VIŠJA STROKOVNA ŠOLA ACADEMIA

MARIBOR

ANALYSIS OF GENDER ROLE IN THE COFFEE VALUE CHAIN IN ETHIOPIA

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DECLARATION ON THE AUTHORSHIP OF DIPLOMA THESIS

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GRATITUDE

I would like to thank the Almighty God for giving me the passion and strength to start and finish this diploma thesis. I would like to thank my mentor, dr. Dušan Mežnar, for assisting me with his valuable comments throughout my diploma thesis.

ABSTRACT

Understanding the gender role is very important to improve the agricultural value chain. The general motive to write this diploma thesis was to analyse the gender role in the coffee value chain in Ethiopia, as well as to assess issues related to the participation of both men and women in the coffee value chain there and to analyse the marketing margin of producers and traders in the coffee value chain in Ethiopia.

In Ethiopia, most people claim that there is a gender division of labour but some believe no such division of labour exists between men and women there. Since women are mostly responsible for maintaining domestic roles, e.g., looking after children, preparing meals for the family, fetching water, and are only sometimes involved in work outside their household, it is recommended that interventions, aimed at improving coffee production, should focus more on the identified gender categories.

By dealing with the coffee supply and value chain in Ethiopia, we will present the factors and determinants of the coffee value chain performance, that is, how the financially poor actors of the value chain can improve their living standard through the source of the coffee value chain and challenges they must face, as well as through projects of coffee supply in Ethiopia. Also, this research addresses opportunities for Ethiopian coffee in relation to financial and banking institutions.

This thesis uses different research methods. The methodology and research approach used in this study are secondary sources, gathered from various websites of coffee-related articles, and data and information available on the Internet. The theoretical concept of this research revolves around the introduction of the title, definition of the gender role, the status of women in Ethiopia, the coffee value chain, division of labor, and gender-based discrimination in coffee crop agriculture. The literature review also consists of the division of labour in the decision-making process, gender access to the sources of knowledge and skills, as well as the role of gender in the marketing margin of Ethiopian coffee to create a better atmosphere of the marketing environment to add value to the coffee chain. And finally, in Ethiopia, the whole economy depends highly on agriculture, which provides around 40 % of the GDP and 80% of the coffee supply exports. In this country where many people live under the poverty threshold, coffee cultivation plays an important role in the contribution of both cultural and socioeconomic prospects of the country. Therefore, improving the living standard of the poor value chain actors through the source of the chain or system, and examining the number of female participants in

the contribution of the Ethiopian coffee value chain and how, due to the financial status, the communities of minorities become greatly interdependent, becomes very important.

Keywords: gender role, value chain, coffee market, agriculture.

POVZETEK

Razumevanje vloge spola je zelo pomembno za izboljšanje kmetijske vrednostne verige. Splošni motiv za pisanje te diplomske naloge je bil analizirati vlogo spolov v vrednostni verigi kave v Etiopiji ter oceniti težave, povezane z udeležbo moških in žensk v njej. Prav tako smo analizirali tržno maržo proizvajalcev in trgovcev v vrednostni verigi kave v Etiopiji.

V Etiopiji je večina ljudi mnenja, da obstaja delitev dela po spolu, četudi nekateri trdijo, da takšne delitve dela ni. Ker so ženske večinoma odgovorne za opravljanje nalog, povezanih z družino in domom, kot je npr. skrb za otroke, priprava obrokov za družino, prinašanje vode idr., ter le občasno sodelujejo pri delu izven njihovega gospodinjstva, bi se morali ukrepi, namenjeni izboljšanju proizvodnje kave, bolj osredotočiti na opredeljene kategorije spolov.

S tematiko oskrbe kave in vrednostne verige v Etiopiji bomo na kratko predstaviti dejavnike delovanja vrednostne verige kave, to je, kako lahko finančno revni akterji vrednostne verige izboljšajo svoj življenjski standard prek vira vrednostne verige kave ter se spoprimejo z izzivi in s projekti oskrbe s kavo v Etiopiji. Ta raziskava obravnava tudi možnosti za etiopsko kavo s strani finančnih in bančnih institucij.

V diplomskem delu so uporabljene različne raziskovalne metode. Metodologija in raziskovalni pristop, uporabljen v tej študiji, so sekundarni viri, zbrani z različnih spletnih strani nekaterih člankov, povezanih s kavo, ter podatki in informacije, ki so na voljo na internetu. Teoretični koncept tega projekta se vrti okoli opredelitve naslova, vloge spola, statusa žensk v Etiopiji, vrednostne verige kave, delitve dela in diskriminacije na podlagi spola pri pridelavi kave v kmetijstvu. Del pregleda literature vključuje tudi delitev dela pri odločanju, dostop spola do virov znanja in veščin ter vlogo spola pri tržni marži etiopske kave in ustvarjanje boljše atmosphere tržnega okolja za vse akterje vrednostne verige. V Etiopiji je celotno gospodarstvo močno odvisno od kmetijstva, ki zagotavlja približno 40 % BDP in 80 % izvoza kave. V tej državi veliko ljudi živi pod pragom revščine. Pridelava kave, ki igra pomembno vlogo pri kulturnih in socialno-ekonomskih možnostih države, zato izboljšuje življenjski standard revnih akterjev vrednostne verige s pomočjo celotnega vira verige ali sistema. Zato je proučitev števila žensk, ki sodelujejo v etiopski vrednostni verigi kave, in kako zaradi finančnega stanja manjšine postanejo močno soodvisne, velikega pomena.

Ključne besede: vloga spola, vrednostna veriga, trg kave, kmetijstvo.

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ICO	International Coffee Organisations
ECX	Ethiopian commodity exchange
GDP	Gross Domestic Product
JRC	Jimma University Research Center
USDA	United States Development of Agriculture
MOA	Ministry of Agriculture

1 INTRODUCTION

Coffee is a brewed hot drink, made and prepared from roasted coffee beans, the seeds of berries. Due to the good and high altitude of growing conditions, Ethiopian coffee is one of the best quality coffee industries from the crop to the cup in the world. Ethiopia is the prime producer of coffee and ranked the sixth largest coffee producer in the world's coffee industry and the first such in Africa. After water and petroleum, coffee is the most commonly consumed and traded commodity in the world market area (Suleiman, 2004).

Coffee was first discovered in Yemen as a commercial crop. Among cash crop commodities, coffee is the most traded crop. Then, Arabic coffee developed in Ethiopia's western highlands. Good organic coffee production was dispersed widely through market industry. The top coffee producer in the world is Brazil, followed by Vietnam, Indonesia, Mexico, Colombia, Ethiopia, and India. Ethiopia is ranked seventh and fifth by exporting and producing coffee, respectively. The United States, Germany, Japan, Brazil, and France are the largest coffee consumers in the world.

This research project was aimed at assessing the gender role in the Ethiopian coffee value chain, addressing problems related to the participation of men and women in the coffee value chain in Ethiopia, and address the marketing margins of coffee produced and traded in the Ethiopian coffee value chain. Agricultural development in general and the coffee value chain specifically, is a sector where the gender role could be identified. More importantly, in Ethiopian tradition, women have the main responsibility for managing the crops of foods, but usually grain staple or tuber crops are managed by men, while especially other foods like pea crops are controlled by women.

Promoting gender empowerment and equality, trying to reach the millennium developmental goals on which Ethiopia is working hard, in line with this broader goal assessment of the gender role in the coffee value chain, is broadly known (Mulugeta, 2013).

Coffee contributes and gives an average of 5.3 % and 58.3 % of the whole GDP aggregate for the past 50 years. In this thesis, we will try to address agricultural development as a whole and the coffee value chain in specific as a sector in which gender roles could be identified, and the coffee value chain for every step of the coffee business industry will be discussed, i.e. from the very basic material to the end-user to attain the highest result of the total cost and to solve elements that damage the accomplishment of the coffee value chain in order to get a clear answer. Women living in Ethiopian villages represent a large productive resource in the

agricultural area. There are a lot of providers in the agricultural field, whether as a family household or women's household. The main participants in the value chain coffee are local farmers; with them, the coffee marketing starts since they are involved in the main source of the coffee value chain, which is the transportation of goods and other services.

1.1 Description of the area and definition of the problem

Women in Ethiopia represent nearly half of the total population, but their contribution to agricultural production development in the Ethiopian coffee business is very low compared to their male counterpart due to gender-based discrimination. However, without the active participation of women in the coffee value chain, the development cannot be improved.

