

# Ethiopia

## *Insights from Disaggregating the Human Capital Index*

The launch of the World Bank Human Capital Index (HCI) in October 2018 highlighted large gaps in human capital outcomes across 157 countries around the world. The global HCI shows how shortfalls in health and education among children today will reduce the productivity of the next generation of workers. Ethiopia was ranked 135 in the global HCI.

Gaps in human capital outcomes within countries across socioeconomic groups are large as well. This country profile documents these within-country gaps using a newly-developed version of the HCI disaggregated by socioeconomic status (SES-HCI). It presents data on key indicators of human capital outcomes among children (child survival, expected years of school, harmonized test scores, and the fraction of children under 5 who are not stunted), together with a version of the SES-HCI, for 50 low- and middle-income countries where data are available.

This version of the SES-HCI relies on the same general methodology as the global HCI, but uses different data sources in order to allow for this disaggregation, and so is not directly comparable with the global HCI. For details on the data and methodology of the SES-HCI, see *A Socioeconomic Disaggregation of the World Bank Human Capital Index*, by D'Souza, Gatti and Kraay (2019).

### HOW DO HUMAN CAPITAL OUTCOMES DIFFER BY SOCIOECONOMIC STATUS?

- **SES-Disaggregated Human Capital Index (SES-HCI).** In Ethiopia, the productivity as a future worker of a child born today in the richest 20 percent of households is **52 percent** while it is **39 percent** for a child born in the poorest 20 percent, a gap of **13 percentage points**. This gap is smaller than the typical gap across the 50 countries (15 percentage points).
- **Probability of Survival to Age 5.** In Ethiopia, the probability of survival of a child born today in the richest 20 percent of households is **93 percent** while it is **91 percent** for a child born in the poorest 20 percent, a gap of **2 percentage points**. This gap is slightly smaller than the typical gap across the 50 countries (4 percentage points).
- **Expected Years of School.** In Ethiopia, a child in the richest 20 percent of households who starts school at age 6 can expect to complete **9.3 years** of school by her 18th birthday while a child from the poorest 20 percent can expect to complete **5.9 years** of school, a gap of **3.4 years** of school. This gap is larger than the typical gap across the 50 countries (2.4 years).
- **Harmonized Test Scores.** Students from the richest 20 percent of households in Ethiopia score **388** while those from the poorest 20 percent score **347**, a gap of **41 points** on a scale that ranges from 300 (minimal attainment) to 625 (high attainment). This gap is smaller than the typical gap across the 50 countries (55 points).
- **Healthy Growth (Not Stunted Rate).** In Ethiopia, the percentage of children in the top 20 percent of households who are not stunted is **75 percent** while it is **55 percent** among the poorest 20 percent, a gap of **20 percentage points**. This gap is slightly larger than the typical gap across the 50 countries (19 percentage points).

### HCI By Quintile of Socioeconomic Status

#### SES-Disaggregated Human Capital Index (SES-HCI)

Source: World Bank Staff Calculations



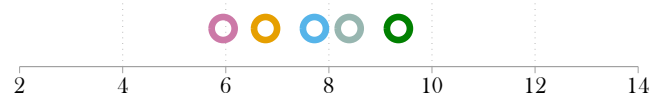
#### Probability of Survival to Age 5

Source: Demographic and Health Survey 2016



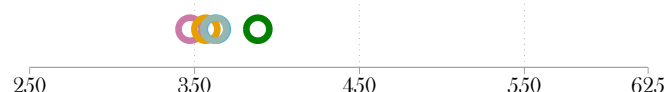
#### Expected Years of School

Source: Demographic and Health Survey 2016



#### Harmonized Test Scores

Source: Early Grade Reading Assessment 2010



#### Fraction of Children Under 5 Not Stunted

Source: Demographic and Health Survey 2016



The Human Capital Project is a global effort to accelerate the amount and quality of investments in people.

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