

With high prevalence of lived poverty, Ethiopians rate government's economic performance as poor

Afrobarometer Dispatch No. 426 | Mulu Teka

Summary

Home to about 115 million people, Ethiopia is the second-most-populous nation in Africa and has one of the fastest-growing economies in the region. According to the World Bank (2020), Ethiopia's economy experienced strong, broad-based growth averaging 9.8% a year from 2008/2009 to 2018/2019, with the share of the population living below the national poverty line declining from 38% to 24% over the same period.

The International Monetary Fund (2020) notes that Ethiopia's per capita income has risen by about 200% since 1990 while life expectancy increased by about 10 years in a decade and infant mortality was reduced by half.

Despite this impressive economic growth, Ethiopia remains one of the poorest countries in the world with a per capita annual income that the government estimates at \$883 (MoFEC, 2019).

Findings from the most recent Afrobarometer survey show that macroeconomic gains do not tell the whole story. With a high prevalence of lived poverty, many Ethiopians continue to experience frequent shortages of basic necessities in their daily lives. More than half report moderate or high levels of lived poverty, and most rate the government's performance on economic issues as poor.

Afrobarometer surveys

Afrobarometer is a pan-African, nonpartisan survey research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Seven rounds of surveys were completed in up to 38 countries between 1999 and 2018. Round 8 surveys in 2019/2021 are planned in at least 35 countries. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

These findings are drawn from a survey of 2,400 adult citizens conducted in December 2019-January 2020 by ABCON – Research & Consulting with financial support from Freedom House. A sample of this size yields country-level results with a margin of error of +/-2 percentage points at a 95% confidence level. A previous survey was conducted in Ethiopia in 2013.

Key findings

- Ethiopians are evenly divided in their assessments of the country's economic conditions: 45% say they are "fairly good" or "very good," while 44% describe them as bad.

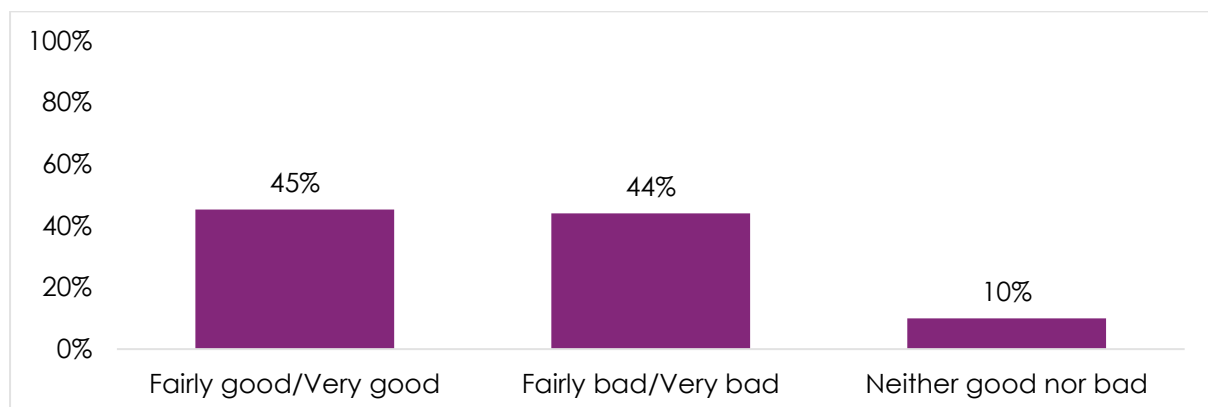
- Negative assessments of the economy are particularly common among the poorest citizens (58%) and among residents of Tigray regional state (72%) and Addis Ababa (71%).
- Half (49%) of Ethiopians say economic conditions have worsened over the past year. But half (50%) also believe they will improve over the next 12 months.
- Citizens who describe their personal living conditions as “fairly good” or “very good” outnumber those who see them as bad (51% vs. 38%).
- Significant proportions of the population experienced lived poverty (shortages of basic life necessities). More than eight in 10 respondents (86%) say they went without a cash income at least once during the previous year, including 40% who did so “often” or “always.”
 - Many also frequently went without enough clean water (32%), medical care (24%), enough food (10%), and enough cooking fuel (13%).
- Based on the frequency of these shortages, a majority (54%) of Ethiopians suffered moderate or high levels of lived poverty during the previous year, while four in 10 (39%) experienced lower levels of deprivation. Only 7% avoided any experience of lived poverty.
- By large majorities, citizens say the government is doing a “fairly bad” or “very bad” job of keeping prices stable, helping the poor, and handling other economic issues.

Country's economic conditions

Ethiopians are evenly divided in their assessments of the country's economic conditions. Almost half (45%) describe them as “fairly good” or “very good,” while about the same proportion (44%) say they are bad (Figure 1).

