

The Impediments of Export-oriented Economic Growth Strategy's Implementation in Ethiopia

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Abstract

Exports have a vital role in driving economic growth. For a number of countries including Ethiopia, international trade, especially exports has a critical role namely, an impetus for the national economy. Successively, in the past several years' the Ethiopia's government has used export promotion policies and approaches to increase trades and generate export-driven economic development by establishing a comprehensively possible export sectors. Nevertheless, due to the declining exports which resulted in a negative balance of payment, acute shortages of foreign exchange, and mounting international obligations, the country's export-oriented growth strategy was not successful as intended. Hence this study aimed to investigate the impediments of export-oriented growth strategies implementation in Ethiopia using a mixed research approaches. The result of the study revealed that, it has been found that in spite of some progress or improvements in the export sectors of the study country (i.e., Ethiopia), when compared to past couple of years, the implementation of export-led growth strategies has led to lack of quality services due to poor planning, inadequate resources and poor monitoring and evaluation of the strategies being implemented. This has compromised the quality of each service being delivered. It has also led to a situation where the study country is unable to meet the ever-increasing demand for each of the services or commodities sufficiently. Evidence has confirmed also that the said services rendered are inadequate and not effective. The study also found that the implementation of the existing export-led growth strategy impacts negatively (affects or not as intended) on the provision of quality services and not successful as stipulated in the trade policy of the country. Hence, there is a need to critically consider the specific gaps identified by the study in designing strategies for accelerating development of exports in the country through holistic and integrated approaches. To this end, the outcomes stand important for redesigning export trade policy/strategies to boost the performance of exports and the overall ultimate economic growth in the country, Ethiopia.

Keywords: Ethiopia, Export-oriented growth strategy, Impediments, Implementation

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1. Introduction

Ethiopia: is situated on the Africa Horn, a peninsula in "northeast Africa", and is the focus of this research. In 2019, the country shipped a projected 2.6 billion USD worth of commodities around the world, down 4% from 2015. The dollar amount signifies a -0.8 percent decrease in Ethiopian export sales year over year from 2018 to 2019 (World Economic Outlook Databases, IMF report in April 2020).

According to the literature, Ethiopia dismantled export duties in the early 1990s and has since introduced several export incentives aimed at lowering export costs. As a response to the slow growth as well as exports diversification, the government developed an EPS (Export Promotion Strategy) in 1998. The formulation of an industrial development strategy (IDS) in 2002/03 bolstered export promotion. One of the IDS' core principles is that a sector's competitiveness in the international market is the only way to ensure long-term and rapid industrial development. As a result, export-oriented industries like textiles and apparel, leather & leather products, meat, and other agro-processing sectors (such as sugar as well as sugar-related industries) have been designated as priority areas for gov't direct assistance (Gebreyesus, 2016).

The export goals for chosen sectors were specified in the nation's 5-year development strategies known as PASDEP (2005/06-2009/10), GTP-I ("Growth & Transformation Plan-I") covering the period 2010/11-2014/15, and GTP-II covering the period 2015/16-2019/20 — the plan's foundation is the nation's vision to become a lower-middle-income nation by 2025. Ethiopia, on the other hand, has recently adopted a new development plan titled "Ten years perspective development plan (2021-2030), the path to prosperity." The country's ambitious expansion agenda, which is based on agriculture, manufacturing, and exports, is set to continue. To satisfy the goals, the gov't has given extensive help to exporters in the form of both fiscal and non-fiscal packages (for instance, free duty capital imports, and access to intermediate inputs at global market costs, as well as income tax exemptions or tax holiday packages), the majority of which have been revised and updated over time.

In the last decade, Ethiopia has had an exceptional economic yearly growth rate of around 10% (World

Bank, 2017), and poverty rates have decreased significantly. The export-to-GDP ratio is among the lowest in the globe, at 3.89 percent of GDP (IMF, 2018). Primary products like coffee, oilseeds, and gold are high in them. As well, the government is spending money on infrastructure to boost and diversify exports. Although manufactured exports account for less than 10 percent of overall exports (AfDB 2017), the IMF (2018) believes that policy, logistical, and investment in export-oriented manufacturing will lead to a significant increase in goods and service exports in the medium term. Tax revenue is only about 13 to 14 percent of GDP. International and domestic debts are near to 60 percent of GDP, and foreign reserves are enough to finance two months' worth of imports (IMF, 2018).

In 2017, exports were estimated to be around US\$3.5 billion, while imports were estimated to be around US\$16 billion. Remittances, estimated at \$4 billion, are a significant source of income for Ethiopia, outnumbering physical exports (AfDB, 2017). Donor contributions (grants & soft loans), FDI, and other private inflows, all contribute to the current account deficit being covered. Foreign currency on the official market is constrained due to the exchange rate policy and current account deficit, resulting in temporary shortages and a gov't-managed process of allocating scarce foreign exchange. Domestic and foreign debt is near to 60 percent of GDP, and foreign reserves cover about 2 months' worth of imports (IMF, 2018). Diversifying and growing Ethiopia's exports is among the problems it confronts to decrease the balance of payment risks from external shocks, provide a driving force for continuing economic development, and provide much-needed formal employment. It must strike a balance between domestic-led development, investment requirements, and economic stability. One of the policy instruments available to help this is the exchange rate, and this study relies on lessons learned from other nations regarding how this tool has been handled (Ferrand, A., 2018).

The export product groups listed below have the maximum dollar value in Ethiopian global shipments in 2019. The top ten exports from Ethiopia are greatly concentrated, accounting for 89.2 percent of the total Ethiopian global shipments value. The proportion of overall Ethiopian exports for each export category is also provided: a) Clothing, accessories (not knit or crochet): \$139.3 million (5.4 percent), b) plants, live trees, cut flowers: \$276 million (10.7 percent), c) crochet or knit clothing, accessories: \$168.1million (6.5percent), d) Machinery such as computers: \$131.5million (5.1percent), e) Vegetables: \$79.9 million (3.1 percent) (1.9 percent) f) Gems, precious metals: \$79.9 million (3.1 percent).

In 2019, Ethiopian exports accounted for 1.1 percent of the country's total GDP (\$240.2 billion in Purchasing Power Parity USD). Exports generated 1.1 percent of total GDP in PPP terms in 2019, compared to 1.8 percent in 2018. Ethiopia's overall economic performance seems to be growing less dependent on exports to foreign markets, even if the data is only from a short time (World Economic Outlook Databases, IMF, 2020). An average of 643.30 USD million was exported from 2006 to 2019, with a high of US\$ 984.80 million in the 1st quarter of 2014 and a low point of US\$ 265.90 million in the 3rd quarter of 2007.

Besides, many theories of economic growth promoted import substitution as a way to boost productivity and diversify the production structure (Brook Debebe, 1999). In the modern era, however, the focus has turned toward increasing export performance. Export capacity expansion and increased international competitiveness are critical for quick growth and development, given the small local market and the reliance on imports of intermediate and capital products. The formulation and execution of export-enhancing strategies are greatly aided by the systematic identification of the constraints limiting export growth and diversification. As a result, there are a variety of ideas concerning the reasons that limit exports in emerging nations. The trade pessimists, for example, blamed the decline in exports on market circumstances, particularly the industrialized nations' protectionist response. Export development and diversification are thwarted, according to the structuralisms, by supply-side restrictions in developing nations. Others also believe that ineffective government policy is a key obstacle to achieving meaningful export diversification. As a result, the success of export trend is dependent on the proper execution of solid policies at the appropriate time and location.

According to some research, regulatory inconsistencies, inadequate infrastructure services, high risks, and high transaction costs are the primary hurdles to successful export diversification in Ethiopia. Still, other researchers classified the export constraining factors in developing countries as external and internal. International trade rules and regulations, regional trade organization laws and regulations, and individual country import requirements are all examples of external variables. Government policies, the degree of industrial growth, the incentive structure, export support programs, and firm-specific characteristics like skill composition and quality management are among the domestic/internal determinants.

The developing countries of the world have always been placed at a disadvantage vis-à-vis with the developed ones and are beset with perilous balance of payments situations, as their export falls behind their import requirements, to meet in many cases domestic demands for necessities. The concerted development of export strategies, markets, and infrastructure, on one hand, and the evolving ways and means to encourage export-oriented activities at homemade on the other, has acquired an immediacy and urgency with which all developing nations have to implement their export strategy.

As to Ethiopian export patterns, the Ethiopian economy had a mixed economy throughout the Imperial

period, with the private and state sectors coexisting. Export-oriented and import substitution were the two main economic growth strategies. Whereas export trade was considered as the engine of economic development, the import substitution strategy aimed at producing goods at home for the domestic market instead of importing. After the Second World War, export promotion and diversification strategies were pursued. Attempts were made to raise export by expanding the items, increasing quantity, and improving the quality of exports. A large area of agricultural land was devoted to the production of crops for the export market, and much of the physical infrastructure especially the expansion of the road network was related to the growth of foreign trade. The export-led development strategy aimed to generate foreign currency that is required for the country's import financing and this strategy continued up to 1960. After 1960, emphasis was shifted to the import substitution strategy with the aim of protecting the domestic infant industries. The protection used a successively higher tariff on imported goods.

