## **Development in Ethiopia Using Poverty Reduction Strategies**

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A Thesis Submitted to Saint Mary's University, Halifax, Nova Scotia in Partial Fulfillment of the Requirements for the Degree of International Development Studies

April 2019, Halifax, Nova Scotia

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Date: April 30, 2019

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#### **Abstract**

This thesis focuses on poverty alleviation and development in Ethiopia related to Poverty Reduction Strategy Plans, the Millennium Development Goals, and to a lesser extent, the Sustainable Development Goals. Issues debated are the meaning of development and effective poverty alleviation as well as industrialization and advances in agricultural technology, which affected job opportunities for farmers and ordinary Ethiopian workers. The implementation of various iterations of poverty reduction strategy plans has had a positive effect on such issues, with each of the four currently standing plans contributing to the development of the country. These plans are the World Bank Poverty Reduction Strategy Plan, the Plan for Accelerated and Sustained Development to End Poverty, and the Growth and Transformation Plans I & II. The plans mainly focus on increasing Ethiopia's industrial sector, and on improving agricultural technology and farming methods. Through such programs, poverty rates and the number of people living below the poverty line in Ethiopia have dropped exponentially over the 15 years period from 2000-2015, despite Ethiopia's population still rapidly growing. Job opportunities have increased in the service and industrial sectors, especially for women and youth. Policies related to each version of the plan, and how the ideals of the Millennium Development Goals have affected development in Ethiopia are examined. Ethiopia's propoor development agenda has been implemented alongside a rapidly growing economy, which is continuing to grow, leading to hope that the sustainable development of it will contribute to the progressive reduction of poverty in the future.

#### Acknowledgements

This honours thesis would not have been possible without acknowledging the following:

- To Dr. Anthony O'Malley, thank you for for assisting me in streamlining my idea and creating a framework to write my thesis on
- To Dr. Suzanne Dansereau, thank you for your support and edits to help produce the most comprehensive overview of issues in this thesis
- To Dr. Markos Tibbo Dambi, thank you for taking the time to read my multiple drafts and providing expert feedback

To my fellow International Development Studies honours students, thank you for your academic input, and for the emotional support when I was occasionally overwhelmed, so proud of you all

- To the Joyce Foundation, thank you for giving me a scholarship that has allowed me to continue my studies and graduate with honours
- To Saint Mary's University, thank you for the entrance scholarship which contributed to making my first year at school worry-free
- To my husband, thank you Eyoab for supporting me and taking care of me throughout the whole process of writing the thesis, I could not have done it without you
- To my parents, thank you Mom and Dad for helping me through emotional support and providing feedback to help clarify my thesis

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#### **CHAPTER 1: Landscape of the Debate**

#### 1.1) Introduction

This thesis is focused on the Millennium Development Goals in partnership with Poverty Reduction Strategy Papers and how they are related to poverty reduction, specifically in the area of Ethiopia. It will examine various poverty reduction strategies related to sustainable development from both the United Nations and other institutions, and how they are effective when implemented. Poverty alleviation in relation to development is an important topic to focus on as a large portion of the world's population lives in poverty. There have also rarely been completely effective poverty reduction plans that actually address the needs of the people living in poverty reduction, and so a look at what policies are effective is important to examine and analyze.

Research Question: Did Poverty Reduction Strategies contribute to diminishing worst forms of poverty in Ethiopia?

This thesis is focused on Ethiopia's success in implementing the Millennium Development Goals and looks briefly at the Sustainable Development Goals, the Millennium Development Goal's successors, alongside Poverty Reduction Strategy Papers. In Ethiopia the number of people living below the poverty line has diminished greatly from the period of 2000-2015, being almost halved from 44.2% to 23.5% despite a rapidly growing population, currently at approximately 109.5 million (April 8, 2019, based on the latest United Nations estimates). Therefore, Ethiopia is a very applicable area in which to explore poverty reduction and poverty reduction plans, in terms of

sustainable development, as that is what will be important for the success of poverty reduction in the future.

There is debate on whether the Millennium Development Goals and Poverty Reduction Strategy Papers are effective ways of diminishing poverty in Ethiopia. This is due to issues such as lack of ways to measure improvement of poverty conditions, lack of participation in implementing policies, and how to measure what poverty and development consist of. In this thesis, the varying descriptions of development and poverty alleviation strategies are examined and analyzed for their contributions to and effectiveness in assisting with development and poverty reduction.

This thesis looked at primary sources from international organizations such as the United Nations Development Program, the International Monetary Fund, the World Bank, and others. It also looked at work from Jeffrey Sachs, a leading international expert on poverty reduction, as well as other authors of secondary material. Literature from the Ethiopian government was incorporated, especially publications from the National Planning Committee, who is responsible for implementing poverty reduction strategy papers in Ethiopia. No human sources were reviewed due to the difficulty and ethical concerns surrounding such research.

This thesis follows the following structure – beginning with an introduction explaining the subject matter of the thesis, followed by a literature review. The literature review focuses on issues surrounding poverty reduction and sustainable development. It discusses these issues and their relevance to the thesis. The analysis and discussion further expands on these issues pulling data from the sources mentioned above, applying

the data from sources like the United Nations Development Programme to poverty reduction strategies in Ethiopia as a way of measuring their effectiveness. This culminates in the conclusion of the thesis, where recommendations surrounding the issue of poverty reduction related to sustainable development are made.

#### 1.2) Methodology:

This thesis is a case study of the effectiveness of Poverty Reduction Strategy

Papers and the implementation of policies associated with the Millennium Development

Goals in the area of Ethiopia. In order to properly examine the issues, various iterations of

Poverty Reduction Strategy Papers in Ethiopia were looked at. These included an initial

Poverty Reduction Strategy Paper from the World Bank, the Plan for Accelerated and

Sustained Development to End Poverty, and the Growth and Transformation Plans I and

II.

The proposed targets of these development plans were evaluated by comparing them to statistics in regards to Ethiopia's economic status from the World Bank. These statistics included employment rates in the various economic sectors, increased PPP for the Ethiopian population, value added activities as a percentage of GDP, and GDP growth by itself over the time period 2000-2015. In addition, humanitarian indices such as the Human Development Index for Ethiopia, rates of educational enrollment, maternal and infant health rates, and life expectancy at birth were considered.

