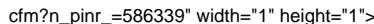


## Poverty in Ethiopia down 33 percent since 2000

Poverty in Ethiopia down 33 percent since 2000  
Progress driven by agricultural growth, investments in basic services and effective safety nets  
Agricultural growth was the main driver of poverty reduction in Ethiopia since 2000, according to the World Bank Groups latest Poverty Assessment. Poverty in Ethiopia fell from 44 percent in 2000 to 30 percent in 2011, which translated to a 33 percent reduction in the share of people living in poverty. This decline was underpinned by high and consistent economic growth. Since 2005, agricultural growth has been responsible for a reduction in poverty of 4 percent a year, suggesting that the agricultural growth strategy pursued by the Government of Ethiopia has paid off. High food prices and good weather ensured that increased use of fertilizer was translated into higher incomes for poor farmers with access to markets. Government spending on basic services and effective rural safety nets has also helped the least well-off in Ethiopia. The Productive Safety Net Program alone has pushed 1.5 million people out of poverty. Although Ethiopia started from a low base, its investment in pro-poor sectors and agriculture has paid-off and led to tremendous achievements in economic growth and poverty reduction, which in turn have helped improve the economic prospects of its citizens, " says Guang Zhe Chen, World Bank Group Country Director for Ethiopia. The pace of poverty reduction in Ethiopia has been impressive, especially when compared with other African countries; only Uganda has had higher annual poverty reduction during the same period. Health, education, and living standards have also improved, with undernourishment down from 75 percent to 35 percent since 1990 and infant and child mortality rates falling considerably since 2000. Ethiopia is one of the most equal countries in the world, and has remained so during this period of economic development and poverty reduction. A number of challenges remain, and 37 million Ethiopians remain either poor or vulnerable to falling into poverty in the wake of a shock. In addition, the very poorest in Ethiopia have become even poorer. The high food prices that improve incomes for many poor farmers make buying food more challenging for the poorest. Moreover, the majority of Ethiopians still live in rural areas and work in agriculture; enabling mobility across sectors and locations needs to be one of the main areas of focus going forward to continue the countrys movement toward ending poverty. As urban centers grow, policies to address poverty in these areas will become increasingly important. "Ethiopia is often unfairly seen as emblematic of poverty and deprivation-but the progress it has seen over the past decade should help change that," says Ana Revenga, Senior Director for Poverty at the World Bank Group. "If this progress continues over the next decade, Ethiopia can propel itself and most importantly, its people into a new era of prosperity." The report indicates that while Ethiopia should continue focusing on agricultural growth and investments in basic services, the potential of migration and non-agricultural growth has been largely missed. Alongside ongoing efforts to support self-employment, encouraging the entry and growth of firms and helping households overcome constraints to urban migration could also further help Ethiopia to reduce poverty and promote prosperity for all of its people. Poverty reduction has been fastest in the regions where poverty was highest a decade and a half ago, and the remaining poor live in every district across the country. Safety net programs, which have been effective, will need to adapt to the changing landscape of poverty in Ethiopia. Media Contacts  
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