

**Executive Summary**

**Who is benefiting most from education expansion in Ethiopia?  
Implications for addressing wealth, gender and urban/rural  
educational disparities in Ethiopia's SDPRP II**



Photograph: Feleke Deneke/Young Lives

## **Who is benefiting most from education expansion in Ethiopia? Implications for addressing wealth, gender and urban/rural educational disparities in Ethiopia's SDPRP II**

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#### **I. The importance of assessing educational equity**

Over the last five years Ethiopia has seen a dramatic expansion in primary educational enrolment from 51% in 1999 to 77.7% (GER) and 44% in 1999 to 67.8% (NER) in 2004/5 (MoE, 2004). More than 2000 schools have been built and a large number of teachers trained since 2002 year. However, simply addressing supply side constraints—school input factors—does not necessarily meet the country's broader national poverty reduction objectives. As the SDPRP states, tackling the country's comparatively low literacy and educational rates and providing equitable, quality education for all citizens is a core goal of the government's development and poverty reduction strategy. Accordingly, it is important to assess to what extent educational equity is a reality in Ethiopia. Existing statistics show that gross enrolment rates for rural and urban children have improved as a result of the emphasis on increasing educational access<sup>2</sup>. But to what extent are the poor benefiting equally from public expenditure on education as the rich? Our objective is to assess how pro-poor Ethiopia's education sector development programme was between 1996 and 2000<sup>3</sup>. More recent data is not yet available, but given that the government's core education policy strategies have not changed significantly during this time period, we assume that the trends will be similar and thus draw out policy implications for the development of the SDPRP II. In light of the large urban/rural and gender disparities identified in recent progress reports on the ESDP II, we pay particular attention to location and gender differences within each wealth quintile.

It is well recognized that household decisions to educate children depend on a combination of supply and demand factors. Parents and children not only decide to invest in education because of school accessibility and school quality, rather their decision also depends on a variety of opportunity costs to the family. These may include among others direct costs (school fees, school supplies, uniforms, transport), and indirect costs, including loss of a child's contribution to household labour and income. Using 2002 and 2005 Young Lives data, we found in another study that greater household income has a significant impact on increasing child enrolment and

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<sup>1</sup> This summary is based on a longer Young Lives paper by the same title written by: Tassew Woldehanna (Department of Economics, Addis Ababa University), Nicola Jones (Save the Children UK, London), and Bekele Tefera (Save the Children UK, Ethiopia). The research was generously funded by Canada's International Development Research Centre and the UK Department for International Development.

<sup>2</sup> Joint Review Mission (2004). "Ethiopia: Education Sector Development Programme II EC 1995-1997 (2002/03 – 2004/5). 13<sup>th</sup>-29<sup>th</sup> October. Final Report". 30 November 2004.

<sup>3</sup> To the best of our knowledge no such assessment has been conducted in Ethiopia to date.

reducing child dropouts, while child labour (both paid and unpaid) increased the likelihood that children would drop out of school<sup>4</sup>. This suggests that understanding the extent to which educational policies benefit the poor is urgently required in order to design more equitable and effective policy strategies—both in the education sector as well as other sectors which may affect household demand for education. Changes in the agricultural sector (increased farm income through access to credit, irrigation, appropriate technologies, access to water), non-agricultural sector (private sector development), the justice sector (efforts to improve safety from violence), the road and transport sector (access to schools), gender equality programmes may all help to alleviate constraints on household demand for education.