The Millennium Development Goals, alongside progress reports on their implementation and integration in Ethiopia from government bodies such as the National Planning Committee, who create development policy in the country, are reviewed. A report which offers an overview of the successes of the Millennium Development Goals published by the United Nations, The Millennium Development Goals Report 2015, was examined, in order to judge which goals were successful or not and by what standards. The successor to the Millennium Development Goals, the Sustainable Development

Goals were examined briefly, in order to understand where development is headed in the future, and what has changed between the two development plans, and what has carried over. As the Sustainable Development Goals are new and not much data has therefore been collected on them, Ethiopia is unique in that it has a review on their progress thus far, put out by the National Planning Commission, which was examined in order to track how the countries policies line up and are associated with both the Millennium Development Goals and Sustainable Development Goals.

This thesis examines both secondary sources such as critical academic journals, as well as primary government documents and documents from international organizations such as the United Nations and the World Bank. A few articles from reliable news sources were also examined as well, to gain context of the issues in popular media. Fieldwork was deemed unnecessary, as this is an honours level thesis compared to a master's thesis where this is required.

#### 1.3) Literature Review

#### Poverty Reduction

Many issues must be discussed when talking about poverty reduction and development. One of the core issues of poverty reduction is viewing poverty as an end to development, and thinking that once poverty has been alleviated all will be solved (Allen and Thomas, 2000, 5). However, this is not always the case, as there are many dissenting views as to what poverty is and how it is related to development.

Jeffrey Sachs argues that poverty reduction is linked to the poorest people, those in extreme poverty, being able to make their way onto the lowest level of the global economy, barely having enough income to have their basic needs met. He defines basic needs as "More general terms [such] as the inability to meet basic human needs for food, water, sanitation, safe energy, education, and a livelihood" (Sachs, 2015, 30). This by no means is an ideal goal for an end to poverty, but allows room for improvements and alleviation of extreme poverty. There is a difference between extreme poverty and general poverty also, with Sachs classifying less extreme, more general poverty as people being able to meet the basic needs mentioned above, but still being at a disadvantage compared to their richer urban peers (2015, p. 32).

Sustainable development has linkages to poverty reduction, as alleviating poverty, especially extreme poverty is a vital part of development being sustainable going forward. Sachs describes sustainable development then as a sort of normative set of goals that the world should strive toward, a blueprint for "socially inclusive and environmentally sustainable economic growth" (2015, p.3). Sustainable development is then linked to

poverty reduction by having similar and intertwined goals, as poverty reduction is also supposed to be socially inclusive; meeting the community's needs, and promoting economic growth. Sachs also argues that good governance is needed to achieve these goals, as the government can provide the services to meet basic needs as outlined above (2015, p.3).

Another issue with direct ties to poverty and rates of poverty is unemployment and ways of making a living. Unemployment and lack of access to jobs is a major factor playing into the poverty cycle, and it is difficult to break that cycle. Environmental degradation and sustainability are issues that are often overlooked but are critical for sustainable long-lasting poverty reduction (Allen and Thomas, 2000, 142). Often the environment changing as a result of climate change can affect the number of people in poverty and needs to be taken into account when creating plans to assist people with getting out of poverty. The sustainability of those plans and the effect they have on the environment also needs to be taken into consideration, as plans that are not sustainable will not be effective in the long run.

Future globalization measures need to be sustainable as well, and not contribute to further increases in the number of people in poverty. There is no point in increasing connections and sharing ideas globally if it has a negative effect on large groups of people. The same goes for future development of industry and future industrialization. While most countries require some form of industrialization to develop to global industrial standards, it is not without both pros and cons (Allen and Thomas, 2000, 511). Industrialization can create jobs and new products for the economy, and increase revenue for the government, which can be used in poverty reduction projects. However, it can also

exploit the people in the immediate areas surrounding areas of industrialization, kicking them out of their homes in order to develop, or causing increased rent levels and gentrification. Industrialization can also take away traditional livelihoods and communities, and increase focus on profit compared to a focus what is best for the community and area where industrialization is occurring. Industrialization can cause health problems, especially for people living in poverty. Factories and other sites of industrialization often release pollutants and chemicals into the air, which can negatively affect the health of the population living in the immediate area of industrialization. If industrialization does not follow global labour standards there is also the risk of injuries and increased risk of labour exploitation. Often people in situations of poverty do not have access to forms of remediation and justice in response to exploitation.

There are also conflicts with varying agencies of development. Governments of sovereign nations, multilateral intergovernmental organizations as well as non-governmental organizations all want to have a say in what is important to include in poverty reduction plans, often with varied priorities (Allen and Thomas, 2000, 190). There has been a transformation of capitalism over the past century, especially over the last few decades. Neoliberalism and all that it entails has risen in prominence, with mixed results and effects. The implementation of democracies worldwide has also risen in prominence and good governance has had increasing emphasis placed upon it (Allen and Thomas, 2000, 368). Seen as the fairest form of governance for citizens worldwide, it is good in theory if implemented properly. However, there have been some issues around implementing democracies in some regions of the world, with accusations of rigged elections and corruption. Some of that is due to traditional cultures and forms of holding

political power. Culture alongside development has its own set of issues. Certain forms of development can be seen as eroding traditional forms of culture, and thus are met with resistance. However, if implemented correctly, poverty reduction plans can respect culture while still improving the lives of those who live in poverty. These issues all tie into a dilemma that must be answered – what is the meaning of development? Depending on the answer to this question, it will determine what is emphasized in poverty reduction plans and development plans overall, and what priorities are.

Poverty Reduction in relation to the Sustainable Development Goals and Poverty
Reduction Strategy Papers

While poverty reduction is a broad field, there are specific facets that deserve to be focused on. The Millennium Development Goals and their successors the Sustainable Development Goals, which were published and adopted by the United Nations in 2000 and 2015 respectively, focus on many parts of poverty reductions in various parts of its goal outlines (United Nations Department of Economic and Social Affairs, 2018). The focus of this thesis was mainly on the Millennium Development Goals and somewhat on the Sustainable Development Goals in relation to poverty reduction, as all of the goals have some aspect of poverty reduction in relation to development associated with them. The Millennium Development Goals aim to provide a comprehensive view of poverty alleviation and address specific factors contributing to poverty with each goal.

While poverty alleviation as an ends to development is a focus for the Millennium Development Goals and Sustainable Development Goals, it is also achieved by implementing poverty reduction plans as nationally appropriate. A major part of the

world's population lives in poverty, with many living in developing countries. Each country has issues specific to them and therefore the poverty reduction plans for each country/region will be tailored to that area. Unemployment is an issue highlighted by one of the Sustainable Development Goals, as well as access to work (United Nations Department of Economic and Social Affairs, 2018, 8). In relation to poverty reduction, creating jobs and people becoming employed theoretically means that poverty rates will drop as people get paid more and rise above poverty level indicators. Many development projects focus on creating sustainable economic opportunities to grow local economies, creating development from the inside out.

