



3rd Science Congress of the Ethiopian Academy of Sciences

Harnessing Demographic Dividend: Ethiopia's Emerging Challenge

Concept Note

Harnessing Demographic Dividend: Ethiopia's Emerging Challenge

1. Background

The impact of population on economic growth and development of a country has been a contested one. Tuned by Malthusian view of population and resource, “Pessimists” argued that population growth negatively affects economic growth because of the inability of scarce resources to accommodate growing needs. This narrative is criticized for overlooking the advancement of technology and increased access to education which leads to further innovation and hence make it possible for existing resource to accommodate the need of the growing population. There are also “neutralists” who state that population by itself is not a sufficient factor to significantly affect economic growth.

While the opposing views have empirical evidences to support their arguments, much of the debate heavily concentrated on the number/size of population as a central element. The composition of different age-groups in a given population and its distinct economic consequences were critical issues that were overlooked in the debate surrounding population and development. In recent decades, however, the call for a focus on the age-structure of a population has been gaining an increasing level of attention from policymakers, academics and other stakeholders.

With the increasing focus directed to understanding the impact of the age-structure composition of a population, the concept of demographic dividend is being embraced as an alternative lens to view population and development. Technological advances in health and other sectors; urbanization; and increased access to education and family planning programs, especially to girls; contribute to lower fertility and mortality rates, changing the composition of age-groups in a given population. Decline in fertility rates are ultimately followed by a demographic transition where the dependency ratio falls and the number of people in the working-age group of a population increases in relation to the number of people considered to be economically dependent. This change in age-structure creates a window of opportunity that, if accompanied

by the design and implementation of appropriate policies, could generate a surplus for a country. This benefit is conceptualized as demographic dividend.

Ethiopia, with an estimated total population size of 101.2 million, is the second most populous country in Africa. The country has registered a decline in fertility rate: from 6.6 children per woman in 1990 to 4.6 in 2016; infant mortality rate in Ethiopia has also significantly dropped: from 106 deaths per 1000 live births in 1990 to 48 in 2016. Similarly, under-five mortality rate declined from 180 deaths in 1990 to 125 in 2005, and to 67 in 2016, equivalent to a 63% reduction during the period 1990 – 2015. Life expectancy at birth increased from an average of 46 years to 63 years during the period 2010-15. In light of such trends and the expanding working-age population (the age-group 15 – 64 constitutes half of the population: 51 million), demographers contend that Ethiopia's population is shifting from high birth and death rates to lower birth and death rates. However, as emphasized by researchers in the field and supported by country experiences, demographic dividend is not guaranteed by sheer demographic transition but embedded in crucial caveats. Appropriate measures should be in place in order for a country to generate a demographic dividend. If Ethiopia is to harness the demographic dividend, the significance of designing and implementing appropriate and multi-sectoral policies that hasten the demographic transition cannot be disputed.

The possibility for Ethiopia to harness demographic dividend is not just dependent up on putting in place the necessary preconditions but also the speed with which actions are taken. The potential opportunities in demographic transition are also threats if not swiftly accompanied by appropriate policies that accommodate the changing age structure. If Ethiopia is unable to accommodate its bulging working-age population, the predictable consequences are rampant unemployment, environmental stress, and marginalization of the majority of the population. In a populous country like Ethiopia with a complicated history of conflict, insufficient attention to harnessing demographic dividend risks adding and/or causing grievances that could cause/trigger violent civil strife with a potential to destabilize a country. Hence, for Ethiopia, the emerging challenge of turning the demographic transition into demographic dividend is not

merely a matter of accelerating economic growth out of changing age-structure: it is an existential one.

Against this background, the Ethiopian Academy of Sciences is dedicating its 3rd Science Congress to discussing the critical issue of attaining demographic dividend in Ethiopia's context. The Congress, titled ***Harnessing Demographic Dividend: Ethiopia's Emerging Challenge***, will serve as a platform where challenges to harnessing demographic dividend are presented, analyzed, debated and brought to the forefront of policymakers' agenda. The Congress will discuss context-specific issues underpinning demographic dividend in Ethiopia. A major theme that will be reflected throughout the Congress will be how Ethiopia can harness demographic dividend by utilizing the potential of the bulging youth population while mitigating the risks that come with it.

2. Objectives of the Congress

The Academy is conducting the Congress with the objectives to:

- assess the status of demographic transition and the prospect of harnessing demographic dividend in Ethiopia;
- encourage and stimulate contextualized discussion on the issues surrounding demographic transition and demographic dividend;
- bring demographic dividend to the priority of the policymakers' agenda; and
- recommend evidence-based and context-specific policy measures for sustaining the demographic transition in Ethiopia to harness demographic dividend.

3. Sub-themes of the Congress

Within the major theme of harnessing demographic dividend, the following sub-themes will be discussed.

3.1. Features of Ethiopia's Population

Understanding the current situation of Ethiopia's population is critical to having a contextual conversation on harnessing demographic dividend. Therefore, within this sub-theme, the status of Ethiopia's population will be discussed. To give a comprehensive and contextual understanding

of the demographic transition in Ethiopia, population size and age composition, spatial distribution and population to resource ratios, trends and projections will be presented and discussed.

