



CDIE

Impact Evaluation

United States Agency for International Development

FOOD AID IN ETHIOPIA Grain Saved Lives, Helped Stabilize Economy

Food shipments have helped this impoverished African country in various ways. In the past, donated cereals helped feed millions during periods of famine but, because of civil strife, contributed little to development. Today, food aid is helping Ethiopia move from reliance on relief to greater food security.

SUMMARY

Ethiopia is one of the poorest and most food-insecure countries in the world. The country has had four famines since 1980. Varying combinations of factors have created food insecurity and famines (the ultimate phase of food insecurity). Chief among them: natural catastrophe, poor agricultural and market policies, and inability of the government to deliver resources to food-insecure regions in a timely manner. Poor infrastructure and civil conflict have also contributed.

During the imperial era of 1956 to 1973, farmers suffered from a lack of land reform, little government investment in agriculture, and oppressive rents. In 1974 Lt. Col. Mengistu Haile Mariam (with the Armed Forces Coordinating Committee, known as the Derg) overthrew Emperor Haile Selassie. The subsequent centrally planned Marxist economy was even more inefficient. State planning and control over investment, production, and trade replaced market mechanisms; private

CONTENTS

Summary	1
Background	3
Economic Impact	5
Social Impact	10
Food Aid and Political Stability	12
Food Aid and Equity	16
Lessons Learned	18

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entrepreneurship was stifled; and a large portion of the country's resources were diverted to conduct a civil war.

After 17 years of the Mengistu regime, the economy was crippled. In May 1991, this government was toppled by a coalition of insurgent forces. A transitional government was established pending elections in 1994. A shakeout of coalition members left the transitional government in the effective control of one group, the Ethiopian People's Revolutionary Democratic Front (EPRDF).

The transitional government has made considerable progress in stabilizing the economy and deregulating economic activity. EPRDF initiated many structural reforms aimed at correcting price distortions, lifting restrictions on the private sector, deregulating the labor market, reducing economic imbalances, realigning the exchange rate, and liberalizing the external exchange and trade system. The reforms have had a positive effect on real gross domestic product. It expanded on average by 6.5 percent during fiscal years 1993–95 and is estimated to have grown by 7 percent in 1996.

The United States provided \$773 million of food aid to Ethiopia from 1956 through 1994. Over the past 25 years, the United States has contributed 28 percent of all Ethiopia's food aid. Of that, 85 percent has been provided since 1986. Title I programs, funded in 1963, 1966, 1967, and 1976, accounted for a little over 1 percent of Public Law 480 commitments. Title II, active every year since 1956, made up 87 percent. Title III programs, active since 1992, made up the remaining 12 percent.

In September 1996 a six-person evaluation team from USAID's Center for Development Information and Evaluation assessed the U.S. food aid program in Ethiopia. The team examined the economic, social, and political effects of the program over the past 40 years and identified its principal beneficiaries.

The evaluators found the importance and effects of U.S. food aid to Ethiopia has varied over time. During the reign of Emperor Haile Selassie (1930–74), there is no evidence food assistance contributed to economic growth. For most of this period, the amount of assistance was small, adding on average less than 2 percent to Ethiopia's foreign exchange earnings. But in late 1973, responding to a famine that began earlier in the year, USAID increased its allocation of Title II resources to nearly \$14 million, from \$1 million. Although this saved thousands of lives, at least 100,000 people died.

It is clear that food insecurity eroded the stability of Haile Selassie's regime, but it would be difficult to prove that U.S. food aid had any significant political impact. Whether earlier introduction of famine relief could have helped save or prolong the regime is uncertain.

During Mengistu's Marxist-style regime (1974–91), food assistance provided a somewhat larger addition to the country's foreign exchange resources. The political and economic environment, however, was not conducive to this assistance contributing to sustainable economic growth. The period 1982–92 saw famine and civil strife and during 1984–86, nearly all U.S. food aid came as famine relief. That aid was provided through private voluntary organizations. The aid reached its intended beneficiaries and probably saved millions of lives.

Though malnutrition rates worsened in 1982–92, food aid most likely deflected even higher rates. At the same time, food aid was used by both the government and (through a cross-border program) the various rebel factions. In this way, food aid may have served as one factor among many in prolonging the conflict.

Since 1991, when the Mengistu regime was routed and a transitional government emplaced, food assistance has provided a substantial addition to the country's foreign ex-

change resources (34 percent over the period 1992–95). Agricultural commodities transferred since 1991 helped jump-start Ethiopia's productive sectors and released money to support other development activities. Commodities were used to help build up the emergency food security reserve, helping the country successfully respond to a drought in 1994. Food assistance also provided a basis for policy dialog on issues relating to economic liberalization and achieving food security.

Over the past four years, the nutritional status of children participating in food-assisted maternal and child health programs has improved. Because most food aid rations are shared among families, it is unlikely that the food ration alone is responsible for the improvement. However, the food ration may have contributed *indirectly* by motivating mothers to attend maternal and child health activities (counseling, growth monitoring, and nutrition and health education).

A number of lessons emerge from the evaluation. First, food aid can help a country stabilize its economy. Second, food aid can provide a basis for policy dialog on issues critical to food security. Third, even when the sole purpose is humanitarian relief, food aid may unintentionally prolong civil conflict. Fourth, food aid can indirectly contribute to improving children's nutritional status by stimulating mothers' participation in maternal and child health programs. And fifth, food aid can be an important vehicle for supporting growth strategies and public resource transfers that differentially benefit lower income groups.

BACKGROUND

Ethnically and culturally diverse, with ancient influences from Egypt and Greece, Ethiopia encompasses an area about twice the size of Texas.

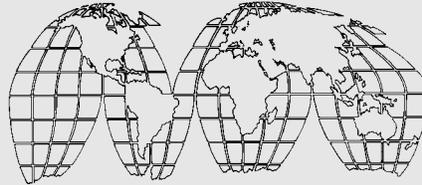
It is one of the oldest continuously functioning polities in the world, with roots well back in pre-Christian times.

Ethiopia was ruled by kings and emperors since biblical times, but monarchy ended in 1974 with the overthrow of Emperor Haile Selassie, "King of Kings." The next government, under Lt. Col. Mengistu Haile Mariam, was marked by Soviet-style totalitarianism. That regime fell to a coalition of rebel armies in 1991. Since then, a transitional government, dominated by a single party,

has been governing the country.

Ethiopia is one of the poorest countries in the world. At \$100, the per capita income is the third lowest, exceeding only Mozambique (\$90) and Rwanda (\$80). With 55 million citizens, Ethiopia is also one of the most populous African nations (after Nigeria and Egypt).

From 1956 through 1994, the United States gave Ethiopia \$773 million in food aid, more than any other sub-Saharan country. Food aid accounted for 65 percent of all nonmilitary assistance over this 39-year period. Title I programs (government-to-government concessional aid), implemented only at very low levels in 1963, 1966–67, and 1976, accounted for a little over 1 percent of Public Law 480 commitments. Title II programs (project-specific aid), active every year since 1956, made up 87 percent. Title III programs (food for development), supported from 1992 through 1994, made up over 12 percent. The



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United States did not have a major food aid program in Ethiopia before 1985 (see figure 1).

