

The Elephant in the Room: Population and Economic Growth Discourse in Ethiopia

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The world's 7 billionth baby will be born on 31 October 2011. Researchers, policymakers, governments, civil society and social medias are expressing their concern over the effects of an ever increasing number of people on the planet and the greater demand on food, healthcare, education and jobs. According to the recent report released by UNFPA (<http://foweb.unfpa.org/SWP2011/reports/EN-SWOP2011-FINAL.pdf>) most of the population growth is occurring in developing countries and it is these countries which are affected most by the growth. Ethiopia is featured in the report and by 2050 Ethiopia's population is projected to reach 174 million to become the 9th largest country in the world.

Taking the opportunity of the UN announcement of the seven billion people of the planet, I would like to reflect on our understanding of the population growth problem in Ethiopia and how our knowledge about the problem is manifested in policy formulation and narratives. Since time and space do not allow me to dwell on the state of our knowledge, I will cite some examples to show the changes in our line of thinking.

In April 2001, Addis Ababa, the capital city, was engulfed for two days by student and non-student urban youth revolts. Following this revolt, for almost two years, the highly densely populated area of southern Ethiopia saw a number of repeated and continuous revolts spearheaded by students. Knowing the threats posed to the young adults, at that time, almost ten years ago, I raised the population issue with some government policy advisors. By then there seemed to be a consensus that population growth would take care of itself if the government focus on economic growth and development. There was a belief that population

problem will solve by itself if the government invests much in education, health and other development activities. In other words economic growth and development will solve the problem and I was assured not to worry about.

Knowing the riot signals made by the urban youth, I was surprised to learn why the population issue did not receive the necessary attention it deserved. I found out that there were two main reasons. First, raising the issue of population growth was erroneously considered as distribution of contraceptives and introducing of population control programs. Since family planning is a private matter, population issue was considered sensitive intruding on privacy. As I tried to explain in different occasions, this was a wrong understanding of the issue. Speaking about population growth/pressure means speaking about the type of population that is increasing, its size multiplied by its needs, and the speed at which it is increasing (growth rate).

The second reason, following the first, was the lack of knowledge in understanding the link between population growth and economic development. At the time of my discussion, both in policy and academics, population growth was either left in abeyance or mentioned peripherally as background factors. In the academic research community, compared to the magnitude of the problem, there were few researches specifically addressing population change, dynamics and consequences. The few studies conducted at that time dealt with mainly the impact of population growth on the environment, as a cause to land fragmentation and change in livelihood strategies. What was surprising about these studies was that how the researchers found solution to the problems they were studying. Often the driving force, the population factor, was forgotten or glossed over when finding solutions and recommendations. For instance, in the case of land tenure system, while the population factor is admitted as the driving force behind fragmentation, the solution to further fragmentation is sought on ways of securing the tenure systems such as call for privatization of land. In other

words, researches were finding solutions to the symptoms, not to the root causes of the problems. There was a tendency to see the rural households as static. As I mentioned in my previous postings, early household formation and the increase in the proportion of marriage multiplies the number of households over time. Change in tenure system alone (access to land and security) cannot solve output problems caused by household multiplication and growing rural surplus labor. The level, timing and distribution in the factors of household dependency ratio, density ratio and rural surplus labour continuously affect capability and factor ratios in rural areas.

Today both policy makers and the academicians are convinced theoretically and empirically about the burden of population, especially at the stage it finds itself now. The government National Population Policy is being implemented by NGOs, with different size and capacity and interest. The benefits of population policy include programs affecting mortality (immunization, reduction of child and maternal health, provision of health services, HIV/AIDs, etc.) and fertility (family planning, status of women, contraceptives, family education, family law, etc). Since the government lack resources, family planning and other population control measure activities are done by NGOs.

Even if this population policy is implemented it will not pull out the country from its current level of development. What the population policy is actually doing is to relief the child burden and at the same time to increase the number of the young adult group. A decline in fertility and a reduction in the total number of children born create a bulge of young adult group. The proper implementation of the population policy creates further demand on education, jobs, housing and other related infrastructure investment problems. There is a need to go beyond the population policy and try to find ways on how to operationalize population growth in development planning.