## **II. Methodology**

In order to contextualize the performance of the education sector, the paper begins by synthesizing available data and the rate of change between 1996 and 2004 for indicators that are likely to shape educational equity. In terms of access, there has been remarkable progress, with the ESDP II EC 1997 target at both primary and secondary school levels already exceeded. The budget share target of 19% has also been met (20.6% as of 2005), as has the target of 4.6% of GDP (4.8% in 2001/2). In terms of gender equality, the gender gap has been narrowed considerably. Indeed, based on Ministry of Education data from 1999-2004 we estimate that at the present rate of growth in girls' net enrolment (11.2%), the gender gap at primary school level will be closed by 2008. As we argue in the conclusion, however, the marginal costs of achieving higher additional enrolment rates—especially given that initial growth rates were dramatic in the context of a low base-line—are likely to be challenging and thus this trend cannot simply be assumed. On other key indicators of equity, however, results have been disappointing. Dropout and repetition rates are well below target; pupil: teacher ratios commonly exceed the (already high) target of 60: 1; and the enrolment rate of disadvantaged regions is yet to reach the 20% coverage goal set for EC 1997.

The core of the paper entails a benefit incident analysis of the Ethiopian education sector using data from the Central Statistics Authority (CSA) Welfare Monitoring Survey and the Household Income and Consumption and Expenditure Data from 1996, 1998 and 2000. The purpose is to assess the relative share of primary and secondary school enrolment (as a proxy for public expenditure on education) by five different wealth categories (drawn from household income survey data). This is important given that Ministry of Education data does not disaggregate its administrative data by wealth categories. Within each quintile, we in turn analyze differences in the benefit received from public expenditure for urban compared to rural children and girls compared to boys. Two limitations to the methodology stemming from data constraints should be noted, though. First, this assessment is unable to take into account how public expenditure costs are translated into educational service quality for different groups of students. Second, it does not assess the value that each quintile assigns to education and calculate consumer surplus.

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<sup>4</sup> See Woldehanna W., N. Jones and B. Tefera (2005). "Children's educational completion rates and achievement: implications for Ethiopia's SDPRP II (2006-10)". Young Lives Working Paper: London; Woldehanna W., B Tefera, N. Jones and A. "Child labour, gender inequality and rural/urban disparities: how can Ethiopia's national development strategies best address negative spill-over impacts on child education and well-being?" Young Lives Working Paper: London.

### III. Key findings

#### Primary School:

Overall we found that inequities declined at the primary school level.

Wealth disparities: In terms of wealth, growth rates in enrolment were higher for the poorer quintiles than the richest (11% and 34% in 1996 and 15% compared to 22% in 2000).

Urban/ rural divide: The change has been greatest in rural areas where the distribution of public expenditure on education was almost equalized across quintiles by 2000 (16% and 19%), compared to considerably larger inequalities in urban areas (14% and 30%).

Gender gap: Disaggregating by gender, the rate of change between the richest and the poorest narrowed more for girls than for boys. In the case of gender differences by location, we found that the distribution of benefits was almost equal in both urban (14% and 30% for boys; 14% and 31% for girls) and rural areas (15% and 18% for boys but 17% and 20% for girls).

#### Secondary School:

The NER for secondary school more than doubled from 5.9% in 1997/8 to 12% in 2003/4 2000. However, some improvements notwithstanding, we found that inequities remained much starker than at the primary school level.

Wealth disparities: Children from the wealthiest households had a significantly higher chance of attending secondary school (42%) in 2000 than those in the three poorer quintiles combined (8%, 12%, 13%). Even so, this rate represents a notable improvement vis-à-vis 1996 where the lowest four quintiles enjoyed less benefit than the highest (42% compared to 59%), suggesting that until recently secondary education was only accessible for the elite.

Urban/ rural divide: Urban children both overall and within each quintile were found to have significantly greater access than their rural counterparts. The relative share of enrolment between urban and rural children in 1996 was 8% compared to 92% and this only improved marginally by 2000: 11% compared to 89%.