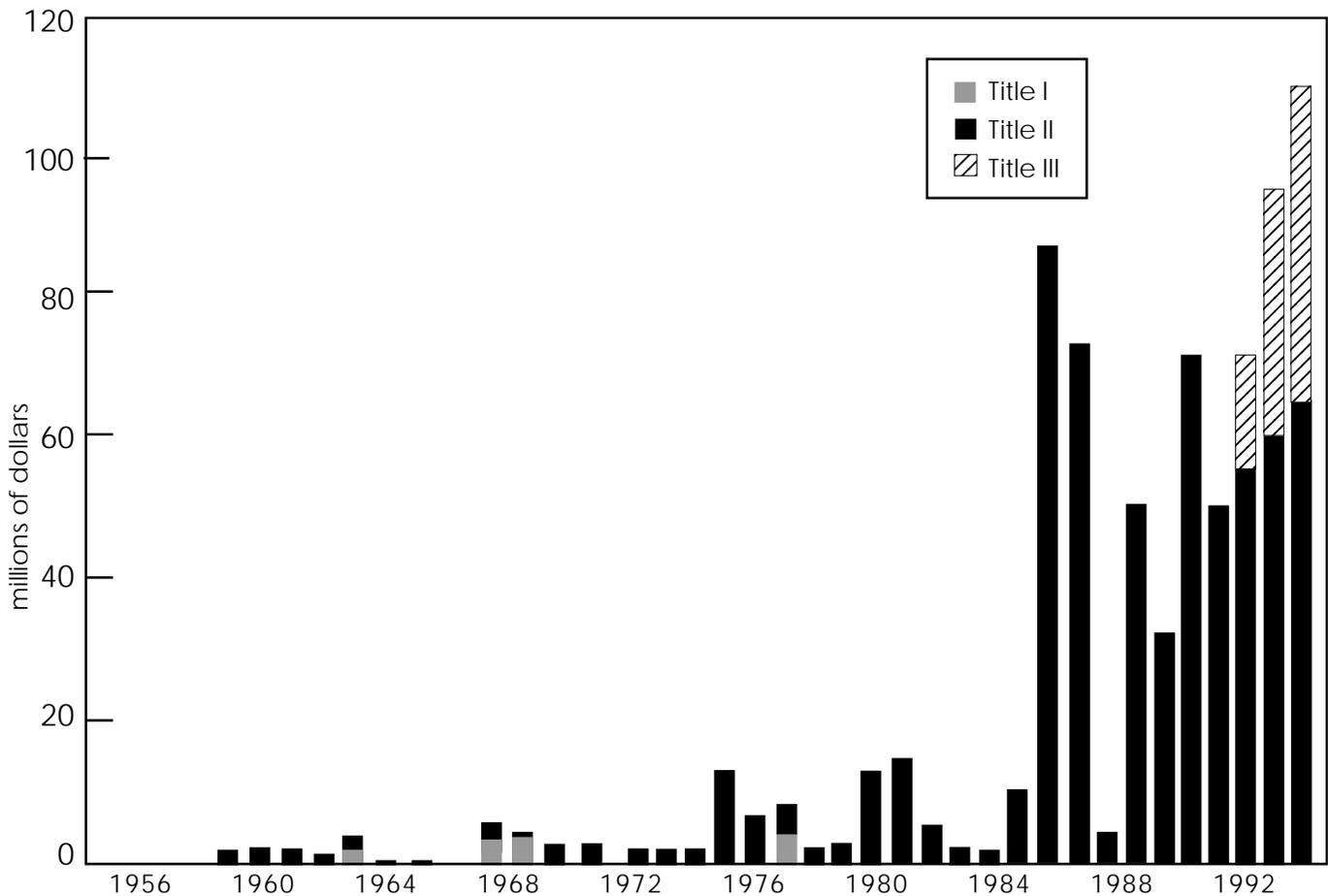
In the mid-1960s the Ethiopian government sold a small amount of Title I cotton and used the money for silos for the Ethiopian Grain Cooperative. Title II programs were run at very low levels, often less than a million dollars a year before 1974. During this time, Catholic Relief Services was the only nongovernmental organization (NGO) to use Title II funding. A famine in 1974 spurred USAID to increase its Title II commitment. Until 1984, most of the Catholic group's programs supported activities in

maternal and child health and food for work, primarily for road construction.

In 1979 and until after the fall of the Mengistu regime, the United States halted all economic assistance to Ethiopia except Title II food aid, because the government refused to resolve the issue of compensation for American properties nationalized in 1975.

The largest increase in Title II assistance came after a famine in 1984. At this point a number of other NGOs began to collaborate with USAID to use Title II resources. The organizations

Figure 1. PL 480 Food Aid, Ethiopia 1956–94



Source: U.S. Overseas Loans and Grants, 1995.

Note: Title II from 1956–58 was less than \$50,000 per year.

included CARE, Relief Society of Tigray,* Ethiopian Orthodox Church, Food for the Hungry International, Save the Children, World Vision Relief and Development, and Lutheran World Relief. From 1984 through 1994, USAID supplied more than \$575 million in Title II resources.

Wheat and corn–soya blend have been the main commodities delivered under Title II food aid and make up more than 60 percent of all U.S. food aid to Ethiopia. Sorghum and milk constitute 8 and 13 percent, respectively. Other commodities, such as oil, lentils, beans, and maize, round out the remaining 19 percent.

Title III food aid started arriving in 1992 and continues to the present. This aid has sought to help Ethiopia move from reliance on relief to greater food security—access by all people at all times to sufficient food and nutrition.

Title III agricultural commodity assistance totaling \$136 million has been used to support the transitional government’s move to market-oriented economic reforms. Wheat, cotton, and sorghum have been the only commodities delivered under Title III thus far. They constitute 46, 32, and 22 percent of Title III allocations, respectively.

The United States has contributed 28 percent of all food aid to Ethiopia over the past 25 years. After the 1984 famine, food aid became a relatively large portion of total cereals consumed—an average of 11 percent. During the 13 previous years, food aid made up only 2 percent of the grain supply. The U.S. Department of Agriculture, in its 1995 Food Aid Needs and Availabilities report, projects that Ethiopia will remain chronically food-poor through 2005, when food aid will account for 17 percent of consumption in East Africa (excluding food-sufficient Kenya),

*REST has been a full cooperating sponsor for only the last couple of years. Before that, the organization received PL 480 through cross-border operations of Lutheran World Relief.

making it one of the most food-aid-dependent regions in the world.