However, studies indicate that this strategy was not successful. This was mainly due to the declining exports which resulted in a negative balance of payment, acute shortages of foreign exchange, and mounting international obligations. During the Derg period, the economic policy was a command economy. The development strategy was import substitution and tariff & non-tariff barriers were used to limit the type and quantity of imports. On the other hand, during the EPDRF, the economic policy was changed into a market economic system. The strategy is Agriculture Development Led Industry (ADLI). This strategy consisted of two components: the external (export-led) sector and the internal sector which focuses on rural-centered development. In the external sector, agriculture and mining were expected to play a major role. The rural development program was believed to result in rapid growth in productivity in agriculture. Hence, it benefits the society at large by boosting the supply side through the sustainable supply of export goods, food at reasonable prices, and raw materials for the manufacturing sector. The program was also aimed at creating market access (effective demand) for the manufacturing sector.

Regional Economic Integration: It is the agreement of nations in a geographic area to remove tariff and non-tariff obstacles to the free movement of goods, services, and inputs of production between these countries. The idea was that regional free trade areas provide significant profits from trade for all member nations, which is consistent with expectations of international trade theory (especially the concept of comparative advantage). As per Hill (1998, p. 230), the GATT and its successor WTO aims to decrease trade obstacles as well. Groups of nations attempt to lower trade obstacles more quickly than under the WTO's supervision by joining into regional accords.

Furthermore, as per "Ethiopian Business Development Services Network" (EBDSN, Investment Guide for Ethiopia 2/2004), Ethiopia has market access to COMESA, for EBA ("Everything But Arms") trade into the EU, AGOA, and GSP ("Generalized System of Preference"). EBA allows Ethiopian exports to access the European Union market without a tariff or quota constraint. The AGOA provides open and unrestricted market access to the United States for Ethiopian goods. Under the GSP program, Ethiopia's large variety of manufactured goods has previously been eligible for duty and quota-free treatment in countries such as Australia, Japan, Canada, and the majority of EU nations. Though, All Ethiopian exports are eligible for duty-free plus quota-free market access in the United States (however recently the country terminated in January 2022) under the AGOA.

Ethiopia's Export Development Strategies: According to a 2005 study from the Ethiopian Ministry of Information's Press and Audiovisual Department, the export development plan concentrates on industries and goods that already have solid markets and hence contribute to the country's foreign currency revenues. The export development plan tries to increase production by improving and cultivating under-utilized land. Furthermore, the plan intends to use natural resource advantages for high-value agriculture exports, build new bases for manufactured goods exports depending on the country's competitive labor advantage, and identify exportable mineral & fuel reserves. Fruits, flowers, and vegetables, as well as fresh and cold meat, are high-value agricultural goods. There is considerable room for expanding exports based on excess venting by enabling agricultural production on underused land. According to the survey, export firms with a large global market, particularly in clothes, textiles, leather, and leather goods, have the most potential for development.

According to various reports, there are favorable situations for export growth, such as availability of land, the development of infrastructure, as well as water resources. The same may be said for public-private cooperation forums, institutional backing, and overcoming bureaucratic barriers. Exemptions from export taxes, access to inputs, export finance, external loans and credit from suppliers or overseas partners, and foreign currency retention are just a few of the export incentives available.

Ethiopia's Export Trade Promotion: Several factors support the significance of export trade promotion. The 1st argument, according to Getnet Astatike (2005), is that export promotion policy increases the size of the developing nation's market and provides all of the advantages related to large-scale activities, whereas the 2nd argument is that export promotion policy also makes critical imported inputs available, boosting domestic capacity utilization and total factor productivity.

Therefore, export promotion may boost income from foreign currency, utilization of capacity, and product

development of the factors of production. Ethiopia, for example, has formed the Export Promotion Agency (now renamed the EEPD: “Ethiopian Export Promotion Department”), which is in charge of supporting the design and coordination of the whole export promotion work, having recognized the significance of the strategy (Berhanu Lakew, 2005). The Animal Products Marketing Agency, the Ethiopian Trade Point, Leather and Leather Products Promotion Agency are among the other organizations assisting in export promotion. The EEPA (“Ethiopian Exports Promotion Agency”) is a gov’t agency whose mission is to promote Ethiopia's exports. It offers export incentive programs such as the export trade tariff incentive program, the export credit guarantee program, the foreign exchange retention program, the external loan program, and the credit program for suppliers and overseas partners, among others.

Ethiopia’s Export Performance Determinants: According to scholars, the primary restrictions confronting Ethiopia's export industry include restricted market access, poor private investment, high transaction costs, infrastructure flaws, delays in service delivery, inadequate market awareness, and a dearth of trained labor.

In general, records show that export trade in Ethiopia was started during the reign of Minilik II and expanded more during the reign of Emperor Haile-Silasse I. Since then, the country has been exporting items like coffee, leather, hides, and skins and some agricultural products such as oilseeds and cereals. Despite this long-time entry into the export market, various studies indicate that the overall performance of the export sector is poor and unsatisfactory. Exports' diminishing participation in import finance and the decreased Export/GDP ratio are also indications of this. Ethiopia's export structure was also marked by a growing focus on a few traditional products including hides & skins, coffee, pulses, and oilseeds. This indicates that there are challenges preventing the expansion of export trade in Ethiopia needing to be investigated to find out the appropriate remedies. On the other hand, the paradox is that Ethiopia is considered to have many advantages for developing the export industry, including a large and skilled labor force, poor wage rates, a wide variety of weather & soil conditions, and preferential access to some of the world’s most important markets such as COMESA, USA, and Europe. These aspects initiated the present study to investigate the challenges and prospects of export trade in Ethiopia and the reasons for which Ethiopia is not active enough in its export sector.

2. Problem Statements

Furthermore, many research studies have looked at international trade in terms of export-led or import-led growth policies as a tool for good economic performance. Some produced results that supported the claim, while others produced results that contradicted it. Previous studies have shown that there is no agreed-upon general form of connection between international (both export and import-oriented) and growth through improved economic performance, implying that there is no agreed-upon general form of connection between these variables. Theoretical models, like empirical studies, that seek to explain the link between exports and economic growth are ridiculous. According to studies conducted by Williams and Giles (2000), Awokuse (2007), and Syzdykova A. et al., (2019) on the basis of analyses of empirical evidence on the influence of export on economic growth, investigations either demonstrate a no effect, positive, or negative association between output growth and exports.

Vis-à-vis the perspectives of this study (Ethiopia) the government has adopted and promoted different strategies for instance EPS (“Export Promotion Strategy”) as a reaction to the diversification and slow growth in exports. The importance of export for economic growth and development has long been recognized. Also, the nation founded an EPC (“Export Promotion Council”) and the establishment of the Ethiopian Export Promotion Agency (EEPA) as well. However, despite these efforts, there is an inconsistency in its success. Albeit there is plenty of literature about the performances of export-led strategies, there is scant attention towards East African countries in general and Ethiopia in specific. Yet, there is little attention to the effectiveness of the policy itself. Some scholars’ research findings disclosed that factors that impede the growth and development of the export sectors include; strategy-related issues, structural issues, policy inconsistency, high trading costs, and poor quality of institutions particularly the export bureaucracy and so on.

To sum up, it was previously recorded that some of these results seem to be comparable, despite the fact that each of them employed its unique statistical study approach. The literature gaps are: first, there has been no consensus in terms of the sign, significance, and long-lasting effects of determining factors of export performance in some country. Second, the majority of papers have been focused on primary and single export commodities like coffee and oilseeds. Third, some scholars are tried to identify the determining factors of overall export performance but some of them are restricted to either financial incentives or the link between trade partners. Finally, methodologically apart from limited scholars’ research works; there has been little consideration of scientific studies in the area that employed a mixed research approaches with the purpose of investigating the impediments (a hindrance or obstruction) of export-oriented growth strategy implementations of the study country, Ethiopia. Therefore, this study was tried to fill these gaps in a very constructive way.

3. Methodology

Mixed research methods have been used in this study. According to Kemper, Springfield and Tedley (2003), the design of mixed methods is defined as a method consisting in the collection and parallel analysis of qualitative and quantitative data (simultaneous mixed method consisting of two types of data. It is collected and analyzed sequentially). This type of research in which the researcher used a qualitative research model for one stage of research and a quantitative research model for another stage of research. As Creswell, Fetters and Ivankova (2004) point out, mixed method research is more than a collection of qualitative and quantitative data. Implies that the data have been integrated, linked or mixed at a certain stage of the research process. The basic logic of the mix here is that neither quantitative nor qualitative methods alone are sufficient to capture the trends and details of the situation... The use of qualitative and quantitative data together allows for a more complete analysis and complementarity.

What's more, the study design for this research is a descriptive and explanatory case study, which is analyzed using quantitative and qualitative methods along with standard factors. Qualitative researchers tend to analyze their data inductively. In a descriptive-interpretative case study, the researcher analyzes, interprets and theorizes a phenomenon outside the context of a theoretical framework.

Correspondingly, the primary and secondary data for this study were collected and analyzed. The study also used secondary data with the objective being to assess the factors impacting on export performance of the study country. In addition, the researcher obtained statistics from the World Bank Indicators (2021), the International Monetary Fund (IMF) and the United Nations Conference on Trade and Development (UNCTAD). As well, for primary statistics, the respondents have been encompassed of diverse institutions inclusive of the export sectors. These are the MoTI (Ministry of Trade and Industry), NBE ("National Bank of Ethiopia"), MoR (Ministry of Revenue), ECCSA ("Ethiopian Chamber of Commerce and Sectoral Associations"), the Ministry of Finance, the Central Statistics Agency (CSA) of FDRE and an exporting company (e.g., AGIL Exporters PLC) have been involved.

