

DECEMBER 2014

ETHIOPIA'S KEY: YOUNG PEOPLE AND THE DEMOGRAPHIC DIVIDEND

Ethiopia is a young country, with 45 percent of the population under age 15 and 71 percent under age 30.¹ Even with strong progress in reducing fertility, Ethiopia's population of nearly 90 million is projected to exceed 127 million by 2037.²

Investing in young people (ages 10 to 29) now will lay the groundwork for Ethiopia's future. Strategies to continue progress toward a fertility decline and harness the potential of its youth will help Ethiopia attain a demographic dividend and foster sustainable development. Three areas of investment are key:

- **Strengthening Health Programs.** Improvements in health, particularly increasing access to family planning services, will reduce fertility and maternal and child mortality, and foster the development of a population that is ready to contribute to economic growth.
- **Expanding Educational Opportunity.** Improvements in school completion, particularly for girls, and the quality of education will delay first pregnancy and prepare young people to move into formal-sector jobs, earn higher wages, and promote a demographic dividend.
- **Creating Jobs.** Expanding sectors of the economy and creating an entrepreneur-friendly environment will provide opportunity for young people.

Good Health Fosters Growth

Strong health systems are crucial to the first step in initiating a demographic dividend: a fertility decline. In the past decade, Ethiopia's major investments in child and maternal health and voluntary family planning have achieved these results:

- Infant mortality declined by 39 percent and child mortality by 47 percent between 2000 and 2011.³
- Contraceptive prevalence among married women rose from 8 percent in 2000 to 42 percent in 2014.⁴

These changes have fostered the beginning of a fertility decline. Between 2000 and 2014, the total fertility rate (average number of children per woman) declined from 5.9 to 4.1.⁵ Ethiopia's health systems are now stronger and reach more rural people, but regional and socioeconomic disparities continue to have negative impacts on health and could delay a potential dividend. Challenges continue to exist related to young people's sexual and reproductive health.

- Child marriage continues despite significant progress. Among Ethiopian women ages 25 to 49, 63 percent were married by the age of 18.⁶
- Lack of adolescent and youth-friendly sexual and reproductive health care limits access to important, life-saving services. Adolescents ages 15 to 19 experience the highest levels of unmet need for family planning.⁷
- The high numbers of young people migrating temporarily or seasonally for economic or educational reasons make it difficult to steadily provide health care services.

Investments in young people's health will increase the likelihood of a dividend.

- **Health programs** prevent problems that undermine young people's performance in school: Immunizations and treatment of infectious diseases ensure that children are healthy and stay in school.
- **Mental health services** are crucial for young people so they can get the support they need to grow into healthy adults.

What Is a Demographic Dividend?

The demographic dividend is the accelerated economic growth that may result from a rapid decline in a country's fertility and the subsequent change in the population age structure. With fewer births each year, a country's working-age population grows larger relative to the young dependent population. With more people in the labor force and fewer children to support, a country has a window of opportunity for rapid economic growth if the right social and economic investments and policies are made in health, education, governance, and the economy.

- **Good nutrition** promotes physical, mental, and emotional development among children, giving them tools to perform well.
- As children transition into adulthood, new health needs emerge, including **preventing sexually transmitted infections**, including HIV; ensuring access to **family planning**; and **detering use of cigarettes, drugs, and alcohol**.

Education Provides Opportunity

Strategic investments in young people's education are integral to a demographic dividend. Educated young people have more options, are healthier, and are better able to contribute to society.

- In Ethiopia, 65 percent of primary-school-age children attend school with high levels of gender parity. However, only 15 percent of young people of secondary school age attend school.⁸
- Despite progress, young people's literacy rates continue to be low. Only 64 percent of females ages 15 to 24 are literate. Twice the number of rural women ages 15 to 49 have no education compared to urban women.⁹

Investments in primary and secondary education are crucial to attaining a dividend.

- **School completion**, particularly for girls, will delay first pregnancy and expand opportunity.
- Focus on improving **quality of education** will prepare young people to move into higher-wage jobs.

Job Creation Promotes Stability

Ethiopia's large youth population creates an opportunity for economic growth if an adequate number of stable jobs are created for young people.

- The youth unemployment rate is currently 7 percent; 25 percent of youth ages 15 to 29 report being underemployed.¹⁰
- Unemployment is largely an urban phenomenon in Ethiopia. Among urban youth, unemployment is at 29 percent.¹¹

It is crucial for Ethiopia to avoid the widespread youth unemployment that has plagued some other African countries as fertility declines and the conditions necessary for a demographic dividend emerge. Lack of employment opportunity for young people drives rural-to-urban migration and leads many to emigrate.¹²

Investments in economic growth, job creation, and technical training will ensure adequate employment opportunities for young people entering the job market.

- **Creating jobs** in sectors that are labor-intensive and can contribute substantially to GDP will ensure future growth.
- **Building marketable skills** via technical training will give youth the tools to contribute to the economy.

The demographic dividend provides a framework for promoting investments in youth at a time when fertility is declining and population age structure is beginning to change. A focus on Ethiopia's young population through sustained investments in voluntary family planning, health, education, and job growth will guide the country toward a potential demographic dividend.

Acknowledgments

This fact sheet was written by Shelley Megquier, policy analyst at the Population Reference Bureau (PRB). Special thanks to all those who provided thoughtful input to earlier drafts and contributed to the development of this document. This publication is made possible through the generous support of the David and Lucile Packard Foundation.

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