ECONOMIC IMPACT

The economic impact of the program was not as great as it might have been for several reasons: 1) most Title II resources were available for emergency rather than development purposes, 2) none of the Title III resources were sold, 3) Title III commodities available in 1994 and 1995 were also used to support emergency programs, and 4) most of the nonemergency food resources were available only in the last several years.

Ways to Economic Improvement

Food aid can have an economic impact through five channels: 1) by providing additional real resources, 2) by providing additional development money, 3) by introducing commodities to the economy in different ways, 4) by providing a basis for dialog with the government on policy reform, and 5) by expanding productive infrastructure in rural areas.

Resource Transfers

PL 480 provides food to a country on highly concessional terms or as a grant. Thus, more goods become available than the country would otherwise be able to purchase.

The economic impact of food assistance has varied over time, but the effect has been relatively small except in the last few years (1992–95). From 1956 through 1995, PL 480 food assistance added a little more than 9 percent to Ethiopia’s foreign exchange earnings from exports. In constant dollars, 11 percent of PL 480 food assistance was provided in the 17-year Haile Selassie period, 55 percent in the 17-year Mengistu regime, and 34 percent since the transitional government took over.

Haile Selassie period (1956–73). There is no evidence that food assistance contributed to economic growth. The amount of resources provided was small, adding, on average, less than 2 percent to Ethiopia’s foreign exchange earnings (see figure 2).

Derg period (1974–91). During this period, named for an administrative council of soldiers, food assistance provided an average commodity inflow equal to 8 percent of the country’s foreign exchange resources. However, 99 percent of it was Title II. The vast majority of that was emergency assistance, in response to the 1984–86 drought. These resources helped save lives. But the political and economic environment was not conducive to their contributing to sustainable growth, nor was this the focus of Title II.

TGE/EPRDF period (1992–95). This period gets its name from the transitional government of Ethiopia and the controlling party,

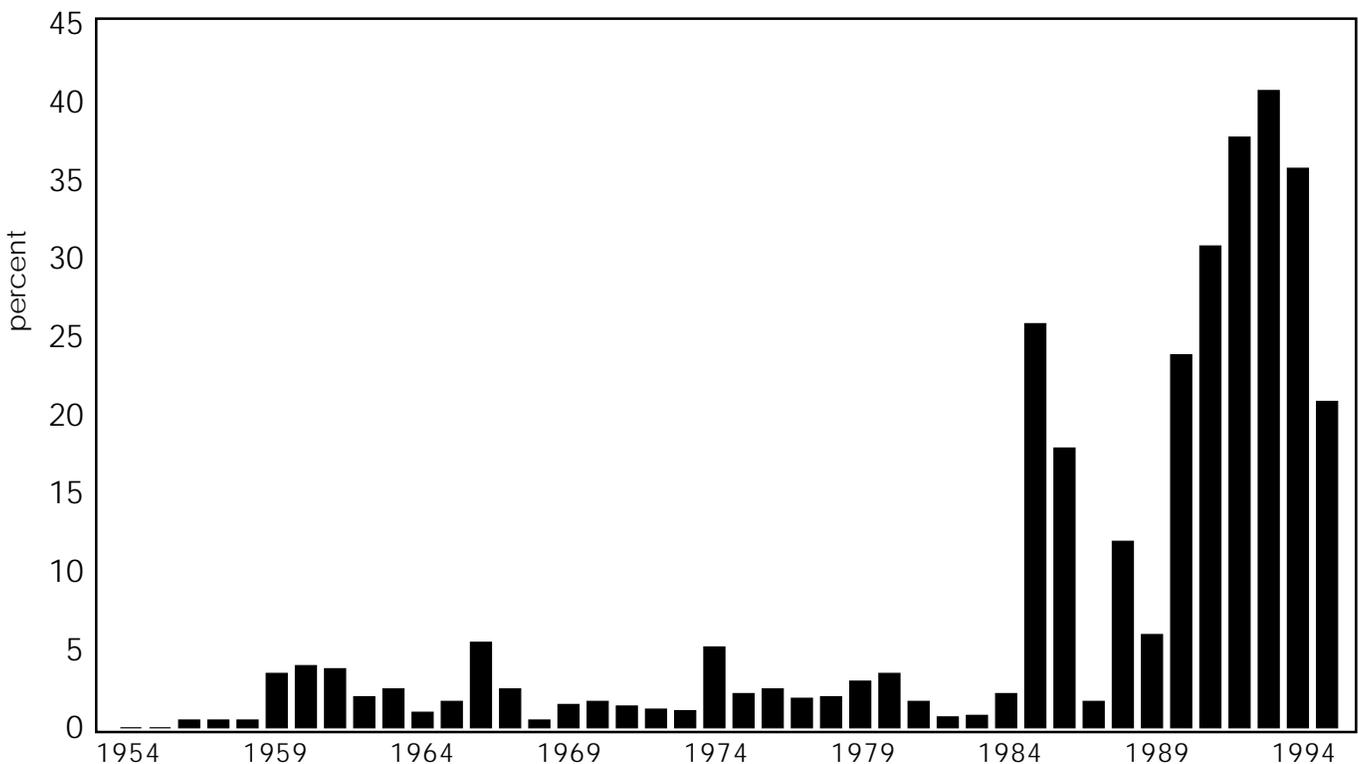
the Ethiopian People’s Revolutionary Democratic Front. During this period food assistance added substantially (34 percent, on average) to foreign exchange earnings. The aid helped stabilize the economy. The share provided as nonemergency food aid increased steadily, beginning with the arrival of Title III in 1992. Following years of civil conflict and adverse economic policies, the environment became more supportive of economic growth.

Budgetary Effects

The budgetary effects of the Title I program were probably minimal. There were only four relatively small Title I programs from 1956 through 1991, for a total of \$9.5 million. They represented 1 percent or less of the government’s expenditures in any one year.

The 1992–95 Title III program totaled \$136 million. Budgetary effects are difficult to assess, be-

Figure 2. Food Aid As a Share of Ethiopia’s Exports, 1954–95



cause the commodities were not sold, but transferred to government agencies. No local currencies were generated, no counterpart funds were created, and no currencies were programmed to support clearly identifiable government-sponsored activities. Instead, the transfers released government money for other, indeterminable purposes.

The government appears to be following a responsible fiscal policy. It is containing recurrent expenditures and beginning to redirect capital to economic development and social objectives. That suggests the resources released as a result of the Title III commodity transfers have likely helped the economy.

Market Effects

The way donated commodities are introduced into an economy also affects economic impact. Program food aid is often introduced through market sales. However, the Mission decided not to monetize, or sell, Title III commodities, and instead established emergency food reserves and used the commodities in direct feeding programs.

As a result, wheat and cotton imported in 1992 and 1993 were transferred to government-owned flour and textile mills to help keep them in operation. The first of these industries is a key player in the country's food system; the second is a major employer. Both faced raw-materials shortages owing to disruption in production before the change in government and to the loss of subsidized inputs as the economy was liberalized.