3.1. Population: Sample frame and size

In this research, the total population was the total number of chief officials, Ministry/Agency/Department/Office heads or directors, case process owners, performers, officers and other role-players such as experts and support personnel, as well as all beneficiaries in the study country. However, it is clear that the total population is too big to include all of them in the study. As Neuman (2006) claims that a target population is required in order to get a significant pool of elements from a larger population. The target population is smaller than the total population and includes only those sampling units with characteristics that are relevant to the stated problem. The target population was thus limited to only officials, senior experts and selected beneficiaries who were directly involved in decision making for and implementation of export-led growth strategy activities in the study country, Ethiopia.

The sample length (sample size) in any research is based on the aim and nature of the study explored (Bailey, 1982). According to Kumar (2014), the procedure in which simply a specific range of the full populace is chosen to participate inside the study is said to be sampling. In phrases of sampling, discussants recognized and distinguished between the distinctive strategies of sampling: yield opportunity refers to random systematic, stratified random and cluster sampling at the same time as yield non-possibility refers to convenience, quota, dimensional, purposive sampling.

In this study, therefore, both non-probability and probability sampling methods were applied. From probability sampling method, simple random sampling techniques and from non-probability sampling purposive sampling techniques were used. Thus, the sample selected for this survey is purposive sampling. In judgmental (purposive) sampling technique, the selection depends on the researcher's own preference, for that reason respondents are chosen who satisfies the intention of the study. Actually, this approach is corresponding with the convenience sampling. Moreover, a purposive sampling requests researchers to be critical concerning the population's parameters and to be specific when deciding on the pattern (Silverman, 2014).

In addition to this, a parallel technique (i.e., concurrent procedure) was used to triangulate quantitative and qualitative data in order to deliver a wide-ranging analysis of the research problems. Also, the researcher simultaneously collected both types of data during the study and gathered this information before interpreting the aggregated results (Creswell, 2011).

The sample, sampling method and the instruments that were used for collecting data are explained below.

Table3.1 Sampling technique and procedures

Study area, sample frame and sample unit	Sampling Technique		Instruments	Justification
	Probability	Non-probability		
Study area		Purposive		Familiarity with community and study area
Ministry of Trade and Industry, National Bank of Ethiopia, Ministry of Revenue and customs Authority, Ethiopian Chamber of Commerce and Sectoral Associations, and AGIL Exporters PLC		Purposive	Questionnaire and Interview	Based on their responsibility of vision, mission
Chief-officials (ministers, bureau heads)		Purposive	Interview	Based on their knowledge and responsibility
Senior experts		Quota	Closed/Open-ended questionnaire	<ul style="list-style-type: none"> ▪ Based on their area of expertise and responsibility in program implementation ▪ Can get common impressions quickly ▪ Their experiences, knowledge and familiarity in the study area

According to information given from the selected five organizations of the study country, the total target population is 915. Thus, for the quantitative data, the study participants were selected from the total target populations. Hence, the sample size was estimated using sample size determination formula. Accordingly, the researcher used the formula set by Kothari (2004, p. 179) in the case of finite population, to calculate sample sizes of the study as follows:

$$n = \frac{Z^2 * p * q * N}{(e^2(N-1)) + (Z^2 * p * q)}$$

Where,

- ◆ **n** = the required sample size
- ◆ **z** = the abscissa of the normal curve that cuts off an area α at the tails ($1-\alpha$ equals the desired confidence level. The value for z is found in statistical tables. For instance, the value of z is = 1.96 at 95% confidence level; and $z^2 = 3.8416$).
- ◆ **N** = target population size= (915)
- ◆ **P** = the population proportion (assumed to be 0.5 since this would provide the maximum sample size)
- ◆ **q** = 1-p
- ◆ **e** = the desired level of precision or margin of error (5%)

Thus, using the formula;

$$n = \frac{(1.96)^2 * 0.5 * (1-0.5) * 915}{(0.05)^2 * (915-1) + (1.96)^2 * 0.5 * (1-0.5)} = 209.071 \approx \underline{209} \text{ is the desired sample size.}$$

In general, the sample sizes and the sample distribution for each sample unit were disaggregated as follows in table 3.2.

Table3.2 Sample distribution for each sample unit

No	Sample unit	Target population	Sample size
1	Ministry of Trade and Industry	294	(294/915) 209≈67
2	National Bank of Ethiopia	143	(143/915) 209=33
3	Ministry of Revenue and customs Authority	233	(233/915) 209=53
4	Ethiopian Chamber of Commerce and Sectoral Associations	181	(181/915) 209=41
5	AGIL Exporters PLC	64	(64/915) 209 ≈15
	Total	915	209

Generally, senior experts from the five organizations were selected to fill the questionnaire. Hence, the total

sample size of the study was 209.

3.2 Data Collection Instruments and Procedure

For this study, my evaluation turned into beginning first of all through reviewing reputable documents consisting of trade policy, proclamations and directives of the study country's which include the Ethiopia's export-led growth regulations as well as different documents that define export merchandising strategies and rules of the nation. Importantly, this assessment become helped the researcher to distinguish a listing of applicable government groups worried in the implementation and management of the export exchange policy of the study country. Then, the researcher has selected government officials from these institutions to serve as key informants in the study. Questions were asked to key informants from both private and government sectors in order to get insight into challenges in the implementation of new policies or procedures.

Note also that in addition to the employed model and techniques, in this study, the researcher was guided by the following policy research model (tools) to appraise the success of the export trade policy performance of the country via a primary data (using interviews and questionnaire). According to this, every effective policy or plan must meet a variety of requirements drawn from the literature in political science, public administration, economics and sociology as well as other fields of study.

Altogether, in this study, the concepts or criteria's chose are effectiveness (degree to which many coverage targets are completed), performance (the value and time utilized in coverage implementation), responsiveness (the degree to which all stakeholders are glad), political feasibility (Within the given context, the extent to which the opportunity chosen is politically feasible), and administrative feasibility (The extent to which the selected enforcement businesses have the executive ability, or the desire for it to be developed, in order to achieve the policy objectives). What's more, as clearly stated above, review of literature and document analysis was detailed. Here, let see the details of the two instruments as follows:

3.2.1 Questionnaire

In this research, a structured questionnaire has been used and containing a Likert scale. Moreover, some open-ended questions also used to describe reasons or causes for the responses provided as per the facts researched in the review of related literatures and other documentations. The questionnaire was administered to 209 (N) respondents who are senior experts in the area. The foundation of the sample size is also deceits behind the number of respondents in the field of exports organizes and financial expansion (economic growth and developments) scholars that have knowledge on the workings of the trade sectors.

Specifically, the questionnaire dealt with the intents of export oriented strategies, problems with the implementation of export-led growth strategies and so on. The questionnaire was developed in English after reviewing relevant literatures and then translated into Amharic (the federal working language of the study country). Moreover, the questionnaire was administered by the researcher for the purpose of enhancing respondent understanding and improving the return of response rate.

The instrument was selected for the following reasons. Firstly, as Gray (2013), revealed they are efficient in terms of both time and money; they allow getting quick inflow of data from many people at a time; and they further give a chance for respondents to complete the questionnaire at a time and place that suits them. Secondly, they offer the best methodology to make the coding and data analysis of, especially, close-ended questions relatively simple and quick.

3.2.2 Interview

For the purpose of collecting data, interviews are a collection of questions that are asked in a face-to-face conversation between respondent and researcher. The most popular and successful way to gather information in a survey is through conducting personal interviews (Bailey and Kothari, 2004).

In this study, interview was used to gather qualitative data from purposively selected chief officials to strengthen the validity of the finding from other tools and for effective triangulation of the instrument as well as the data obtained. The interview is important to gain understanding of the key informant's attitudes, preferences or behavior towards a phenomenon. Moreover, unstructured interview questions were prepared for the purposively selected chief officials to have basic information about the assessment.

3.3 The Methods of Data Analysis and Presentation

Data analysis is the process of selecting, sorting, directing, focusing and discarding of data. Essentially data analysis enables the researcher to interpret data and make sense of them (Welman and Kruger, 2000).

After collecting the required data, first, the data were classified on the basis of their similar characteristics before analyzing of the raw data. Then, the Statistical Package for Social Science (SPSS) version 21 and Microsoft excel were used for processing the tabulation of quantitative data to make the quantitative data analysis more efficient. In addition, they served to encode data, calculate, and generate some graphs. The data collected through questionnaires, interviews, and secondary data obtained by reading various publications and reports were analyzed quantitatively and qualitatively. The quantitative data was analyzed through descriptive

statistical techniques such as percentages, graphs and tables. Whereas the qualitative data was analyzed by the narrative form from interview, open ended questionnaire and document analysis by using reading, understanding and interpreting the raw data gathered from the respondents and documents.

4. Results and Discussion

Introduction

And this section is going to give an answer to the research question: (1) why is export not effective as stipulated in the trade policy? And (2) Despite official promotion and support, why has the country's export performance remained poor? Thus, specifically, the objective of this study is to examine the prospects and challenges of export trade policy in Ethiopia and the reasons for which the country is not active enough (ineffective) in its export sector. Hence, this study sought to measure and evaluates the country's performance, difficulties, and opportunities.

