



Development prospects for the Horn of Africa countries to 2040

Demographics

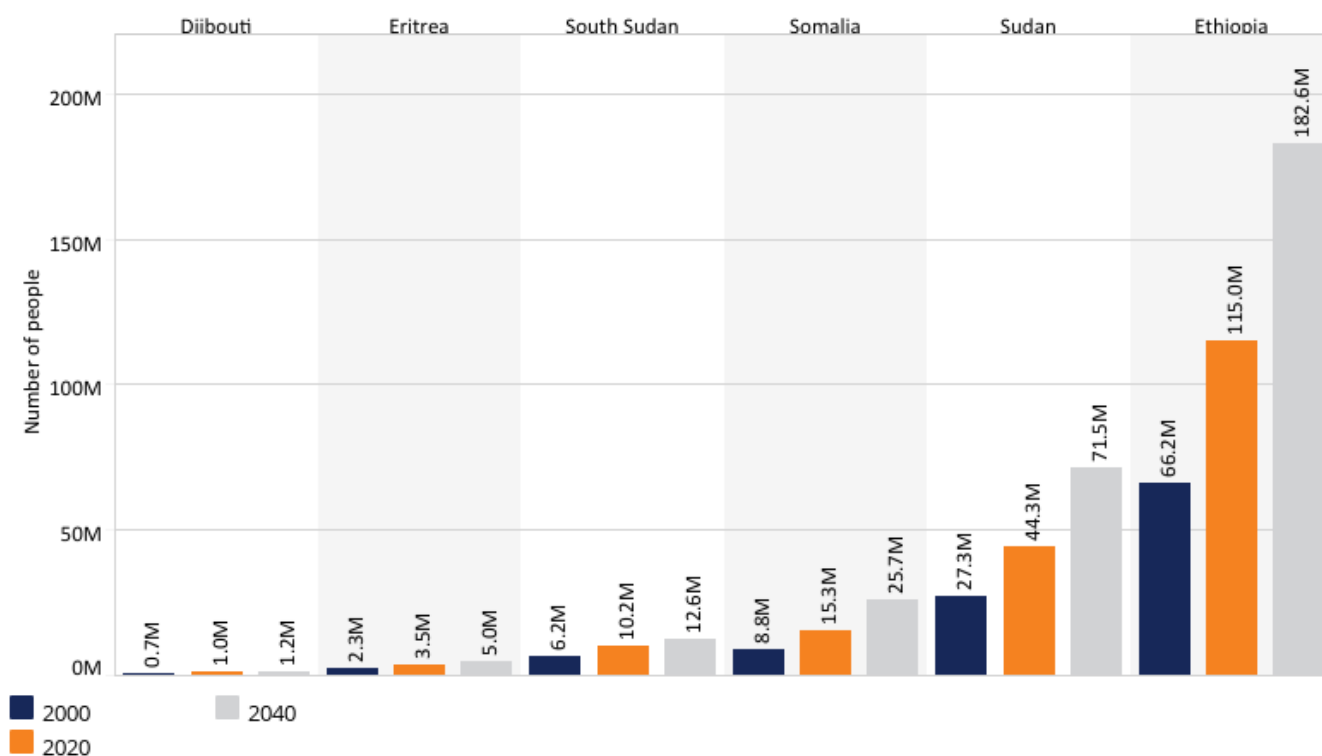
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Demographics

Djibouti, Eritrea, Ethiopia, Somalia, Sudan and South Sudan were home to about 190 million people in 2020—less than half the population of Western Africa, which is estimated at slightly under 400 million. With its population of roughly 206 million, Nigeria alone is significantly larger. From a more global perspective, the world’s two largest populations—China and India—each have populations that are more than seven times larger than that of the Horn. Nearly two-thirds (60%) of the region’s population is in Ethiopia, the second most populous country on the continent. Home to an estimated 115 million people, Ethiopia’s population is larger than the other five countries combined. Sudan’s population of roughly 44.3 million follows as the next largest in the region, trailed by Somalia (15.3 million), South Sudan (10.2 million), Eritrea (3.5 million) and Djibouti. Djibouti’s tiny population of approximately one million in 2020 was less than a quarter of the size of Addis Ababa (4.8 million in the city proper).[1] Chart 4 illustrates the population sizes of each country.

Chart 4: Population size 2000, 2020 and 2040



Source: IFs version 7.63 initialising UN Population Division data

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Over the next 10 years, the populations of Ethiopia, Somalia and Sudan will increase by 33.4 million, 3.8 million and 13.5 million people respectively, reaching 241.3 million for the region by 2030.