In this research area, there are a lot of problems addressing the gender issue, but mainly gender division of labor and very limited access to and control of the resources, being the main problem. This study, therefore, concentrates on the gender role in the coffee value chain in Ethiopia. In the past couple of years, Ethiopian coffee production and coffee industry, in general, got a bit slower due to reasons like insufficient farm size, inadequate fertilizers, drought, etc. Besides, the ups and downs of taste preferences among the main consumers of imported countries is also an issue. Both insiders and outsiders affect the revenue from the export. Demand for the Ethiopian coffee, right information about potential challenges of the Ethiopian coffee sector etc. should therefore be assessed.

The vast economy of Ethiopian coffee largely depends on traditional agricultural commodity crop such as coffee processing with few modern farming involved. According to some studies, the coffee industry market recommends that the main source of the Ethiopian coffee supply problem is inappropriate consumption, production, and market share.

This diploma thesis tries to address Ethiopian coffee business actors in the coffee value chain, i.e. how to enhance Ethiopian coffee production from the very beginning, that is, from the basic raw material to the end-user through every step to enhance the quality and generate maximum value for the cost. It assesses the relation of coffee value chain actors and coffee commodity, which is very sensitive and gets damaged during the various steps of the coffee chain, therefore this thesis will clarify the role of gender in the coffee value chain in Ethiopia with the obligation and duty of each and everyone involved in the Ethiopian coffee value chain.

1.2 Purpose, objectives, and basic claims

General objective

The general or main aim of this thesis is to address the gender role in the Ethiopian coffee value chain.

Specific objectives:

- To analyse the role of gender in the coffee value chain in Ethiopia.
- To address problems related to the participation of women and men in the coffee value chain.
- To analyse the marketing margin of traders and coffee value chain producers.
- To solve possible obstacles for men and women involved in the sophisticated technology and production of the market margin.
- To assess the determinants of the value chain.
- To scrutinize the influence of traditional agriculture methods in the coffee value chain performance.
- Good modern agricultural methods highly influence both participants and actors of coffee production through value chain factors.

1.3 Assumptions and restrictions

The thesis is concerned with the following research questions:

- What is the main role of gender to maximize the coffee value chain and decision-making in both domestic and global coffee industry business?
- What are the critical gender discrimination issues that have an impact on the coffee value chain?
- What main governmental failures and poor empowerment have lead to low productivity of the coffee business industry?

Hypotheses:

H1: The negative stereotype of women and pay discrepancy compared to men in Ethiopian coffee production is harming the development of the coffee industry.

H2: Lack of governmental priority and poor empowerment for women leads to low productivity of the coffee business industry.

H3: Gender discrimination has a significant impact on the coffee production value chain.

1.4 Used research methods

- Secondary data
- Qualitative data
- Descriptive method
- Thematic analysis
- Processes and productivity benchmarking

2 ROLE OF GENDER IN ETHIOPIAN VALUE CHAIN

2.1 Overview of Gender Role

Gender inequality in Ethiopian society is acknowledged as the main serious obstacle to affect the achievement of consistent coffee development in the world's coffee industry. Despite many endeavors by different institutions and non-governmental organizations (NGOs), gender inequality persists in the Ethiopian agricultural sector in general and the coffee industry in specific (Fuad, Bezabeh, & Shumeta, 2019). According to some studies, gender inequality determines and shapes the structure of consumption, aggregates production and transportation channels within the given country. Generally speaking, in the Ethiopian coffee value chain, the whole activity from the first coffee production to the finished product shows that roles and tasks of men and women are maintained. Gender association plays a critical role at the household level in determining the collaboration between men and women in the sphere of the value chain. The intensity of participation and amount of gains molded at the level of the household is determined by the male and female division of labour; the decision-making process, time-span, budget, service access, resources in the coffee value chain, etc. improve the gender inequality in the management chain. The extension of outgrowth of the coffee value chain is gendered and differs from one level to another (Mitchell, 2010). Often men initiate to dominate the tasks with relatively many obstacles to generate high income and earnings, and to scrutinize chain management tasks while women, due to limited and few resources, skills, information, and a lack of education, always occupy lower positions and status.

The role of gender in the coffee value chain and the development method is widely practised in poor countries like Ethiopia, therefore it is well fitted to assess market gender development for the following two reasons. Firstly, there is a deep economic capability and consistency and a win-win situation for all actors involved directly or indirectly. Secondly, the best qualitative testing is possible when participants are highly skilled, thus developing a sustainable strategy and examining critical points.

Picture 1: Ethiopian coffee

Source: (Africa, 2012)

Nowadays, Ethiopian coffee is very unique and distinctive in terms of type, taste, and quality. Ethiopia is the land of the finest and best coffee in the world. The quality of coffee in Ethiopia is measured and identified by geographical designation and grading. For instance, coffee from the Jimma region could be designated as A and graded 4; this grade and designation is given by the visual inspection based on ECX.

Arabica coffee is the most prominent variety of coffee in Ethiopia, planted and found in the highlands only. Ethiopia can be considered as a home of the biological and cultural diversity of coffee because according to some research, over 20 species of Arabica coffee are cultivated there. According to Jimma research, around 37 types of coffee are modified and improved both agronomically and in terms of the processing techniques. Hence, the insufficient coffee supply of the best quality coffee beans remains a critical obstacle, which mainly happens due to the failure of the formal coffee seed system in the country.

2.2 Coffe Production

In Ethiopia, coffee production engages women, men, and children, whether directly or indirectly. The main participants in coffee production are men and women but, due to traditional duties, some work is given to men or women, e.g., line drawing, new field clearing, water channel in the field, and blocking are only done by men.

In harvesting and transplanting coffee, children are the main active participants. Due to a suitable highland attitude, fertile soil, good temperature, and enough rain in Ethiopia, it offers the best quality coffee production atmosphere.

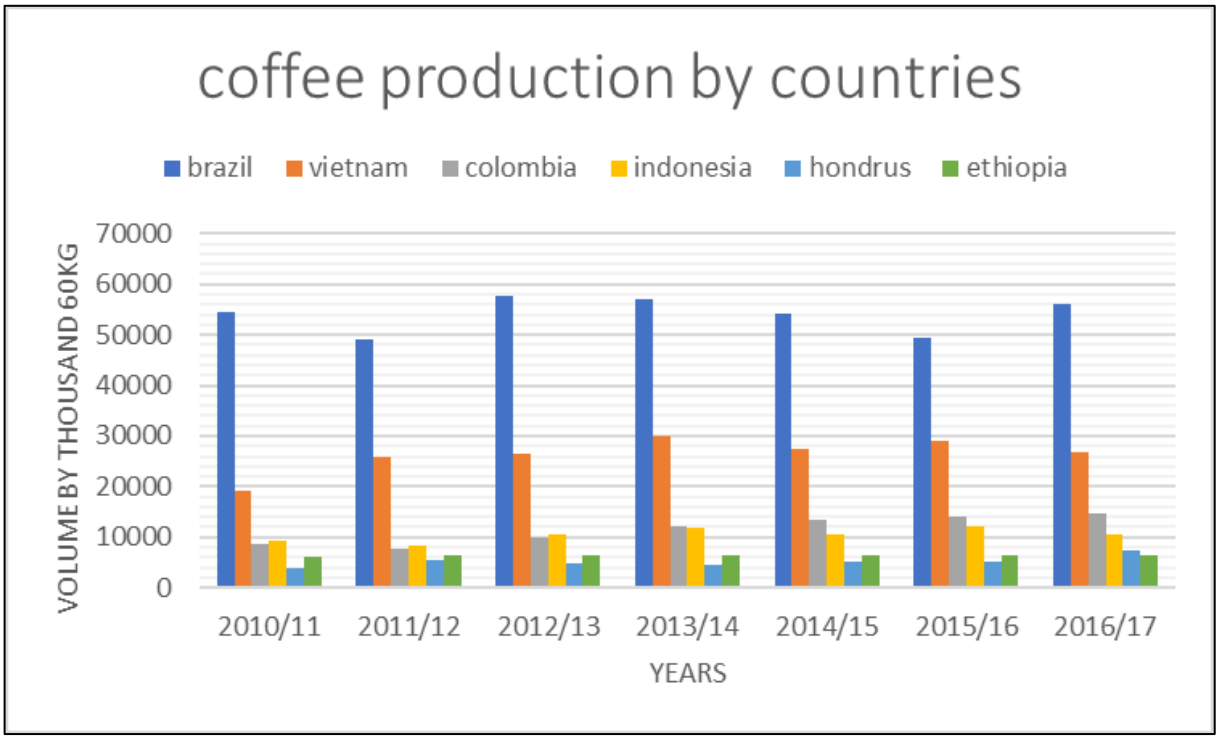
Ethiopia is considered the native and original birthplace of Arabica coffee; it produces a special kind of coffee Arabica heterogenous. Ethiopia produces one of the unique and best highland species of coffee in the world. In the last couple of years, Ethiopian coffee production tremendously increased due to the good and planned afforestation, good management, furnishment of various types of coffee, modern and sophisticated farming practices, and the best use of inputs like fertilizer. There are only two regions or zones of coffee production in Ethiopia which are found in Oromia. Poor local farmers produce and make for around 95 % of Ethiopian coffee production under different circumstances of system production, such as gardens, forests, semi-forests, and coffee production. Small scale farmers in Ethiopia impede unintentionally coffee production due to very small land farming and traditional methods of farming, and this diminished productivity is caused by forest-grown coffee and this leads to decreased coffee traditional growing in some specific regions of the country. But in Ethiopia, almost half of the coffee is produced and used locally or domestically. In the world, the key role of Ethiopian coffee are coffee value chain inputs on the coffee seeds of fine quality that are not at the export level. Based on the above-listed challenges, the government of Ethiopia is collaborating with various business partners at the local and international level to improve productivity and the coffee supply quality of the country. The Ethiopian ministry of agriculture is providing research study to point out the kinds of coffees and to improve seeds suitable for climate change.