What's more, the researcher was directed by a policy research model (tools) to assess the effectiveness of the export-led growth policy performance of study country via primary data (using interviews and questionnaires). A successful policy is founded on the notion that it must meet a range of criteria drawn from the literature in public administration, political science, sociology, and economics. In general, such criteria are *effectiveness* (the extent to which the policy's different goals have been met), *responsiveness* (the degree to which all stakeholders are satisfied), *political feasibility* (to what degree the proposed solution is politically possible in the given context), and *administrative feasibility* (implementation agency capacity or requirement to be designed to fulfill policy goals based on the chosen implementing agencies' administrative capabilities) are the selected assessment tools/methods among others.

4.1 The survey

Only Five organizations were employed in the export industry that took part in this survey. These are the MoTI (Ministry of Trade and Industry), NBE (National Bank of Ethiopia), MoR (Ministry of Revenue), ECCSA ("Ethiopian Chamber of Commerce and Sectoral Associations"), and an exporting company (e.g., AGIL Exporters PLC). As stated under the methodology part, both non-probability and probability sampling techniques, more especially judgmental sampling, was operated in this study. Several types of questions are included in the survey, including both closed-ended and open-ended preferences. The use of such data gathering techniques was dictated by a methodical approach to the study problems under consideration.

The following Figure 4.1 reveals that a total of 209 questionnaires were distributed among the sample population. Of which, 188 (89.95%) questionnaires were returned, 178 (85.2%) were taken as valid responses and the remaining 9 (4.7%) were rejected (discarded) for many items that were not filled.

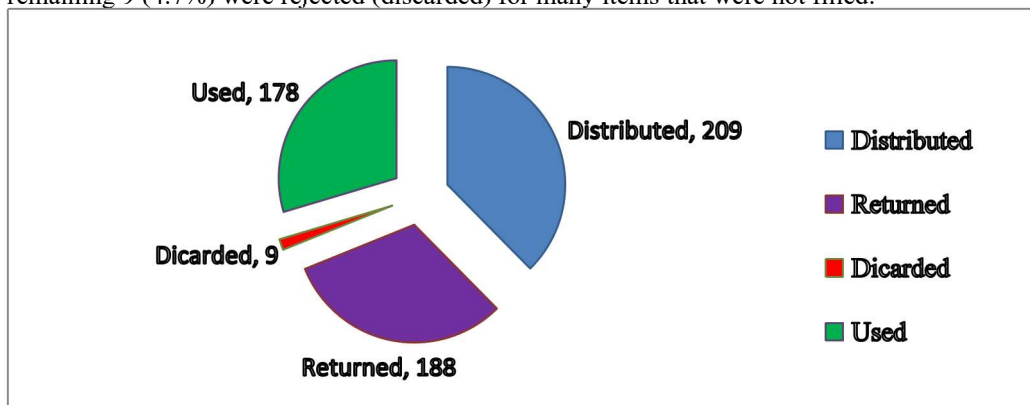


Figure 4.1 Questionnaires: Distributed, Returned, Discarded, and Used. [Source: Survey Data, 2021]

The views of the survey participants are reflected in a wide range of topics related to Ethiopia's export business (see Appendix: Questions treated by surveys). In terms of quality, dependability, and cost-effectiveness, for example, these respondents expressed their views on the competitiveness of Ethiopian export industrial goods. Ethiopian exporters' capability was also reflected in the comments of the interviewees. In addition to Ethiopian exporters' current backward and forward connection, these experts discuss the industry's structure, managerial capabilities, market knowledge, available skilled labor, and how well the export sector is integrated. Moreover, the participant's views on the efficacy of the Ethiopian export sector's facilitation assistance and services are covered. They also provide their thoughts on how various policies might help the private sector establish a presence in foreign markets. These views focus on the infrastructure, institutional, and informational assistance offered by organizations including export promotion agencies, chambers of commerce, export market research institutes, and regional economic integration.

4.2 The Interview

Interviews with senior officers were used to gather further information. Five executives were interviewed as part of the research (one from each of the selected organizations). As a result of their expertise in the study's subject matter, these individuals were chosen for an interview. To better understand the strengths and limitations of Ethiopian export commodities, as well as the problems and chances of gaining access to foreign markets for Ethiopian goods, interviews were conducted.

4.3 Document Review

For this analysis, the researcher counts on data provided by the Ethiopian Central Statistics Authority, the Ethiopian Economic Association's annual report, and reports from the Ethiopia's Revenue Ministry among others. Export performance in terms of the total balance of payments movements for the successive years under consideration was obtained from the national Bank of Ethiopia (NBE) annual reports. The data included in these publications also included information on the evolution of Ethiopia's goods trade, the volume of key export items, price changes of major export items, revenues of basic export stuffs, the export proportion of chosen products, and exports of significant commodities by destination and so on.

Above all, in this section, both the quantitative and qualitative data that were collected through questionnaires, interviews, and document review are presented and analyzed in order to answer the main research questions of the study. Accordingly, below are the interpretation, analysis, and discussions of the primary data of the study.

4.4 Characteristics of Respondents

The respondents of the study came from diverse posts and organizations, and a demographic analysis was used in the study for two main reasons. First, it was important to identify population characteristics to draw basic information about the respondents. Second, it was also important to provide identifying information about the respondents, such as their gender, education, age, and years of service the respondents. The demographic details are based on a quantitative analysis, which is described as the operation of numerical data through statistical procedures. The demographic details of the respondents are discussed as follows:

Table 4.1 Demographic Data of Participants

Variables		Frequency	%
Sex	Female	44	24.7
	Male	134	75.3
	Total	178	100.0
Age	20-25	13	7.3
	26-30	34	19.1
	31-35	49	27.5
	36-40	51	28.7
	41 and above	31	17.4
	Not mentioned	0	0
Education level	Diploma	18	10.1
	Bachelor	117	65.7
	Masters and above	43	24.2
	Total	178	100.0

Source: Survey Data, 2021

The above Table 4.1 illustrates that the total number of respondents in this study was 178, of which 24.7% are females and the rest (75.3%) are males. This is evidence that the majority of the sample respondents are male. This has affected the gender combination of the respondents. Nevertheless, the gender distribution effects are moderated through the nature of the questions posed, which are gender-neutral. Besides, most of the respondents included in the study area in the age category of 36 to 40 (N= 51, 28.7%) followed by those who were in the age category of 31 to 35 and the age category of 26 to 30 (N= 49, 27.5%; N=34, 19.1%) respectively. 31 respondents were in the age bracket of category 41 and above who constituted 17.4% of the sample population.

Furthermore, as indicated in Table 4.1, the highest and the lowest academic qualification of the respondents was a bachelor's degree and diploma (N=117, 65.7%; N= 18, 10.1%) respectively. Furthermore, 43 (24.2%) of the respondents had masters' degrees and above. This shows that almost all of the respondents were with a good educational background. The summarized results of table one, therefore, indicate that the inclusion of different sample groups was more likely to make the probability of getting diversified and pertinent data to come up with balanced results.

4.5 Respondents' Year of Service

In this survey, it was found important that the years of service of the respondents be interpreted as well to ensure the richness and quality of the data. This is because the years of experience of the respondents helped in identifying the challenges that have been faced in the implementation of the export oriented policies/strategies in the inspected sectors.

Table 4.2 Respondent's Year of Service

Years of Service	Frequency	Percent
<5	15	8.4
5-10	25	14.0
10-15	53	29.8
15-20	51	28.7
>20	34	19.1
Total	178	100.0

Source: Survey Data, 2021

From Table 4.2 above, 8.4% of the respondents have less than five years' work experience, and this balances with the fact that the other 19.1% of the respondents have more than 20 years of experience in the aforementioned sectors. This validates the findings to a higher extent because those with less than five years of experience have just joined the organizations as there is a high rate of labor turnover. As for those who have served for less than twenty years, the majorities of them are nevertheless senior experts and hence have a vast knowledge of the capacity problems that the sectors are experiencing, thereby enriching the results of the study. Approximately, 14% of the respondents have served for five to 10 years, 29.8% have 10 to 15, and 28.7% have 15 to 20 years of work experience. It can be deduced that the respondents' wide range of work experience enabled the researcher to obtain divergent responses to the implementation of the export-led growth strategies, thereby enriching the data collected.

Based on the aforementioned explanation, the following deductions can be made. First, the majority of the respondents came from the senior expert positions that can influence the study findings as they are the actual implementers of the export-led growth strategies in the study organizations, thereby providing the reality on the ground. Second, the female representatives are much less than males are in the majority. Third, the years of service and thus experience are evenly spread with the majority of the respondents falling in the 10 to 20 years' box (i.e., 10-15 years and 15-20 years of services; altogether accounts for 58.5%). The respondents are sufficiently experienced to be able to complete the questionnaire and to provide reliable data for analysis and evaluation. Lastly, the research shows that most respondents are undergraduate and postgraduate levels, well qualified to act as respondents in the survey. The primary data analysis and evaluation, dealing with the findings of the study, are discussed in the succeeding sections.

4.6 The Findings of the Survey Research; Problems of the Implementation of Export-Led Growth Policy/Strategies

In this part, the researcher attempted to find out whether the implementation of the existing export-led growth policy/strategy impacts positively or negatively in the study country. Responses are given in Figure 4.2 below.