Environmental sustainability is a major part of the Sustainable Development Goals, and is tied in with many of the goals. Climate change and its effect on the environment are important and pressing issues that must be incorporated into future development and poverty reduction strategies. Such strategies will only be sustainable if environmental concerns are taken into consideration and planned for accordingly. However, globalization usually downplays environmentalism, as it focuses more on economics and businesses. Globalization itself tends to focus on how businesses and people are interconnected, and can have negative effects as well as positive ones.

Globalization and economics can have negative effects when economics concentrates on producing products at the lowest cost, and not on protecting the environment and people. Globalization often involves outsourcing various stages of production overseas, usually because of lower labour cost and less production restrictions. This can be good because it creates jobs in developing countries but also can have a negative side if employees are abused or working conditions horrible. Therefore it is good

to exercise caution when looking at economic growth as a measure of poverty reduction, as it is not always an accurate representation.

Issues of this nature spring up when discussing industrialization and development as well. Some argue that industrialization is not entirely necessary for development or not traditional forms of industrialization more specifically. They argue that developing countries can "leapfrog" over the traditional history/pattern of industrialization followed by countries with developed economies. However, this has its own sets of issues, as many strategies used by countries with developed economies to develop and industrialize are no longer legal or politically correct, so it is somewhat of an irrelevant point. Also, those outdated forms of industrial development were not necessarily sustainable, and so are not patterns that should even be followed today.

Also, as mentioned previously, agencies in charge of development take many forms. It can be a national government, a nongovernmental organization, the United Nations or other multilateral organizations. Each has different policies regarding poverty reduction, and ideas on how to best address the issue effectively. For example, the United Nations heavily relies on and pushes the Millennium Development Goals and Sustainable Development Goals as the premier development agenda. Nevertheless, the issues that they focus on might not be applicable or important to various national governments. Also, because it is such a broad agenda, a nongovernmental organization might only work on one specific topic, and one agenda item might get more work done on it due to this phenomenon. For example, the Millennium Development Goals have a range of topics that they focus on, from eradicating extreme poverty, to gender equality, to combating HIV and malaria. Although those topics all are related to poverty in some way, an

organization will not be effective looking at all of them at once. Picking a single strategy would be more effective.

Sarver criticizes supporting the Millennium Development Goals, saying that supporting them publicly was the "chic" thing to do, but instead ignores the real issues of why countries are underdeveloped, with a focus on Africa (2008, p.1). These issues includes being saddled with massive debts, and money being put into projects without a clear focus, making their impact negligible (Sarver, 2008, p.2). This goes alongside Easterly's argument that the Millennium Development Goals are unfair to Africa in that the arbitrary numerical indicators the Millennium Development Goals are attempting to reach do not take into consideration the fact that some goals will not be reached due to chronic underdevelopment and previously existing underlying issues in many African countries (2008,p.1).

In terms of poverty reduction, poverty reduction strategy papers are popular tools implemented by international organizations such as the International Monetary Fund and the World Bank. They are mostly economic growth plans supposedly aimed at reducing poverty, and are tailored to specific country's needs. However, often these institutions and their plans do not necessarily look at all aspects of poverty reduction and how they are actually affecting people in poverty, instead they just look at how much economic growth there is as a measure of development. Easterly argues that the International Monetary Fund and World Bank's programs like structural adjustment programs and lending programs designed to help a country grow economically do not necessarily hurt people living in poverty, but do not help them alleviate poverty conditions at any significant rate (Easterly, 2001, 17). Lindsay Whitfield adds to the critique of this, noting

that donors often put too many stipulations and have too many strings attached to aid or Poverty Reduction Strategy Papers (Whitfield, 2010, 1).

There has also been a marked transformation of capitalism over the last few decades. Increasing globalization has caused massive market growth and increased outsourcing to developing countries. This has an effect on who has the most wealth and where it is located globally. There is also the issue of growing inequalities between rich and poor individuals. It is interesting to note that only a few individuals hold a majority of the world's wealth while a vast number of people live in poverty. Although poverty rates have been reduced in some aspects and areas, the number of people living in poverty is still fairly high. The Sustainable Development Goals focus on reducing poverty in various goals throughout the agenda, with each one tackling a specific aspect of improving living conditions for people worldwide. Poverty Reduction Strategy Papers focus generally on reducing poverty, although they are supposedly tailored to fit each individual country and their needs. However, it is argued by some critics that these Poverty Reduction Strategy Papers are identical to each other regardless of the country they are implemented in, and serve only to further the economic interests of the World Bank and other such international banking establishments (Bienefeld and Ruckert, 2009, 14).

Discussing democratization and good governance and how to enforce it is not entirely helpful either. Democracy, while an egalitarian form of government, can still be corrupted. Therefore it can be argued that democracy is not truly effective, and other forms of governments, like military dictatorships or communist style governments gain legitimacy. A conversation is then necessary; to talk about what good governance consists of and what its priorities should be, especially in terms of poverty reduction.

Democratization does not necessarily mean development, but interestingly enough, is a major topic in the Sustainable Development Goals, with democracies being pushed heavily in the agenda (United Nations Department of Economic and Social Affairs, 2018, 18). Culture is also an issue to be considered when looking at the Sustainable Development Goals and how to implement them in developing countries, which often have a rich history and culture that must be taken into consideration. There are sometimes problems associated with the conceptualization of culture and what it means.

Overall, most issues tie in with the meaning of development and its varying definitions. There are many ways to define development, in terms of economics and GDP, whether an area is stable and peaceful, or what standards of living citizens live under. The Sustainable Development Goals do not have a specific definition for what they consider development, but do have specific targets and goals that they want to be achieved globally by a certain date. Although this is admirable, it is also difficult to implement and measure, as varying countries will have different national focuses and different definitions of what development is also. Therefore it will be difficult overall to measure the success of the Millennium Development Goals and the Sustainable Development Goals, due to varying levels of information provided by governments and other groups. However, Jeffrey Sachs does point out that poverty reduction initiatives headed by the United Nations are needed in order to counteract the number of people living below the extreme poverty line.

Research question: Did Poverty Reduction Strategies contribute to diminishing the worst forms of poverty in Ethiopia?

Thesis Statement: I will argue that Poverty Reduction Strategies contributed to diminishing the number of people in the worst forms of poverty in Ethiopia due to these programs contributing to the development of the industrial and agricultural sectors, thereby increasing revenue and levels of employment for workers and famers.