Negative assessments of the country's economic conditions are considerably more common among the poorest citizens¹ (58%) than among their better-off counterparts (35%-39%) (Figure 2). Urbanites are more likely than rural residents to see them as bad (53% vs. 42%).

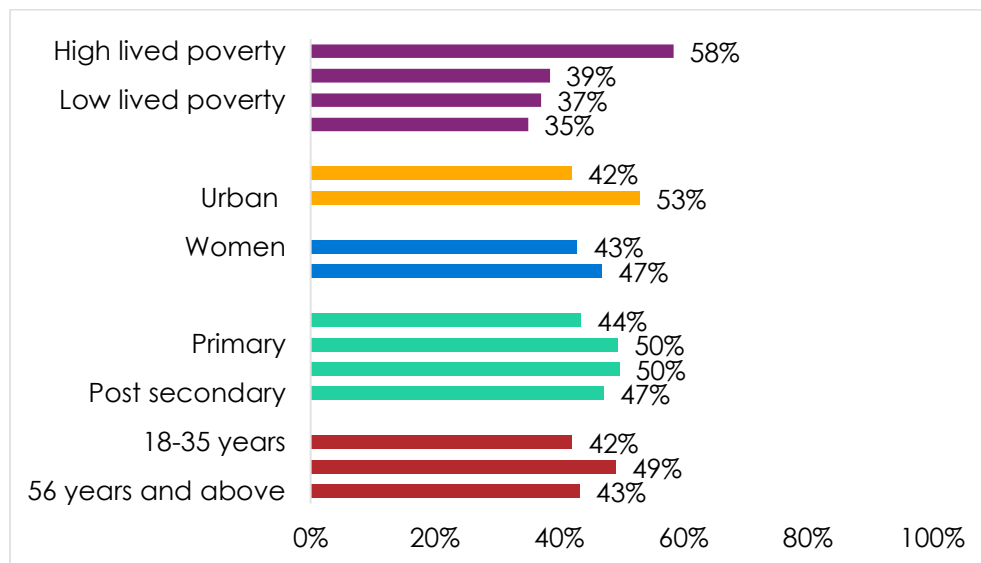
Figure 1: Country's economic conditions | Ethiopia | 2020



Respondents were asked: In general, how would you describe the present economic conditions of the country?

¹ Afrobarometer's Lived Poverty Index (LPI) measures respondents' levels of material deprivation by asking how often they or their families went without basic necessities (enough food, enough water, medical care, enough cooking fuel, and a cash income) during the preceding year. For more on lived poverty, see Mattes (2020).

Figure 2: Country's economic conditions are bad | by socio-demographic group
| Ethiopia | 2020

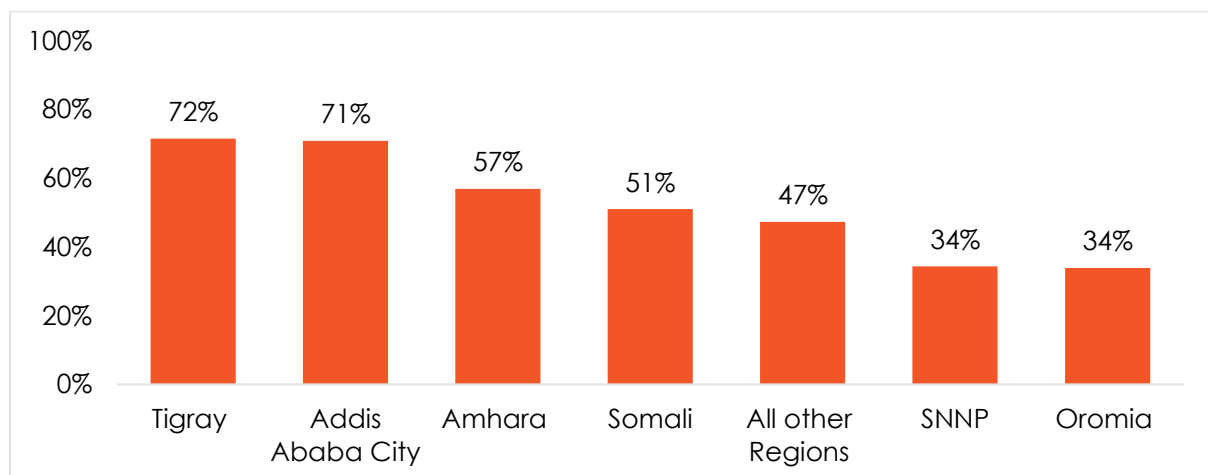


Respondents were asked: In general, how would you describe the present economic conditions of the country? (% who say "fairly bad" or "very bad")

Assessments of economic conditions also vary considerably by geographic location. Residents of Tigray regional state (72%) and Addis Ababa City Administration (71%) are far more likely to describe them as bad than are residents of other states. Addis Ababa is an urban center whose residents are likely to feel the sting of ever-increasing inflation; according to the Central Statistics Agency (2020), inflation on food items in Addis Ababa was at a record high rate of 25.3% as of January 2020, higher than in any other state. As for Tigray, the regional state's ruling party has been at loggerheads with the federal government over economic and other issues since the Parliament elected a new prime minister in 2018.

