

A Glimpse of Urban Youth Unemployment in Ethiopia

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Abstract

The problem of urban youth unemployment is rapidly assuming dangerous proportions in many developing countries including Ethiopia. Ethiopia has the largest youth population and youth labour force constitutes a fast growing proportion. The objective of this article is to explore the employment status, issues, causes, and possible policy options. The study used both secondary and primary data sources. The study indicated that urban youth unemployment in Ethiopia is fast growing mainly due to the imbalance between the demand and supply sides of the job market. Thus, labour absorption is problematic. Recommendations and possible ways of interventions have also been forwarded.

Keywords: urban youth, unemployment, labour market, Ethiopia

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Introduction

Background and Problem Statement

Today's generations of youth¹ are the most numerous in history and the world is more youthful today than ever before. Unemployed youth make up almost half of the world's total unemployed. Youth are more than three times as likely to be unemployed as adults. In addition to those who are born in cities, lack of opportunities and underemployment push millions of rural youth to seek a living in the cities (World Bank, 2008; FAO, 2006).

The rapid population and labour force growth in developing countries, and the prospect that these trends will continue, has aroused great concern about the resultant economic and social consequences, particularly since many urban areas have serious employment and poverty problems (Oberai, 1993; Elliot, 1999). The effect of this urban unemployment has its own significant impact on tomorrow's human resource development particularly for the emerging workforce i.e. youth. Stressing the importance of focusing on youth, Kofi Annan indicated that: "...A society that cuts itself off from its youth severs its lifeline; it is condemned to bleed to death" (Kofi Annan, Ex-Secretary-General of UN, 1998).

Children and youth combined make up slightly more than half of the total population of the world. Their characteristics represent the legacy of the recent past and the success or failure of policies and programmes. Their aspirations and opportunities are also indicators of the characteristics of adults in the near future because the world of the future depends on the youth of today (WPP, 2006; FAO, 2006).

In many developing countries of the world, for example, recent structural adjustment programs have led to contractions in formal sector employment opportunities in the cities through loss of jobs in the public sector and denationalization of industries. In response to the lack of employment within this 'formal' sector many urban residents look for a wide variety of

both legitimate and illegitimate income opportunities available within the informal economy (Elliot, 1999).

The informal economy that most jobless people used as an opportunity of subsistence often involves small scale, unregulated, semi-legal, economic activities which often rely on indigenous resources, family labour, and traditional technology (Elliot, 1999; Todaro, 1997). The first National Labour Force Survey (1999) of Ethiopia defined the informal employment as follows: "A person is considered to work in the informal economy when he/she is engaged in a business or enterprise that does not keep book of account, has less than 10 workers, has no business/enterprise license and works at least four hours a week." The issue of informal economy, particularly for the urban youth, has gone beyond the issue of livelihood. As a result, informality, according to Sommers (2010), has become a vital facet of African urban life in the sense that it is predominantly driven by informal practices in such areas as work, housing, land use, transportation and a variety of social services.

Knowingly or unknowingly, African countries, until recently, have given little attention to youth employment and in Africa youth issues are raised together with other demographic and population issues. At the same time these African governments seek and often win power on campaign promises to create jobs and expand employment opportunities benefiting youth. Yet, the promise of jobs is easier made than honored. Dire consequences have followed such unfulfilled promises with youth taking up employment in the industries of crime and armed conflict (World Bank, 2008). In Africa what must be done is not yet done as far as creating opportunities for youth employment is concerned.

Besides the MDGs, several national and international pro-youth policies have been promised, introduced, and ratified in many countries of the world. However, as stated below, most of them have been blamed for they are only paper work:

Our challenge now is to move from the excellent policy work that has been done to a new phase of action at the country level. In the process of finding solutions to the problem of youth unemployment and underemployment, I hope that we will give a much needed boost to the achievement of the Millennium Development Goals. Lest we not forget, in the Millennium Declaration, world leaders committed themselves not only to the MDGs, but also to giving young people everywhere a real chance to find decent and productive work (Kofi Annan, UN Secretary-General (2003).

Currently, Africa's 200 million people between the ages of 15 and 24 make up 60 percent of the region's unemployed (World Bank, 2008). The 10 African countries with the highest share of young people in 2005 were: Zimbabwe (59 out of 100 persons) Zambia, Swaziland, Burundi, Kenya, Uganda, Burkina Faso, Mali, Lesotho and Rwanda (54 out of 100 persons). The 10 African countries with the largest number of young people are Nigeria (130 million), Ethiopia, Democratic Republic of Congo, Tanzania, Kenya, Uganda, Côte d'Ivoire, Angola, Mali, and Burkina Faso (14 million). Youth in general make up 40 percent of Africa's working age population, but 60 percent of total unemployed (World Bank, 2008; UN-Habitat, 2008).