#### **CHAPTER 2: Research and Findings**

Ethiopia at a Glance:

The Federal Democratic Republic of Ethiopia is a land of diversity – high (4,550m) and low (-125m) elevations, many different landscapes, and over eighty different languages and ethnic groups (Background Notes on Countries of the World, 2003). It is a democratic federation and has a population of approximately one hundred and eight million people, the majority of whom speak the official language of Amharic (Central Intelligence Agency, 2019). Located in the heart of East Africa, Ethiopia is landlocked, surrounded by the countries of Eritrea, Djibouti, Somalia, Kenya, Sudan, and South Sudan. Its capital is Addis Ababa, located in the middle of the country, where most government administrative offices are, as well as the seat of the African Union, and is approximately one million square kilometers in size (Central Intelligence Agency, 2019). It is an important place geologically and anthropologically as well, with the Great Rift Valley, which runs through the middle of the country being the place where the oldest human remains were found.



### Development History in Ethiopia

Ethiopia's diverse history and mix of political systems had an effect on its history of development as a country. As a kingdom under Haile Selassie, it focused mostly on modernization and growing the economy through agricultural practices both before and after the Italian Occupation (Zewde, 2001, p.91). During the occupation from 1936-1941, the Italian officials focused on taking as much money as they could quickly from these endeavors, with a bureaucracy heavily riddled with corruption and numerous unnecessary committees (Zwede, 2001, p.164). Even after the Italians left, Haile Selassie continued to focus on privatizing agriculture as a way of developing the economy, which still only benefited the rich landowners, contributing to the political and social unrest and dissatisfaction that caused the Communist Derg takeover in 1974 (Zewde, 2001, p.195). The Dergs first focused on rural development in Ethiopia, supporting peasants and land reform initiatives (Zewde, 2001, 240). They also provided technical training to people while nationalizing industries.

However, there was still a lack of a reliable food source due to crops still being grown unsustainably. This, combined with political unrest culminated in the 1983-1984 famine, largely publicized worldwide on television. After the fall of the Dergs in 1991, the Ethiopian Government adopted a Poverty Reduction Strategy Paper put out by the World Bank in 2002 (Zewde, 2001, 256). This plan was later expanded upon to include aspects of the Millennium Development Goals and more recently the Sustainable Development Goals since their release and adoption in 2015. After the initial poverty reduction strategy paper, Ethiopia started to institute its own development plans based on theories from the original poverty reduction strategy paper, with the initial one called the

Plan for Accelerated and Sustained Development to End Poverty, which covered the period 2006-2009. This was then followed by two more subsequent poverty reduction plans put out by the Ethiopian government called the Growth and Transformation Plans, with the first one covering the period from 2010-2015 and the second one covering the period of 2015-2019.

#### Poverty Reduction in Ethiopia

Poverty reduction and alleviation in Ethiopia has gone through various iterations over the years. The country has always struggled with various droughts and famines, and so has focused on ensuring that its population does not fall into poverty and continuous improvement is paramount. Ethiopia also has a history filled with many different types of political systems which have contributed to its current state. Each administration has pursued differing tactics to combat poverty and alleviate suffering, but often with focus on different groups of people and different issues at the forefront. This thesis will focus on poverty reduction strategy plans from 2000 onwards, since Ethiopia became a democratic federation.

Poverty is a core, endemic issue in Ethiopia, with the number of people living below the poverty line in 2015, being at 23.5% of the population, which is still rapidly growing, and is currently at approximately 100 million people and rising (Country Partnership Framework for the Federal Democratic Republic of Ethiopia, 2017). However, they are working hard to end the growth of poverty, and continue development of their country. As mentioned previously, implementing poverty reduction plans as nationally appropriate is a measurable way to promote both development and poverty

reduction. Ethiopia focuses heavily on poverty reduction plans, creating plans to address issues on a nation-wide basis (Growth and Transformation Plan II, 2016). These plans tend to focus on agriculture and infrastructure development, as Ethiopia has a large agricultural base and is in the process of developing new infrastructure in its industrial sector. Equity in all areas of the country is also an important part of Ethiopia's Poverty Reduction Strategy Paper (2002, p.4).

Poverty and levels of poverty can be measured in different ways, and levels of improvements measured in various ways also. It can focus on GDP increases and other economic measures, as many consider economic growth to be a measure of progress for a country. However, this is not always the case, so looking at other factors like the Human Development Index can give a more complete view of the country's well-being, as it looks into factors such as life expectancy, infant mortality rates, and education rates. For the sake of simplicity in this thesis, poverty alleviation will be measured by the Sustainable Development Goal's measure of extreme poverty, which is the number of people living on less than \$1.99 USD a day (United Nations Department of Economic and Social Affairs, Division for Sustainable Development Goals, 2018, p. 1). The rates of poverty alleviation and reduction will be compared alongside Human Development Index data as well as economic growth rates to show the linkages between economic growth and poverty alleviation. This is because Ethiopia's prime focus is not necessarily economic growth, with it stating in its poverty reduction strategy papers that it wants to develop its economy in a way that is primarily focused on poverty reduction as its core objective, not just focused on economic growth for the sake of economic growth itself (The World Bank, 2002, p.56). This objective is carried through all iterations of Ethiopian poverty

reduction strategy papers. Overall, the meaning of development has different meanings for different countries. Development in Ethiopia is represented through reduced poverty rates and becoming more like states in Global North in terms of their economy and infrastructure, but in a sustainable, inclusive manner.

Sustainability is also a priority for Ethiopia as a nation, in terms of sustainable development. As a country with a history of droughts and famines, remaining sustainable is important to prevent future crises. They tend to focus on rural development in sustainable agriculture combined with smallholder farming, avoiding major factory farms (Dorosh and Mellor, 2013, 4). Ethiopia also is a major user of renewable energy sources like hydroelectric, solar power, and other forms. Also, Ethiopia has been achieving these developments due in part to economic investment partners in Asia, a result of globalization. These parties are very involved and invested in the development of Ethiopia's industrial sector and infrastructure such as roads and skyscrapers. Currently, Ethiopia does not have a strong industrial sector and is instead focusing on developing agriculture and infrastructure as well as exports (The World Bank, 2002, p.5).

One of the earliest iterations of Ethiopia's formal Poverty Reduction Strategy

Papers is the one set out in collaboration with the World Bank, the International Monetary

Fund and the International Development Association in 2002. It outlines what they want
to achieve by 2015, which includes targets such as reducing income poverty by half by
2015, reducing infant mortality rates from 97/1000 to 40/1000 from the period 20002005, and increase primary school enrollment from 57% to 65% during the same period

(The World Bank, 2002, p. 5). It aims to achieve such goals by implementing strategies
such as agricultural-led growth in mainly rural areas, and improving conditions for
growth in the private sector and growth in export markets (The World Bank, 2002, p. 5).