Conversely, in Oromia – home to most of the popular protests that brought the new government to power in 2018, as well as to the prime minister himself – and in neighboring SNNP region, only one-third (34%) of residents see economic conditions as bad (Figure 3).

Figure 3: Country's economic conditions are bad | by regional state | Ethiopia
| 2020



Respondents were asked: In general, how would you describe the present economic conditions of the country? (% who say "fairly bad" or "very bad")

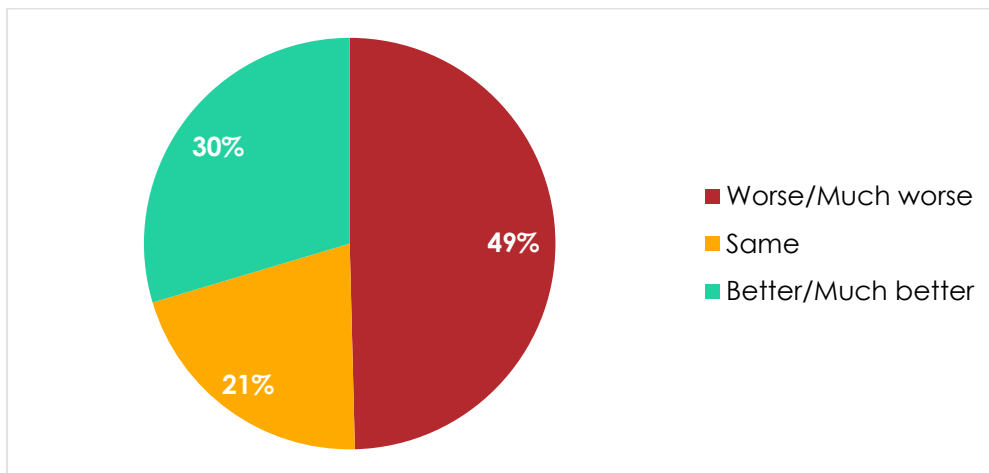
About half (49%) of respondents say that national economic conditions have worsened over the past 12 months, while 30% say they have improved and 21% say they haven't changed (Figure 4).

The perception that things have gotten worse is particularly common among poor citizens (67% of the poorest, vs. 36% of the best-off), urban residents (61%), and people with post-secondary education (60%) (Figure 5).

However, half (50%) of Ethiopians are optimistic that the economy will improve over the coming year, while about half as many (28%) expect things to get worse (Figure 6).

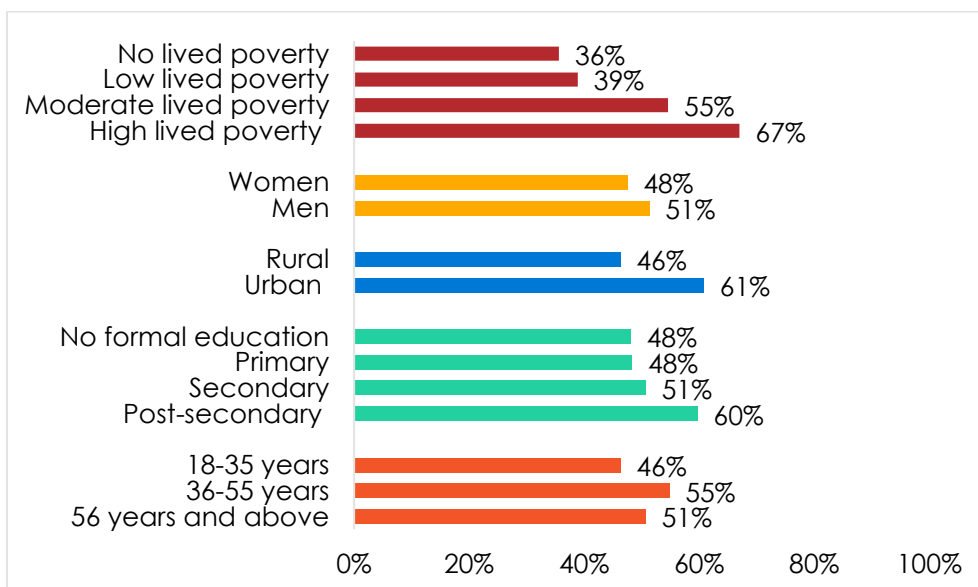
Optimism about rosier economic conditions in the future is more widespread among citizens who are relatively well off (60% of those with no lived poverty, vs. 40% of those with high lived poverty) (Figure 7).