Table 1: Top world producers of coffee and their amount of production (in thousands 60kg)

p	brazil	vietnam	colombia	indonesia	hondrus	ethiopia
2010/11	54500	19145	8525	9325	3975	6125
2011/12	49200	26000	7655	8300	5600	6320
2012/13	57600	26500	9927	10500	4725	6500
2013/14	57200	29833	12075	11900	4400	6345
2014/15	54300	27400	13300	10470	5100	6475
2015/16	49400	28930	14000	12100	5300	6510
2016/17	56100	26700	14600	10600	7400	6550

Source:- (Tadele, 2013)

Table 1 shows the trends of the top 6 countries of coffee producers from 2010/11-2016/17. This table identifies that about 75 % of the world's coffee was produced by these mentioned counties in the past five years. This growth of production looks like an oscillating pattern, particularly in 2016/17 where the growth of the production rate was negative. The reason for the low productivity during this mentioned year is the fluctuation of season weather conditions, which is the scarcity of low rainfall that led to slow production in major countries.



Graph 1: Bar Chart

Source (Girum Abebe, 2015)

2.2.1 Coffee production system

Here are four areas of the Ethiopian coffee system classification. Forest coffee is grown and gathered in the bushes among the natural tree forest shades and is collected by small-scale farmers; it has very little protection from forest trees and it does not have an authorized owner. This coffee plantation is not intentionally grown by local farmers; rather, it is self-grown by nature. A semi-forest growing production system encompasses small-size farmers who select and choose the coffee grown from the forest to get enough sunshine and care from the farmers, commonly used in annual weeding. But this type of growing system is unlike forest coffee since it has clear ownership and borderlines although coffee was grown very far away from normal agricultural plots. Garden coffee is grown easily near or around the house of the local farmers and is usually backed up by organic fertilizer materials and mixed with other crops like maize. This type of coffee plantation is usually grown with very low density and very fertilized organic material land farm. The coffee plantation system is grown in very huge private, commercial, or state farms. Some agronomic methods such as weeding, spacing, fertilizers, and herbicide are applied for the vast state-owned coffee plantations, maturing, and many other ways of methods are applied by this system ((DTS), 2009).

2.2.2 Grade of coffee

There is no universally accepted grading and classification system for green coffee. However, a country always has its classification and grading chart to at least meet minimum standards for export. In Ethiopia, a grade of coffee is decided by ECX's visual inspection from crop to cup quality. Ethiopian coffee level of grade is ranked from 1 through 9, the degree level of quality is extended in descending order, where 1 is the highest grade and 9 is the lowest, usually, coffee grade 1 is considered as a specialty coffee and from grade 3 to 9, coffee is considered as a commercial coffee.

2.2.3 Types of coffee

Ethiopian coffee is divided into 4 large categories:

- Commercially washed - used for domestic consumption.
- Commercially unwashed - used for domestic consumption.
- Specialty washed - used for export.
- Specialty unwashed - used for export.

2.2.4 Classification of Ethiopian coffee

Based on the characteristics and area, Ethiopian coffee is classified under the following unique flavors: winy of limu coffee, spicy of sidamo coffee, floral of yirgachefe coffee, and mocha of harar coffee.

Table 2: Characteristics of Ethiopian coffee and flavors in brief

Classifications	**Raw appearance**	**Size**	**Taste**
Yirgacheffe	Bluish	Medium to large	Lemonyandflowery fragrance
Harrar	Greenish	Small to large	Mocha fragrance
Sidamo	Greenish	Small to medium	Spicy and flowery fragrance
Lekempty	Greenish	Medium to large	Mild fruity
Limmu Teppi/highland/	Greenish Faded greenish	Small to large Medium to large	Spicy and winery with flower aroma Spicy fragrance
Bebeka	Grayish	Medium to large	Herbal flavor
Teppi/lowland/	Faded greenish	Medium to large	Herbal

Sources (Tadele, 2013)

2.3 Ethiopian coffee consumption

Coffee in Ethiopia has both a social and cultural value. Ethiopians are heavy coffee drinkers, ranked as top coffee consumers in Subsaharan Africa. Around half of the Ethiopian coffee produced is consumed domestically. Most of the time coffee is consumed in Ethiopia during special occasions, such as spiritual celebrations, family gatherings, get-togethers, and other social and cultural events. The best coffee quality of higher grade is reserved for export, lower quality is always consumed domestically. The domestic price is always more expensive than coffee supplied abroad due to price disparity, even some corrupt wholesalers are trying to mix the coffee with barley to gain high profit (Amamo, 2014). The competing demands, i.e., the

consumers want to drink their coffee but the government always wants to increase the volume of coffee suppliers, is resulting in a war between consumers and the government.

2.4 Coffee export

Most of the time Ethiopia exports large amounts of green coffee beans with a very low amount of roasted beans, mostly to Germany, Japan, the United States, and Saudi Arabia. On average, Ethiopian coffee was exported to about 50 countries yearly in the period from 2005 to 2017. The largest amount of coffee export share goes to Germany, i.e. one-third of Ethiopian coffee export, and Japan is ranked second.

For many years coffee was the highest top export as regards cash crop position in Ethiopia. This is one-third of Ethiopia's export revenue, but this number gradually declined and got substituted by textiles, cut flowers, leather products, and khat. Ethiopia's official exportation statistics for 2016/2017 (Oct-Sep) in this mentioned year for Ethiopia's coffee supply was around 207,000 metric tons, 812 million dollars in value. Foreign money exchange helps largely the government of Ethiopia to support the main infrastructures, such as dams, bridges, roads, buildings, etc.

Firstly, the main reason affecting coffee supply in Ethiopia is domestic transport infrastructure, which is a very crucial part when it comes to the first stage of export development. These domestic transportation problems cause and lead to main trade hinders, weak competitiveness, and inconsistent growth, and finally slowly isolate Ethiopia from the international market (NATIONS, 2005).

Secondly, the next impediment of coffee supply is the real exchange rate. Real exchange rate is an essential variable for determining the coffee supply in Ethiopia, diversity, and the global international market produced in Ethiopia. This factor demands scrutiny by the government in different programs to improve the performance of coffee supply quality export.

Table 3: Ethiopian coffee supply showing productivity and coffee production

Years	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**
Production in 1000,60kg	6125	6320	6500	6345	6475	6500	6550
Production growth rate		3.18	2.84	-2.38	2.04	0.54	0.15
Area in hectares			518	519	525	528	529
Productivity ton/ha			0.752	0.733	0.74	739	0.739

Source: (Tadele, 2013)

2.4.1 Supply projections

Ethiopian coffee supply is highly determined by the coffee production outcome, i.e., whether the tree survived as a crop and is able to bear fruitful ages. The flower of the coffee tree might be effectively produced for the raw coffee beans for 30 or 35 years on average while the coffee plant grown in other regions can only last five years. The age of the coffee tree and whether they are freshly grown can affect and determine to predict the coffee production by taking into account the productivity improvement of the last five years. By assumption, on average, coffee productivity in the past few years was 0.74 ton/ha, and coffee trees on average were covering the area of 0.52%. So, finally, the coffee production in Ethiopia is highly affected and determined by the area covered by coffee production and the productivity of coffee while other variables remain constant.