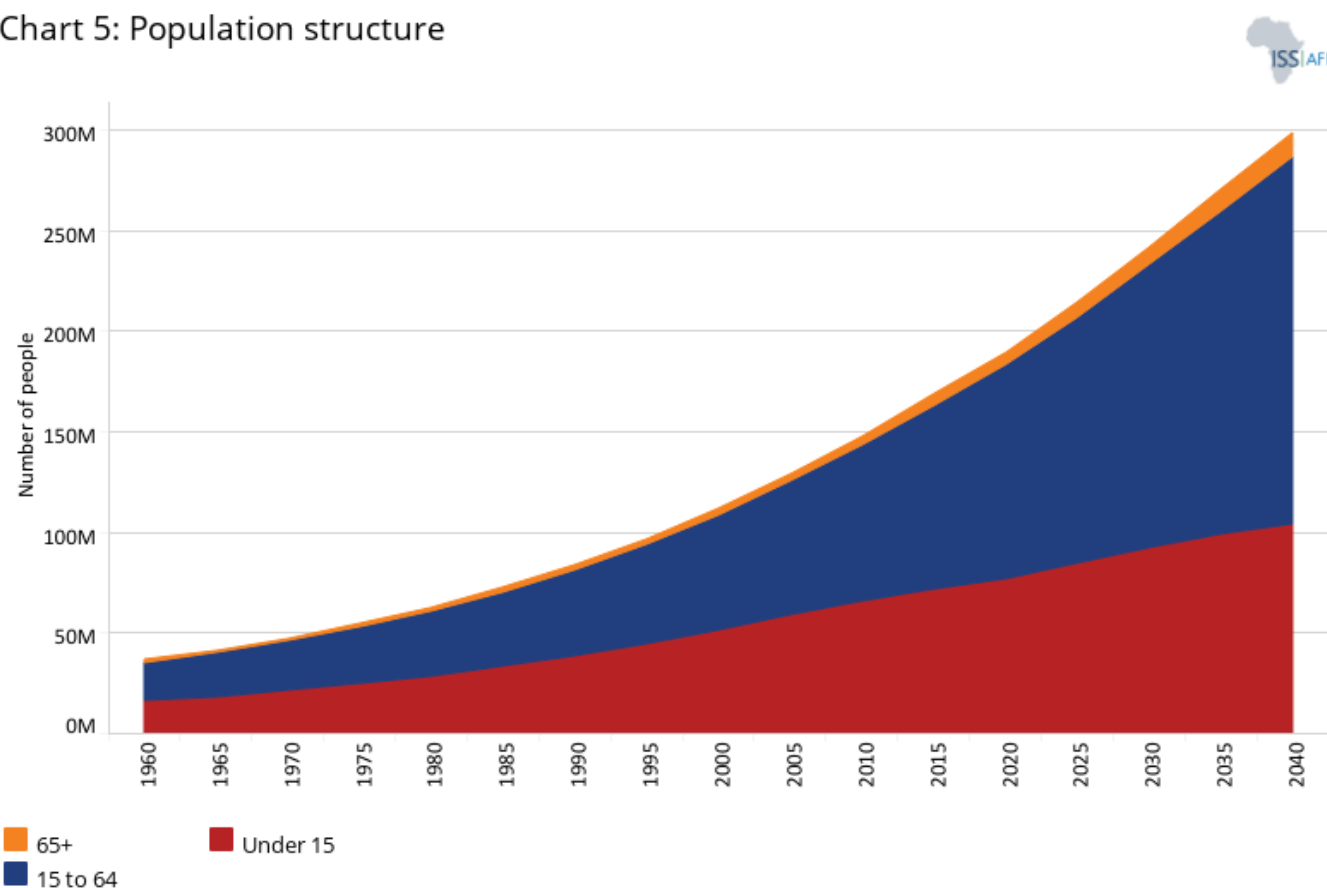
Over the longer term, Ethiopia’s population is set to grow the fastest, although rates differ sharply between urban and rural areas. After growing on average 2.75% between 2010 and 2020, Ethiopia’s population growth rate is expected to rise moderately to average 2.8% growth between 2020 and 2030. By mid-century, Ethiopia’s population is expected to be more than 200 million people.

From 2020 to 2030, the total population of the Horn of Africa is expected to grow at an average rate of 2.6% per year. This is significantly slower than Central Africa (3.16%) and Western Africa (2.96%), slightly lower than the whole Eastern African region (2.8%), and more rapidly than Southern Africa (2.3%).