Figure 4: Country's economic conditions compared to 12 months ago | Ethiopia | 2020



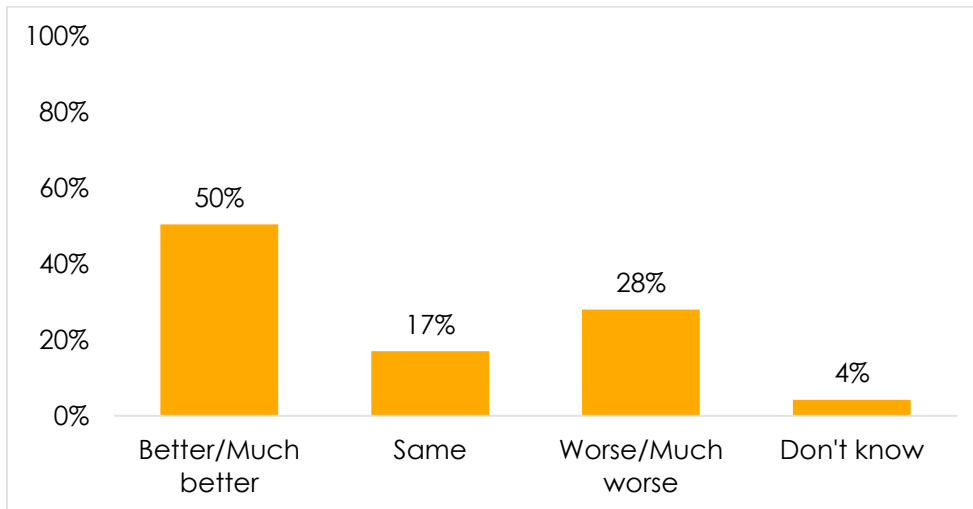
Respondents were asked: Looking back, how do you rate economic conditions in this country compared to 12 months ago?

Figure 5: Country's economic conditions worse | by socio-demographic group | Ethiopia | 2020



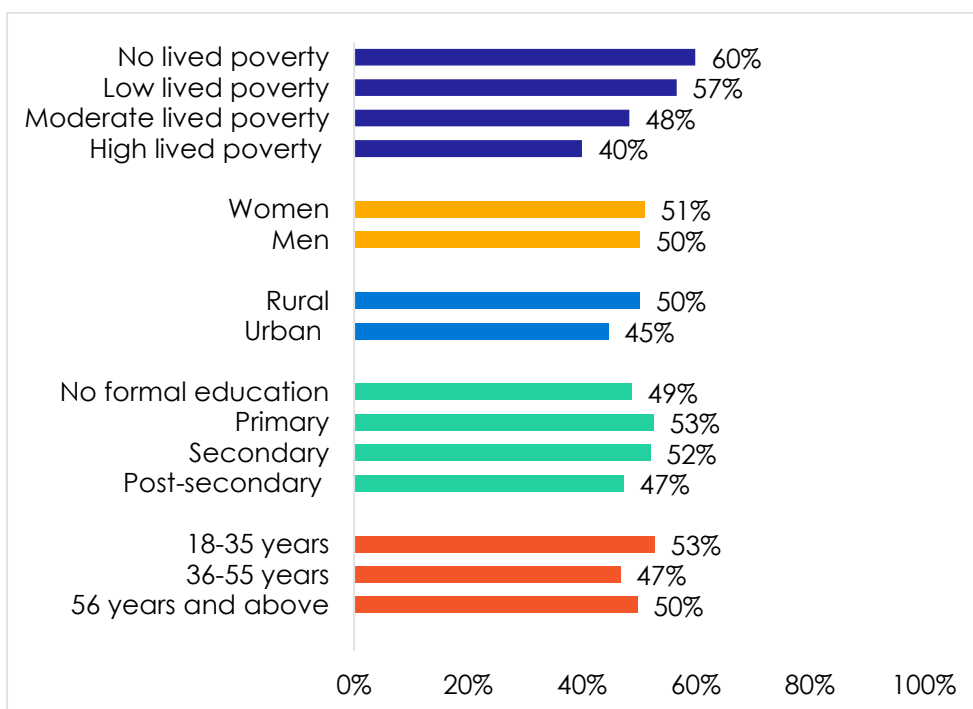
Respondents were asked: Looking back, how do you rate economic conditions in this country compared to 12 months ago? (% who say "worse" or "much worse")

Figure 6: Country's economic conditions in 12 months' time | Ethiopia | 2020



Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time?