If these mills had closed (or had to reduce production further) and resources were not forth-

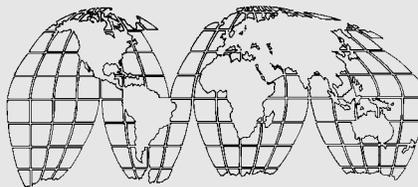
coming to make up their shortfalls with imports, the prices of flour and cotton textiles would have soared. So would overall inflation, as wheat and cotton are important components of Ethiopia's consumer price index. Instead, the country made remarkable progress in stabilizing the economy, in particular in controlling and lowering inflation. Closing the mills would also have increased unemployment, adding to the new government's economic burden, and perhaps creating political instability.

Drought struck in 1994. That year and the next, most imported grain was consigned to the government's Disaster Prevention and Preparedness Commission for relief and food-for-work projects. The remainder went to build up the emergency food reserve. Whereas the wheat and cotton imported in 1992 and 1993 played a development role, helping jump-start the economy, wheat and sorghum imported in 1994 and 1995 served a humanitarian objective.

By not monetizing Title III wheat imports, however, the Mission appears to have lost an opportunity to promote a greater private sector role in grain markets. This was an objective of the Ethiopia Title III program as well as the 1990 legislation that established the program.

Policy Reform

For years government economic policies discriminated against the agricultural sector, discouraging production and contributing to food insecurity. But that began to change in 1991. The new government is committed to transforming Ethiopia to a more market-oriented economy. The Title III program was designed to support the new agenda—by backing actions to im-



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prove incentives for agricultural production, supporting reduction of public sector intervention in the food economy, and promoting private sector investment.

In the Title III program commodity assistance is combined with conditionality under three components: 1) liberalizing food markets and developing a social safety net targeting the vulnerable population; 2) increasing jobs, productivity, and incomes through restructuring and ultimately privatizing the agriculture-based industrial sector; and 3) promoting the private sector's role in domestic trade. This reform agenda was based on consultations with officials in the new government, but it was put together quickly with little time for the Mission or government to analyze policy options. Since then, the Mission has funded data collection and analysis, which has helped inform the subsequent policy dialog. And the Mission has used the dialog process to develop a broader consensus in support of the program in the relevant ministries.

As the Mission became more involved in the policy dialog, it became apparent that the program was overly ambitious, particularly with respect to conditions dealing with an increase in the private sector's role. The Mission determined food security could best be enhanced by concentrating on policy changes aimed at improving distribution. The Mission also realized data collection and analysis were essential to better understand how Ethiopia's food markets operate and to develop concrete, rather than theoretical, policy options. These factors, together with the 1994 drought, led the Mission to eliminate the second and third components of the program and to narrow the scope of the reform agenda to improving food distribution.

Even with respect to this narrowed agenda, performance has been mixed. The government has made progress in liberalizing grain markets, one of the conditions in the project agreement. Indicators, such as price movements and avail-

ability of food on the market, suggest liberalization has taken root. Liberalization predated the Title III program, though, so success cannot be attributed solely to that program.

The government also eliminated its general price subsidies (a condition of the assistance). But it did not think a targeted safety net program (another condition) was necessary, because it did not believe most of the rural peasant farmers would suffer from the structural adjustment under way. At USAID's urging, the government eventually implemented a safety net program. It was targeted to 1) the chronically poorest of the poor, urban and rural; 2) 2.7 million displaced persons, returnees, refugees, and demobilized ex-combatants and their families; and 3) several thousand redundant public sector workers. An evaluation by Agriculture Policy Analysis II (a Washington-funded field support project) concluded the "poor farmers" component of the safety net program was the most successful. Existing institutions handled that component, providing inputs such as fertilizer and draft animals to targeted farmers. Overall, though, the program reached only a small portion of the chronically food insecure.

Public Works

Food aid has been important in Ethiopia's approach to developing rural infrastructure. Public works programs have been widely used since the early 1960s. The most important player in this field, the World Food Program, has been supporting food-for-work activities since 1975. By the end of the 1984–85 famine, U.S. private voluntary organizations (PVOs) also increasingly added food-for-work activities to their Title II programs. A 1994 evaluation commissioned by USAID estimated that the Title II program provided 175,000 metric tons of food valued at \$150 million (1 metric ton equals 2,200 pounds). That would be equivalent to 92 million person-days of food for work between the mid-1980s and the time of the evaluation. Most of the work went into natural resource management, including soil

conservation and reforestation—activities that help reduce land degradation, one of the main causes of food insecurity in Ethiopia.

These public works projects yielded less of an economic impact than they might have because development was not a priority goal. In emergencies, the objective is to get food to people in need. This takes precedence over increasing the sustainability of assets. Assets deteriorated after projects ended, owing to insufficient maintenance and poor technical quality. In many cases, assets were built on community land with no arrangements for maintenance. Generally, people worked on projects for the food, not for longer term benefits.

Future economic impact should be greater, because many changes are under way to correct design and maintenance problems. Public works are now targeted to areas of severe land degradation, high irrigation potential, infrastructure needs, and relatively high population density. Better knowledge of what works in such areas has narrowed the scope of activities. Large integrated rural development activities, for example, are being pared down to erosion control of waterworks. Communities are being included in technical planning so they understand the rationale of the work, the benefits, and their maintenance obligations.

Potential Negative Effects

Government officials and donors alike recognize food aid played a crucial role during Ethiopia's frequent droughts. It helped save lives and maintain economic stability. Because food has been provided primarily during shortfalls in domestic production, there is no evidence that it reduced incentives to domestic producers. Still, this issue bears watching.

Food-for-work programs also can have negative effects on local labor markets if the economic value of the ration is above market

wages. That induces farmers and other local labor to abandon their farms and jobs to work on the projects. PVOs are becoming more sensitive to this. They are running development activities during the off-season, when farmers already are searching for other work. However, the complex relationships among size of ration, work required to obtain a ration, and local wage rates are not well understood.

Nor is there room for much flexibility. The Ministry of Agriculture sets ration size and work norms for the whole country. The norms do not recognize that the monetary value of rations changes as food prices change. Thus, the ration value will likely exceed the local wage rate at times. This system was set up to work in emergencies, when the primary concern was the nutritional content of the ration. Any negative effects to date have probably been limited. But the economic value of the ration will become more important as more food-for-work programs are implemented with development goals. Failure to deal with this issue could have serious economic consequences.

Does food aid engender dependency? A 1992 Ethiopian government evaluation of emergency programs in the highlands found no evidence that Title II food assistance had made households dependent. The 1994 evaluation mentioned earlier drew a similar conclusion. Dependency is not an issue, the report found, since the average household receives little food through nonemergency programs. The evaluation did suggest, as have others, that NGOs involved in food distribution for many years have become dependent. A variant of this is the suggestion that ready availability of food for emergencies over a long time has made it easy for government agencies involved as well as NGOs not to shift to a more developmental mode.

