



Schooling without Learning: Lessons from Ethiopia

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Key messages

- Rising educational achievement has not improved overall worker productivity in Ethiopia.
- Over-education is on the rise in Ethiopia.
- The focus of education policy shall shift from quantity to quality
- Structural transformation is essential to absorb rising number of graduates.

- Coordination between training institutions and industries shall be strengthened to mitigate education-mismatch.

What are the issues?

Ethiopia has achieved a remarkable economic growth rate of 11% per annum in the last 12 years. At the same time, the government of Ethiopia has been heavily investing in education in the last two or more decades, and managed to expand access to education at an extraordinary rate. In contrast, educational quality has been low and with the current trend the country risks missing on the target for SDG4. The growing number of graduates is met with limited structural transformation in the economy as the government pursued agriculture-led development strategy for a long time. The agricultural sector and the service sector with both comparable shares account for 80% GDP while the industrial sector accounts for only 20%, which in turn is dominated by the construction sector. Also, the country has witnessed increased rate of educated unemployment and underemployment while industries suffer from lack of skilled manpower and high level of labour turnover.

Why it is important?

Despite the economic growth and improvement in educational achievement, labour productivity has been stagnant. It has been clear that the economic growth that Ethiopia has registered in the last one and a half decade cannot be sustained without improving productivity and effective utilization of its labour force. Therefore, it is high time to reconsider the policy process that has led to this problem and ensure that educational investment is paying off and workforce is productively employed.

Summary of evidence and policy recommendations

Despite considerable economic growth and improvement in educational achievement, Ethiopia is experiencing rising educated unemployment and underemployment. At the same time, overall productivity has been stagnant and existing industries are facing shortage of skilled manpower and high level of labour turnover. The results show that high level of investment on expanding access to education in the face of limited structural transformation has led to education-occupation mismatch and limited contribution of human capital to

overall economic growth in Ethiopia. To address these problems, the government shall implement the following course of actions.

- i. Shift the focus of education investment from quantity to quality. The Ethiopian government has been heavily investing in education infrastructure and expanding access to education right from primary to tertiary education. Although this effort has paid off in raising enrolment and effectively eliminated under-education of the workforce. Yet, the increased educational achievement has not improved the overall productivity of the workforce. This might be due to poor quality of education. Therefore, the government should shift the focus of its investment in improving quality rather than increasing quantity. Specific courses of action would include expanding access to pre-primary and early childhood learning opportunities, university entrance examination procedures, setting college/ university exit examinations and professional certification, preventing forgery of academic credentials, improving the economic and social condition of teachers, reducing student-teacher ratio, investing more on school infrastructure, and accountability and responsiveness of school administration.
- ii. Enhance coordination between industries and training institutions in designing curricula, and promoting effective internships. Industries are suffering from lack of skilled man power for professional positions and high labour turn-over in nonprofessional positions. In the former case, graduates lack the required professional skills to perform on high calibre jobs, but on the latter case they are overqualified for the jobs. Therefore, it is important to mitigate such education-occupation mismatch through improved collaboration between industry and training institutions. One of the mechanisms to achieve this would be a well planned internship system. Moreover, college and university curriculum shall be developed through mutual consultation between the ministry of education and ministry of industry, and the ministry of labour and skills development.
- iii. Promoting structural transformation towards industry in order to create sufficient and productivity enhancing jobs and utilize the educated labour force. Although Ethiopia has heavily invested in education, the economy was unable to absorb new graduates because of the dominance of agriculture in the economy. The government has been promoting an agriculture-based economic development for a long time in which small-scale agriculture development was centrepiece of the development process. However, there is no enough land for new graduates to work on, and they instead look for employment opportunities in the urban centres. However, manufacturing sector is too small to absorb new graduates. Therefore, the government shall invest more in creating industry jobs in order to absorb new graduates.



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