Figure 7: Country's economic conditions better in 12 months' time | by socio-demographic group | Ethiopia | 2020



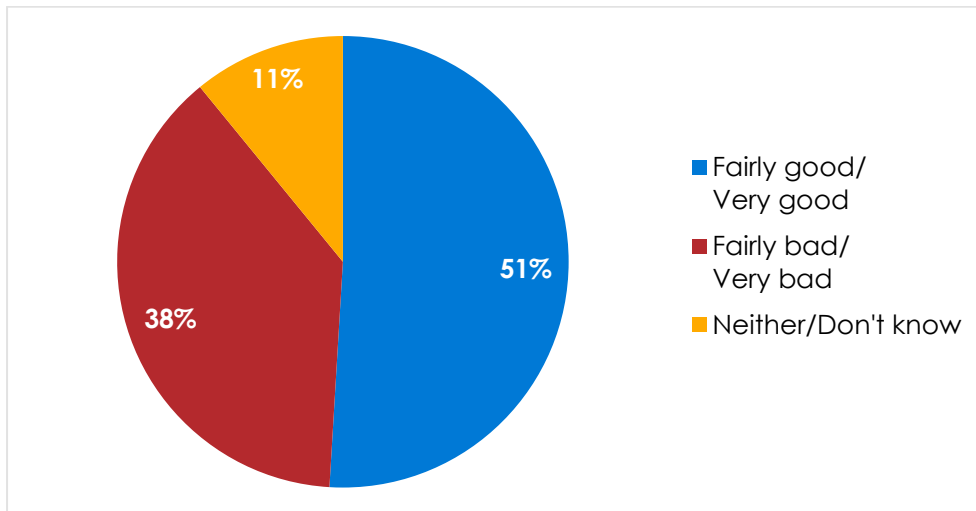
Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time? (% who say "better" or "much better")

Personal living conditions

Half (51%) of Ethiopians say their personal living conditions are "fairly good" or "very good," outnumbering those who consider their living conditions bad (38%) (Figure 8).

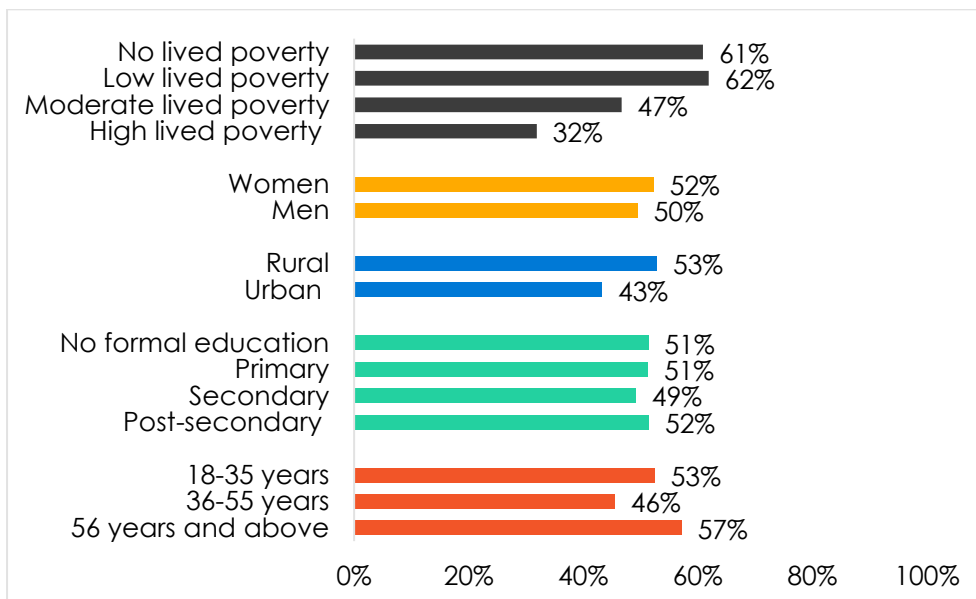
As might be expected, economically better-off citizens are about twice as likely as poor citizens to say their living conditions are good (61% vs. 32%) (Figure 9). Rural residents are more upbeat about their living conditions than are city dwellers (53% vs. 43%).

Figure 8: Personal living conditions | Ethiopia | 2020



Respondents were asked: In general, how would you describe your own present living conditions?