2.4.2 Demand for Ethiopian coffee

Ethiopian coffee is always highly demanded due to the nature of the coffee's organic production and Arabica coffee beans, which has low caffeine and lasts very long compared to Robusta. Ethiopia is not only the birthplace of coffee, a top coffee supplier, and the best producer of Arabica coffee, but it is also a heavy consumer of domestic coffee. Ethiopia is the highest coffee consumer in Africa according to ICOA. According to some surveys and literature, more than 50% of Ethiopian coffee production is consumed by different countries. Green coffee is exclusively reserved for local investors to export it. So, a final and consistent and sustainable development of the coffee economy comes from actions accustomed to provide a sustainable balance between supply and demand, which is financially rewarding to farmers.

Table 4: Ethiopian top five destinations of coffee export and percentage share of gross coffee export.

Destination	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**Average**
Germany	28.57	22.25	19.74	21.11	17.85	21.90
Saudi Arabia	13.79	16.61	19.51	18.89	16.19	17.005
Japan	11.78	9.85	11.99	8.42	11.90	10.79
United States	7.30	9.35	10.14	9.34	9.17	9.06
Belguim	7.90	7.77	5.23	6.79	8.66	7.27

Source: (Tadele, 2013)

The table shows, from 2012-2017, the Ethiopian coffee destinations to various countries regarding the import sales volume for the past 5 years. Within this mentioned year, these listed

countries are major importers of Ethiopian coffee, for example around 85 % of Ethiopian coffee is supplied to these countries.

According to the percentage of different continents, and the important variation in value, price, and quantity among coffee export transactions to importers of countries by Ethiopia, it is apparent that on average coffee export transactions in the United States amounts to 10%, Europe 45%, Japan 10% Saudi Arabia 17%, Sudan 4%. 13% belong to other countries in the period 2012/13-2016/17.

Table 5: Components of Ethiopian coffee demand by volume in thousand 60kg bags

Elements of coffee demand	2010/11	2011/12	2012/13	2013/2014	2014/15	2015/16	2016/17
Export	3235	3140	3316.6	3180.33	3063	3308.33	3761.12
Share	52.81	49.68	51.02	50.12	47.30	50.89	57.14
Growth rate of export	-	-2.93	5.62	-4.10	-3.68	8.00	13.68
Domestic consumption	2860	3160	3000	3155	3385	3075	2820
Domestic consumption%	47	50	46	50	52	47	43
Growth rate of domestic consumption	-	10	-5	5	7	-9	-8
Ethiopian population in millions	87.7	90.05	92.44	94.89	97.37	99.87	102.4
Per-capita domestic consumption	3.91	4.21	3.89	3.98	4.17	3.69	3.30
Total demand	6095	6300	6317	6335	6448	6383	6551

Demand growth rate %	-	3.36	0.26	0.29	1.7	-1.00	2.62

Sources: (Shitaye, 2017)

Table 4 shows the main factors of Ethiopian coffee demand regarding coffee consumption domestically with high and low figures in different span years and the coffee export. These elements are opposite in relationship to each other. The growth rate of Ethiopian coffee export is 0.3 %, while the domestic coffee consumption's average growth rate is 1.43 percent; this, in terms of coffee volume means that improvement of domestic coffee consumption is higher than coffee export growth. This table also shows per-capita coffee domestic consumption, averagely one individual Ethiopian nation can consume 3.88kg of coffee annually. However, the growth of Ethiopian coffee demand decreased in 2013/14 and 2015/16 within the last 7 years.

2.4.2 Demand projection

Table 6: Coffee demand projection sales from both domestic and export consumption, by thousand 60 kgs.

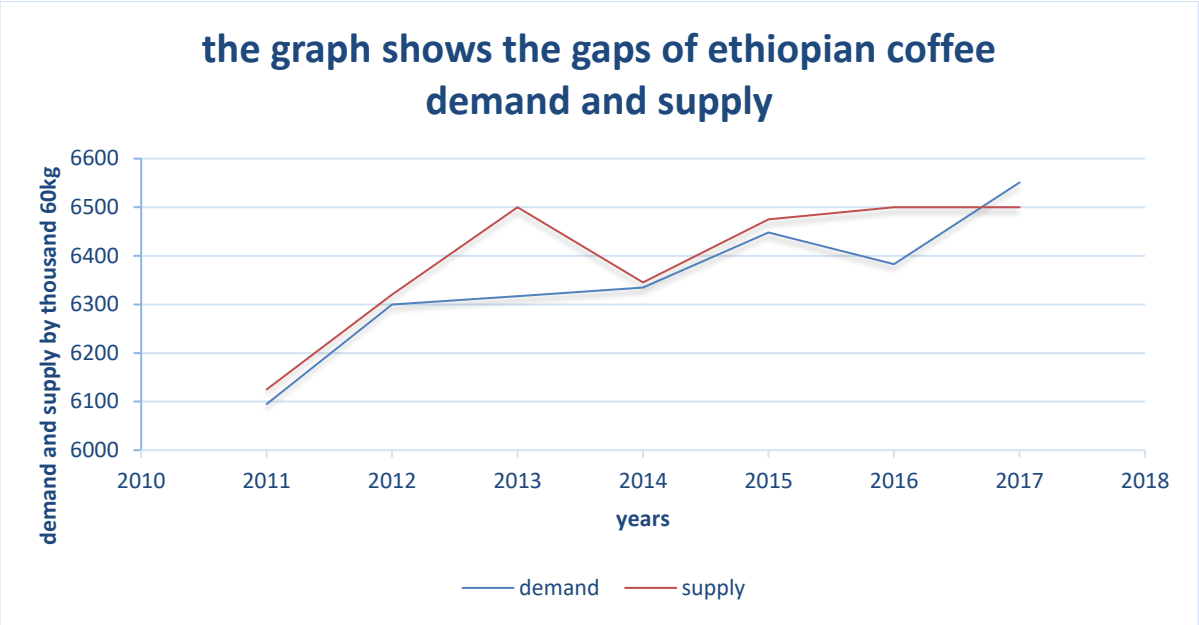
Coffee demand	Average of last year	2017/18	2018/19	2019/20	2020/21
Export increase by o.2	3337.857	3364.204	3443.913	3525.51	3609.041
Domestic consumption increase by 1.41	3065.714	3157.904	3159.854	3161.805	3163.757
Total demand	6403.571	6522.108	6603.767	6687.315	6772.798

Source- (Shitaye, 2017)

Table 5 identifies the demand projection calculations of Ethiopian coffee export and coffee domestic consumptions as an average growth of 2 % of coffee export and 1.41% domestically consumed coffee.

Demand and supply graph

Graph 2: Ethiopian coffee demand and supply



Source: (Shitaye, 2017)

The total demand and supply of Ethiopian coffee diminished in 2013/14 and 2015/16 only respectively, in the last past 5 years, also the gap between the supply and demand is high.

3 LITERATURE REVIEW

3.1 Theoretical literature

Gender can be defined as the social meaning of biological sex difference between men and women, which is socially constructed, their access to resources, activities, and the barriers they face relative to each other. Gender assessment relates and refers to the different methods used to recognize the social relationship of women and men and their concerning roles and behaviors, which are identified as a biological sex difference from a social point of view (G.PETER, 2006)

According to (Epo, 2016), the main important opportunities, routine activities, and resources of people are highly affected by genders such as by the cultural view of being male or female and their socio-economic status. However, various kinds of activities and jobs are specifically assigned to men and women among the family, primarily concerning the product for the market and livelihood production for the local and world market. In most societies, childcare and bearing, household cleaning tasks, etc. are assigned to women. Besides, men are involved in formal community politics (Epo, 2016). Based on the gender division of labor in distant villages of Ethiopia, roles differ according to the location, system of farming, and various possession categories (Bayu, 2017).

The government of Ethiopia from 1993 onwards has initiated to improve gender empowerment by taking action. Institutional mechanisms for improving and upgrading female participation in the capacity building were subsidized by the right institutional development fund, giving unique attention to women's needs, such as female participation in education, critical decision-making both at the local and national level as regards election, and other various methods of action taken by the Ethiopian government to increase women's employment, which shows that the country is dedicated to develop and increase the awareness of gender roles in national development.

The former low level of the role of women awareness is improving in Ethiopia, inadequate modern technology is intended to decrease and relieve women's workload, lack of representing agents properly assigned for female-empowering priority, encouraging and empowering women living in the far villages by banishing are the main obstacles that impede their progress (Devereux, 2005).

Gender obligations are roles that are played by both men and women, and that are determined by socio-economical and cultural environment or situation rather than biological factors (Fuad,

Bezabeh, & Shumeta, 2019). Gender determines resource allocation, job, possessions, rights in making decisions, and the rights as a breadwinner within the household and public life. Especially women from poor background are involved in various expenditures and income-generating staff. In some very rare situations, these activities may be performed by men while in others they are the first or the only bride-winner way of source in this family (Kabeer, 2003).

