Addressing Rural Poverty in Highland Ethiopia: Policy Options for Sustainable Livelihoods in Debark District

Ermiyas Ademe Melaku, MSc. In Economic Policy Analysis
Department of Economics, College of Business and Economics, Debark University, Debark, Ethiopia
ademeermiyas356@gmail.com/ermiyas.ademe@dku.edu.et, https://orcid.org/0000-0002-5176-2860

Received: June 21, 2026
Revised: June 28, 2026
Published: July 01, 2026

Executive Summary

About 26.5% of rural households in Debark District live below the poverty line. The poverty gap is 4.5%, and poverty severity is 3.5%, suggesting that many poor households are close to the poverty threshold and could improve with well-targeted support. Evidence from 396 rural households, focus group discussions, and key informant interviews shows that larger family size, higher dependency ratios, female household headship, and residence in Dega highland areas increase the risk of poverty. Livestock ownership and access to credit reduce vulnerability by supporting income generation, consumption smoothing, and resilience to shocks. The brief recommends four priority actions: (1) spatially differentiated support for Dega highland communities, (2) livestock-centered livelihood development, (3) inclusive and responsible rural financial services, and (4) gender-responsive agricultural and social support. These actions align with Ethiopia's Ten-Year Development Plan, the Agricultural Transformation Strategy, the Productive Safety Net Program, and the Climate Resilient Green Economy strategy.

1. Problem and Policy Context

Rural poverty remains a major development challenge in Ethiopia's highland areas, where most households depend on smallholder agriculture and mixed crop-livestock production. Although Ethiopia has made progress in economic growth and national poverty reduction, rural communities continue to

Corresponding author: ademeermiyas356@gmail.com

face weak infrastructure, limited access to productive assets, climate stress, low market integration, and few non-farm employment opportunities(E. Foster et al., 2025; Poverty & Initiative, 2024).

Debark District in North Gondar Zone, Amhara Region, reflects these challenges. Many communities live in rugged highland environments(North Gondar Zone Agriculture office, 2021), depend on rain-fed farming, and face limited access to roads, finance, veterinary services, irrigation, storage facilities, and agricultural extension. Female-headed households and households with many dependents are especially vulnerable because they often have less labor, fewer assets, and weaker access to credit and services(Chant, 2004).

Current national programs, including the Productive Safety Net Programme and agricultural transformation initiatives, provide an important foundation. However, the evidence from Debark shows that general rural development programs need stronger spatial targeting, better gender responsiveness, and closer links between livestock, finance, infrastructure, and climate resilience.

2. Evidence and Analysis

This brief is based on household-level empirical evidence from Debark District. The study used consumption-based poverty measurement, quantitative household survey data, and qualitative information from rural communities and local institutions.

2.1 Poverty profile

- Poverty incidence: approximately 26.5% of rural households live below the poverty line.
- The poverty gap is 4.5%, showing that many poor households are not far below the poverty threshold.
- Poverty severity is 3.5%, indicating that extreme deprivation exists but is not the only problem; many households could benefit from practical and well-targeted livelihood support.

2.2 Key determinants of rural poverty

- **Household size and dependency burden:** Larger families and households with many dependents face higher poverty risk because consumption needs rise faster than productive capacity.
- **Gender of household head:** Female-headed households are more likely to be poor due to limited access to labor, land, livestock, credit, and agricultural extension(Chant, 2004).

- **Livestock ownership:** Livestock reduces poverty risk by generating income, improving food security, supporting savings, and helping households cope with shocks (Dercon, 2004).
- **Access to credit:** Households with access to credit are less likely to be poor because finance helps them invest in farming, livestock, petty trade, and other livelihood activities(Hussen & Mohamed, 2023).
- **Agro-ecological location:** Households in Dega zones are more vulnerable than those in Weynadega areas because of harsher climate, lower crop productivity, weaker market access, and higher production risk.