A final question is whether the availability of food assistance has provided a cushion that has enabled Ethiopian governments to avoid making key changes in their economic policies. A

specific question that has been raised with respect to the EPRDF is whether the availability of Title III resources has enabled it to backslide on the commitments it made to expand the role of the private sector. It is doubtful, however, that the Title III program alone could move the government one way or another with respect to such basic policy questions.

SOCIAL IMPACT

Ethiopia's nutrition policy emphasizes increasing national and household food production, improving food markets, and feeding people in times of shortage. Ignoring other sectors, this "food first" strategy assumes that nutritional improvements will follow when these food-related objectives are achieved.

This assumption is reflected in the current array of USAID Title II-funded activities. Among them, maternal and child care activities absorb a relatively small (10 percent) share. Although some of the remaining 90 percent is used for health education, sanitation, and other child feeding programs, the bulk goes to food for work.

The "food first" strategy notwithstanding, all parts of the country show high rates of chronic malnutrition; some of the highest rates are in food-surplus regions. Food is necessary but not sufficient for eliminating malnutrition. Increased food production must be complemented by access and activities to strengthen child and maternal health.

Nutritional Status And Maternal and Child Health Attendance Rates

U.S. food aid most likely helped save millions of lives in Ethiopia by contributing to the food supply during the food-insecure periods of 1974–80 and 1984–91. Comparable data measuring nutritional improvements over this time were unavailable, so it is impossible to assess its impact on nutritional status nationally or by region. Although malnutrition worsened from 1982 through 1992, food aid provided during these years most likely averted even higher rates. Achieving sustainable nutritional improvements, however, requires more than simply increasing food production and incomes and providing food aid. It requires improving nutritional and health practices and increasing the use of health services.

The nutritional status of children participating in maternal and child health (MCH) programs has improved. A 1996 evaluation of Catholic Relief Services Title II programs compared nutrition data collected in 10 centers in 1995 with data collected in 4 centers in 1992. In 1992, the evaluation showed, 84 percent of program children under 4 were malnourished (less than 80 percent of weight for age), with 16 percent severely malnourished (less than 60 percent). In 1995, 46.0 percent of children under 3 were malnourished, with 2.3 percent severely malnourished. Despite overall improvements, evaluations in 1992 and 1995 noted high malnutrition rates in some programs. That may reflect, in part, the targeting of more vulnerable children.

Food aid may have contributed indirectly to nutritional improvements of beneficiaries by encouraging mothers to participate in the nutrition and health services (including education) provided by MCH programs. The primary purpose of these programs has been to improve nutritional status of targeted children and preg-

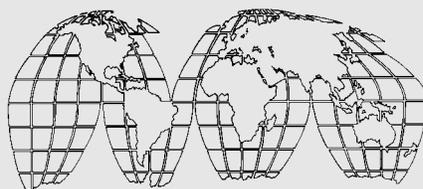
nant women. This is based on the assumption that rations provided in the programs, in addition to mothers' participation in the nutrition and health services, will improve the diet of the beneficiaries.

Rations are calculated for the targeted child and mother, and mothers are urged to use the ration for their children and themselves. But most mothers share rations among the whole family. Therefore, it is unlikely that the ration alone significantly affects the nutritional status of targeted children and mothers. "Leakage" of rations is not a new finding—it has been documented worldwide for many years. But rations do appear to play a crucial role in attracting mothers to MCH activities, where they learn how to take better care of their children.

CDIE interviewed 38 mothers during site visits to five MCH centers. Though admittedly an unscientific sample, the results are instructive. Most mothers indicated they first enrolled in the program because of food rations. Reasons they continued to participate broadened over time. Mothers cited the following: ability to follow the growth and health of their children, information on feeding and caring for their children, access to immunizations and other health services, advice on breast-feeding and family spacing, and access to credit plans. Of the 38 mothers CDIE interviewed, 68 percent said they would continue even if food rations were not provided.

According to interviews for the 1992 and current evaluations, most mothers understand their child's growth. The 1992 evaluation showed 80 percent of mothers understood the child growth card, and 77 percent correctly in-

terpreted their child's growth pattern. Eighty-six percent of the 38 mothers interviewed for the current evaluation understood the growth card and correctly interpreted their child's growth pattern. Most could identify appropriate interventions when their child began to lose weight or was sick. At one center only 56 percent of the mothers correctly understood the growth card and their child's growth pattern. Interestingly, that center was the only one visited that separated food distribution from MCH services. Mothers received growth monitoring, counseling, and education services in their villages on one day and on a different day collected their food ration.



"FOOD IS NECESSARY BUT NOT SUFFICIENT FOR ELIMINATING MALNUTRITION. INCREASED FOOD PRODUCTION MUST BE COMPLEMENTED BY ACCESS AND ACTIVITIES TO STRENGTHEN CHILD AND MATERNAL HEALTH."

Participation of mothers in these activities, therefore, appears to have led to an increased understanding of how to keep their children better nourished and healthy. This increased understanding may be directly associated with the improvements in nutritional status of children noted over the past several years, with the food ration playing a more indirect role. However, without a control group with which to compare these data, it is impossible to attribute these improvements to the MCH program. Clearly, improvements in other food security indicators (such as harvests and income) have occurred simultaneously. Also, it is impossible to separate out the benefits of food-for-work activities operating in the same areas.

With fewer than 10 percent of government health posts providing services, food-assisted MCH programs are often the only source of preventive health and nutritional services for children and lactating mothers. Throughout Ethiopia there are 18 Title II-funded Catholic

Relief Service programs. Each serves 3,000 beneficiaries monthly. That is maximum capacity; interested mothers are waiting to enroll.

NGOs implementing non-MCH Title II activities have also reported nutritional improvements. The Ethiopian Orthodox Church maintains that rations in its food-for-work projects have improved diets and food access among beneficiaries. The health and nutrition education projects of Food for the Hungry International have reportedly increased health knowledge and practice among 75 percent of participants, decreased preventable disease by 50 percent, and improved sanitation in half the target communities. World Vision claims improvements in the nutritional status of children in families participating in food-for-work programs. These programs seek increased agricultural productivity and income. They also aim to improve sanitation and nutrition and support family planning. CARE says its projects in food for work and integrated community development have helped maintain the nutritional level of the target group while meeting short-term food needs. That has decreased vulnerability.

Social Impact of Food Aid On Local Communities

Title II food aid programs in maternal and child health and food for work helped local NGOs develop skills that strengthened local communities. For example, four local NGOs funded by Catholic Relief Services to implement MCH and food-for-work activities gained experience managing and implementing community activities. Since they still receive funds through CRS, their sustainability is untested. However, except for the food ration, all MCH staff and activities are funded by participating mothers' donations. As most mothers claim they would participate even without food rations, these programs could possibly be sustained without food aid.

The food-for-work activities provided social benefits to the communities beyond the employment they generated. Among them:

- People have become aware of the necessity for natural resource conservation.
- They have gained new roads linking communities to outside markets, resources, and health and emergency services.
- They have learned skills in conservation and road and pond construction.
- Improved drainage systems and new retaining walls have contributed to a more hygienic environment.
- Crime has declined as a result of improved income distribution.