3.2 Status of women in Ethiopia

Ethiopian women in general have a lower social, economic, political status than men. This all is due to poor access to education, training, and low literacy levels, gender discrimination, as well as due to the stereotype in employment opportunities, education, training, including wage gap difference, poor political representation in all aspects of the community in formal decision-making (Mulugeta, 2013).

Regarding women's employment, women's access to employment in the legal, formal, and economic sectors is very limited. In 2014, the federal civil service exposed that at the whole country's level only 33.87 % are women.

Different articles and reports based on the status of political and administrative participation of women in Ethiopia revealed that they are living in the world of extreme inequality due to gender-based biases. Like other countries, a lower rate of percentage in active participation makes education difficult, negative social attitude, lack of self-confidence, lack of interest in government service, limited access to resources, and inadequate family support is identified as the major problem encountered by women (Kabeer, 2003).

3.3 Gender division of labor in crop production

Despite the division of jobs, it is easy to draw some conclusions concerning the representation of women and men in the labor in the coffee cultivation field. The large and heavy physical work farming tasks are assigned to men, like tillage with oxen and preparation of land. Usually, men play a key role and lead the selection of seeds and take care of the symmetrical access to information.

Women often participate in tasks to perform work that requires high attention such as weeding, raising, seedling in nurseries, and transplanting (Team, 2011).

Women who participate in the production of coffee are always unnoticed, they lack awareness. This means their social standing in their families and communities must be improved. From 2003 onwards, IWCA has done a lot to educate women to live independently of others and

receive training. Women are actively involved in harvesting and producing the coffee crop. A good understanding of their commodities also provides women with the ability to defend themselves in the coffee industry world.

3.4 Gender roles in marketing and sharing the benefits of production

The background of the market arrangement is separated according to the importance of men and women affected by a rich family. Rich and middle-class men usually dominate the selling market, where tremendous coffee crop production is run and sold by a few wealthy people. To ensure high profit, they travel far places by ignoring local markets to generate high profit that is based on irregular and unappropriate method of the marketing system due to having full resources and market dominance, and hence they damage the local market at the expense of poor local farmers.

Relatively, disadvantaged people like poor small-scale farmers and women are forced to accept the prices at the local market. Poor farmers and women who are disadvantaged usually sell directly to consumers, while rich men and wealthy people mostly sell to big cooperations and private traders. In various situations, especially for the sake of money, poor and middle-class men were triggered to spend money on tuition fees, employee salary, and to stabilize shortage of food in poor families. Poor farmers might get seeds on loan and tend to share the coffee production with suppliers, which is the person who regularly gives them money, or maybe they have to sell the crop to their money lenders. So these disadvantaged groups such as local small-scale farmers and women bread-winners tend to sell their coffee production immediately after harvesting, mostly when the price of the crop is really low due to the harvesting season (Kabeer, 2003).

3.5 Gender-based preferences for seeds

Women prefer coffee crop species more than men. Women in rural areas choose to produce various coffee species, which are mainly intended for local/domestic consumption, whereas men produce coffee crop varieties aimed to achieve high profit by increasing the price and high market demand, e.g., Sidamo, Harrar, and Ghimbi, where coffee Arabica is counted as the first product. The priority of men is always to produce highly improved varieties for the market to generate income whereas the priority of local women farmers is coffee that is produced for domestic consumption. Poor household families are forced to take crops that are more disease-prone and local coffee varieties.

3.6 Gender-based access to inputs and services

Poor small-scale households and women can only access agricultural tools through formal sources of government. Women and poor households access agricultural inputs mainly through formal, governmental sources. Individual sectors are also involved in supplying the input and providing service, which is mainly customized for the needs and wants of the middle-class and rich households.

Government agency (OOARD) is the main source of seeds and fertilizers for women and men, and this extension is highly scrutinized by cooperatives. That indicates that rich men gain more access to all facilities such as an extension, a loan, and training, while the disadvantaged groups of women and men from very poor families are marginalized.

Poor small-scale farmers only get a loan access through government agency with high interest, while middle-class and rich households get loan acess with low interest.

3.7 Gender differences in technology adoption

Although both men and women have gained advantages from modern technology access, men have still benefited more than women for obvious reasons. When new technology comes, the most benefited are the rich and middle-class households, because the poor farmers and women cannot afford modern technology due to the very limited savings and access to credit. Therefore, the only choice for the disadvantaged group is to adopt the given technology with a low level of education. In some cases, the poor benefit indirectly through sharecropping coffee, like coffee irrigation in Fogera. Generally, this disadvantaged group needs more attention and priorities to benefit from modern technology through training to improve their living standard and to produce a competent workforce in the coffee value chain market.

3.8 Gender access to a source of information

Information is powerful, especially in this modern era. Both, agricultural and non-agricultural main source of information depends on rich households and gender biases, while men usually get their information formally via the radio, magazine, news, NGOs, development agents, and

farmers associations. Also, men get information and new ideas when they are gathering with friends, co-workers, through social networks, which are all informal sources. Due to this lack of information access, women suffer a lot without having proper knowledge and information concerning coffee agriculture and it is for them therefore more difficult to achieve progress.

3.9 Gender access to a source of knowledge and skills

Gender differences and wealth status play a major role in acquiring skills for farmers and proper knowledge. Women do most of the coffee agricultural tasks, yet men farmers get or access good and formal sources to develop their skills and knowledge. When there is training or a conference regarding the agricultural program, men get the opportunity first, and so they benefit from this technology, while women, due to segregation, have to do their business traditionally, which is not very successful.

3.10 Decision-making

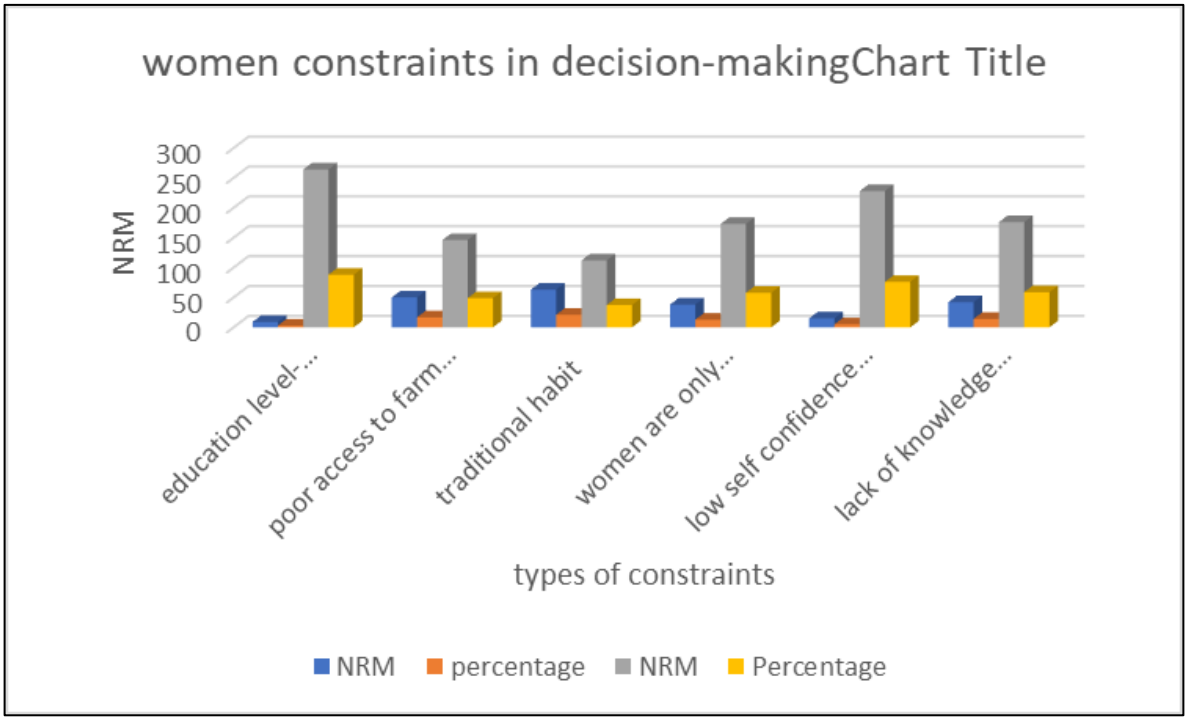
Men are the main decision-makers in countries like Ethiopia. Of course, there is some negotiation between men and women within the family, but as regards technological adoption and seed selection, these decisions are taken dominantly by men. In poor households, the decision is taken jointly while in middle and rich households predominately men make decisions. Women only decide if they are bread-winners, where a female dominates the decisions and sometimes consults with their counterparts. Although men are usually in control of the decision-making process, women have a strong impact on the outcome when it comes to the agricultural aspect and family issues.