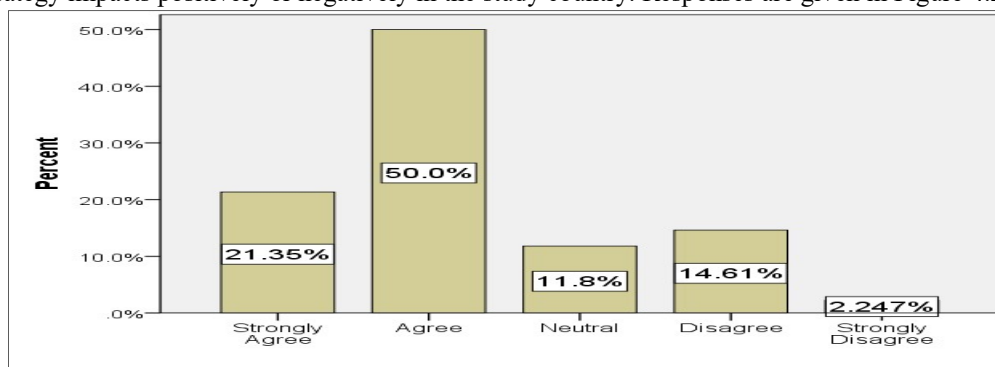


Figure 4.2 Responses on the implementation of Export-led growth strategies

In response to the question on whether the implementation of the existing export-oriented strategies has had any negative impact on the country's economic growth, the majority of the respondents 89 (50.0%) and 38 (21.35%) they are agreed and strongly agreed respectively with the assertion. They have added the following common reasons for their answers in the open-ended questions:

- There are not enough financial resources to sustain the export-oriented programs, hence leading to failure to meet the targets in terms of trained human resources.
- There is still an increased demand for exporters in the area while lack of equipment is still prevailing in

the export sectors of the country.

- There is increasing dissatisfaction with the provision of services or commodities (in terms of access, quality, and equity) being provided amongst the citizens in the country.

On the other hand, 26 (14.61%) and 4 (2.24%) of the respondents disagreed and strongly disagreed respectively with the assertion that effective and efficient services provision is still possible with the implementation of the existing export trade strategy. But they noted that the qualities of the services being provided are still undesirable to the citizens. Still, 21(11.8%) of the respondents were non-committal (neutral). It is believed that they have little information on the export-led trade strategies being implemented. Therefore, it can be deduced that the implementation of the existing export-oriented trade strategy is, indeed, impacting negatively on the provision of services in the country as there is greater dissatisfaction with the services being provided mainly due to the centralized control of decisions on export oriented strategy implementation by the central or federal government.

4.7 Quality of the Provision in Commodities are Prevailing in the Performance of the Export Trade Policy in the Country

Being able to provide export services as efficiently and effectively as feasible under current conditions is the ultimate goal of international trade. Export performance is thus closely tied to the exploitation of available resources (like financial as well as well-trained human resources) and other methods including policy and strategy; processes and controls; structures; and standards; that is necessary to provide the desired services. Hence, it was asked to senior experts whether lack of quality is prevailing in the provision of commodities in the study country's trade sectors. The next Figure 4.3 demonstrates the responses of the respondents.

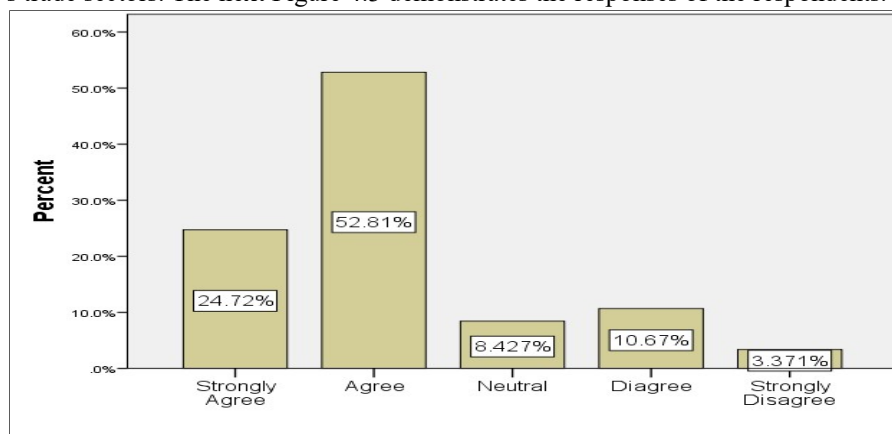


Figure 4.3 Responses indicating whether lack of Quality is prevailing in the provision of services

Looking at Figure 4.3 above, it is obvious that problems with the implementation of export-led growth policy affect the quality of services being provided in the country. They are caused by the irrelevant and often insufficient implementation of the export-led trade strategies. Hence, 24.72% of the respondents strongly agreed and 52.81% of them agreed respectively that there is a lack of quality that affects the services being rendered to the communities in the country's export sectors. Respondents have validated the answers to the open questions as follows:

- The shortage of skilled professional personnel in most of the sectors affected the quality of services and the Lack of working materials and equipment.
- Inadequate human and material resources compromise quality services to have been provided.

As a result, they proposed a re-examination of the quality assurance in the recruitment and motivation of exporters and export trade sectors professionals which require focusing on improving the situation and bringing about reasonable efficiency and effectiveness in the delivery of each commodity in the study country. Conversely, 10.67% of those polled disagreed with the assertion, with a further 3.71 percent strongly disapproving of it as incorrect and gave the following reasons for their answers in the open-ended questions:

- There was more to the provision of quality services than the implementation of export-oriented policies or strategies.
- Implementation of export-led growth strategies alone cannot guarantee the provision of quality services.

It can thus be inferred from this finding that lack of quality service provision is the main prevalent challenge in the country due to shortage of skilled professional personnel, lack of working materials and equipment.

4.8 Causes for Lack of Quality Services

Figure 4.4 below illustrates the responses from the senior experts of the aforementioned sectors on the causes for

lack of quality services and often the insufficient implementation of the export-led growth strategies.

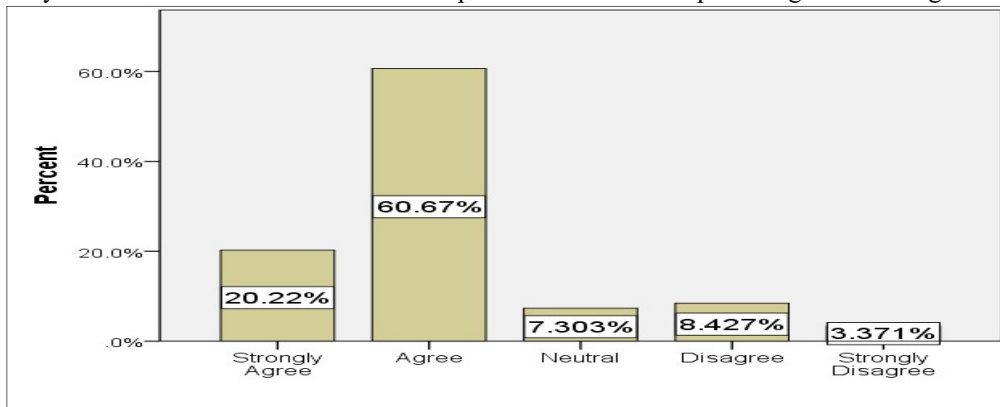


Figure 4.4 Lack of quality services is caused by Irrelevant and Insufficient implementation of Export strategies.

In response, 36 (20.22%) of the respondents strongly agreed with the assertion that there is a lack of quality in the export sectors caused by the irrelevant (not need-based) and often insufficient implementation of the strategies, whereas 108 (60.67%) of the respondents agreed to the same and indicated the following justifications for their responses in the open-ended questions: lack of frequent monitoring and evaluation, poor staff recruitment process that also affects the delivery of services. In addition, the implementation of export-led growth strategies took place without sufficient consultations with relevant stakeholders, such as local area officers, and inadequate resources.

On the other hand, 15 (8.42%) of the respondents disagreed, whereas 6 (3.37%) of them strongly disagreed respectively and gave the following reasons for their answers, namely, lack of quality services results due to various factors including lack of motivation due to poor reward/payment packages; lack of political will to adequately fund the export sectors, and lacks commitment – some professionals are not committed to offering their services. Furthermore, 13 (7.3 %) of the respondents remain neutral, indicating that they did not know anything about the implementation of export-oriented growth strategies in the above said sectors/organizations.

In line with this same point, the researcher also reviewed different official government reports that helped to corroborate or support the above analysis and found it similar. They include low institutional capacities to produce qualified professionals through local training institutions, lack of sustaining those in services, and accessing technical assistance to fill in the human resource gaps in the sectors.

It can thus be concluded that despite the little progress or improvements in the export sectors, in the past several years, the implementation of export-led growth strategies has led to a lack of quality services due to poor planning, inadequate resources, and poor monitoring and evaluation of the strategies being implemented. This has compromised the quality of each service being delivered. It has also led to a situation where the study country is unable to meet the ever-increasing demand for each of the services/commodities.

