maker").

#### Land Grabs, the Necessity of Subsistence Farmers, and a New Market

An emerging problem in Ethiopia, and in other parts of Africa, is foreign countries and investors buying or renting fertile land from the government. Called land grabs, the practice displaces local people and undermines local economies. The foreign countries use the land to grow crops and then send the harvest back to the foreign country instead of keeping the crops within Ethiopia. Many of the countries investing in Ethiopia are countries, such as India, China, South Korea, and Saudi Arabia, that are worried about their future food supply (Brown). Many of these land grabs are taking place in countries with political instability, such as Sudan, the Congo, and Ethiopia. In Ethiopia, millions of acres of land is being leased out by local and federal governments. Those supporting leasing out land claim that the land is currently

not being used effectively and that leasing out land would help local economies (Bartlett). Between 2008 and 2011, Ethiopia leased out 9.5 million acres of land. Area being targeted for their fertile soil is Gambella, Afar, Somali and Benishangul-Gumuz ("Ethiopia: Thousands driven"). About a quarter of Gambella's farmland, 1.1 million hectares, has been offered to both domestic and foreign investors (Vidal). To create the empty farmland, the government plans to relocate 1.5 million people from those areas by 2013 ("Ethiopia: Thousands driven"). Local governments cite relocation as necessary to give citizens better access to water, school, and transportation but many who have given up their villages have not seen improvement in their new locations (Vidal). Land grabs displace small subsistence farmers and often replaces them with agri-business-like farms. Because of the lack of private property laws, the government owns most land and therefore, farmers receive no compensation for the land generations have lived on. Displaced farmers lose their livelihood and are no longer able to support themselves. Government policies exacerbate food insecurity, benefitting foreign investors, and hurting the majority of Ethiopians.

The simplest solution is for the government to stop essentially giving away land to foreign investors. Ethiopia not only needs to change its policies involving land grabs, but also other policies regarding agriculture and the economy. If million of people outside of Ethiopia can be fed using food grown on Ethiopian land, millions of Ethiopians should be able to be fed using their own land (Tolossi). The government should support Ethiopian farmers rather than foreign farmers. Sustainable environmental standards, improved trade and market policies, and supporting small subsistence farmers is needed to help Ethiopia become food secure and independent.

Land grabs and the implementation of large modern farms have hurt Ethiopia's environment. Many of the new landholders have access to modern technology and modern agriculture. This often leads to the heavy use of fertilizers, pesticides, herbicides, and monoculture crops. This approach to agriculture is not sustainable, especially not in Ethiopia and it devastates the ecosystem (Cochrane). To make way for large farms, land is cleared, resulting in the loss of trees, topsoil, and natural habitats (Tolossa). Ethiopia already has major problems with soil infertility due to erosion and land grabs decrease the amount of arable land (von Braun and Olofinbiyi 179). The government needs to support sustainable agricultural practices that already naturally occur when subsistence farmers maintain the land well. Practices like using natural manure for fertilizer, crop rotation, and growing legumes among other plants to replenish nitrates and to create two harvest seasons, take care of the environment while still feeding people (Tolossa).

Producing food is necessary but a strong market, economy, and infrastructure are needed to distribute food, and sustain farmers. Trade is a central part of economic development and feeding people but modern trade systems are not available in Ethiopia. Much of Ethiopia lacks quality control standards, and even the assurance that sellers will be paid for their products. As a result, many subsistence farmers do business near home with people they know and trust rather than risk being cheated ("The Market Maker"). To solve the trade problem, economist Eleni Gabre-Madhin has created a initiative to "transform the Ethiopian economy by becoming global commodity market" called the Ethiopia Commodity Exchange, or ECX (About Us). When ECX was first introduced in 2008, Gabre-Madhin and her team were forced to build the company from scratch because Ethiopia lacked many of the tools needed for basic commerce. ECX started by trading in grains and by connecting buyers with sellers while storing real commodities in real warehouses. In addition, ECX made created a transparent market by making real time price information available to all farmers and traders through information systems ("The Market Maker"). The first test of a large scale commodity exchanged through ECX was coffee. In 2008, the Ethiopian government shut down the corrupt government-run auction system for coffee and directed all coffee trades through ECX. Since then, ECX has expanded the commodities it trades to now include sesame, maize, wheat, and haricot beans ("The Market Maker"). There have also been discussions of trading sugar and fruit crops (Maasho). Despite all its successes, ECX still faces trouble connecting all subsistence

farmers in rural areas. Part of that issue is that it can be difficult to convince common Ethiopians to trust ECX's system and move away from trading practices they've relied on all their lives. ECX convinces farmers and traders to join by sending members of the exchange to go out to rural areas, build relationships, educate rural farmers how the exchange works, and gain trust ("The Market Maker"). ECX is run by people who have a first-hand understanding of how Ethiopia works does not need extensive and external help from the international community. The government has allowed ECX to expand and work toward its goal of creating an efficient market. ECX has recently been discussing with the government the possibility of the monetization of surplus food aid through the exchange, which would give the government more money for initiatives to build up infrastructure (Maasho). As long as government policy continues to support ECX and those running ECX remember the original goal, ECX should continue to help all Ethiopians. Ethiopia's evolving market will help transport food from surplus areas to deficit areas, stabilize prices, and create a profitable system for all stakeholders.

Ethiopia's government needs to recognize the importance of small subsistence farmers. Subsistence farmers have to capacity to feed the country and export surplus with the assistance of the right policies and efficient market. Ethiopia should invest in developing rural agriculture like irrigation systems and provide fair credit and property opportunity to farmers. While development of the land is vital, conservation of the land is equally as crucial to sustain the fertility of the land. Farmers should have access to fertile land because land grabs undermine subsistence farmers and create food insecurity in Ethiopia. Land grabs only benefit investors and do nothing for common Ethiopians. The Ethiopian government should stop supporting land grabs and allowing the degradation of the land and economy that follows land grabs. In addition, continued support of the Ethiopia Commodity Exchange will help stabilize the market. Transparency, solid communication, and efficient transactions will help to control prices and make farming a profitable way of living. These solutions will not drastically change traditions and Ethiopian culture. The key is to maintain the culture closely tied to food that has developed over centuries while still bringing all of Ethiopia into the modern world. The independence and stability of subsistence farmers is crucial to end hunger in Ethiopia.

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