Table 7: Decision-making in agriculture

Types of constraints	Low	Low	High	High
	NRM	Percentage	NRM	Percentage
Education level-illeterate	9	3.0	264	88.0
Poor acess to farm information	50	16.7	146	48.7
Traditional habit/culture	63	21.0	112	37.3
Women are only subordinate to male counterparts	38	12.7	173	57.7
Low self-confidence of women in making farm decisions	15	5.0	228	76.0
Lack of knowledge about farming	42	14.0	176	58.7

Source: (Tadele, 2013)

Graph 3 Women constraints in decision-making



Source: (Tadele, 2013)

4 ETHIOPIAN COFFEE VALUE CHAIN

Coffee supply chains are always complicated due to the changing trends of the chain from the producer to the consumer. Small farmers typically sell their raw coffee beans to private traders, always to agents of big sellers and coffee exporters who bring the coffee beans to the processing plant. Then, after processing the coffee, it will be sold by private traders to cooperative union traders, always purchasing the coffee from those who roast it and then sell to wholesalers, retailers, and supermarkets before they finally reach the consumers. But most of the time coffee is produced by smallholder farmers where it is traditionally harvested using traditional farming and where the income is low, weak structure and little bargaining power, and so they sell it to local traders. On the other hand, large sellers like commercial growers, which have modern farming practices like agro-ecological will produce more effective products and profit such as cooperative unions, which go through the trend of ECX.

4.1 Channels of the value chain

The main crucial source of income for both small-scale farmers and the Ethiopian economy, in general, is coffee. Coffee Arabica's birthplace is Ethiopia, which is a high-value coffee producer in Africa and the top ten in the world (MAFAP, et al, 2014). Some study shows that both wholesalers and producers of coffee beans are getting some rewards and production incentives in between 5 years from 2010 to 2015 on average in the amount of 20 % to 30%, but this reward is derived from unique market practices such as oligopoly suppliers of coffee which permits them to increase the price at the whole level which then leads to inflation and “protection” and that all affects the flow of the producers. ECX grading system began in 2008, but even this type of system cannot change the oligopoly system. But instead, as the opposite, it is very costly and lacks coordination between exporters and producers, which means that the market power of suppliers is increased.

Picture 2: Ethiopian coffee value chain

Source: (Enache, n.d.)

Due to the excessive impurity of the value chain, the gap of the market development is large and the exchange rate is overvalued. This is decreasing the exchange rate and adding domestic price in the value chain of coffee, which can improve a good market system.

In the value chain in Ethiopia, coffee participants are private traders, prime collectors, suppliers, public institutions, small-scale farmers, and unions.

4.2 Ethiopian coffee supply chain

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On the other hand, large sellers like commercial growers who have modern farming practices, like agro-ecological, have more effective products and a higher profit such as cooperative unions which go through the trend of ECX.

4.3 Marketing value chain in Ethiopia

In developing countries like Ethiopia, the production of raw coffee beans which includes farming, gathering, and processing, requires large and intensive labor. However, in industrialized countries, the roasting and branding of coffee are more capital intensive. The main actors and producers of the coffee value chain of Ethiopia consist of smallholder farmers, private traders, and large firms or state firms. The main part of this stage is moving the products, value-added variables, and the market portion. Capital property of the coffee value chain of Ethiopia is fully dominated by 22 of the major manufacturers or producers like state coffee plantations and large-scale commercial plantation firms. When coffee is matured and grown fully, the added value here is the staff in the value chain, run by manufacturers, mobilizing coffee to the processing place and gathering of coffee chary ((DTS), 2009).

Coffee cherry gathering and mobilizing of staff in Ethiopia are fulfilled by a female group of farmers, except loading and unloading. Coffee beans are raw and from crop to cup they require processing before final consumption. This results in increased costs of marketing, which leads to additional prices on coffee farm products.

4.3.1 Coffee collector

The most active actors in the coffee value chain are private traders who buy coffee with and without the pulp and sell it to suppliers for the next step processing staff, and the international market. To bring coffee from far areas and to mobilize it to the market, they add the value of the coffee volume and increase the price (Inc, 2010).

4.3.2 Traders

Traders or suppliers in the Ethiopian coffee value chain are those who buy it legally or illegally from the gatherers or collectors and they mobilize the product to Addiss Abeba to sell the coffee to international importers. Traders or suppliers are always getting red coffee cherries from producers and then the coffee will be processed before it is finally sold. For processing the product they have modern equipment for washing, hulling, and other activities. The value addition of each level depends on the processing activities.

4.3.3 Import

These actors come from outside the country who buy coffee from various exporters in Ethiopia. German is the number one importer of Ethiopian coffee, then America, the Netherlands, and Japan. These mentioned countries added some value to the coffee imported and then sell it to wholesalers and retailers (Tadele, 2013).

4.3.4 Primary cooperative and unions

The main crucial actors in the value chain of Ethiopia are primary cooperatives. They manufacture and harvest the coffee and sometimes even perform some processing activities such as assorting and washing the pulping and perform final steps to sell the coffee product to the union groups. Processing is run by the unions who pack, mobilize the product to the store, and make it ready for international export to 23 markets. Unions have various methods to sell the coffee, whether to the local exporters through ECX or international importers directly, but unions have the duty to ECX to follow the rules and respect the grading system according to the government of Ethiopia.

4.3.5 Domestic retailers and wholesalers

Other crucial participants in the coffee value chain in Ethiopia are wholesalers. They are the ultimate buyers of poor smallholder farmers. These poor farmers who harvest, hull, and dry the coffee using traditional practices, move the product to the Ethiopian market. Those farmers play a big part in adding value to the coffee product. Hulling requires more value added by the retailers and finally reaches the consumers after hulling (Tadele, 2013)

4.3.6 Exporter

When all the production of coffee and all steps of processing end, it is supplied and exported outside of the country by exporters. In Addiss Abeba, who is the exporter, coffee is bought from cooperative unions, local traders, and farmers to export it to the international market. Those exporters bought the coffee product through the main central market ECX. These mentioned exporters cannot get any coffee from Ethiopian producers because Ethiopian farm producers sell the coffee products by themselves to the foreign markets. By looking and searching outside of the country, i.e. selling the product to foreign markets, they add value to the coffee as a commodity. By directly selling it to foreign importers, the local traders, cooperative unions, and state-owned producers, they play the role of main exporters (Tadele, 2013).

4.3.7 Consumers

The final users of the coffee products are the consumers. In Ethiopia, the coffee value chain has different consumers of coffee. Those are both foreign and domestic consumers. Domestic consumers always consume coffee directly from smallholder farmers and coffee collectors or retailers in the whole country (Tadele, 2013).

4.4 Determinants of the value chain in Ethiopia

Some factors determine the value chain in Ethiopia such as agronomic practice, and the role of both government and financial institution policy. These variables greatly affect the performance of development to obtain a GDP, sales revenue of coffee, and foreign exchange. These advantages positively affect the coffee value chain performance in creating employment. Gross domestic product and foreign currency is a negative side effect to the contribution of the economy. The production efficiency of coffee is a disadvantage in the coffee value of Ethiopia. Farmers are getting hurt due to the excessive production which leads to a high cost of labor (coffee plantation in Ethiopia is highly dependent on rain and farming activities like weeding, which is always done by men). Investment is hindering the coffee production of Ethiopia from obtaining maximum potential gain. Excessive and high coffee sales are not manifested due to the inefficient agronomic practices of coffee, ECX servings are not effective, lack of close attention by NGOs to create innovative methods of coffee production, and a market share.

5 THE GENDER ROLES IN ETHIOPIA COFFEE VALUE CHAIN

5.1 Divisions of labour between men and women

Gender roles and relationships are socially constructed, learned, and influenced by age, class, caste, ethnicity, and religion. They are dynamic, differing within and between cultures, and changing over time. Activity analysis explores who does what type of work, and distinguishing between productive, household, and community roles (Shitaye, 2017).

Some activities are mostly done by men while some others are done by women. Almost all activities are done by both men and women. However, some activities are referred to as men's or women's activities because traditionally such duties have been allocated to men or women, respectively (e.g., land clearing, land tillage, sowing seeds in a nursery bed, digging holes, transplanting, irrigating, spraying, or weeding, pruning, harvesting).