4.9 Institutional Experience in the Implementation of Export-Led Growth Strategies for Efficient and Effective Provision of Good and Services

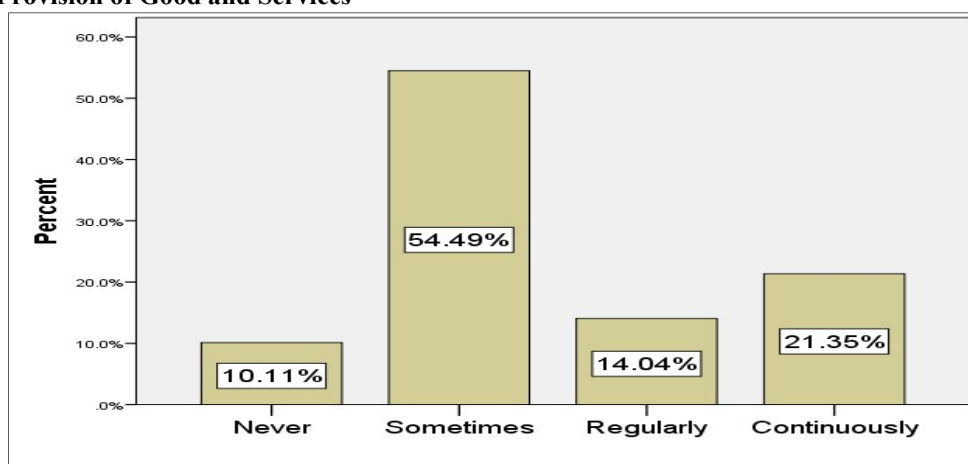


Figure 4.5 Whether the institutions experiences problems in implementing the Export-led growth strategies

The responses provided to the question in Figure 4.5 of the survey reflected that 10 (10.11%) of the respondents stated that they have never identified problems with the implementation of the export-oriented

growth strategies in the export sectors of the study country. In contrast, the majority of the respondents 97 (54.49%) noted problems with the implementation of export-led growth strategies and plans. In other instances (sometimes), 25 (14.04%) of the respondents noted common (regular) problems with the implementation of the strategies and plans, whilst 38 (21.35%) of them noted continued problems with the implementation of export-led growth strategies in the sectors of the country. They gave the following reasons for their responses to the open-ended questions:

- Inadequate financial resources
- Poor staffing levels.
- Political interference (influences)
- Corruption and
- Demotivation and non-commitment of skilled human resources who could implement the strategies.

As regards political influence at the external organizational level is reported and even minor traces are identified at a local level. It was also reported that experts/implementers have undue influence on their chief officials, on the identification of donors/supporters in the implementation of the export-led growth strategies and plans, in allocating of resources for quality service delivery; and formulation of related policies on the implementation of export-oriented trade strategies. These problems have resulted in inequitable access to export-led growth strategy and plans interventions and hence related impacts in the study country.

This being the case, respondents however suggested that decentralizing the formulation, control mechanisms, monitoring, and resourcing of export-oriented strategies to local communities could have been more helpful. The suggestion is made because the implementation of the strategies and commodity setting up is better made at local levels effective. In addition, respondents suggested the strengthening of political systems at a decentralized level to guide and empower local officials and administrators with systemic mechanisms that will aid decision-making on related factors in the implementation of export-oriented growth strategies.

It can thus be inferred that the implementation of the existing export-oriented growth strategies is impacting negatively on the provision of required goods and services in the country, which is evidenced by a widespread lack of quality in the services that are delivered to diverse nations. Furthermore, even though the export sectors are rated (as fairly) relatively efficient and effective, they faced an acute shortage of skilled human resources which made even worse with the problems that are being experienced in the implementation of the strategies. Such problems include the following: inadequate financial resources, political interference, poor understanding of organizational objectives, poor planning, and lack of regular monitoring and evaluation. It is also worth mentioning that the current legislation is insufficient for carrying out exporters' capacity-building interventions for effective and efficient service delivery. This is because supports given by the focal institutions such as WB, IMF, WTO, and Federal agencies have limited the supply of meaningful inputs over local decision making made about export-oriented growth strategies thereby leaving the decision making to those whose interests are bound by constituencies' interests.

4.10 Legislative Measures for Export-led Growth Strategies and its Implementation

For the export-led growth initiatives to be appreciated and comprehensively implemented there is a need for legislation to hold the chief officials, experts, and politicians accountable to this role. Currently, the legislature that is in place is not comprehensive enough to support the export-oriented activities that are implemented in the sectors/organizations of the country.

In addition to the *Constitution of the FDRE* (1995), there is also an Act of Parliament, the Proclamations and policies which was indicated that monitoring and evaluation of the progress of implementation of the planned export-led growth strategies so that appropriate changes are made to the sector's plans if they are not meeting the set objectives. Based on this, the researcher attempted to know whether the existing export-led legislation in Ethiopia is followed up by the parliament/standing committees. The replies are illustrated in Figure 4.6 below.

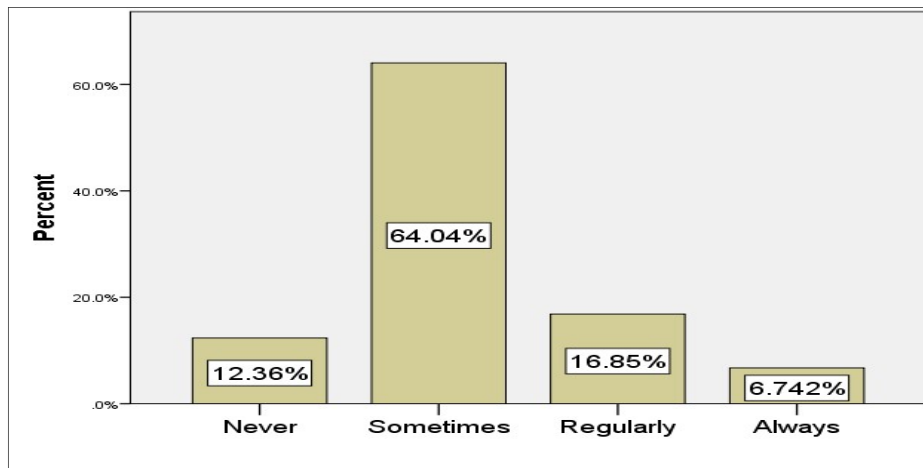


Figure 4.6 Whether the Export-led growth Legislation is followed by Parliament

From above Figure 4.6, majority 114 (64.04%) of the respondents indicated that the existing export-led growth legislation was sometimes followed up by the parliament/standing committees, whereas 22 (12.36%) of them stated that the export-led trade legislation of the country was never followed up by the parliament. Furthermore, 30 (16.85%) of the respondents indicated that the legislation is regularly followed up by council committees. On the other hand, asked if the follow up is made by the country’s council committees 12 (6.74%) of the respondents indicated that the existing export-led growth legislation for each provision is always followed up by the federal council committees.

It can therefore be concluded from the finding that whilst chief officials are not playing a meaningful role in following up, evaluating, and advising the performance of the experts or implementers on the export-led growth strategies, the experts also do not comprehensively examine carefully the legislation before presentations and enactment by the parliament, and implementation of export trade policy in the study country. These findings, therefore, suggest that export-led growth legislation and strategies that have been implemented do not undergo requisite evaluation or follow-up and may not be reflective of the expectations and interests of the sector's clients or beneficiaries in general. In other words, the absence of performance or implementation evaluation of the strategies could not be possible to know whether it's now up to the satisfaction of services stakeholders on one hand, and the federal agency behind the strategy on the other.

4.11 Sufficient trained and skilled personnel to implement the export-led growth policy/strategies

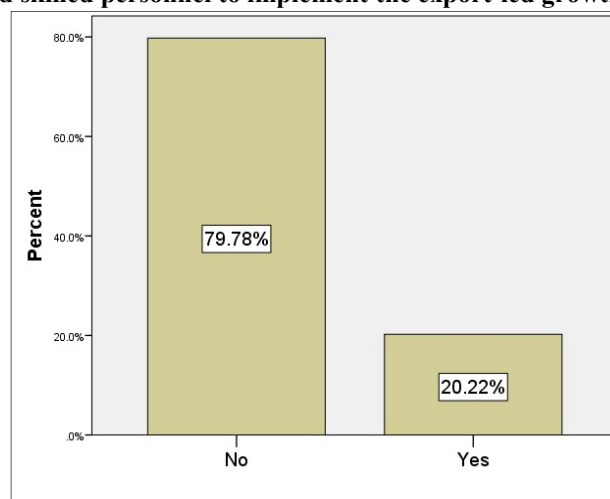


Figure 4.7 Whether Institutions have sufficient Trained and Skilled personnel

In the Figure 4.7 above, 79.78% of the respondents indicated that there are deficiencies in the training of skilled personnel to implement the export trade strategies. On the other hand, 20.22% of them indicated that the trained human resources are enough to implement the programs.

It can thus be deduced from the above analysis that although the export sectors/organizations have put in place mechanisms to ensure that there would be enough trained and skilled human resources to carry out its export-led growth activities, they are still not adequate, more especially than those who are implementing the initiatives lack the requisite skills.

4.12 Monitoring and Control measures and standards to ensure effective Implementation of Export-led growth policy/strategies

To successfully implement an export-led growth policy, not only must each implementer know exactly what is expected of them, how their work will be judged, and what criteria will be used, but each supervisor should also know what control standards and measures will be applied and how control will be exercised to ensure that the policy is implemented effectively. Control is exercised to ensure that the work is properly done and carried out under the policy and procedures laid down (Stoner, 1982: 17). Reliable control methods are a prerequisite for exercising any kind of control; including inspections, auditing, reporting, and statistical returns, and control standards, such as firms, institutions, colleges, etc., standards have been determined and approved (Meiring, 2001:164). It is important to keep an eye on subordinates and hold them accountable for any deviations from established policies or processes, which are two of the key aspects of control methods.

Improving the organization's capacity for providing services efficiently and effectively is a goal of many export-oriented operations. Because of this, these actions must be monitored and enforced following the established policies and procedures. As a result, export-led activities must be closely monitored to ensure that the required standards are met and, where necessary, corrective measures are implemented to ensure that resources are not wasted but instead are put to good use in enhancing performance and delivering superior service.