One negative impact cited by a 1994 CARE evaluation was that when women were involved in food-for-work activities in urban areas, children were sometimes left alone. The evaluation suggested semi-institutionalized child care to overcome this problem. It also noted that although health and nutritional status of household members generally improved, the health of some participants, both male and female, actually declined. That was because the calories supplied by the food package were sometimes less than the calories expended on the work.

FOOD AID AND POLITICAL STABILITY

This evaluation covers the period 1956 to the present, and thus the governments of Emperor Haile Selassie, dictator Mengistu Haile Mariam, and the EPRDF transitional government.

Haile Selassie And the Famine of 1973–74

Haile Selassie received military and economic assistance from the United States for much of his reign. Toward the end of his rule, however, the emperor's appeals for additional resources were met with less enthusiasm. The United States was caught up in its own domestic turmoil because of the Vietnam war, and consequently U.S. foreign policy to Africa became one of "benign neglect."

Also, in part owing to large commercial grain sales to the Soviet Union in 1974, the amount of grain available as food aid was drastically cut. In Ethiopia, unrest over issues of land reform and income redistribution had been brewing for some time. A famine in 1973–74 was the last straw, hastening Haile Selassie's downfall.

Despite reports of starvation, the government did not respond, nor did it appeal to donor agencies for relief. Between April and November 1973, the government repeatedly denied that any widespread famine was occurring. As early as May 1973, however, relief agencies and government officials in Addis Ababa knew about the situation. They also did not act. Their putative excuse: "diplomatic tradition and practice."

Traditionally, the international community did not respond to a crisis unless it received a specific request from the recipient country. Moreover, UN declarations and the Geneva Convention did not sanction intervention by outside parties without agreement from the warring parties.

One source suggests it was not until news of the famine was leaked to journalists that international pressure mounted sufficiently to prod Haile Selassie to act. In November 1973, he visited Wollo province and ultimately announced the famine.* The government then invited shipments of food aid and relief supplies from the international community. USAID's allocation of

Title II resources jumped from 1,815 metric tons to 59,237 metric tons during 1973–74. This enormous infusion saved thousands of lives. Unfortunately, during the period between April and November 1973, 100,000 people starved to death. The famine left severe long-term problems for Ethiopia's future.

While it is apparent that food insecurity directly undermined the stability of Haile Selassie's government, it is difficult to prove that U.S. food aid had any significant political impact. One can only wonder whether the introduction of food aid at an earlier date could have served to save or prolong the regime.

Mengistu and Ethiopia's Break With the United States

With Haile Selassie's fall, alliances eventually were reversed. Declaring "revolution," Mengistu's Derg transformed Ethiopia's economy and society into a socialist state. Within the first year of Mengistu's rule in 1977, virtually the entire economy was nationalized.

Nationalization of the holdings of American citizens without due compensation, together with Mengistu's summary executions of the previous government's leaders and his offensives against rebel forces, made it difficult for the United States to pursue friendly ties with Ethiopia. U.S. support for military equipment ceased after the end of fiscal year 1977. From then on, Mengistu received enormous military support from the Soviets and renounced all ties with America. With the exception of Title II food aid, U.S. development assistance ended in July 1979.

The Famine of 1984

In September 1984 images of Ethiopians suffering from famine reached television viewers in

*Shepherd, Jack. 1975. "The Politics of Starvation." Carnegie Endowment for International Peace: New York.

the West. Adding to the food crisis was a combination of 1) civil war; 2) natural and man-made disasters—drought, deforestation, and soil depletion; and 3) an agriculture system based on subsistence farming, policies aimed at encouraging collectives and state farms (which provided no incentives for production surplus), and a lack of investment in infrastructure. The north-central region, comprising Eritrea, Tigray, northern Wollo, and eastern Gondar provinces, was hit the hardest.

In May 1984 the Relief and Rehabilitation Commission, the relief arm of the government, had notified Western governments of the situation. The Ethiopian government took no ameliorative action. Indeed, while thousands starved to death, Mengistu prepared Addis Ababa for the 10th anniversary celebration of his regime.

In September 1984 USAID began a massive relief program. Hoping for improved relations, U.S. officials proposed a “food truce” whereby the government would allow trucks laden with food to travel from government-held areas into famine-stricken rebel-held areas of Tigray and Eritrea. The government rejected the proposal.

Therefore, USAID determined that food aid would be provided primarily through PVOs. The Agency carried out this initiative through two distinct programs: one was from Sudan, across the border into rebel-held areas; the other was from within Ethiopia’s secure borders.

The Cross-Border Campaign (1985–90)

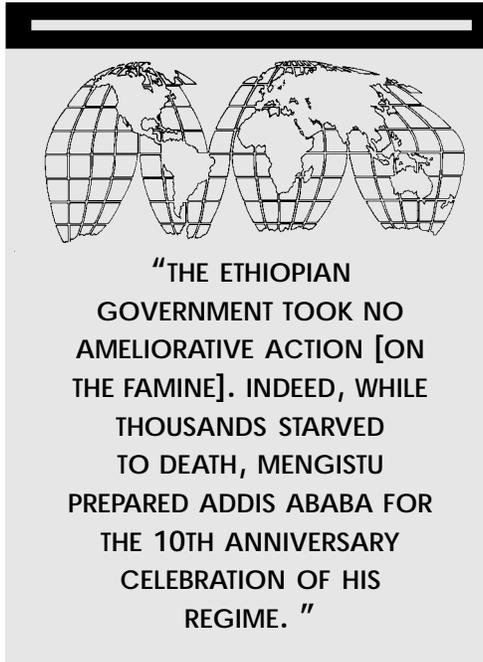
The government had been using food as a political weapon by preventing or delaying food aid from reaching the rebel-held famine areas. Between 2.5 and 3.5 million people were at risk. “The American program was supposed to be nonpolitical,” writes David Korn, then officer in charge of the American Embassy, “but the administration was concerned that it would become politically controversial in the United States if it were seen to be neglecting people who happened to live in areas held by the rebels.”*

Thus, in April 1985 USAID joined the cross-border campaign (1985–90). The Agency provided Title II food aid to Lutheran World Relief. That group then transferred the food to the

Relief Society of Tigray and the Eritrean Relief Association. Rations were ultimately provided to the hungry through the respective rebel movement coordinators. Grain provided in this program totalled 346,581 metric tons, an investment of \$205 million. Support peaked in 1990, the last year of the program, with provision of 158,691 metric tons (\$113 million).

Aid Within Ethiopia’s Borders (1984–90)

U.S. food aid provided within government-controlled areas was 1) channeled primarily through the PVO community for relief distribution and 2) given directly to the Derg-con-



*Korn, David A. (officer in charge of the U.S. Embassy in Addis Ababa, 1982–85). 1986. “Ethiopia. The United States and the Soviet Union.” Southern Illinois University Press: Carbondale and Edwardsville.

trolled Relief and Rehabilitation Commission (though in much smaller amounts). PVOs working within government-controlled areas had to comply with RRC requirements.