Table 8: Gender-based division of labor on coffee agriculture productive activities

Productive and related activities	Men	Men	Female	female
	f	%	F	%
Bay different farm machines	158	87.7	22	12.3
Take credit from different sources	169	93.9	11	6.1
Participate in different meetings	153	85	27	15
Participate in different trainings	156	86.6	24	13.4
Continousily contact with DAs	180	100	0	0
Members of different associations	174	96.7	6	3.3
Receiving technical assistance	160	88.9	20	11.1
total	1150	638.8	110	61.3
average	164.3	91.2	15.7	8.8

Source: (Girum Abebe, 2015)

5.2 Implication for market-led development

Development initiatives should be designed from a gender perspective to ensure they are important to staff. Critical examples are women in general who are likely to be more responsive to activities that can take place on a small area of land and can be undertaken close to home, for instance, if they are caring for other household members, such as kids or the sick.

As a result of market-oriented development, it is expected that the workload will increase for both men and women but in different magnitudes depending on what tasks they are responsible for and whether there will be an intensification of labor in the particular tasks. Generally, there is an imbalance between workloads and share in the benefits of production, and there is a very real risk that the process of commercialization may further marginalize women.

Women may also be deprived of control over income from the limited range of commodities that they enjoy at present unless these risks are understood and measures are introduced alongside efforts to increase production and productivity to ensure that they enjoy the benefits of any improvements.

5.3 Major production and marketing problems at the farmers level

Land scarcity was indicated as one of the first ranked problems, constraining coffee production by 88.9% of coffee growing farmers. Also, diseases of coffee plants are defined as one of the worst results in the deterioration of natural coffee quality.

The diminished coffee production yield in Ethiopia is always identified in various aspects due to many reasons such as a lack of developed and adaptable coffee seed species.

Lower agricultural smallholder income often happens due to a small amount of return to poor farmers, low prices, unemployment, and lower agricultural wages. Small-scale farmers are always vulnerable to many global agricultural coffee commodities and fluctuation of price. This small amount of return and reduction of earnings results in a vicious cycle of challenges, as long as the moving of investment resources for developing products is difficult and hard, mainly when it comes to the introduction of environmentally-friendly production methods. Structural challenges such as low productivity, competitiveness, long supply chain, lack of infrastructure, poor market access, and low income happened, are just a few examples. Small-scale farmers usually do not practice modern technologies and scientific farming methods. This leads to low production, poor management of crops, and such circumstances threaten the consistency of the coffee economy in Ethiopia, and make it more dependent on coffee for the bulk of export

income. Unsustainable coffee quality and defective products usually happen due to natural disasters such as unpredictable and low rainfall, drought, inappropriate processing system. This applies especially to places that are sun-dried or where unwashed coffee methods of processing are mainly practiced. Coffee producers want enough money before the season begins to afford labor costs and input supplies since due to the increase of coffee prices, local suppliers do not get enough access to a loan. In Ethiopia due to disengagement in production and market, regulatory restrictions such as hard lending policies and government-mandated collateral requirements, small-scale farmers almost couldn't get the financial back up without a loan guarantee.

To increase coffee supply in Ethiopia, recently ECX improved the traceability program to track coffee from where it had been grown from production to export. This traceability may increase profit in the future, but poor farmers are not given a small amount of their product. There are some structural challenges such as:

- Insufficient modern technology transfer and research and development
- Inadequate technology transfer & research (biodiversity, coffee genome)
- Low-value addition and low market power and elongation of supply chain.
- Lack of infrastructure, productivity, low yields, and competitiveness.
- Lack of service access, especially financial service and management risk.

5.4 Marketing problems of traders

One of the major problems in the marketing of coffee is a lack of materials, labor scarcity, and price fluctuation. The main reason affecting coffee marketing in Ethiopia is domestic transport infrastructure, which is a very crucial part of the first stage of export development. This domestic transportation problem causes and leads to main trade hinders or obstacles, weak competitiveness, and inconsistent growth, and finally slowly isolates Ethiopia from the international market (UNCTAD, 2005).

For many years, coffee was the highest top export concerning cash crop position in Ethiopia, which amounts to a one-third of Ethiopia`s export revenues, but this number gradually declined and got substituted with textiles, cut flowers, leather products, and khat. Ethiopia's official export statistics for 2016/2017 (Oct-Sep) in this mentioned year shows that Ethiopia's coffee supply hit around 207,000 metric tons, 812 million dollars in value. Foreign money exchange

helps largely the government of Ethiopia and is used to support the main infrastructure, such as dams, bridges, roads, buildings, etc.

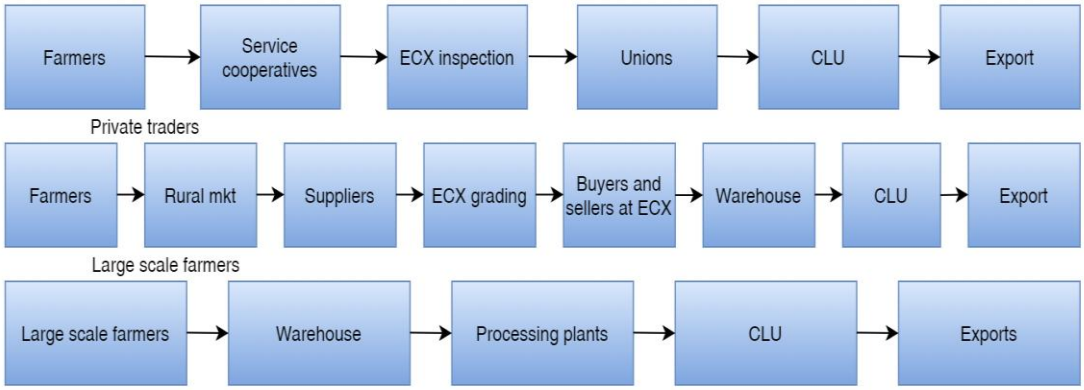
Secondly, the impediment in the marketing of coffee is the real exchange rate. Real exchange is an essential variable for determining coffee supply in Ethiopia, diversity, and access to the global international market produced in Ethiopia. This factor demands scrutiny by the government in different programs to improve the performance of the coffee supply quality export (Kabeer, 2003)

5.5 The marketing share of producers and traders in the coffee value chain

Coffee marketing channels are the sequences of intermediaries through which coffee passes from farmers to ultimate consumers. The analysis of marketing channels is intended to provide systematic knowledge of the flow of goods and services from original/producers to the final destination/consumers. The coffee in Ethiopia, before it goes to the final destination, is exported through 3 main marketing channels. These three channels are:

- ***Farmers cooperatives***-this is a village level deal trading that happens among farmers/growers, collectors/service cooperative, and cooperative unions/processing.
- ***private traders***-Ethiopian commodity exchange, small-scale coffee producers, and export companies buying coffee which is originally from the village. But smallholder farmers practice traditional methods, low-quality harvesting methods, as a result, they generate low income, lack coordination and finally they sell it to private traders/primary farmers.
- ***large scale farmers***- companies like cooperative unions and large commercial farms sell coffee to the international market without the level of ethiopian commodity exchange channel. Ethiopian commodity exchange which is originally gathered from and at the village is brought to Addiss Abeba exporting purchase coffee company.

Picture 3 Farmers cooperative



Source: (Tadele, 2013)

5.6 Importance of coffee for the Ethiopian economy

Coffee is one of the best international traded cash crop agricultural commodities in Ethiopia, which is produced mostly in developing countries and consumed largely in developed countries. Ethiopian Arabica coffee is well-known for its outstanding and unique taste, and it is also known for being a top exporter of coffee in Africa. In Ethiopia, nearly 95% of coffee activities like cultivation and production are run by an estimated four million poor small-scale farmers, and farming household (Amamo, 2014).

Ethiopia's 30% generating export income comes from coffee and directly or indirectly around 15 million people are involved in coffee activities such as mobilizing coffee products, workers' salaries, and family households. Many surveys and studies identified coffee in Ethiopia to be considered as a key economy in terms of a potential increase in agricultural production government income, and a better living standard for poor farmers. Besides, the economic significance of coffee is deeply associated with Ethiopia's norms, their cultural and historical identity.

5.7 Factors affecting low productivity

The traditional Ethiopian method of the farming management systems is agronomic. However, expanding good services provided to the smallholder farmers are insufficient.

One of the main factors affecting the low productivity of coffee is khat. Khat is tremendously increasing to compete with coffee for farming agriculture in Ethiopia. This fresh leaf is chewed as a stimulant drug and is dominant in many towns and neighboring countries such as Yemen, Somalia, Kenya. Nowadays, khat is highly demanded to be grown by farmers due to the high demand on the market, and this crop is also relatively highly resistant to drought, diseases, and pets, and it generates high profit because it is harvested 3 or 4 times a year, therefore small scale farmers choose to switch to khat rather than dealing with cash crop including coffee due to these reasons.

