

**“VISIONARY APPROACH OF ETHIOPIA” –  
MILLENNIUM DEVELOPMENT GOALS – A BENCHMARK**

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Abstract

*Ethiopia has a vision of achieving its objectives as poverty reduction, primary education empowerment of women and maternal Health, Child mortality, Gender equality.*

*The IBRD and ADB are playing a active role in succession of Ethiopia's MDG's achievement.*

**KEY WORDS: GDP, MDG, SDG, EMPOWERMENT, NON MONETARY DIMENSION**

Introduction

Ethiopia is the second-most populous country in Sub-Saharan Africa with a population of 99.4 million, and population growth rate of 2.5% in 2015. The country's per capita income of \$590 is substantially lower than the regional average (source: Gross National Income, Atlas Method).

- The Real GDP in 2017 - 7.5
- Consumer Price - 6.3

More than 70 percent of the population earns a living from land, mainly as subsistence farmers. Agriculture is the backbone of the national economy.

The economy has experienced strong and broad-based growth over the past decade, averaging 10.8% per year in 2003/04 - 2014/15 compared to the regional average of 5.4%. The expansion of services and the agricultural sector account for most of this growth, while

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manufacturing performance was relatively modest. Private consumption and public investment explain demand-side growth, with the latter assuming an increasingly important role in recent years.

#### OBJECTIVES:

- To Assess and analyze the vision and Millennium Development Goals of Ethiopia.
- To focus the impact of Millennium Development of Goals of Ethiopia.

#### NEED OF THE STUDY:

As Ethiopia is In dire need of the assessment of its MDG's, the researcher has focused on the objectives and Millennium Development Goals. The study has made an analysis based on the data how Ethiopia has achieving its vision and MDG goals. The major key areas are poverty reduction, literacy, and empowerment of women.

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education
3. To promote gender equality and empower women
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/AIDS, malaria, and other diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development
9. To analysis and impact of MDG's

#### REVIEW OF LITERATURE:

According to the second Growth and Transformation Plan (GTP II), Ethiopia aims to become a middle-income country by 2040. In fact, industrialization is the main instrument at the disposal of the Government of Ethiopia to achieve its objectives – creating employment and growth. This paper reviews city-based industrialization across Ethiopia to understand (a) its importance in driving net job creation, and (b) the factors that determine the success of high-growth industries and cities. The focus of the analysis is on firms, industries and cities in Ethiopia that create and sustain jobs. (Hsieh and Klenow, 2009, 2014),

Although there is widespread evidence that household and micro and small enterprises create the vast majority of jobs in developing countries, there is also growing evidence that these firms also exit the market in large numbers, destroying jobs, and that they tend to stay small, adding little to employment growth over time (see Rijkers et al 2014 for an excellent overview of the related literature on the ability of productive enterprises to increase employment).

Nonmonetary dimensions of poverty have been improving. Health, nutrition, education, and empowerment have improved; and violence has diminished. But the challenges remain enormous: more than two in five adults are still illiterate, and the quality of schooling is often low; after a decade of relative peace, conflict is on the rise. Nonmonetary welfare indicators are

weaker in resource-rich countries, conditional on income, pointing to the unmet potential of natural resource wealth.

In addition to droughts, HIV/AIDS, and also malaria, continue to present substantial risks to the Ethiopian population. The prevalence of HIV/AIDS is estimated at 4.4 percent of all adults infected (2.6 percent in rural and 12.6 percent in urban areas) in 2003. The latest estimates further suggest that the rate at which the HIV/AIDS epidemic is progressing, declined over the past years, especially in urban areas, which is in line with observed changes in behavior. Nonetheless, with about 1.5 million people currently infected and an estimated 539,000 AIDS orphans, HIV/AIDS continues to threaten future development and poverty reduction in Ethiopia. While largely neglected, malaria is also a major contributor to the disease burden in Ethiopia, third only to acute respiratory illness and prenatal disease. HIV/AIDS and malaria account for 6.2 and 4.5 percent of child deaths respectively. (Source: Report No.29468 ET Ethiopia wellbeing and poverty in Ethiopia)

The researcher analyzed with the help of secondary data and various reports.