In 2002, the target for real GDP growth by 2015 was 6%, which was considered ambitious (The World Bank, 2002, p. 7).

Ethiopia also added some personal goals to that plan, as it has a history of taking policies it likes from the international community while still maintaining its independence from outside influences to a certain degree. It expected major growth in the agricultural sector, with an "increase from the current 4 million (2000/01) to 6 million by the end of the program period" in terms of the number of farmers employed (The World Bank, 2002, p. 32). It notes that in 2002, poverty was more of a phenomenon in rural communities although the communities closer to towns and markets had more chance of poverty alleviation due to a market for their produce and crops (The World Bank, 2002, p. 53). There is also a focus throughout the Poverty Reduction Strategy Paper on building capacity, in order to prevent further issues and strengthen the country.

The next document examined on poverty alleviation is a document compiled by the Ethiopian government called A Plan for Accelerated and Sustained Development to End Poverty, which covers the period from 2005-2009. It continues with the strategies and goals laid out in the Poverty Reduction Strategy Paper, noting that since 2002, more farmers have been trained in modern small scale agricultural practices, and leadership skills, to train others in their community and encourage growth (Ministry of Finance and Economic Development, 2006, p.17). Growth in the agricultural sector went up 13.4 percent for value added (Ministry of Finance and Development, 2002, p.27). Also, there was growth in the industrial business section of the Plan for Accelerated and Sustained Development to End Poverty, as it claimed that it created many jobs as well (Ministry of Finance and Economic Development, 2006, p. 25). Also according to the Plan for

Accelerated and Sustained Development to End Poverty, since the implementation of the original poverty reduction strategy paper in 2000, the indices indicating poverty severity statistics have declined. This includes a decrease in the number of people in poverty by 12% between 2000 -2005, a higher rate of decrease than the years preceding it (Ministry of Finance and Development, 2005, p.34).

Building on the original Poverty Reduction Strategy Paper and Plan for Accelerated and Sustained Development to End Poverty, the next iteration of poverty alleviation by the Ethiopian Government is their Growth and Transformation Plans. There are currently two series of this plan out so far, one spanning the time period of 2010-2015, and the other one spanning the time period of 2015-2019, called Growth and Transformation Plan I and Growth and Transformation Plan II respectively. Growth and Transformation Plan I follows many of the same themes to both the Poverty Reduction Strategy Paper and the Plan for Accelerated and Sustained Development to End Poverty.

Establishing that these plans have had success alleviating or reducing poverty, can be difficult to prove. Looking at World Bank data on Ethiopia from 2000-2017, the numbers climb rapidly in terms of GDP and GDP growth. The definition of GDP by the World Bank is "GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products" (World Bank, 2019). Between 2000 and 2017, Ethiopia's GDP in USD grew from 8.24 billion in 2000 to 80.56 billion in 2017 (World Bank, 2019). Annual GDP growth rates in terms of percentage have also risen from a 6.1% growth rate in 2000 to a 10.2% growth rate in 2017 (World Bank, 2019). Also according to World Bank statistics, the number of people living in poverty has decreased, with 44.2 percent of

the population living below the poverty line in 1999, and only 23.5 percent of the population living below the poverty line in 2015, a vast improvement. Their income has also risen on average in terms of Gross National Income, which in a simplified form is the money made by the country as a whole in a year divided by the number of citizens in the country. In Ethiopia it has risen from \$616 per person per year in 2000 to \$1719 per person per year in 2017, with the purchasing power of the USD in 2011 (UNDP, 2017, p.2).

In terms of actual policies and programs regarding agriculture and farmers in Ethiopia, there are the Agricultural Transformation Plans I and II which both endeavor to increase agricultural productivity and increase commercialization of small-holder farmers in order to contribute to sustainable food security and agricultural transformation (Federal Democratic Republic of Ethiopia Ministry of Agriculture, 2015, p. 9). These plans, which work in collaboration with Growth and Transformation Plans I and II, are focused the future growth of the agricultural sector, which is a primary objective of Growth and Transformation Plans I and II.

Specifically, the five main components of Agricultural Transformation Plan II are:

1) Agricultural Public Support Services, which is involved with strengthening development partners and offices, as well as enhancing resources and promoting best development practices at plant and soil laboratories and animal health centres; 2)

Agricultural Research, which looks at agricultural technology adaptation and improvement, as well as sourcing new technologies, and improving capacity in development of agricultural technology in Ethiopia; 3) Small Scale Irrigation, comprised of small-scale irrigation infrastructure development and integrated crop and water

management; 4) Agriculture Marketing and Value Chains, which is interested in commercializing small-scale farmers through increasing access to support systems like input supply systems, farmer organizations, agribusiness development advice, and market infrastructure development; and 5) Program Management, Monitoring, Evaluation and Learning, which encompasses program management and working with institutions, monitoring and evaluating program implementation, identifying intersectionality in capacity building, and support capacity building and development (Federal Democratic Republic of Ethiopia Ministry of Agriculture, 2015, p. 16).

Organizations working in Ethiopia for agricultural development include the Ethiopia Agricultural Transformation Agency, which assisted with the implementation of Agricultural Transformation Plans I and II in collaboration with the Ethiopian Government, as well as implementing projects of their own related to seed and soil development. The United Nations Food and Agriculture Organization also has implemented programs in Ethiopia related to these themes as well, focusing on increasing crop productivity, unlocking the potential of the Ethiopian livestock industry, and promoting sustainable natural resource management. Many other smaller nongovernmental organization and non-profits work in this sector, in partnership with the United Nations Food and Agriculture Organization and Ethiopia Agricultural Transformation Agency.

Alongside agricultural development, industrialization and the growth of the industrial sector in Ethiopia is another facet of poverty reduction strategies in Ethiopia.

The United Nations Industrial Development Organization is working in cooperation with Ethiopia to develop the industrial sector through an industrialization plan called the

Programme for Country Partnership. The program has three main industries that it plans to develop in Ethiopia: agro-food processing, textile and apparel, and leather and leather products (UNIDO, 2014). They have begun implementing the plan with intersectional, cross-cutting interventions such as developing industrial areas and building infrastructure to encourage private investment, and making improvements to trade logistics to foster trade relations through making it easier to trade in Ethiopia. As well, Ethiopia is working on improving the reliability of its power supply to the industrial areas, using renewable power sources to power these sites, and is committed to improving its national institutions to continue to nurture growth, and gain industrial intelligence (UNIDO, 2014).