Gender gap: In 1996 the gender gap in secondary school NER was negligible: 6% for boys and 5.8% for girls. However, this gap had widened considerably by 2003/4 to 14% for boys and 9% for girls. In terms of household wealth, the differences in enrolment across quintiles were stark for both boys and girls. In 1996, more of the public expenditure on enrolment went to the top quintile of girls than the lowest four quintiles combined, with the lowest receiving just 4% and the highest 59%. The situation for boys was similar: 5% in the lowest quintile and 59% in the highest. By 2000 the differences in wealth categories had declined somewhat to 8% and 42% for girls and 9% and 41% for boys.

In terms of gender differences by location, in 1996 no girls from the first two quintiles in rural areas went to secondary school but 41% of the richest quintile were enrolled. However, by 2000 this had improved significantly to 7% and 25%, respectively, for the bottom two quintiles, and 30% for the top quintile. The rate of change was even more dramatic for rural boys. Whereas only 12% of boys from the lowest quintile but 70% of the wealthiest were enrolled in 1996, by 2000 this gap had narrowed to 15% and 29%. By contrast, change was considerably slower in urban areas, reflecting the emphasis on expansion of rural schooling. In 1996 the gap between urban girls in the lowest and highest quintile was 4% to 60%, while and in 2000 it was 8% and 43%. Similarly for boys the difference was 4% to 58% and in 2000 this had narrowed to 8% and 42%.

#### IV. Policy implications

Our findings suggest that the general orientation of Ethiopia's education sector at the primary school level is pro-poor, pro-rural and also reducing gender inequalities. Nevertheless, disparities remain considerable at the secondary school level, suggesting that there is still significant scope for policy interventions. Moreover, there is a need to pay greater attention to balancing access and equity with quality-related goals. Our analysis raises the following policy implications:

- **Primary versus secondary education:** Focusing only on primary school education appears short-sighted given large remaining inequities at the secondary school level. Measures need to be taken so that when poor families invest in the education of their children, they will have the possibility of gaining access to secondary education too. At present, however, the benefit derived from public expenditure on secondary education is firmly tilted towards rich and urban households. Equally important, is increasing the relative budget allocated to secondary school expansion.
- **Budget indicators:** While budget share is important in terms of assessing the relative importance the government assigns to education, improvements in per capita expenditure per pupil are also key. Given the increasing number of students attending school, it is important to know what the per capita expenditure constraints are in terms of enhancing school quality. It is also important that the international community realizes the resource level necessary to meet the MDG of universal quality primary education for all.
- **Gender equality:** Although the gender gap could converge if current growth rates in girls enrolment continue, the marginal costs of achieving higher additional enrolment rates need to be considered. This is important for two reasons—first, the rapid rate of growth in girls' enrolment has been in part due to a low base-line and in part concerted efforts by communities and local authorities to enforce early marriage laws, have girl dropouts reinstated and initiate affirmative action programmes for girls. While these efforts are certainly commendable, policy-makers need to take measures to facilitate the sustainability of these strategies and also adopt a cross-sectoral approach to tackle broader social environmental factors—safety issues, domestic work burden—that constrain poorer households from investing in their girls' education. Moreover, given present growth trends at the secondary school level (i.e. increases in enrolment are significantly higher for boys than girls (15.3% per annum compared to 8.2%)), there is no possibility of convergence. Accordingly, additional efforts will be needed to address gender disparities among secondary school students.
- **Low cost schools and non-formal education:** while these approaches will clearly contribute to greater equity in terms of access, careful attention has to be paid to potential quality differentials. Longitudinal research on these educational alternatives is therefore recommended.
- **Increasing demand:** the SDPRP II should pay particular attention to the broader non-education sector factors that shape household demand for education. This includes increasing the income of the poor, reducing the demand for child labour, and addressing parental concerns about girls' safety while travelling to or leaving the home for secondary school.
- **Community financing:** while it is perhaps the only feasible option to increase educational access given current national budget constraints, it is important to emphasize that relying on community contributions for school construction and additional facilities and teachers is unlikely to increase equity in terms of service quality. Communities that have greater resources and/or social capital are likely to be able to contribute relatively more than those in more impoverished areas.