Djibouti, being at a later stage in the demographic transition than the other five Horn of Africa countries, has the lowest total fertility rate, estimated at 2.8 children per woman in 2020. Somalia's total fertility rate of 6.1, meanwhile, is the second highest in the world (Niger, recorded at 6.8, has the highest). This means that the average Djiboutian woman will have about three children in her lifetime. In Eritrea and Ethiopia, meanwhile, the average woman has four. South Sudan recorded a total fertility rate of 4.8.[2]

The Horn of Africa has an extraordinarily young population. Even in Djibouti, half of the population is younger than 25 years of age. The median ages of the populations of Eritrea, Ethiopia, Somalia, Sudan and South Sudan range from 19 (Ethiopia and Sudan) to 16 (Somalia). In fact, Niger, with a median age of 15, is the only country in the world with a younger population than Somalia.

Chart 5: Population structure



Source: IFs version 7.63 initialising UN Population Division data

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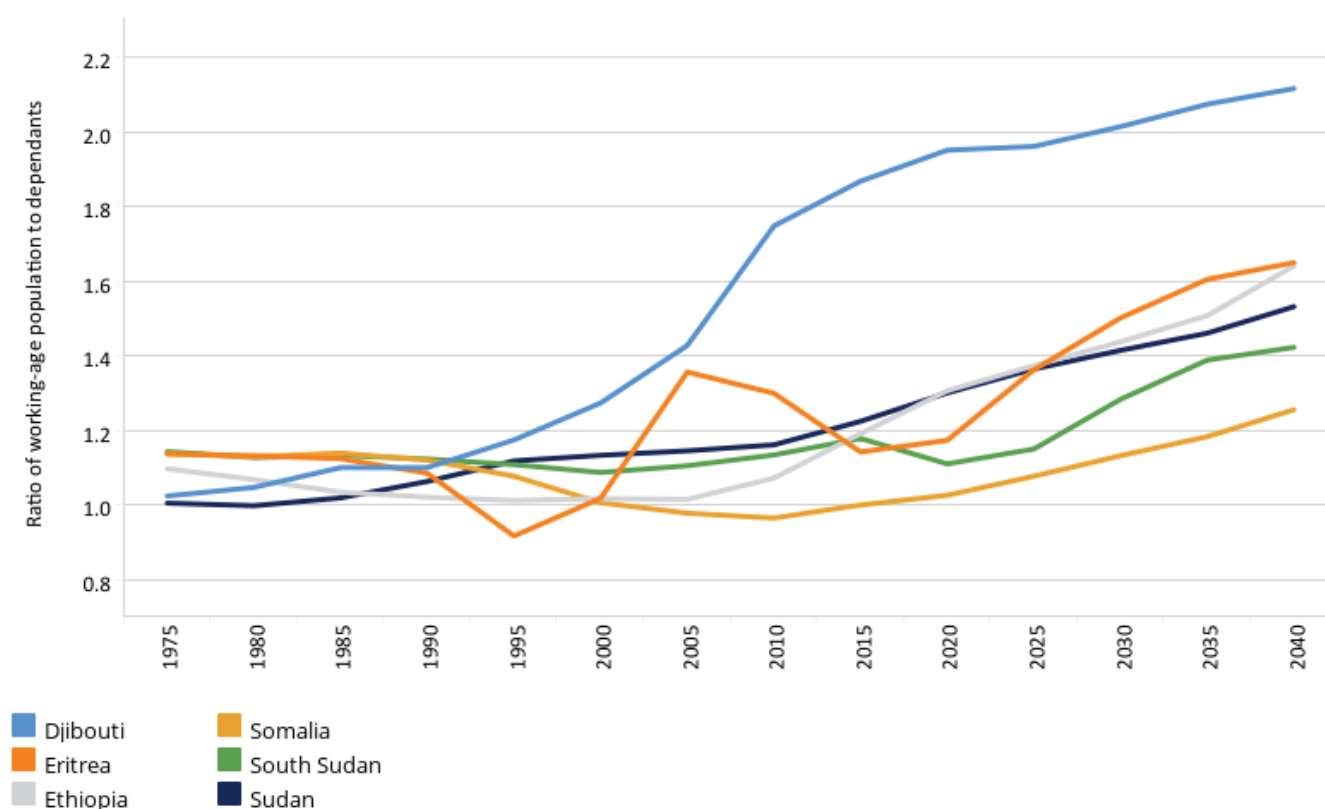
With the exception of Djibouti, the region's youthful age structure constrains economic growth. There are few people of working age (between 15 and 65) relative to child dependants (that is, children younger than 15). It will therefore continue to be difficult for countries like Ethiopia, Eritrea, South Sudan and Somalia to benefit from a demographic dividend and the potential for more rapid economic growth over the next 20 years.