Progress reports from 2015, 2016, and 2017 note the advancement of the industrial sector according to the targets set out in the Programme Country Partnership. In the 2015 report, covering from November 2014 – November 2015, achievements that are highlighted are creating plans and frameworks for growth in each of the sections mentioned above, blueprints for the development of four industrial areas, and the planning of a forum regarding the agricultural goals of the Programme Country Partnership (UNIDO, 2015, p. 4). In the 2016 report, covering from December 2015 – December 2016, progress had been made on finalizing the plans for the industrial areas, growing the leather industry through technical assistance, and creating a more hospitable trade environment in Ethiopia, with the forum having been a success in bringing people and ideas together (UNIDO, 2016, p. 6). The most recent report, from 2017, saw the physical development of the industrial areas, capacity building projects implemented in the textile sector, and plans for a second forum to promote international investment (UNIDO, 2017, p. 4).

The creation of infrastructure ties in with unemployment in Ethiopia.

Unemployment is a critical socio-economic issue in Ethiopia, with many people stuck in the vicious cycle of poverty (Etana and Tolossa, 2017, 1). The creation of infrastructure projects offers the promise to create more jobs, as does improvement and investment in the agricultural sector. However, there are questions related to whether this will create jobs for everyone or just for labourers who were skilled in trades before the start of the project. In that case, job training is a viable option to accompany poverty reduction strategies related to infrastructure building.

In terms of concrete statistics on the levels of employment in Ethiopia, the World Bank notes that from the period of 2000-2015, unemployment levels declined from 8.2% of the labour force being unemployed in 2000 to 5% of the total labour force being unemployed in 2015 (The World Bank Group, 2019). The World Bank also identifies youth and women as being groups of interest in terms of unemployment rates, with the rates declining for them also, but not as much as the total decline of the unemployment rate. For example, in 2000, the percentage of unemployed youth as a part of the labour force was 11.6% to only 7.2% of youth being unemployed in 2015. The rates of women's unemployment also decreased, from 12.6% of women in the labour force being unemployed in 2000, to 7.2% of females being unemployed in the labour force in 2015 (The World Bank Group, 2019).

People in Ethiopia mainly work in the agricultural sector of the economy, although rates have changed in other sectors of the economy since 2000. In 2000, 86% of total employment was in the agricultural sector, 4% of total employment was in the industrial sector, and 11% of total employment was in the service sector (The World

Bank Group, 2019). In 2015, 70% of total employment was in the agricultural sector, 9% in the industrial sector, and 21% in the service sector (The World Bank Group, 2019). This shows that while agriculture is still a major part of Ethiopia's developing economy, other sectors are growing.

Is this improvement due to the poverty reduction plans, or is it just a fluke? The poverty reduction plans mentioned above focus heavily on modernized agrarian industries as well as continued industrialization of the country as the ways forward for economic growth. Therefore, the rates of growth in the agricultural section and the industrial sector must be looked at to see if in fact the Poverty Reduction Strategy Papers implemented had bearing on the improvement in economic circumstances. When examining the World Bank data for the agricultural sector, interestingly the numbers involved in value adding activities as a percentage of the GDP actually declined, from 45% in 2000 to 34% in 2015 (World Bank, 2019). This means that the agricultural sector has shrunken rather than grown. However the industrial sector has grown, with the value adding activities in the sector as a percentage of the GDP increasing from 11% in 2000 to 23% in 2015 (World Bank 2019). Therefore, economically, the Poverty Reduction Strategy Papers are not working as they are supposed to on paper.

In addition to the PRSPs, the Millennium Development Goals and the Sustainable Development Goals are another tool used to shape policy in relation to poverty alleviation and development. Development, whether it is seen as economic growth or human development indices, needs to be sustainable to be productive and helpful for the community in the long term. The Millennium Development Goals and the Sustainable Development Goals, put out by the United Nations in 2000 and 2015 respectively, outline

goals for global development along the lines of education rates, gender equality, and food sovereignty. Overall, all these initiatives contribute to poverty alleviation by tackling different avenues associated with continuing the cycle of poverty.

One Millennium Development Goal in particular focuses on poverty alleviation and reduction, Millennium Development Goal 1: Eradicate Extreme Poverty and Hunger. The Millennium Development Goal noted that although many people had been lifted out of poverty from 1990-2015, there was still much room for improvement. It also noted that extreme poverty disproportionately affects developing areas, especially in Sub-Saharan Africa, where Ethiopia is located (United Nations, 2015, p.17). Eradicating extreme poverty is a Millennium Development Goal that is also in line with its successor in the Sustainable Development Goals, Sustainable Development Goal 1: No Poverty. This goal focuses on meeting basic human needs, which states that "Eradicating poverty in all its forms remains one of the greatest challenges facing humanity (UNDP, SDGs, 2019).

In addition, as noted previously, there has been a transformation of capitalism over the past few decades, causing more inequalities between rich and poor and higher poverty rates. Although the Millennium Development Goals and the Sustainable Development Goals focus on reducing poverty generally, Ethiopia has extremely high poverty rates and is vulnerable to economic shocks more so than other nations following the Sustainable Development Goal guidelines (HDI Statistical Update, 2018).

Democratization and good governance and how to enforce these principles, is another issue. Ethiopia uses federal central democracy model, and has attempted to unite many tribes. However, this then causes issues as there are then many ethnic groups vying for power and their own favoured policies. Also, as good of a model as it is, democracy can

be corrupted and then is not truly effective. As mentioned above, Ethiopia has had issues with corruption and so the government should be monitored carefully going forward in order to create effective development and reduce poverty (Abegaz, 2015, 2).

In terms of how the Millennium Development Goals affected Ethiopia development-wise, a progress report in regards to the Millennium Development Goals from 2012 notes that the country was on track to reach and complete six of the eight goals by 2015 (Ministry of Finance and Economic Development Federal Democratic Republic of Ethiopia, 2012, p. 6). It achieved this by allocating 65% of public expenditure towards pro-poor initiatives such as education and infrastructure building, alongside the implementations of the various iterations of Ethiopia's Poverty Reduction Strategy Papers (Ministry of Finance and Economic Development Federal Democratic Republic of Ethiopia, 2012, p. 6). In terms of the specific Millennium Development Goal on eradicating extreme poverty, the Ethiopian government attributes it to their investment in the agricultural sectors in areas such as technological advances and teaching new farming methods, which led to increased food security and decreased poverty (Ministry of Finance and Economic Development Federal Democratic Republic of Ethiopia, 2012, p. 13).