Figure 9: Personal living conditions are good | by socio-demographic group
| Ethiopia | 2020



Respondents were asked: In general, how would you describe your own present living conditions? (% who say "fairly good" or "very good")

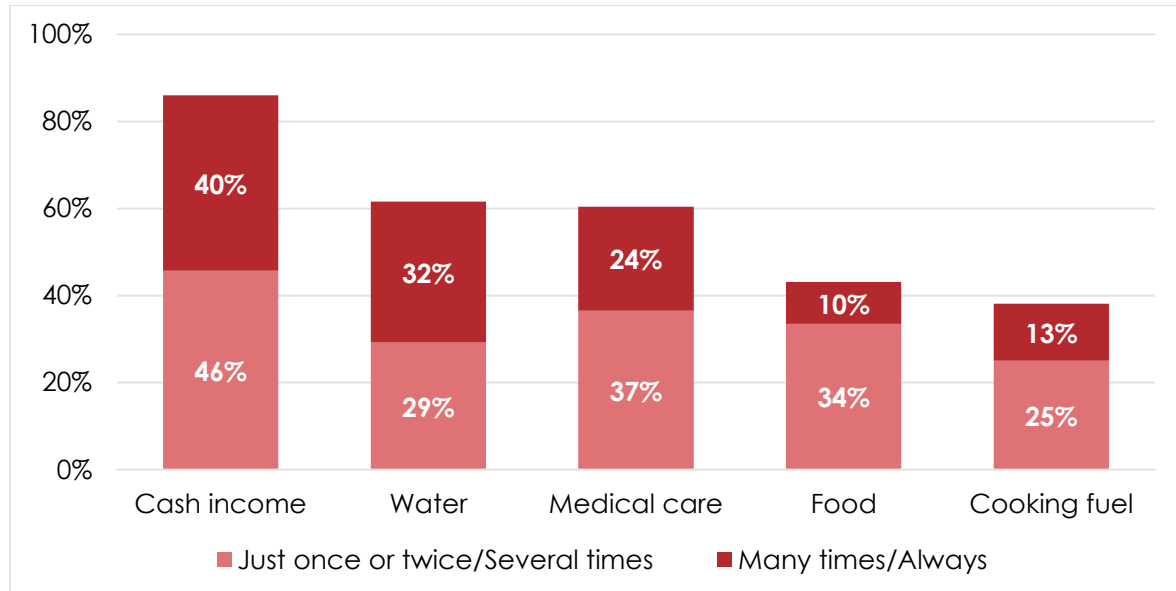
Levels of deprivation

Citizens' mixed views of the country's economy and their personal living conditions are reflected in the levels of deprivation in their everyday lives. To gauge "lived poverty," Afrobarometer asks respondents how often, during the previous 12 months, they or a family member went without five basic necessities (enough food, enough clean water, medical care, enough cooking fuel, and a cash income).

Lack of a cash income was the form of deprivation most commonly experienced by Ethiopians. Almost nine out of 10 (86%) say that they or someone in their family went without a cash income at least once during the previous 12 months, including 40% who did so "often" or "always" (Figure 10).

Significant proportions of the population also experienced frequent shortages of clean water (32%), medical care (24%), food (10%), and cooking fuel (13%).

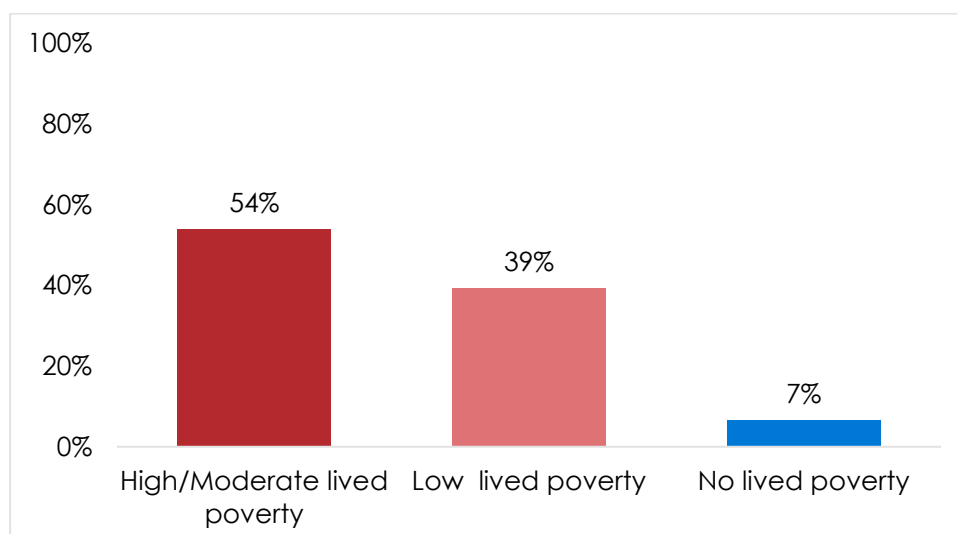
Figure 10: Went without basic necessities in the past year | Ethiopia | 2020



Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income?