Government institutions have failed to specialize in institutions that offer service support for coffee production. (Fuad, Bezabeh, & Shumeta, 2019).

5.8 Prospects and challenges of Ethiopian coffee

The Ethiopian government puts coffee as a priority sector of the export commodity due to the source of foreign exchange. That is why the government initiated and is responsible and committed to a favorable policy environment.

Ethiopian coffee sector has bright prospects

- Ethiopia has a proper altitude, plenty of rainfall, comfortable temperature, rich soil fertility, cheap labor cost, and organized planting materials. E.g. different agro-ecological methods and suitable climates give the country the possibility to cultivate Arabica coffee.
- Ethiopia can consistently produce and export unique and best quality coffee, with the potential to produce coffee of all kinds and types in the world.
- Promote value addition-diversification of quality coffee types and brand awareness (e.g Yirgacheffee, Sidamo, etc.)

Benefits of traceability

- The most important and strong potential to improve the supply capacity of the best coffee quality beans to meet consumers' needs (transfer of technology).
- Provide research and development of agricultural activities.
- Develop a method to price management risk.
- Consistent development and macroeconomic policy.
- Support a better institutional framework for coordination policy.

Although Ethiopia is not at the level of large coffee supply to the international market compared to Brazil and Colombia when it comes to arabica coffee, it is a big opportunity for this fine and unique coffee quality to gain a comparative advantage in the global market. Ethiopia is fast and consistently expanding the quality coffee production in the global market, which is instantaneous due to its rich agricultural land, and availability of labor with suitable temperature water supply.

5.9 Challenges of Ethiopian coffee

The diminished coffee production yield in Ethiopia is always identified in various aspects due to many reasons such as a lack of developed and adaptable coffee seed species.

Lower agricultural smallholder income often has a small amount of return to poor farmers, low prices, unemployment, lower agricultural wages. Small-scale farmers are always vulnerable to many global agricultural coffee commodities and fluctuation of price. This small amount of return and reduction earnings result in a vicious circle of challenges, as long as the moving of investment resources for developing products is difficult and hard, mainly as regards the introduction of environmentally-friendly production methods. Structural challenges are low productivity, competitiveness, long supply chain, lack of infrastructure, poor market access, and low income. Small-scale farmers usually do not practice modern technologies and scientific farming methods. This leads to low production and poor management of crops. Such circumstances threaten the consistency of the coffee economy in Ethiopia and make them more dependent on coffee for the bulk of export income. Unsustainable coffee quality and defective products usually happen due to natural disasters such as unpredictable and low rainfall, drought, inappropriate processing system. This applies especially to places that are sun-dried or unwashed coffee methods of processing are mainly practiced. Coffee producers want enough money before the season begins to afford labor costs and input supplies since due to the increase of coffee prices, local suppliers do not get enough access to a loan. In Ethiopia, due to disengagement in production and market, regulatory restrictions, such as hard lending policies and government-mandated collateral requirements, small-scale farmers almost cannot get the financial back up without a loan guarantee.

5.10 Opportunities for Ethiopian coffee for banking institutions

Of course, almost all banking institutions can operate with the Ethiopian coffee market instead of production, because coffee production requires high risk due to uncertainty. For example, coffee facilitates exporters. But it is also good to know the potential of coffee production in Ethiopia. In the table, coffee supply and coffee production range from 0.733-0.752, which shows during this mentioned year. Ethiopian coffee production produces more than the world coffee average productivity but less than top 5 main world coffee producers. This shows that there is a potential opportunity to develop coffee productivity by Ethiopians, by introducing a modern method of farming and develop various fertilizers to increase Ethiopian coffee productivity. Lately, in some places of Ethiopia, they have introduced a new method of coffee plantation which helps develop coffee production in Ethiopia. Ethiopian government encourages farmers to get involved in both domestic and international markets, particularly in the export, and to develop some price-fixing tactics to be able the producers to expand their coffee production on their own, so there is a bright future of coffee production to increase in the next few years.

The price of coffee export fixed by large-scale farmers is usually higher than by commercial exporters. A large cooperative union is a sum of various primary small-scale farmers of all coffee producers. The strategy of the Ethiopian government is to boost up coffee producers by coffee export through ECX method of inspection of coffee supplied by large farm unions coffee of high price than other suppliers. This staff encourages greatly small-scale farmers in Ethiopia. Around 25% of the total Ethiopian source of coffee export income was circulated by Ethiopian banking institutions for the best facilitation of coffee export. For example, more than USD 750 million payment of export earnings for export purpose is deposited annually in Ethiopian banking institutions due to coffee export of Ethiopia. Let's say if this kind of budget is allocated to 18 banking institutions in Ethiopia, then this will happen. A bank may probably pursue a budget of more than 44 million USD from exporters of coffee through coffee exporters annually.

From whole coffee export, 85% is run by private and large farmers of exporters, which means any Ethiopian bank prefers commercial exporters rather than a cooperative union, which only share 15% of gross coffee export.

6 CONCLUSION

The main aim of this diploma thesis is to examine and address gender roles in the coffee value chain in Ethiopia. Women were highly and actively present in coffee cultivation fieldwork, which is manual work to produce high-quality coffee. However, women in Ethiopia's coffee value chain were much less represented and outnumbered by men in exporting, trading, and laboratory work, since they were laborers, not decision-makers, and very few women actually owned a business or farming land. In fact, in some regions, certain traditional and cultural laws limit woman's ownership rights.

The negative stereotype of women and pay discrepancy compared to men in the Ethiopian coffee production is harming the development of the coffee industry. Cultural attitudes and gender inequality often consider women as subordinate to men or dictate that men should control women. The biggest obstacle or problem to equal pay are "equal opportunities" since there is still a pay gap. In some job positions, women were less likely to get a higher-paid position due to the deeply rooted traditional and cultural stereotypes that women should not occupy high positions of power over men in all aspects of life. They are not just less-paid, but they are also vulnerable to lose their job and are exposed to sexual violence and discrimination. The pay discrepancy gets even worse if these women are migrants, handicapped, or minorities. These reasons severely harm the development of the Ethiopian coffee industry because women are much more engaged in coffee farming than ever before due to the migration of the younger generation away from rural to towns in search of better pay.

Therefore, due to all these reasons stated above, I have rejected the hypothesis 1.

A lack of governmental priority and poor empowerment for women leads to low productivity in the coffee business industry. Women in Ethiopia are poorly linked with the main actors involved in coffee value chain activities, e.g. in coffee production, and other actors like input supply and buyers have less vertical linkages due to poor empowerment in developing and improving profit in the current positions. The best example is that the government shows less attention in advocating equitable access and control of resources required in coffee production as well as income controlling obtained from coffee production. The government failed to facilitate women with building capacity skills to analyze and recognize barriers to participating in the coffee value chain such as receiving training, institutional support, and other governmental, non-governmental material support to improve their capacity.

Poor empowerment of Ethiopian government priorities for women to participate equally in society and the household, community, and at national levels, particularly regarding economic and political decision-making. The government failed to ensure women are included in technical training and extension services. It didn't promote supportive projects in the coffee value chain that improves gender equality by donating, participating, or creating connections with gender programs into their production value chain. Therefore, as a result, the government's inconsistent priority to empower women leads to low coffee productivity in the coffee business industry.

So, due to all these reasons above stated, I have rejected the hypothesis 2.

Gender discrimination has a significant impact on the coffee production value chain. Equality is a core for every business industry to succeed. Men still highly dominate the coffee value chain production, and barriers for women who want to get engaged in the coffee value chain production still exist. This is mainly because women were severely discriminated against from an early age, both at the individual and governmental level (the government didn't invest in women's farmer organizations to facilitate equitable access by rural producers).

Gender disparities are commonly practiced in the Ethiopian coffee value chain. Women will earn less salary, owns less land, control fewer assets, and have less access to credit, technology market information, and struggle to obtain agricultural inputs, receive less attention for training and leadership opportunities. This discrimination is due to the deeply rooted social biases that create a lot of difficulties and disadvantages for women compared to men.

This discrimination leds to inefficiency in the coffee value chain because women in Ethiopia, who perform main agricultural tasks, are not accessing the resources needed to increase and improve the output.

Finally, the role of women in improving the coffee value chain is tremendous and undoubted, but still in third world countries like Ethiopia, due to tradition and other cultural obstacles, women don't participate fully in the coffee industry. However, the government, NGOs, experts, community and others should encourage and back up women to minimize the gender gap, especially in agriculture so women become self-reliant.

Therefore, due to all these reasons above stated, I have rejected the hypothesis 3.

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