

Economics



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Economics Ethiopia has some similarity to other developing countries in regard to size, demographics, economy and standard of living, for example it has a high population and high population growth rate. In 2010, its population was over 85.0 million with a high population growth rate of 3.33% between 1990 and 1995; and 2.5% between 2010 and 2015. There is a reduction in growth rate as experienced in other developing countries for example 3.2%-2.6% rates in Kenya during the same period. Like other developing country, its population has doubled since 1990 due to the high population growth rate. However, its fertility rate is reducing just as the case in other developing countries for example from 7.0% between 1990-1995 and to a projected rate of 4.8% between 2010-2015. The country's urban population is also increasing (World Bank 20). Ethiopia covers an area of about 1,000,000 km². Using the 2010 national population figures, we get a national population density of 85 people/km². The level of economic development in Ethiopia is still low indicated by the 2010 Human Development Index (HDI) of 0.328% and low GDP of US\$28,526.50 billion in 2009. The general standards of living are also low with 38.70% of the people living below a dollar. There is a high dependency ratio as is common among developing countries for example 86.5% in 2010. In 2008, 85.1% of the population lived without electricity. In 2010, its life expectancy was 56.1%, a figure that was common among other developing countries (World Bank 16). Difference between Ethiopia and other developing countries Unlike most developing countries, Ethiopia has a very large surface coverage. It emerges the second largest in Africa. According to (World Bank 20), the percentage of urban population in Ethiopia is below 20% unlike other developing countries. In 2010, these figures were 16.7% compared 35.4%

and 38.4% in Guinea and Sierra Leone respectively in during the same year. There has been substantial growth in GDP per capita compared to other non-oil producing countries in Africa. The growth recorded between 1970 and 2008 is 1.3% compared to -2.1 in Djibouti and 1.0% in Nigeria. There is also a higher rate of employment in Ethiopia and the rate of its increase is also high for example from 71.3% in 1998 to 80.6%. Other developing countries record retardation, stagnation or slow growth in these rates for example 87.4-78.0% in Tanzania and 57.0-61.2% in Zambia during the same years. Road density in Ethiopia was 3.0% in 2008, indicating a low infrastructural development (World Bank 16). Ethiopian geography, climate and colonial experience Ethiopia is the 27th largest country in the world. The country lies between latitudes 3° and 15°N, and longitudes 33° and 48°E in the Horn of Africa. It is bordered by Somalia, Sudan, Djibouti, Eritrea and Kenya. The country's physical characteristics are marked by dissected plateaus with the Great Rift Valley dividing them, and complex mountains giving a diverse terrain. Its ecology ranges from deserts to tropical forests although its main climate is tropical monsoon. The Ethiopian Highlands experience a cooler climate compared to other highlands near equator in the world. Ethiopia did not undergo colonisation or external intrusion except the 5-year occupation by Mussolini's Italy. Works Cited. World Bank (2010). World Bank Statistics. Online. <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>. Retrieved on 5th April, 2011.