Afrobarometer's Lived Poverty Index (LPI), which is calculated based on the frequency of these reported shortages, shows that a majority (54%) of Ethiopians experienced moderate or high levels of lived poverty (i.e. frequent deprivation of basic necessities) during the previous year, while about four in 10 (39%) experienced lower levels of deprivation (Figure 11). In spite of Ethiopia's lengthy period of economic growth, only 7% did well enough to escape lived poverty altogether.

Figure 11: Lived Poverty Index (LPI) | Ethiopia | 2020

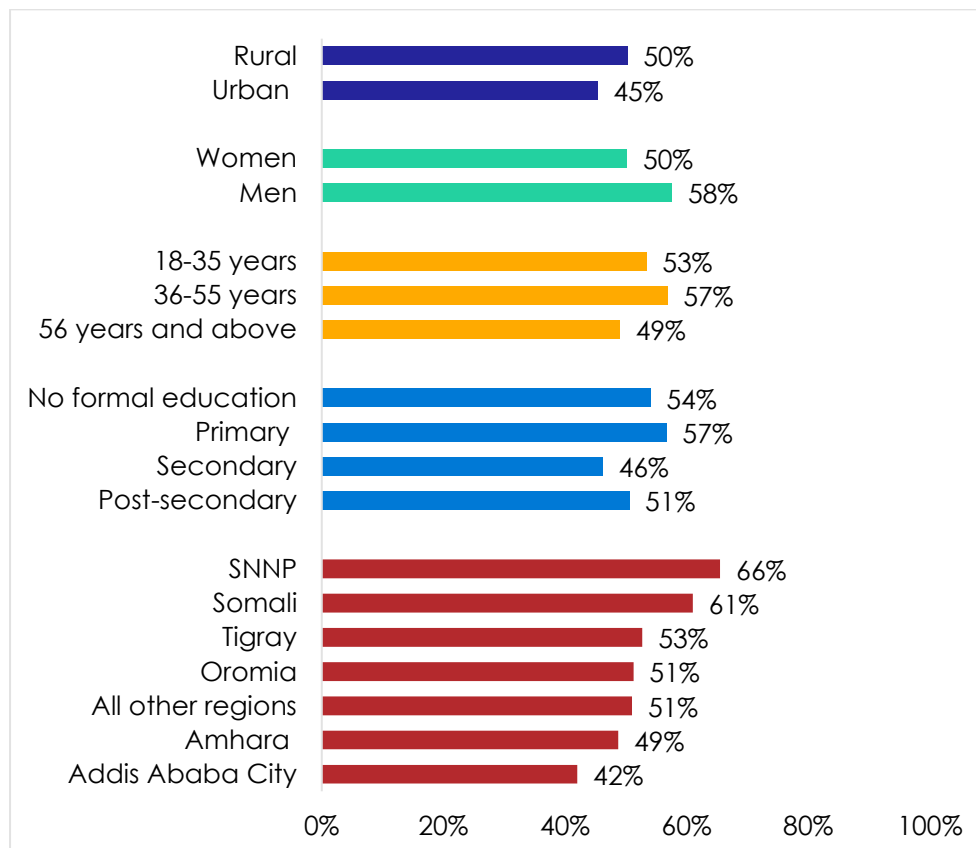


The Lived Poverty Index is calculated based on the frequency with which respondents and their families went without enough food, enough clean water, medical care, enough cooking fuel, and a cash income during the previous year.

Moderate and high lived poverty was more prevalent among men (58%) than women (50%) and slightly more common in rural areas (50%) than in cities (45%). Middle-aged and less educated citizens were more likely to experience moderate/high lived poverty than their counterparts (Figure 12).

Greater variation is visible among the regional states. More than six in 10 residents in the SNNP (66%) and Somali (61%) regions experienced moderate or high levels of lived poverty, compared to about half of the population in most other regions and about four in 10 residents in Addis Ababa (42%).

Figure 12: High/moderate lived poverty | by socio-demographic group | Ethiopia | 2020