In Ethiopia, out of the current 74 million total population, the youth population accounts for half and out of the 16% of urban population, youth's proportion is very high (CSA, 2007). Ethiopia is a typical case of the developing world that has failed to make effective use of its youth. It has been said that, in Ethiopia, one of the most obvious failure of the development process over the past several decades has been the failure of modern urban industries to generate a significant number of employment opportunities for the youth. Although in varying degrees, most of the modern regimes have had unsolved agenda with the Ethiopian youth that directly or indirectly dealt with employment and access to employment opportunities (Tesfaye *et al.*, 2005).

Table 1. Youth population (in millions) as defined by UN and Ethiopian Youth Policy

Age	1984		1994		2007	
	Million	% of population	Million	% of population	Million	%Population
15-24	6	14	10.3	18	15	40
15-29	8.6	20	14.1	26	20	55

Source: CSA, 1984; 1994; 2007

This confounding proportion is even higher in urban centers of the country. Recent studies on the urban labour market of Ethiopia indicate that this proportion doubles in major urban centers in general and the capital city in particular, standing at 40% of the urban population. If we simply look at the youth population of Addis Ababa which accounts for more than 1/3rd of the total population (2,738,248), (CSA, 2007), the trend is horrifying.

Table 2: Youth Population of Addis Ababa

Age group	Youth population (2007)		
	Total	M	F
15-19	386,363	153,352	233,011
20-24	405,134	184,341	220,793
25-29	371,904	179,963	191,941
Total	1,163,401	517,656	645,745

Source: Computed from CSA, 2007

A number of recent studies in Ethiopia have looked at different aspects of the urban labour market (Krishnan, 1996; Krishnan and Gebre Selassie, 1998; Serneels, 2001; Genene *et al.*, 2001). Findings from these studies indicate a very high level of unemployment in urban Ethiopia. Based on the 1994 census, Genene *et al.*, (2001) stated that the level of urban unemployment was 30% for men and 40% for women in Addis Ababa, and about 15% for both men and women in other urban centers in 1994.

Youth employment is critical to secure livelihood and avoid impoverishment for youth, particularly in urban areas. Given the state of the

Ethiopian economy and the rough rides the country has had for decades, the availability of provisions that support/target the youth are at best minimal.

As a result, the typical youth in Ethiopia has very little by way of education and job opportunity, and most have little option but endure a life of unemployment. High level of youth unemployment and underemployment is, in short, a feature that best characterizes urban centers of Ethiopia where youth stock is high.

Objectives of the Study

The general objective of this article is to explore the employment status, issues, causes, and possible intervention options for urban youth employment in Ethiopia. The specific objectives include:

- Examining the issue of youth unemployment in Ethiopia to the limelight by focusing on the urban youth labour market;
- Identifying factors responsible for the current unemployment status of urban youth;
- Discussing the supply and demand side of employment status of urban youth in Ethiopia and the situation in Addis Ababa in particular;
- Proposing possible ways of intervention that can be employed in the process of improving employment opportunities of urban youth.

Methodology: Data Sources and Analysis

This study attempts to shade some light on the problem of urban youth unemployment through qualitative methodology, and seeks to come up with some possible ways of interventions that will hopefully be of some use from the viewpoint of policy-making. The study used secondary data sources including various years of labour force survey (2001, 2005, and 2006), the country's three Censuses (1984, 1994 and 2007), text analysis, socio-economic records of legal authorities; and primary source from case studies.

The following two approaches were utilized in this study: a more general discussion of youth and urban youth employment status; and in particular, the problems of youth unemployment in major urban centers of Ethiopia.

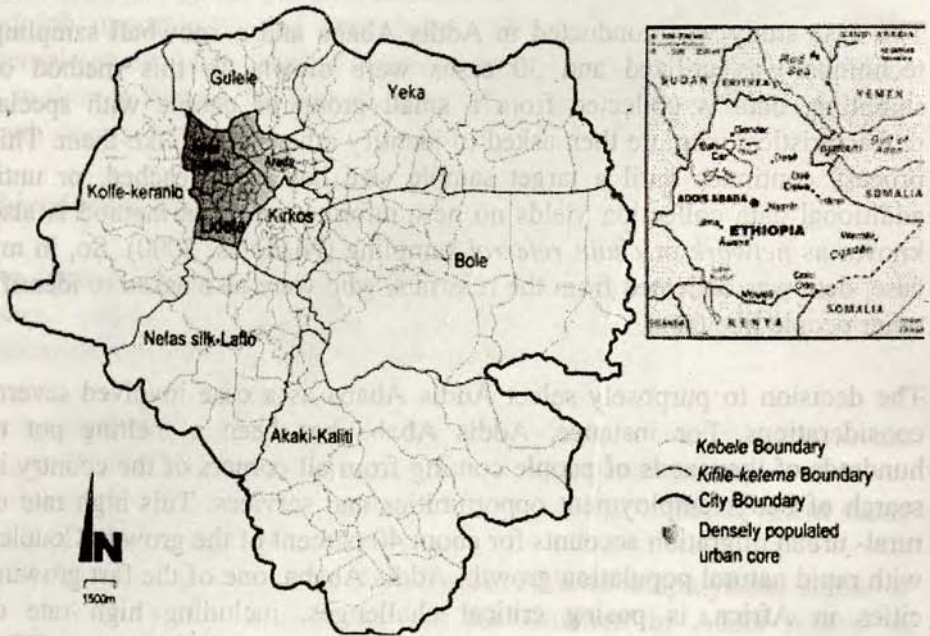
The case study was conducted in Addis Ababa and a snowball sampling technique was utilized and 30 cases were drawn. In this method of sampling, data is collected from a small group of people with special characteristics, who are then asked to identify other people like them. This process continues until a target sample size has been reached, or until additional data collection yields no new information. This method is also known as *network* or *chain referral* sampling (Nicholas, 2000). So, in my case, data was collected from the referrals, who were also asked to identify other people like them.