From 1984 through 1990, this food aid (both regular and emergency) averaged 193,801 metric tons per year. It peaked at 376,721 metric tons in 1986. Of the total more than 80 percent was provided as emergency food aid, except in 1987, when only 57 percent was emergency.

Political Effects Of U.S. Food Aid (1984–90)

USAID could not ensure that a portion of the food aid it was providing for humanitarian purposes through the cross-border program did not fall into the hands of rebel soldiers. Nor could it ensure that a portion of the aid given to the RRC was not mismanaged or diverted to Mengistu's soldiers.*

Because the food aid program supplied both sides of the fence, two parallel questions arise about its political implications: To what extent did it serve to support and prolong the government in power? And to what extent did it serve to support and sustain rebel forces?

During the early 1980s, according to Africa Watch,[†] allegations were frequently made of large-scale diversion of food to the military. Evidence of diversion was, in part, based on the testimony of refugees in Sudan and of visitors to areas controlled by the Eritrean People's Liberation Front and the Tigrean People's Liberation Front. They claimed to have seen relief food stockpiled in the stores of captured garrisons. Such testimony was supported by government officials who, according to an Africa Watch report, "were frank about the practice of feeding soldiers. In both Eritrea and Tigray . . . large amounts of relief food were used to feed the locally conscripted militia."

Key informants (including senior USAID/Ethiopia and NGO staff who have served in Ethiopia over the past 15 years) noted as well that the Derg's access to food aid meant it did not have to divert resources from the military and other fronts to deal with the famine.

Relief efforts also apparently supported the rebel forces. "This took several forms," according to Africa Watch. "One was the feeding of militiamen, who were in other respects poor farmers, and who received rations from their local *batios* [battalion commanders], which distributed [food] to the poor on behalf of [the Eritrean Relief Association] and [the Relief Society of Tigray]. Another was beneficiaries contributing some relief supplies to fighters, without direct coercion, but undoubtedly with some social pressure. The main strategic benefit the fronts obtained from the relief food was that the people were able to stay in their villages and were not obliged to migrate to Sudan."

The government and the rebel groups also used food aid and humanitarian assistance as an instrument to meet their respective political and military objectives. The ability of all parties to obtain and provide these desperately needed resources served to unite and sustain, if not strengthen, the people's support of their respective groups. That fueled continued fighting. Thus food aid 1) saved millions of lives but 2) likely prolonged the conflict.[‡]

* David Korn. Previously cited.

† Africa Watch. 1991. "Evil Days: 30 Years of War and Famine in Ethiopia." Human Rights Watch: New York.

‡ This conclusion is shared by several of the key informants. Further support is based on the following documents:

John Prendergast. May 1992. "Peace, Development, and People of the Horn of Africa." Occasional Paper No. 1. Bread for the World.

"Ethiopia: The Politics of Famine." 1990. Freedom House.

Africa Watch. Previously cited.

David Korn. Previously cited.

The Transitional Government And EPRDF

Since mid-1991, Ethiopia has been run by the transitional government, dominated by the Ethiopian People's Revolutionary Democratic Front (EPRDF). Both are headed by Meles Zenawi. Government leaders come from the rebel province of Tigray. Despite fears it would continue in the Marxist style, the new regime took steps toward positive political and economic reform based on ethnic regionalization. It remains to be seen whether this experiment will succeed. However, USAID has cultivated a close working relationship with the leaders.

From 1991 through 1995, total food aid from the United States averaged 247,745 metric tons a year; this represents a 28 percent increase, on average, over the period 1984–90. It also reflects initiation of Title III food aid in 1992. This aid averaged 107,225 metric tons per year, or 43 percent of the total.

During the 1990s, Title II emergency food aid gradually decreased from 93 percent of the total in 1991 to only 23 percent in 1995; at the same time, regular Title II food aid increased.

USAID's Title III Food Security Program demonstrates the link between food aid and political stability. This program provided 400,000 metric tons of grain to the government's Disaster Prevention and Preparedness Commission and also to the Food Security Reserve. The bolstered food reserve has enabled more timely allocation of resources for relief purposes. In fact, it was partly due to the reserve's capacity that a major food crisis was averted during a drought in 1993–94. Another factor enabling the government to avoid crisis was the presence of its longstanding NGO relief consortiums.

FOOD AID AND EQUITY

Equity in relation to the U.S. food aid program refers to expanding access to productive assets, income-generating opportunities, and maternal and child health services for the poor majority in the nation or in targeted communities.

Where Are the Poor Concentrated?

By Ethiopian government reckoning, nearly 27 million citizens are food insecure. Of these, 22 million are resource-poor agriculturalists of the highlands and midlands. The 4 million urban poor are concentrated in Addis Ababa. And 600,000 are lowland pastoralists. They are concentrated in the low- and medium-potential areas characterized by soil degradation, poor infrastructure, and very low precipitation. They have too little land and lack access to improved farm inputs and livestock feed.

The most vulnerable are households in areas that have been affected by consecutive years of drought and civil unrest. These areas include Welo, Tigray, Northern Shewa, Southern Shewa, East Hararghe, West Hararghe, Gonder, Afar, and Borena. Most households in these areas are seriously impoverished. Within these groups, children under 5, pregnant and lactating mothers, and the elderly are most at risk.

Over the past several years, the Famine Early Warning System has been used to identify the regions where the most vulnerable populations are concentrated. The system is based on 29 indicators combined into 8 indices.

Within those regions, local authorities, in collaboration with the Ministry of Agriculture, identify the most stressed communities and estimate the number of people at risk. The FEWS process is reasonably fair and equitable. NGOs have reported that identification of stressed communities appears fair and reasonable as well.

Was Food Aid Equitably Distributed?

According to the Disaster Prevention and Preparedness Commission, a total of 67,734 metric tons of food was distributed to food-deficit households from January through May 1996. Of this, 42,575 tons (63 percent), was distributed for employment-generating activities (food for work) while the rest was distributed as relief.

Table 1 summarizes how food aid was distributed among the 2.2 million people of targeted food deficit households in eight regions of Ethiopia. It shows that during the first five months of 1996 most food aid (82 percent) was allocated to three regions (Tigray, Amhara, and Oromia)—the regions where most of the vulnerable populations (72 percent) lived. It also shows, however, that some regions received more (or less) food than would be indicated by

the percent of the population that was vulnerable. For example, Oromia received 21 percent of total food aid even though that region had only 10 percent of the vulnerable population.

In per capita terms, Oromia received 64 kgs. of food per capita, double the average of 30 kgs. per capita for all eight regions. Poor people living in Dire Dawa and Addis Ababa also received more food per capita than the average (54 kgs. and 42 kgs., respectively).