In the continuation and successors to the Millennium Development Goals, the Sustainable Development Goals, a report from 2017 also put out by the Ethiopian government outlines how the country is achieving these new goals as well. The report notes that the Sustainable Development Goals have been incorporated into the countries current iteration of its poverty reduction strategy paper, the Growth and Transformation Plan II, similar to how the Millennium Development Goals were incorporated into the previous Ethiopian Poverty Reduction Strategy Papers (National Planning Commission,

2017, p.8). In keeping with that, the report echoes many of the same theories as mentioned in Growth and Transformation Plan II, such as increasing capacity of people to interact in gaining revenue, as well as encouraging private sector development in order to alleviate poverty (National Planning Commission, 2017, p. 25). It notes that for continued poverty alleviation, continued prioritization of pro-poor policies and increased accessibility to benefits from such policies are what will continue the success of poverty alleviation in Ethiopia (National Planning Commission, 2017, p. 26).

#### **CHAPTER 3: ANALYSIS AND CONCLUSION**

#### 3.1) Discussion

The issue of poverty reduction and continued development in the case of Ethiopia, as outlined above, is multifaceted and complicated. Although major strides have been made in progress, there is still work to be done. The Ethiopian government embraces this work, with the focus of its administration being pro-poor and in favor of mass poverty alleviation. It has endeavored to affect this change through a variety of policy mediums, from various iterations of Poverty Reduction Strategy Papers to the incorporation of the Millennium Development Goals and Sustainable Development Goals in government policy.

While the goal of both the Poverty Reduction Strategy Papers and the Millennium Development Goals are to alleviate and eradicate poverty, both have slightly different focuses, although similar themes. As mentioned previously, the Poverty Reduction Strategy Papers look at development and poverty alleviation through an economic lens, which follows as the original documents were published and supported by the World Bank, which is a primarily economic institution. In the case of Ethiopia, all the versions of the Poverty Reduction Strategy Papers focused on economic indicators such as the percentage of the population living below the poverty line, which is less than \$1.99 per day, or on statistics such as GDP growth rate as percentages. The issue with this is that these measures of development are all economic, which does not necessarily show the whole picture of development in a certain area.

Because economic growth is not always a concrete indicator for poverty reduction or alleviation in terms of improving living standards, sometimes other measures need to be looked at and included. An example of this is the Human Development Report put out by the United Nations Development Programme, which looks at statistical indices such as life expectancy and schooling rates. In Ethiopia these types of statistics have in general improved over the period from 2000-2017. Once such statistic is life expectancy at birth, which in Ethiopia has improved from a life expectancy of 51.9 years at birth in 2000 to 65.9 years life expectancy at birth in 2017, which is a fifteen-year improvement in the length of life an average Ethiopian can expect (UNDP 2018, p.3). Another such statistic is the number of years of schooling a child will attain in Ethiopia following the enrollment patterns at the time, which has also improved from 4.3 expected years of schooling to 8.5 years of schooling in 2017 (UNDP, 2018, p.3). Infant mortality rates have also dropped, from 88.8 deaths per 1000 live births in 2000 to 41 per 1000 births in 2016 (UNDP, 2018, p.3).

If development and alleviation of poverty is measured as improvement in living conditions, it would seem that Ethiopia is doing well in that regard, as these indices signal that education rates are rising, and access to healthcare, both maternal and regular has improved. Improvements in these indicators are a major part of the Millennium Development Goals and the Sustainable Development Goals, with specific goals being dedicated to them. Education is also a factor of Poverty Reduction Strategy Papers in Ethiopia, alongside economic growth, as it is seen to be necessary for and helpful to development.

However, it is also argued that looking at indices such as the Human Development Index are also not an effective way to measure development. Instead, projects and policies should be judged by how they build capacity both for citizens and their countries. For example, Poverty Reduction Strategy Papers and development initiatives in Ethiopia should be measured by how they improve some aspect of the country, be it through improving technical capabilities, educating farmers on new agricultural methods, or building a stronger state capable of more effective partisan policy making. Looking at development through this lens allows for a more comprehensive view of the overall benefits or harmful effects a policy might inadvertently have.

In relation to how development should be measured, it ties in with the critique mentioned above, which asks if Poverty Reduction Strategy Papers are an effective tool with which to alleviate poverty. To examine that is to look at the issue of participation in relation to Poverty Reduction Strategy Papers. Participation is a buzzword word for promoting Poverty Reduction Strategy Papers in the international community, making it an exciting tool for sustainable participatory development. However, where there is issue with participation is when the communities or countries participating in the process are not included in deciding what points are in policies, and instead tasked with implementing said policies in a participatory manner. Therefore, participation becomes a word only used to gain prestige and generate buzz and support in international organization.

An example of a lack of participation is when Ethiopia implemented its first iteration of the Poverty Reduction Strategy Papers in 2002, in collaboration with the World Bank. In the participatory aspect leading up to its implementation, only 100 of the total 550 districts in the country, which are called *woredas*, were consulted about the

implementation of the Poverty Reduction Strategy Papers. This means that only one-fifth of the Ethiopian population were able to have input on a policy that affects the whole country.

Another critique development experts have of Poverty Reduction Strategy Papers is that the implementation of Poverty Reduction Strategy Papers has turned into a onesize-fits-all approach, with similar policies being implemented according to poverty reduction plans in their countries. This is a departure from what the original purpose of the Poverty Reduction Strategy Papers, which was to have the option of a plan to assist with poverty reduction that was completely customizable to the country it was being implemented in. However, the World Bank has a similar agenda for many developing economies, which leads to analogous plans to alleviate poverty in various locales. In terms of what is prioritized in Ethiopia's Poverty Reduction Strategy Papers, it is unique in that it has maintained a fair amount of controls over the policies implemented in relation to the Poverty Reduction Strategy Papers, and has integrated many of its own national interests into later variations of the Poverty Reduction Strategy Papers. This is important to note because many countries do not have this same degree of control in regards to development policy, instead they are more indebted and forced to conform to the wishes of more developed economies.

Examining Ethiopia's development policy in relation to poverty alleviation shows that maintaining a level of national autonomy in terms of what impositions are allowed to be placed on the country by an outside body is important in order to maintain control of development. Ethiopia, although it started off working with the World Bank in its initial Poverty Reduction Strategy Papers, did manage to take back more control and put in

more national interests in later iterations of Poverty Reduction Strategy Papers. This allowed it to be apart from other countries who have implemented Poverty Reduction Strategy Papers, the fact that Ethiopian interest, specifically pro-poor interests, as prioritized by the Ethiopian government over economic growth.

Even though Ethiopia is primarily focused on pro-poor policies, this does not mean that the policies implemented are not helpful for Ethiopians who are not considered to be living in poverty. During the period from 2000-2015, Ethiopia has maintained a steady economic growth rate, growing rapidly, even in the double digits range. There has been more investment in infrastructure and improvements in agricultural technology. This, coupled with increased investment by the private sector and in the private sector, has benefitted those who are not considered to be impoverished as well. There have been increased job opportunities, especially in the service and industrial sectors, and more women and youth have employment opportunities.