Historically, nations that have achieved rapid economic growth, such as South Korea and Taiwan, did so partly because they had large labour forces relative to dependants. When the working-age population far outnumbers the dependant population, the opportunity for a 'demographic dividend', or an economic bonus, arises. But this is provided the growing labour force acquires the needed skills and is productively employed in the formal economy. Broadly speaking, a nation must reach at least 1.7 people of working age for each dependant to potentially experience a demographic dividend.[3]

Chart 6 shows that of the six Horn of Africa countries, only Djibouti has reached this ratio, recording an estimated 1.9 people of working age for each dependant. This ratio is set to stagnate until 2030 before gradually resuming its upward trajectory to peak at 2.2 working-age people for each dependant by mid-century.

Ethiopia and Eritrea are projected to reach 1.7 working-age people for each dependant after 2040, at which point the ratios of Sudan and South Sudan are expected to reach roughly 1.5 and 1.4, and Somalia, 1.2. Somalia is expected to reach the important ratio of 1.7:1 only by 2070. Eritrea, Sudan and South Sudan, meanwhile, are projected to reach this ratio in the 2050s.

Chart 6: Demographic dividend



Source: IFs version 7.63 initialising UN Population Division data

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But achieving the demographic dividend is not a given. To boost economic growth, people need meaningful employment and access to their rights of a quality education, clean water and sanitation facilities, and freedom from violence and conflict.

Studies show that a youth bulge (defined as the portion of the population 15 to 29 years of age relative to the total adult population) increases the potential for socio-political instability if there are no job prospects. In general, countries have a higher risk of political instability when 40% of the adult population is between 15 and 29 years old. And that risk is

compounded when opportunities for young people are severely restricted in the forms of low access to participation in governance, limited education, and failing economic development.[4]

The youthful population structure and limited socio-economic opportunities, among other challenges, contribute to the social instability experienced in the region.

The Horn of Africa is the most rural African region. On average, only 27% of its population lives in urban areas. The region has only three cities/urban agglomerations with at least one million inhabitants: Addis Ababa, Khartoum and Mogadishu. In Western, Central and Southern Africa, nearly half of all inhabitants are urban. Across sub-Saharan Africa, two out of every five people live in urban areas.

Djibouti, however, is an important exception. Although Ethiopia is the most densely populated country in the Horn, Djibouti is by far the most urbanised. Here, an estimated four out of every five people live in the cities, mostly in Djibouti City—a feature that reflects Djibouti's extremely small population and land area. Eritrea is the second most urbanised in the group.

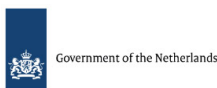
Somalia and Sudan lie in the middle. About 48% and 34% of their respective populations reside in an urban area compared to one out of every five Ethiopians. Nearly half of all Somalis live in urban areas, while in Sudan, only about one in three.[5] Meanwhile, fewer than one out of every four South Sudanese live in an urban area, making the country the 13th most rural in the world, and the second most rural state in the Horn of Africa after Ethiopia.

In urban areas, it is often easier for governments to provide services and for people to access the basic resources they need. For example, in Somalia, an exhaustive World Bank survey held in 2017 found that: 'Cities consistently provide better access to services and more stable income sources than rural areas except for land and housing.[6]' Rather than viewing urbanisation as a challenge, it offers an opportunity to accelerate the provision of a range of services including education.

Endnotes

1. World Population Review, [Addis Ababa Population](#)
2. The UN'S 2019 [World Population Prospects](#) roughly agrees with these TFR estimates, providing the following averages for 2015-2020: Djibouti: 2.8; Eritrea: 4.1; Ethiopia: 4.3; Somalia: 6.1; Sudan 4.4; South Sudan: 4.7
3. J Cilliers, [Getting to Africa's Demographic Dividend](#), ISS paper, 31 August 2018.
4. M Basedau, C Heyl and E Woertz, [Population Growth and Security in Africa: Myth or Underestimated Risk?](#), Policy paper, 2020, Hamburg: German Institute for Global and Area Studies.
5. The 35% urban estimate provided by Sudan's National Household Budget and Poverty Survey 2014/15 agrees with this forecast from IFs. See: Central Bureau of Statistics of Sudan, [Sudan National Household Budget and Poverty Survey 2014/15, First Draft](#), 13 December 2016, http://cbs.gov.sd/index.php/en/home/version_details/24/25, pp. 10, 23, 2016.
6. World Bank, [Somali Poverty and Vulnerability Assessment: Findings from Wave 2 of the Somali High Frequency Survey](#), Report No. AUS0000407, October 2019

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Dr Kouassi Yeboua is a senior researcher in African Futures and Innovation programme in Pretoria. He recently served as lead author on ISS studies on the long-term development prospects of the DR Congo, the Horn of Africa, Nigeria and Malawi. Kouassi has published on various issues relating to foreign direct investment in Africa and is interested in development economics, macroeconomics, international economics, and economic modelling. He has a PhD in Economics.

Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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