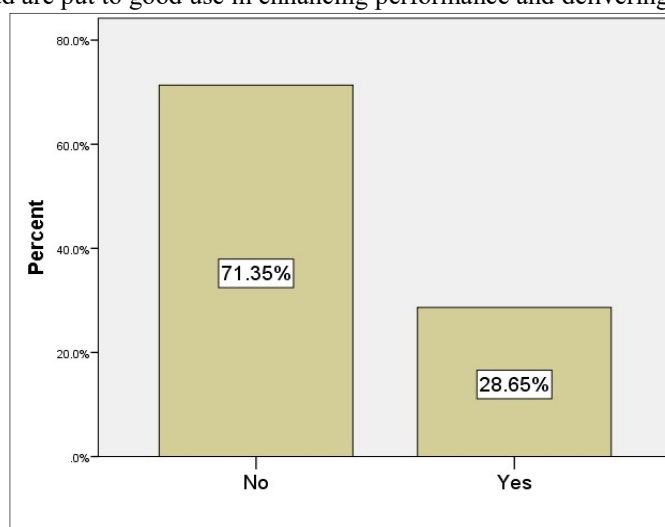


Figure 4.8 Whether institutions have sufficient control measures and standards

In response to the above issue, 51(28.65%) of the respondents answered in the affirmative. On the other hand, 127 (71.35%) of the respondents stated that the departments and sections that they are working in do not have sufficient control measures and standards in place to complement organizational structures and ensure the effective implementation of export-led growth policy/strategies and delivery of quality in services to the beneficiaries. This is mostly due to poor planning of the export-oriented trade activities which results in compromising the set standards to be realized or achieved.

Based on the above analysis, it can be concluded that the policies/strategies for export performance are outdated (old-fashioned) and not sufficient to meet the current exporting needs in the sectors due to a lack of institutional follow-up and control system. Further to this, sufficient financial and skilled human resources are inadequate to implement the strategies despite having in place well-defined work procedures and organizational structures aimed at supporting the implementation of export-led growth strategies. However, the control measures and standards that are in place are not enough for the enforcement of effective implementation of the export policies, plans, and strategies and therefore require strengthening.

In summary, the findings further revealed that the existing export-oriented policies and strategies could not bring about the intended impact, thus indicating a need for a change in approach. This was mainly for the following reasons:

- Expected results were not achieved due to inadequate human and financial resources and, Low capacity of the local training institutions.
- The needs of the central government agency were prioritized thereby failing to build capacity at the local level.
- Lack of close and harmonious consultations between the chief officials, implementers (experts), and the citizens.
- Nepotism and political interference.

4.13 Strengths and Weaknesses of the Ethiopian Exported Commodities (Findings from In-depth Interviews)

There was a consensus among key informants interviewed on the strengths of Ethiopian exports that they are organic products (primary agricultural products), characterized by a high level of demand in the international market due to improved values nutritional significance, high degree of diversification type potential and low cost of production due to labor intensity. Some of the most common answers to questions about its weaknesses include low quality, high prices due to high local costs, semi-finished products, lack of diversification, high domestic demand, inborn uncertainty in production (unpredictability of supply), tampering, poor packaging, and low levels of refinement. As a consequence, Ethiopian export goods are seasonal and their prices fluctuate, are vulnerable to damage in transportation, and are impacted by low-income elasticity of demand, as has been noted before.

In addition, participants said that a move from agricultural commodities to manufactured goods with added value and the ability to create more foreign exchange is required. There are many unethical actions taking place, such as theft by drivers, product mixing, and a shortage of trucks for exports that causes delays, poor handling, and freight to be reported as the most common flaws. Commodities from Ethiopia that have a brighter future (according to the participants' responses) such as pulses, oilseeds, horticulture, fruits, sesame seeds, coffee, tin seeds, Niger seeds, red kidney, chickpeas, lentils, beans, leather as well as leather items, chat, vegetables and fruits, flower, gold, honey, spices, bees' wax, shoe wears, cement, dairy and meat products, fish (artificial production), poultry products, food supplements, potash, minerals and sugar, skin and hides, precious stones and metals, processed skin and hides, garments and textiles, herbs, beverages, and tantalum.

A. Ethiopian Exporters' weaknesses and strengths

According to the majority of respondents, Ethiopian exporters are highly committed to their profession, relatively trustworthy, eager to learn, well-capitalized, and utilize their full ability to compete in the global market. However, even in a highly competitive economy, they play a key role in generating considerable amounts of foreign exchange. When asked about Ethiopian exporters' weak points, the overwhelming majority of respondents said they rely on outdated methods of marketing and don't invest time and money in thorough market research. The most often cited problems include inefficiency, bad management, lack of dependability, poor communication, and poor customer handling and service. Other drawbacks include a lack of organization, delayed delivery, exporting just main items, a lack of experienced workers, a lack of quality goods, limited products, a lack of market orientation, and client knowledge, and a lack of attention to the quality of the product. Some Ethiopian exporters are also accused of engaging in unethical tactics in their dealings with customers. An outdated management, lack of foreign trade research, lack of packaging innovation, lack of preparation before starting export activity, lack of demand analysis, lack of knowledge, and export of unprocessed raw materials are some of the most common shortcomings of Ethiopian exporters. Ethiopian exporters seem to be ignoring international standards and regulations in connection to overseas commerce, which results in inappropriate use of their financial and human resources, outdated pricing, an undefined structure of local markets, and limited access to global markets (they normally depend only on their expertise). These issues stem mostly from the high expense of doing business for these companies.

Most Ethiopian exporters face a lack of sustainable supply chain, poor IT infrastructures, a lack of foreign currency, improper documentation, a cope with primary/agricultural products, reluctance to hire professionals (family-based task), little collaboration among themselves, oligopoly or monopoly scenario, unfair competition, a long chain between farmers and exporters, costs without supporting documents, and lack of documentation.

B. Prospects and Challenges of Getting Access to International Market

Obtaining international market access for Ethiopian exporters is very difficult since the items are agricultural products that are not competitive in terms of quality and costs, according to key sources. Many nations in the developed world have a unified agricultural policy that provides subsidies to farmers, raising and influencing the degree of competitiveness in the market. It is quite difficult to enter the export market for such items, particularly if there is no market research and information available. Similarly, despite having access to AGOA (nonetheless the US terminate Ethiopia recently on 01 January 2022), COMESA, and EBA, Ethiopia is not taking full use of them owing to a lack of understanding and associated concerns. Some analysts claim that globalization does not indicate a difficulty with market access, but Ethiopian exporters lack coordination and are unfamiliar with the notion of comparative advantage. Ethiopia's proximity to Asia, Europe, and the Middle East, as well as its excellent climatic conditions, is other advantages to be used.

Another barrier to Ethiopian goods entering the worldwide market is the country's conventional business practices, which should be modernized to prevent unfair competition and promote the country's products more effectively. There are no well-organized organizations to enable training and market access, and there is no extensive use of technology to discover new markets and opportunities. The key issues are supply-side restrictions, a lack of infrastructure, and the neglect of trade facilitators. Due to strong demand but limited production capacity, Ethiopian exports are mostly confined to a few countries and are typically constrained in

terms of coverage and volume. There are no safe and secure trade fairs, internet facilities, or exhibits that help Ethiopian goods get access to worldwide markets.

Different nations should adopt more government strategies, policies, bilateral and international agreements. Problems with policy implementation from the bottom up should be addressed. Another barrier to exporting is the existence of domestically taxed export items.

C. Export Processing Parties' Weaknesses and Strengths

The following opinions were gathered on the weaknesses and strengths of the export processing parties:

Strengths:

- Export processing is made easier by favorable government policies.
- To facilitate exports, banks are doing everything that they can.
- Even when exporters can meet all of the requirements, all parties are doing well on average.
- After the presentation of the necessary papers, there was a good interaction amongst the parties.
- Export dynamics and performance have a strong collective interest.

Weaknesses:

- There was a lack of cooperation and structure among the multiple stakeholders.
- Some companies have a knowledge gap that has to be addressed.
- Customer and prospective buyer information is not being provided in a timely and efficient manner.
- Supply chain management is lacking.
- A lack of understanding of the paperwork that is required might lead to inconsistencies.
- The lack of positive policies. And there is a lack of high-value-added exports.
- Payments are delayed because of a lack of timely processing.
- Export promotion agencies are ineffective.
- Unethical and illegal commercial tactics, lengthy processes, and government issues in determining export potential and capabilities.

D. Analysis of Trade Patterns by Diversification and Destination

Over the time period under consideration, the Ethiopian export items study shows an improving tendency in terms of diversity. Ethiopia presently exports the following products in this context: oil seeds, coffee, leather, and its products, meat and its products, pulses, vegetables and fruits, chat, live animals, flower, gold, molasses and sugar, garments and textile, tea, natural gum, flour and cereals, bees wax and honey, tantalum, injera, Niger and sesame seeds, chickpeas, tin seeds, beans, red kidney, spices, lentils, shoe wares, poultry products, dairy products, food supplements, fish, beverages as well as herbs.

5. Conclusion and Recommendations

Introduction

This study were scrutinized the prospects and challenges of export trade policy in Ethiopia and the reasons for which the country is not active enough (ineffective) in its export sector.

In this section, the major findings, conclusion, contribution and limitation, recommendations as well as suggestions for further research are given.