The Millennium Development Goals and Sustainable Development Goals were helpful in Ethiopia's development because they were incorporated into the national development plans and Poverty Reduction Strategy Papers. This means that they became a part of official Ethiopian policy, whereas in other countries, the Millennium Development Goals and Sustainable Development Goals were an aspirational goal, but no concrete plan was put in place to reach them. It is also fitting that many of the Millennium Development Goals were synonymous with Ethiopian development goals, both focused on poverty alleviation, maternal heath, increasing access to and enrollment in education, among other similarities. Therefore, even though the Millennium Development Goals and Sustainable Development Goals have been deemed aspirational goals with no real clout

behind them by critics, Ethiopia serves as a positive example of what can be achieved if they actually are incorporated into national policy, and how they can actually effect development.

However, the question is begged, are the Poverty Reduction Strategy Papers and Millennium Development Goals a comprehensive development plan that will be helpful to Ethiopia? Even though the Ethiopian governments focus is on pro-poor and reducing poverty, is focusing on these policies and paper the most effective way to develop Ethiopia as a country? The Ethiopian government does have other development projects happening, such as the building of the Grand Ethiopian Renaissance Dam on the Nile River, which once completed will allow the country to generate large amounts of sustainable green energy, with enough production of energy predicted that there will be a surplus to sell to neighbouring countries (Ethiopian News Agency, 2018). This is a form of development that is not necessarily touched upon in the Poverty Reduction Strategy Papers, that of sustainable energy production. Sustainable agricultural practices and improvements in them are mentioned, with the focus being on improving this sector compared to the energy sector. However, sustainability and improving living conditions is a big part of the Millennium Development Goals and an even bigger part of the Sustainable Development Goals.

Therefore, even though Ethiopia has been doing admirably in terms of implementing the Sustainable Development Goals and Millennium Development Goals, there are still areas they could improve on. Even though almost all of the Sustainable Development Goals are related to reducing and alleviating poverty, Ethiopia could be doing more on some of the goals related to sustainability. This could include work in the

area of affordable housing and building sustainable cites, or creating mass transportation systems. It could also include investing in sanitation and access to clean water in these cities, as well as in rural areas, where poverty is more prevalent and higher levels of development investment needed to build more infrastructures to help alleviate poverty.

Sustainability is important to keep in mind while working on development and poverty reduction. Ethiopia is currently considered a developing economy, with rapid GDP growth rates, as mentioned previously. However, this extreme growth will be for naught if it is not sustainable growth. Poverty and the conditions which create it will come back and defeat the purpose of the Poverty Reduction Strategy Papers and all the progress they have accumulated so far.

For example, in terms of looking at the Millennium Development Goals and how they are measured in terms of areas like education enrollment, it is mainly focused on primary school enrollment rates. This means that it does not necessarily look at secondary or post-secondary learning, nor focus available resources there. Although basic literacy, which is learned in primary school, is important, more skills and increased capability for sustainable development come with learning at a higher level. Therefore, in order to have an educated population who can effectively sustain development and continued poverty alleviation, it is important to look at the whole education system compared to just the primary level.

Having a clear view of where development is headed is needed in order to have effective change. In Ethiopia, this vision is portrayed in the various iterations of the Poverty Reduction Strategy Papers and through the incorporation of the Millennium

Development Goals and Sustainable Development Goals into development policy.

Having clear development plans that look at a plethora of issues faced by the country in terms of poverty alleviation and reduction has served the country well thus far, and is a concrete plan for going forward, continuing as before.

## 3.2) Conclusion

This thesis examined Poverty Reduction Strategy Papers alongside the Millennium Development Goals and related them to issues of poverty reduction and development in Ethiopia. In examining sustainable development related to various poverty reduction strategies from international institutions such as the World Bank, the United Nations, and the Ethiopian government, the effectiveness of the implementation of such plans was able to be examined and analyzed. The alleviation of poverty alongside development is a relevant topic to discuss as many developing economies also have issues with poverty conditions. Ethiopia offers a glimpse at the implementation of a largely effective implementation of poverty reduction programs alongside development, and is somewhat of an anomaly in a sphere of largely ineffective Poverty Reduction Strategy Papers in the rest of the world. Therefore it is important to see what has worked for Ethiopia and what has not, and possibly implement those policies in different places in the world.

Various iterations of Poverty Reduction Strategy Papers, the Millennium

Development Goals, and the Millennium Development Goals successors the Sustainable

Development Goals were all implemented in Ethiopia with varied levels of success. As

mentioned previously, between the time period of 2000-2015, following the

implementation of such programs, poverty rates and the number of people living below
the poverty line decreased exponentially, almost by half, despite the population

continuing to grow alongside. This is why Ethiopia was chosen as an example in which it

was applicable to examine and explore the policies and plans regarding poverty reduction,

as their successes may have an effect on similar poverty reduction plans in the future.

As mentioned throughout the thesis, it is debated upon as to whether the Millennium Development Goals and Poverty Reduction Strategy Papers are successful paths towards diminishing poverty in Ethiopia. This is due to issues such as lack of ability to measure advancement in reducing poverty conditions, lack of participation by affected actors in implementing policies regarding poverty alleviation, and the varying measures of poverty and development indices and what success is constituted of in those fields. Throughout the thesis, varying descriptions of development and poverty alleviation strategies were examined and analyzed for their contributions to and effectiveness in assisting with development and poverty reduction.

Alongside policy documents from international organizations like the United Nations Development Program, the World Bank, and the Ethiopian Government, the other authors examined drew out the deeper critiques and problematics associated with poverty reduction. These issues are related to both poverty alleviation and development, as they go hand in hand alongside each other and are related very closely. Issues such as sustainability, globalization, increased employment opportunities and improvements in technologies all contribute to both poverty alleviation and development, and flesh out the complications surrounding issues related to these topics.

Going forward, Ethiopia should continue with its current trajectory. From the original Poverty Reduction Strategy Papers to the current Growth and Transformation Plan II, the poverty reduction strategies implemented have been successful in alleviating the number of people living in poverty. Improvements in agriculture and increased investment in infrastructure building have afforded better-quality employment opportunities and allowed for economic growth. The industrial and service sectors have

grown, and advances in agricultural technology have allowed rural citizens to be more secure and be able to access more development capabilities. The continued implementation of development and poverty reduction plans in Ethiopia should follow many of the same themes as listed above, such as continued investment in the industrial sector, and continued advances in areas such as fertilizers and seeds will help to continue the growth seen in Ethiopia thus far.

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