According to five-year (2010/11-2014/15) Growth and Transformation Plan (GTP) in line with its long-term vision of achieving rapid, sustainable and economic growth and development, reducing poverty, and meeting the Millennium Development Goals (MDGs) within the framework of macroeconomic stability.

Economic growth brought with it positive trends in poverty reduction in both urban and rural areas. While 55.3% of Ethiopians lived in extreme poverty in 2000, by 2011, this figure was reduced to 33.5%, as measured by the international poverty line of less than \$1.90 per day.

The government aspires to reach lower-middle income status over the next decade. The government is currently implementing the second phase of its Growth and Transformation Plan (GTP II). GTP II, which will run from 2015/16 to 2019/20, aims to continue improvements in physical infrastructure through public investment projects and transform the country into a manufacturing hub. The overarching goal is to turn Ethiopia into a lower-middle-income country by 2025. Growth targets are comparable to those under the previous plan, with annual average GDP growth of 11%; in line with the manufacturing strategy, the industrial sector is slated to grow by an average of 20%.

In its 5th Economic Update, the World Bank Group identifies challenges and opportunities in Ethiopia's economy and labor market. The report notes that while Ethiopia's economy was remarkably resilient to the effects of the drought, the 2015/16 growth rate declined to 8%. Addressing key constraints in the economy and labor market will enable Ethiopia to further facilitate economic growth and structural transformation.

Executive Directors commended the authorities' macroeconomic management that has delivered robust GDP growth and poverty reduction. Directors noted that the outlook for Ethiopia remains broadly favorable but domestic and external vulnerabilities have increased.

There has been similar progress on poverty, human development and capacity. Poverty in both urban and rural areas has been reduced substantially from 39 percent of Ethiopians living

below the national poverty line (US\$0.6 per day) in 2004/05, to less than 30 percent six years later. Ethiopia is on track to achieve MDGs related to gender parity in primary education, child mortality, HIV/AIDS, and malaria. Good progress has been made in increasing access to primary education (currently 85 percent coverage), but it may not be enough to reach the MDG on universal primary education. Limited progress has been made in reducing maternal mortality, which remains 676 per 100,000 live births. Finally, during the past decade Ethiopia has made impressive progress in decentralizing authority.

By 2011, 41 percent of rural towns and villages were connected to the grid and the number of consumers connected grew from 800,000, in 2005, to more than 2 million in 2011. Going forward, the hydropower sector holds great promise for Ethiopia as a source of investments and closer regional integration.

These goals were merely goals. Every country was left free not to accept them, and free to choose the policy instruments it thought most appropriate to reach them. The only strength it carried was the strength of persuasion or publicity. The progresses aimed at were quantifiable, and quantified. For each goal, several measurable indicators were identified, such as: halve the percentage of people suffering from hunger, or reduce by 2/3 under-five-child mortality. The MDG set a target date: 2015. In other words, they covered the 2000-2015 periods. They have been systematically monitored, and it appears that in many cases many countries met the stated goals, at least partially. This is very encouraging. Of course, it does not prove that the MDGs program, which was purely rhetorical and not supported by any specific financial or technical means, was really instrumental in the progresses achieved.

The fourth major government goal is inter-regional disparities reduction. As mentioned above, Ethiopian regions are not very unequal in per capita income terms (nothing to compare with what can be found in countries such as Brazil or China). But they are very different. They have strong social and cultural and linguistic identities. They do not benefit from similar levels of infrastructure and public service provision.

Eastern regions such as Somale and Afar, or smaller regions such as Gambela or Benishangul, may have per capita income levels comparable to average regional income levels, they are, and feel, different. This could jeopardize the very coherence of the State. It is therefore very important that a process of convergence between regions be introduced and maintained. Much has already been done in the past decades, but more is required. All policies – particularly those that impact directly regions such as the specific grand examined here – must be looked at with this regional policy lenses.

The Sustainable Development Goals (SDGs) are a set of global development targets adopted by the member countries of the United Nations (UN) in September 2015. The SDGs will guide the global development agenda through 2030. The SDGs are universal and broader in scope than the Millennium Development Goals (MDGs), reflecting the view that development needs to be economically, socially, and environmentally sustainable. The IMF, with its expertise on macroeconomic and financial issues and its global membership, supports the development efforts of its member countries and promotes global economic and financial stability, a crucial precondition for the success of development efforts.