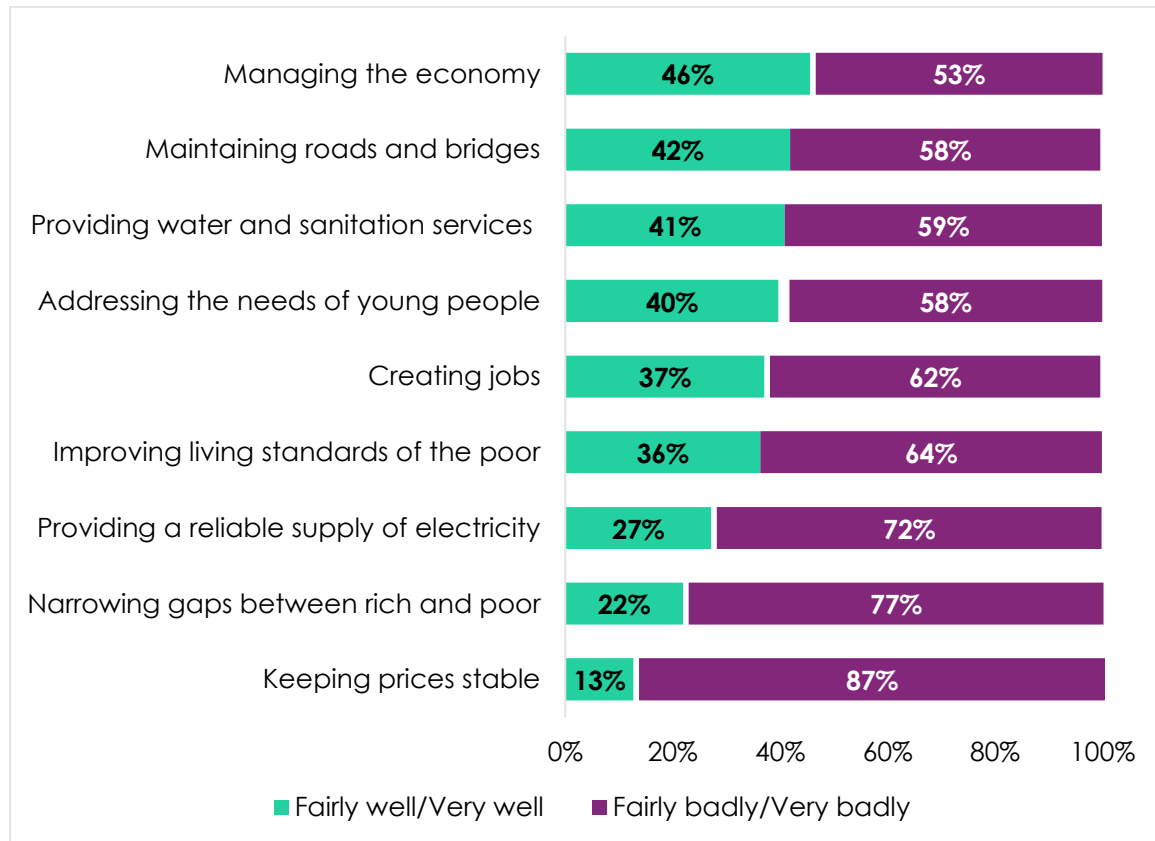
The Lived Poverty Index is calculated based on the frequency with which respondents and their families went without enough food, enough clean water, medical care, enough cooking fuel, and a cash income during the previous year.

Government performance on economic issues

Given the prevalence of lived poverty, it is hardly surprising that large majorities give the government low marks on its performance on economic issues (Figure 13). Almost nine out of 10 Ethiopians (87%) say the government is doing a poor job of keeping prices stable – a particular concern in light of double-digit price hikes on food items (Central Statistics Agency, 2020).

About three-fourths of citizens also say the government is performing “fairly badly” or “very badly” when it comes to narrowing gaps between the rich and the poor (77%), while about six in 10 score the government poorly on improving the living standards of the poor (64%), creating jobs (62%), and providing water and sanitation services (59%). More than half are not happy with the way the government is addressing the needs of young people (58%) and managing the economy in general (53%).

Figure 13: Government performance on economic issues | Ethiopia | 2020



Respondents were asked: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say?

Conclusion

The most recent Afrobarometer survey in Ethiopia shows that significant proportions of the population frequently go without a cash income, enough clean water, medical care, and other basic necessities of life. More than half experienced moderate or high levels of lived poverty last year; only a few did well, suggesting that Ethiopia's lengthy period of continuous GDP growth has yet to reach many citizens.

Ethiopians are divided in their assessments of the country's economic conditions and their personal living conditions. But they speak with a clear voice in giving the government low marks on its performance with regard to keeping prices stable, improving living standards of the poor, creating jobs, and a number of related economic issues. In so doing, they call upon the government to work on economic strategies that translate the gains earned from GDP growth into improvements in citizens' daily lives.

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Afrobarometer, a nonprofit corporation with headquarters in Ghana, is a pan-African, non-partisan research network. Regional coordination of national partners in about 35 countries is provided by the Ghana Center for Democratic Development (CDD-Ghana), the Institute for Justice and Reconciliation (IJR) in South Africa, and the Institute for Development Studies (IDS) at the University of Nairobi in Kenya. Michigan State University (MSU) and the University of Cape Town (UCT) provide technical support to the network.

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