To some extent, distribution was influenced by where NGOs began working as part of the emergency relief effort. In these cases, NGOs enter a stressed area to respond to emergency needs. But as the NGOs establish good working relationships with the community, they tend to remain indefinitely. This inertia may contribute to the instances of unequal distribution.

Table 1. Distribution of Food Aid (January–May 1996)

Region	People Needing Food		Metric Tons of Food				Distribution per capita (kgs.)
	Number	Distribution (%)	Food for Work	Relief and Supplemental Food	Total	Distribution (%)	
Tigray	751,300	33.2	14,207	10,422	24,629	36.5	32.8
Amhara	652,100	28.8	8,568	7,974	16,542	24.4	25.4
Oromia	228,300	10.1	11,016	3,476	14,491	21.4	63.5
Somali	100,000	4.4	406	—	406	0.6	4.1
SNNPRS ^a	360,400	15.9	5,475	1,261	6,735	9.9	18.7
Gambella	25,000	1.1	297	401	698	1.0	27.9
Hararghe	50,000	2.2	82	84	166	0.2	3.3
Addis Ababa	60,000	2.7	1,157	1,191	2,520	3.7	42.0
Dire Dawa	28,600	1.3	1,368	180	1,548	2.3	54.1
Total	2,261,700	100.0	42,576	24,989	67,735	100.0	29.9

Source: Disaster Prevention and Preparedness Commission, "Famine Early Warning Report, 1996."

^aSouthern Nations, Nationalities, and People's Region State.

At the local level, the selection of households within a community for the most part is administratively determined by government officials or community leaders. Peasant associations wield considerable power in community decision-making around the selection of individual beneficiaries, and NGOs rely heavily on their discretion and direction. According to CARE, vulnerable groups have not been adequately represented in these associations. In some communities this has meant that such groups, particularly the landless and female-headed households, have been inadequately targeted. In spite of this, they were able to participate.

At the same time, a recent survey of seven sites reported that despite allegations of corruption, participation by the poorest households was not significantly lower than participation by the less poor households.* Rather, a picture of equal access emerges. In a few sites, though, participation of the poorest was the lowest.

When compared across communities, the size of food packages was uneven. The standard food wage recommended by the Ministry of Agriculture for food for work is 3 kilograms of grain and 120 grams of oil per day. This ration covered daily subsistence requirements for six people, offering 1,800 calories per head.

However, there were many deviations from the standard because of constraints on availability and difficulties of estimating potential participants. Payments did not vary greatly by gender of household-head within projects. Wages did vary, however, across income groups and among projects. In some localities the poorest households received wages that exceeded not only the standard package but also the payment received by less poor households; in other lo-

calities, the poorest households received well below the standard package.

For the most part, U.S. food aid has been provided in stressed areas with the highest density of poor people. When it also supported construction and rehabilitation of access roads it helped integrate isolated and stressed communities into the economy by providing them with improved market access.

LESSONS LEARNED

1. Food aid can make an important contribution to helping a country stabilize its economy and jump-start its productive sectors after the economy has been devastated by civil conflict.

When the transitional government took the reins in 1991, it was faced with an economy devastated by years of civil conflict and inappropriate economic policies. One of many problems was that the government-owned flour and textile mills were facing serious raw-material shortages and loss of subsidies. These shortages were critical: the flour industry was a key player in the country's food system, and the cotton industry was a major employer in the formal sector.

The Title III program was a part of the multi-donor Emergency Recovery and Reconstruction project led by the World Bank's International Development Association. That project was put together in 1992 to help the new government reconstruct the country's war-torn infrastructure and jump-start the economy. The wheat and cotton imported under the Title III program in 1992 and 1993 were transferred to the flour and textile mills and enabled them to keep operating. This also freed up foreign exchange that otherwise would have gone to purchase the commodities on the international market. The

*Patrick Webb, and Joachim von Braun. 1994. "Famine and Food Security in Ethiopia, Lessons for Africa." John Wiley & Sons.

money could then be used for other development activities.

2. Food aid can provide a basis for policy dialog on issues critical to achieving food security when it is provided in support of a sound economic policy environment.

Prior to 1991 the government's economic policies discouraged agricultural production and contributed to food insecurity. The economic environment began to change in 1991 with the new government, which was committed to transforming Ethiopia's state-managed economy to one more market oriented. This and related policy reforms were essential for achieving sustainable food security.

Title III program conditionalities helped keep Ethiopian food-policy reform on track. A follow-on program included conditionalities related to improvements in the distribution system for agricultural inputs. This progress was predicated on the U.S. and Ethiopian governments' common concern with improving food security and their general agreement on the policy reforms needed. It is doubtful, though, that Title III alone held sufficient leverage to induce Ethiopia to switch to a more market-oriented economy. In addition, the Ethiopian government had to adopt a liberalization philosophy.

3. Even when implemented for the sole purpose of humanitarian relief, food aid provided during civil unrest may have both the intended effect of saving lives and the unintended effect of prolonging conflict.

The Derg's access to food aid provided an important resource with which to respond to the famine without having to divert resources from military activities. Relief efforts also supported

the rebel forces. Militiamen, who were also indigent farmers, received rations from their local *bati*s, which distributed food to the poor on behalf of indigenous relief agencies. Beneficiaries also contributed relief supplies to fighters.

The ability of the government and the rebel groups alike to obtain and provide these desperately needed resources strengthened the momentum behind each of the parties and may have fueled continuation of the conflict.

4. Food aid, in the short term, can indirectly help improve nutritional status by stimulating mothers' participation in various nutritional and health programs. This contribution can be particularly significant when the country's existing health infrastructure is severely limited and malnutrition rates are high.

Over the past four years the nutritional status of participating children has improved. Given that most food aid rations are shared among entire families, it is unlikely that the food ration alone had any significant effect on the nutritional status of the children. At the same time, maternal and child health programs are operating at maximum capacity, and mothers are waiting to enroll as soon as a space opens. The food ration appears to play a crucial role in attracting mothers to take part. Most participating mothers have gained an awareness of appropriate interventions to strengthen the health of their child. This may have played an important role in nutritional improvements.

Although all mothers initially enroll primarily for food aid, a large percentage would continue to participate even without food aid. They value the opportunity to follow their child's health and receive advice, education, and other services. The most significant role of food aid

in these programs appears to lie in the short-term promotion of attendance at MCH centers.

5. Food aid can be an important vehicle for supporting growth strategies and public resource transfers that differentially benefit lower income groups.

Title II food-for-work programs have differentially benefited lower income groups by creating rural infrastructure and generating job opportunities in targeted communities. Well-de-

signed and -maintained food-for-work activities can enhance agricultural productivity and improve market access for poor farmers.

Title III food aid has helped support the government's efforts to stay on the path toward a sound economic policy environment. Food-for-work assets combined with sound economic policies will enable farmers to market their surpluses and increase their incomes. To the extent most vulnerable people are poor farmers, income improvements will help reduce poverty.

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