5.1 Major Findings

From strong points of the Ethiopian Export Sectors: Ethiopian export goods are primarily organic (primary agricultural products), conferring to the study results and interviews with key informants. They have a high demand in the global market owing to improved nutritional benefits, a high potential for diversification, a comparatively lower cost of production because of labor intensiveness, and a geographical position that is highly advantageous to the global market. Ethiopian exporters' good competencies and a high degree of devotion to export activity have enabled them to accomplish such results. Most respondents also said that Ethiopian exporters are reasonably trustworthy, eager to learn, dedicated to their employment, and have enough operating capital. They are well-promoted and employ all of their resources to compete globally.

Strength factors in terms of international market access include supporting government policies for the private sector in recruiting foreign direct investments and encouraging export trade policies in terms of tax exemption. Banks are trying their utmost to facilitate export commerce regarding export processing. Typically, the entire parties are doing well, mainly as soon as exporters arrive with all criteria met. Easy connections emerge when the proper paperwork is presented, and practically every stakeholder has a strong interest in the sector's success.

Weak aspects of Ethiopian Export Sectors: According to most respondents, the competitiveness of Ethiopian export goods in terms of quality is inadequate. This might be due to a lack of forwarding and backward integration in the supply chain and inefficient packing, storage, conveyance, and manufacturing procedures. In terms of the competitiveness of Ethiopian export goods for its dependability, most respondents indicated it is low, indicating that there is a severe issue. This might be due to a lack of integration, a lack of

infrastructure, the inefficiency of export facilitators, and so on. Similarly, many respondents agreed that Ethiopian export items are inefficient in terms of cost-efficiency. This might be due to the participation of significant parties in the distribution chain and high transaction costs due to storage, shipping, and insurance.

A large majority of respondents believe Ethiopian exporters have limited capability in terms of backward and forward linkage, including managerial capacity, market awareness, and dependability in supplying the proper amount, trained staff, and coordination.

According to the findings of the interviews, the majority of Ethiopian exporters utilize conventional marketing and management methods. Other weak aspects were limited customer knowledge and product range, poor market orientation, lack of skilled labor, exporting only primary agriculture goods, lack of quality products, delayed delivery, and proper organization. Also, unethical business practices, poor attention to quality, lack of packaging innovation, lack of research on foreign trade, lower self-motivation, lack of information, lack of demand analysis, improper planning when conducting business in the export sector, and raw material export is not correctly processed are some of the weaknesses of Ethiopian export. Furthermore, most Ethiopian exporters are a fault since they are unaware of international trade standards and regulations. Inefficient use of financial and human resources, a lack of up-to-date pricing information, a poorly defined structure of local markets, high transaction or business deal costs, and inconvenient factors for instance lack of infrastructure and technology, lack of access to overseas markets, and a lack of expertise.

Last but not least, Ethiopian exporters also suffer from drawbacks such as unreliability due to delayed delivery times, quantity and quality, lack of professional relationships, and little or no foreign market research in terms of supply bases and product surveys. A large portion of the respondents indicated that the Ethiopian export policy is conducive, which may help access the international market. However, because most respondents said they are unsure if the policy is conducive or not, it seems that there is a lack of efficient communication. In addition, high transaction costs are one of the reasons hindering for admittance to international markets for the Ethiopian export items, as supported by the greatest of the respondents. Another significant issue regarding foreign marketplace access is the lack of adequate export market research, which all respondents verified.

Parties and their weakness in processing export include having improper knowledge about trade, lack of having strong organization, improper usage of foreign aid, no value-added exports, no favorable policies, improper coordination, inefficient supply chain management, and strictly interdependent aspects. Export processing companies have also shown inefficiency in the operation of international promotion organizations and reliance on conventional methods of managing and dealing with export commerce. Illegal and unethical commercial activities, lengthy procedural times, and government inefficiencies in making export prospects and exporter capacity plain and understood, for example, are still current issues. Hence, the study needs to critically consider the specific gaps identified by the study in designing strategies for accelerating development in the study country through holistic and integrated approaches.

5.2 Conclusion

Generally, in this study, it has been found that in spite of some progress or improvements in the export sectors of the country (Ethiopia), when compared to past several years, the implementation of export-oriented growth strategies has led to lack of quality services due to poor planning, inadequate resources and poor monitoring and evaluation of the strategies being implemented. This has compromised the quality of each service being delivered. It has also led to a situation where the study country is unable to meet the ever-increasing demand for each of the services sufficiently. Evidence has confirmed also that the services rendered are inadequate and not effective. It was also found that the implementation of the existing export-oriented growth strategy impacts negatively (affects or not as intended) on the provision of quality services and not successful as stipulated in the trade policy of the country. Hence, there is a need to critically consider the specific gaps identified by the study in designing strategies for accelerating development in the study country through holistic and integrated approaches.

5.3 Contributions and Limitations

One of the most important contributions of this study is that it provides solid empirical evidence showing that the implementation of export-oriented economic growth policy in the study country, have not achieved the intended results. Another major contribution of this research is the ability to derive the above findings and conclusions using a mixed research methodology that uses both quantitative and qualitative data and sources. The interesting thing here is that the results suggesting the fact that not only consistence but also the validity of the findings, discussions, and conclusions presented throughout this study. As a result, the study offers an opportunity for those who have interest to conduct further comprehensive research in the area.

Furthermore, the study's contribution to the literature on identifying the drivers of export-oriented growth will help inform legislators so that they can use appropriate policies to influence growth in sectors and the economy as a whole. Since a successful export-oriented growth strategy is one of the tools to increase economic

growth, the results of this study help the players involved in the export sector to see the main constraints and challenges faced by the sector and the direction of the export trade. This do research contributions to the literature, suggests important and interesting implications for policymakers (how to boost exports in the country and thereby improving the trade balance and economic growth), investors and academics.

Despite the fact that this research has contributed and led to important insights, the study still had some weaknesses. Limitations are potential weaknesses of the study and are beyond the researchers' control. Likewise, this paper has limitations related to the lack of ample research inputs to support the study with previous research experiences in the study country. Another big problem was difficulties in data collection particularly in accessing the government chief officials as they were busy and most of the times they did not available as per appointment (because of they were tightened with the nationwide in-depth renewal evaluation programs and security matters due to the war during the data collection period). Hence, the paper was not fully completed as planned with the time schedule. Therefore, the finding of this study may not have the capacity to generalize but to be understood within this limited scope and perspectives.

5.4 Recommendations

Based on the main findings of the study, the researcher suggests the following points:

- Design harmonious consultative export-oriented strategies with clear and implementable output and targets for every critical good and service.
- **Broaden the scope of the legal framework on export-oriented growth strategies in the study country:** The assessment indicated that shortfalls ineffective implementation of the export-oriented strategies in the sectors described were caused by further capability of implementation factors including poor leadership and mentoring, inadequate physical resources such as working materials and equipment, inadequacies in administrative and managerial capacities and behavioral changes that sustain demand for quality services in the community. Therefore this calls for the revision of these legal and policy frameworks to provide for a legal and policy environment that allows for resourcing investments in these areas to improve the delivery of quality goods and services.
- **Enforce the use of performance standards:** To ensure that the administration and management of the export sectors provide services that the community look up to and expect, there is a need for deliberate efforts to define and enforce performance standards that will evaluate the performances of the sector above personnel as well as agents in the delivery of services to the nations. Speed up the recruitment process in the Institutions so that there are adequate human resources to implement the export-oriented trade strategies.
- Improve operational structure to gain efficiencies and effectiveness from current investments in the export sectors.
- Ethiopia's export commodities portfolio should be more diverse. In addition to primary agricultural goods, greater emphasis should be placed on entirely and better processed, value-added manufactured items, which may help raise foreign currency reserves and promote import substitution.
- To make Ethiopian export goods competitive in the worldwide market, extra emphasis should be paid to quality, which may be achieved via improved manufacturing processes, creative storage and packaging, and robust supply chain management.
- Ethiopian exporters can strengthen their management capabilities by recruiting qualified experts and managers, doing export market research, and forming organizations. They should also take advantage of regional economic integration agreements' advantages. Furthermore, Ethiopian exporters should do a portfolio analysis to choose which items to export and where to ship them and use the country's advantageous geographic position, which is close to Asia, Europe, and the Middle East.
- To reduce the barriers to Ethiopian export goods gaining access to international markets, the government, exporters, focal institutions (World Bank, IMF, WTO, etc.), and other organizations engaged should pay particular attention to the sector. The government may play a vital role by changing its international trade policies and plans to promote the export industry via deregulation and join and strengthen regional economic integration.
- Those participating in the export process should also enhance their performance. To alleviate delays, the Ethiopian Customs Authority, for example, could deploy experienced employees and shorten its lengthy processes. Furthermore, export processing parties should be networked to promote efficiency and cooperation. Ethiopia's export promotion sector should focus more on delivering current information to the business community and raising knowledge of new international trade norms and regulations changes.
- Policy scholars need to take the lion's share to initiate, capacitate, and work with the legislature by employing innovative scientific methods. They shall knock on the legislature's door by conducting research and policy analysis and providing sound and timely feedback and recommendations.

- Much attention must be given to reorganizing the chosen organizations of the study countries with adequate or skilled human and substantial resources. The agencies in charge shall strive to establish a research unit and have adequate and well-trained professionals in the area. Moreover, it needs to launch a system to collaborate with stakeholders.

Suggestions for Further research: further research should be done on a comparative study that can bring higher learning culture and strengthen the export sectors of Ethiopia, so that result can scale up the export trade development among the sectors.

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