Qualitative findings from farmers, development agents, community leaders, and local government representatives support the quantitative results. Participants emphasized land fragmentation, climate shocks, asset scarcity, and weak market access as major barriers to livelihood improvement.

3. Policy Options Matrix

The table below summarizes practical policy options, responsible stakeholders, expected benefits, risks, feasibility, and priority level.

Policy option	Core intervention	Stakeholders and feasibility	Priority rationale
Highland-focused rural infrastructure	Invest in feeder roads, small-scale irrigation, storage facilities, market centers, and veterinary service points.	Federal and regional governments, Ministry of Agriculture, district offices, and development partners. Feasibility: Medium because the investment cost is high and maintenance must be planned from the start.	High priority because better roads, irrigation, storage, and service centers directly improve market access, productivity, rural employment, and service delivery in remote highland areas.
Livestock-based livelihood development	Expand veterinary care, improved breeding, fodder production, disease control, and livestock extension for poor households.	Ministry of Agriculture, regional livestock offices, farmer cooperatives, and NGOs. Feasibility: High because it can build on	High priority because livestock ownership is one of the strongest protective factors against poverty through income, food security, savings, and

		existing extension and animal-health systems.	shock recovery.
Inclusive rural financial services	Expand microfinance, cooperative savings, mobile banking, financial literacy, and pro-poor credit products.	National Bank of Ethiopia, microfinance institutions, cooperatives, NGOs, and mobile service providers. Feasibility: Medium-High if financial literacy and repayment support are included.	Medium-High priority because credit helps households invest and diversify, but weak financial literacy and loan-default risk must be managed carefully.
Gender-responsive rural development	Provide women-targeted credit, extension, livestock packages, land-rights support, and women-led enterprise assistance.	Ministry of Women and Social Affairs, local government, NGOs, and extension offices. Feasibility: Medium because cultural barriers and institutional coordination require sustained work.	High priority because female-headed households face higher poverty risk and need targeted access to productive assets and services.
Demographic and human-capital support	Strengthen family planning, youth skills, school support, nutrition education, and social-protection links.	Health offices, education offices, youth bureaus, PSNP implementers, and NGOs. Feasibility: Medium because it requires multi-sector coordination.	Medium priority because it reduces long-term dependency pressure and improves future household productivity.

4. Recommended Policy Actions

1. Adopt spatially differentiated poverty strategies. Prioritize Dega highland kebeles for climate-resilient agriculture, livestock support, road access, irrigation, and expanded safety-net coverage.
2. Scale up livestock-centered interventions. Link veterinary services, improved breeds, fodder development, animal health campaigns, and pro-poor credit into one coordinated package.
3. Expand responsible rural finance. Increase access to microfinance, cooperative savings, and mobile banking while adding financial literacy and repayment support to reduce loan risks.

4. Strengthen gender-responsive services. Create dedicated credit windows and extension packages for female-headed households and women-led livelihood activities.
5. Reduce long-term dependency pressure. Complement livelihood programs with family planning, youth skills training, school support, and nutrition-sensitive interventions.

5. Methodology

The brief is based on mixed-methods empirical research conducted in Debark District. Quantitative data were collected from 396 rural households(Yamane, 1973) using structured questionnaires covering household demographics, agricultural production, livestock ownership, income sources, credit access, and consumption expenditure. Qualitative data were gathered through focus group discussions and key informant interviews with farmers, development agents, community leaders, and local government representatives.

Poverty was measured using the Foster-Greer-Thorbecke(J. Foster et al., 1984) poverty indices, which estimate poverty incidence, depth, and severity. A Probit regression model was used to identify factors associated with the probability of being poor. Combining these methods helps explain both the measurable determinants of poverty and the local conditions behind them.

6. Implementation Considerations

- Institutional capacity: Strengthen district agricultural offices, livestock services, and extension systems so they can deliver targeted highland-specific support.
- Financing and sequencing: Start with high-impact, scalable actions such as veterinary outreach, fodder support, women-targeted credit, and maintenance of key feeder roads.
- Community ownership: Engage farmers, women's groups, cooperatives, religious leaders, and kebele leaders during planning, implementation, and monitoring.
- Monitoring and evaluation: Track poverty transitions, livestock asset growth, credit use, women's participation, road access, service coverage, and household resilience over time.