In the past decade attempts have been made to show the major impacts of population growth on development. However, there are signs which show that the population growth problematic is not yet taken sufficiently in accounting development policy and planning. That population growth is not yet concretely operationalized at the level of development policy can be seen from the current discussion on economic growth. In Ethiopia economic growth is discussed without considering the consequences of population growth. We read reports that the country has experienced strong economic growth measured in terms of GDP. Since 2003/4 the GDP growth is at or near eleven percent.

The idea behind measuring aggregate output of the country in terms of GDP is to show the total economic activity of the country. GDP measures the market value of final goods and services produced by a country in a given year. It shows what the country paid for the final goods and services in a year and the more the country can afford higher cost the more benefits it gets. It is commonly observed that countries with higher GDP are better-off than countries with lower GDP. So if we have, for instance, a growth rate of 2.5% per annum, our GDP will be doubling within 29 years, whilst a growth rate of 8% per annum leads to a doubling of GDP within 10 years. If GDP grows so will be business and jobs.

This type of economic growth measurement is appropriate in countries where there is zero population growth (replacement level of fertility). In such type of countries aggregate production can increase without population growth. But if population has grown along with economic expansion, increases in GDP do not necessarily result in an improvement in the standard of living. I am of the opinion that we have to follow another approach in measuring economic growth in Ethiopia, which is concerned not only on the causes but also on measuring the effects of economic growth.

Economic growth in Ethiopia should be measured in terms of a sustained increase in GDP per capita over time. GDP per capita is used when economic growth focuses on standard of

living. It shows the level of goods and services that, on average, individuals purchase or otherwise gain access to. This type of measuring economic growth at least takes into account the effects of population growth in the country.

We know that the country's 85 million population is growing at 2.5 % resulting in 2 million people added per year. We know that households which have higher consumption requirements and lower economic support ratio are growing by a constant average growth rate of 2,6% in rural areas requiring more land for production. We also know that the absolute size of the national labour force is estimated more than 30 million, with an annual average increase of 1,3 per cent. We know that urbanization, as a result of rural-urban migration, is growing at higher speed (4,3%) affecting livelihood positions and infrastructure development. The international migration, particularly to Arab and sub-Saharan African countries is registering a higher increase, with consequences of human rights violations. We know that we have a younger population with a median age of 18 and with a reproductive behaviour of 5 children per woman.

The issue is why we measure GDP in terms of total aggregate output (GDP), while the population pressure is rising. Why do we feel discomfort in calculating economic growth in terms of GDP per capita? The population project shows that the elephant is still in the room and we have to talk about it even if we see its effects unpleasant.

Differences in measurement approach have policy implications and focus areas. Often there is no connection between population growth consequences and policy prescriptions based on growth accounting models that measures total GDP level per se. Analysis of the level of GDP per worker (a model which measures the populations' material standards of living) has more relevance to policy since it focuses on activities, skill and health of the workers, and the amount of capital available per worker and the level of the production technology in the society. Analysis of the causes of GDP growth (total aggregate output) can

identify these factors in addition to other determinants not related to population growth consequences. My policy suggestion on green revolution and industrialization of rural towns is based on the analysis of growth in resource base and labour productivity of that part of the rural population which is increasing over time (see previous postings). The way we measure and understand economic growth affects the range of development policy options we consider for the country.

Indeed it is not easy to create capacity in mainstreaming population growth/pressure perspective in development policy and planning exercises. This necessitates the formulation and adoption of a range of analytical tools (which I differ to a future task). But we do not need to wait for a population-development toolbox for mainstreaming activities. Population growth is the elephant in the room. Since we are witnessing it as the main driving force behind the livelihood changes in rural and urban Ethiopia, we should not feel uncomfortable in judging its effects in growth policy and development planning exercises.

Note: The state of research and toolbox containing models and methods is discussed in Tsegaye Tegenu (forthcoming), Population Growth Consequences, Green Revolution and Industrial Decentralization in Ethiopia. Bringing Future Development Policy into Present Structure. Book draft.

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