Despite the enormous challenges the country has faced in recent years, Ethiopia has proven resilient and has achieved impressive economic growth. Ethiopia is also among those countries that have made the greatest progress toward achieving the Millennium Development Goals (MDGs). Over the past two decades, there has been significant progress in key human development indicators: primary school enrollments have quadrupled, child mortality has been cut in half, and the number of people with access to clean water has more than doubled. These gains, together with more recent moves to strengthen the fight against malaria and HIV/AIDS, paint a picture of improved well-being in Ethiopia. However, Ethiopia still faces challenges in achieving the maternal mortality and gender MDGs. Similarly, while access to education has increased, learning outcomes and the quality of education are not keeping pace with it, and there are regional and gender disparities in basic educational proficiency. Notwithstanding the progress in critical aspects of human development, Ethiopia still needs considerable investment and improved policies to reach its development objectives, given the country's low starting point.

This is well documented on the case of Ethiopia. When poverty is defined in absolute terms, as the situation of people or households living below a given income or consumption level, and when income distribution does not change, then economic growth reduces the poverty ratio (share of people in poverty/total population). This is exactly what has happened in Ethiopia, as excellently analyzed in MOFED (2013). Inequality, as measured by the Gini coefficient, remained practically at the same level (0.30) over the 2000-2011 periods. Per capita income increased significantly over the same period. And the poverty rate declined substantially, from 44% in 2000 to 29% in 2011. MOFED (2013, p. 66) estimates the elasticity of poverty to growth to be around -2.0: when GDP increases by 1%, poverty declines by 2%. This is a high elasticity by international standards. Inasmuch as it contributed to growth, the MDGs grant contributed to poverty reduction.

Table IV-4 – MDGs Achievements in Ethiopia, 1990-2015; Goal Indicator 1990 2010 2014

Sl. No.	Goal Indicator	1990	2010	2014
1	Pop living below poverty line (%)	48	29	23
2	GERa in primary education (%)	32	96	101
3	Primary education completion rate (%)	34	79	NA
4	Girls/boys ratio in primary educ (%)	61	93	93
5	Girls/boys ratio in secondary educ (%)	61	80	85
6	Girls/boys ratio in higher educ (%)	24	29	NA
7	Under-five mortality rate	190	101	63
8	Measles immunization (%)	42	77	90
9	Maternal mortality ratio	871	590	420
10	Contraception prevalence rate (%)	4	29	42
11	Birth attended by skilled persons (%)	9	10	15
12	Antenatal coverage (%)	20	34	40
13	Overall HIV/AIDS prevalence (%)	7	20	1
14	Pop without access to safe water (%)	81	32	32

The table shows that over the past 25 years Ethiopia made impressive progresses in relation to the Millennium Development Goals. The value of positive indicators (such as

enrollment in primary education) was multiplied by a factor of 2 or 3; the value of negative indicators (such as child mortality) was divided by a similar magnitude. What role was played in this success by the MDGs grant?

Analytical approach – From an analytic viewpoint, following points can be made;

First, the grant contributed indirectly. As discussed below, it increased growth and development. And economic growth has a positive impact upon a number of the Millennium Development goals. This is obvious for poverty reduction, which is automatically decreased by growth (when inequality remains unchanged). But it is also true for MDG indicators such as progress towards gender equality. We therefore have the following relationship:

MDGs grant —> Growth -> MDG

Second, the grant must have contributed directly in three sectors for which there are MDG indicators, namely education, health and water. These sectors account for about half of MDGs grant expenditures.

## **CONCLUSION:**

Sustainable Development Goals and challenges of Ethiopia:

The main challenges for Ethiopia are sustaining positive economic growth and accelerating poverty reduction, which will require significant progress in job creation, and the continued implementation of improved governance practices. The government is already devoting a very high share of its budget to pro-poor programs and investments. Large scale donor support will continue to provide a vital contribution in the near-term to finance the levels of spending needed to meet these challenges. However, even if donor support is increased, using aid effectively will require Ethiopia to improve governance, empower local authorities, and become more accountable to its citizens. In addition, to maintain high economic growth, the country needs to identify sustainable ways to finance infrastructure, support private investment through credit markets, and tap into the growth potential of structural reforms.