7. Alignment with National Development Priorities

- Ten-Year Development Plan (2021-2030): Supports inclusive growth, agricultural productivity, rural transformation, and poverty reduction(Planning and Development Commission-FDRE, n.d.).

- Agricultural Transformation Strategy II: Reinforces livestock development, climate resilience, market integration, and smallholder productivity.
- Productive Safety Net Programme V: Supports graduation through asset building, livelihood support, and stronger resilience.
- Climate Resilient Green Economy strategy: Advances climate-smart agriculture, sustainable natural resource management, and low-carbon rural development.

8. Suggested Monitoring Indicators

Result area	**Sample indicators**	**Frequency**
Poverty reduction	Poverty headcount, poverty gap, food security status, graduation from safety-net support	Annual
Livestock and assets	Livestock units owned, veterinary service coverage, fodder availability, livestock income	Semi-annual
Finance and markets	Credit access, repayment rate, savings group participation, distance/time to market	Quarterly/Semi-annual
Gender inclusion	Share of female-headed households receiving credit, extension, livestock packages, and training	Quarterly/Semi-annual
Climate resilience	Irrigated land coverage, adoption of climate-smart practices, shock recovery time	Annual

9. Conclusion

Rural poverty in Debark District is not only a matter of low income. It reflects structural barriers linked to household size, dependency burden, gender inequality, limited assets, weak finance, climate stress, and highland location. Because the poverty gap is relatively modest, practical and well-targeted interventions can help many households move out of poverty. The strongest policy response is an integrated package that prioritizes Dega highland areas, strengthens livestock-based livelihoods, expands responsible rural finance, supports female-headed households, and improves climate-resilient infrastructure. With strong local implementation and continuous monitoring, Debark District can make measurable progress toward inclusive and sustainable rural development.

Acknowledgements

The author acknowledges the rural households, community leaders, development agents, and local government representatives in Debark District who contributed information and experience to the study. Appreciation is also extended to Debark University for academic support and research guidance.

Conflict of Interest

The author declares no conflict of interest. The analysis and recommendations are based on academic research and empirical evidence(Melaku, 2026).

References

Chant, S. (2004). Dangerous equations? How female-headed households became the poorest of the poor: Causes, consequences and cautions. *IDS Bulletin*, *35*(4), 19–26.

Dercon, S. (2004). Growth and shocks: evidence from rural Ethiopia. In *Macroeconomic policies and poverty* (pp. 308–329). Routledge.

Foster, E., Jolliffe, D. M., Ibarra, G. L., Lakner, C., & Tetteh-Baah, S. (2025). Global poverty revisited using 2021 PPPs and new data on consumption. *Policy Research Working Paper Series*, *11137*.

Foster, J., Greer, J., & Thorbecke, E. (1984). A class of decomposable poverty measures. *Econometrica*, *52*. https://doi.org/10.2307/1913475

Hussen, M. S., & Mohamed, M. A. (2023). Impact of financial inclusion on household welfare in Ethiopia. *Future Business Journal*, *9*(1), 67.

Melaku, E. A. (2026). Determinants and challenges of rural poverty in Ethiopia. *Discover Sustainability*, *7*(1), 715. https://doi.org/10.1007/s43621-026-03076-1

North Gondar Zone Agriculture office. (2021). *Annual socio-economic and agricultural profile of North Gondar Zone. Unpublished Report, Amhara National Regional State.* Taylor & Francis.

Planning and Development Commission-FDRE. (n.d.). *Ten Years Development Plan: A pathway to Prosperity 2021-2030*.

Poverty, O., & Initiative, H. D. (2024). *Global Multidimensional Poverty Index 2024: poverty amid conflict*.

Yamane, T. (1973). *Statistics: An introductory analysis*.