3.2. Improved Access to Reproductive Health and Other Health-Care Services

A healthy and productive labor force is a sine qua non of demographic dividend. Improved access to family planning is critical to accelerating the demographic transition because of its impact on the number and spacing of children in a given household. On the other hand, access to other healthcare services is essential to reducing mortality rate and producing a healthy and productive population.

Ethiopia has made a significant progress in decreasing maternal and infant mortality rates and expanding healthcare services through its health programs. However, despite the commendable progress, health institutions are lacking in numbers and quality of service. Majority of Ethiopians, especially those residing in rural areas, are isolated from critical health-care services. Maternal mortality, malaria, sexually transmitted and communicable diseases are still grave health concerns for millions of Ethiopians. It is therefore imperative that Ethiopia has a health-care system that not only caters to its current population but is also able to adapt to the changing demographics and its healthcare needs.

Therefore, a major point that will be discussed during the Congress will be how Ethiopia can effectively invest on its healthcare system to accelerate its demographic transition and generate a dividend.

3.3. Quality Education and Skill Development

Access to quality education is essential to producing an innovative population that accelerates the demographic transition to harness demographic dividend. The importance of quality education to creating a productive workforce is an established one in which the positive impacts are crosscutting and directly affect many sectors of an economy.

In the past decade, Ethiopia has registered an impressive growth in school enrollment. Since the 1990s: gross primary enrolment rate has shown an increase from less than 20% in the mid-1990s

to more than 95% in 2014. However, there is still an epochal gap when it comes to school enrolment and quality education that produces a working force with diverse range of skills that is able to fill the labor demand of the economy. As Ethiopia is in the early stages of its demographic transition, one critical issue is investing in the population that is going to join the working force tomorrow.

Therefore, a major point that will be discussed during the Congress will be how Ethiopia can effectively invest in the quality of education and skill development and create a favorable environment for entrepreneurship to contribute to the economy and therefore help harness the dividend.

3.4. Youth Employment and Empowerment

Inevitable with the demographic transition that Ethiopia is undergoing in is the labor pool that will be inundated with job seekers because of the rise in the working-age group of the population. In 2016, Ethiopia's unemployment rate in urban areas has reached 16.9% while there are a large number of unemployed and underemployed youth in rural areas who migrate to urban areas looking for jobs. For Ethiopia, this transition poses a challenge in terms of the country's ability to accommodate the employment needs of its bulging youth population. As demographic dividend is generated within a window where the opportunity to reap the benefits is limited by time, the issue of creating employment opportunities and empowering the youth needs to be addressed with urgency and due consideration.

The limited window of opportunity that a demographic transition offers will become a wasted opportunity if it is not met with a favorable governance system that empowers the majority of its population. When the appropriate policies are designed and implemented, a bulging working-age population can be a source of innovation and an agent for positive change for Ethiopia. However when an ever bulging and productive segment of the population is not economically independent and denied meaningful spaces to participate and contribute in its own affairs, disenfranchisement and the grievances it breeds become inevitable. If Ethiopia is to harness demographic dividend: inclusive, participatory and representative space where people make meaningful contributions in their own affairs is essential. An open political space where the

bulging working-age group, particularly the youth, participate and critically engage in their local and national government's legislative and judiciary decisions is empowering and decisive.

It is therefore essential for Ethiopia to begin addressing the issue of unemployment and empower the youth both to harness demographic dividend and to mitigate its potential risks. In light of this, the Congress will deliberate on how Ethiopia can address current and future unemployment needs both from the supply and demand side of employment. The Congress will also deliberate on possible ways to promote inclusive governance where the bulging segment of the population is empowered and given the opportunity to influence the country's affairs.

3.5. Empowering Girls and Women

The impracticality of attaining economic progress without empowering women, who make up half of the population, has been articulated numerous times in various platforms in Ethiopia. For the past decades, Ethiopia has paid an increasing attention to establishing legal frameworks that make it possible for women to access equal economic opportunities. However, Ethiopia still has a long way to travel in empowering women and alleviating the negative issues that plague the economic and social progress of women. There is still a wide gender gap in employment opportunities and school enrollment where boys considerably outnumber girls; a prevalence of early marriage and lack of representation in decision making spheres plaguing the socio-economic progress of women. In 2013/14 academic year, for instance, females constituted only 30.3% of the undergraduate enrolment (UNESCO, 2015) while female unemployment rate in 2016 was 2.6 times higher than that of male.

If all segments of a society, regardless of their gender and socio-economic standings, are not afforded equal opportunities, isolated economic policies targeted at harnessing demographic dividend are likely to be ineffective and discordant. In this context, the Congress will discuss the challenges and prospects imbedded in empowering women with regards to the acceleration of demographic transition and harnessing demographic dividend.

4. Expected Outcomes of the Congress

By the end of the Congress, the Academy will:

- Initiate a dialogue on demographic dividend in Ethiopia and create a more crystalized understanding of demographic transition and demographic dividend among stakeholders;
- Charter concrete avenues of harnessing demographic dividend; and
- Prompt/encourage policymakers to prioritize the issue of population in general and demographic dividend in particular.

References

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