The decision to purposely select Addis Ababa as a case involved several considerations. For instance, Addis Ababa has been a melting pot to hundreds of thousands of people coming from all corners of the country in search of better employment opportunities and services. This high rate of rural-urban migration accounts for about 40 percent of the growth. Coupled with rapid natural population growth, Addis Ababa, one of the fast growing cities in Africa, is posing critical challenges, including high rate of unemployment, housing shortage and environmental deterioration (CSA, 1994; UN-Habitat, 2008).

Hosting about 30 percent of the urban population of Ethiopia, Addis Ababa, the capital of Ethiopia and the diplomatic centre of Africa, is one of the fastest growing cities in the continent. Its population has been almost doubling every decade. UN-Habitat estimate shows that this figure will continue to rise, reaching 12 million in 2024.

Besides, Addis Ababa is situated in the high plateaus of central Ethiopia in the North-South oriented mountain systems neighbouring the Rift Valley. It is located at 09° 02'N and 38° 44'E. Its altitude ranges from 2408 m.a.s.l to 2444 m.a.s.l. This range of altitude is assumed to be a preferable site for permanent settlement and health.

Figure 1 Addis Ababa: The Melting Pot of Nations, Nationalities and People's of Ethiopia



Source: Addis Ababa City Administration, 2009

During the past century, the population of Addis Ababa increased significantly. The population of the city during the era of emperor *Menelik* was estimated to be about 100,000. Within the span of 100 years, the population of the city increased dramatically. According to CSA (1994), the size of the city's population was 2,112,737. The population of the city grew to 2,738,248 in 2007 (CSA, 2007). Compared to the 1984 census, the 1994 population size showed a 3.26% increase. This change occurred due to not only natural increase and migration but also reclassification. It must be noted that the area size of Addis Ababa had increased from 222.04 km² in 1984 to 530.21 km² in 1994.

Conceptual Framework

There is little agreement and a great deal of confusion is among countries as to what constitutes “work” or “no work”, ‘employment’ or ‘livelihood’. The employment–unemployment dichotomy also fails to include a far more significant marker of economic activity for youth and most other urban dwellers, namely underemployment, the kind of work that is commonplace in big African cities but that is difficult to quantify because it may be short, irregular, hidden, etc (Sommers, 2010). To make it formal, unemployment is of different types. These include: **Frictional Unemployment**: it occurs when an individual is out of his/her current job and looking for another job. The time period of shifting between two jobs is known as frictional unemployment; **Structural Unemployment**: it comes about due to the structural changes within an economy, i.e. when there is a mismatch of skilled workers in the labor market. The causes might be geographical immobility (difficulty in moving to a new work location), occupational immobility (difficulty in learning a new skill) and technological change (introduction of new techniques and technologies that need less labor force). It depends on the growth rate of an economy as well as on the structure of an industry; **Classical Unemployment**: is also known as the real wage unemployment or disequilibrium unemployment. It occurs when trade unions and labor organization bargain for higher wages, which leads to a fall in the demand for labor; **Cyclical Unemployment**: it occurs when there is a downturn in an economy; **Seasonal Unemployment**: is a type of unemployment that occurs due to the seasonal nature of the job (<http://ingrimayne.com/econ/Labor/Search.html> (retrieved 23 January 2009); ILO, 1985; Gobsi, 2006). Although it is believed that more than one types of unemployment mentioned above work together and most of the definitions are framed to look at the formal sector of employment, the primary focus of this paper is on structural unemployment.

According to Briggs (1973), unemployment is the difference between the amount of labour employed at current wage levels and working conditions, and the amount of labour not hired at these levels. However, Gbosi (2006) defined unemployment as a state of affairs in which people who are willing to work at the existing wage rate are unable to find jobs. An internationally recommended definition of unemployment is that a person is classified as

unemployed if she/he meets all the following three conditions: without work, currently available for work, and seeking for work (ILO, 2006; ILO, 1986).

The measurement of unemployment is based on the above three criteria that must be satisfied simultaneously (ILO, 1986). The standard definition of unemployment is based on the "seeking work" criterion that can be interpreted as activity or efforts undertaken by non-working persons during a specified reference period or prior to it in order to find a job (i.e., paid or self employment). The specific steps may include registration at a public or private employment exchange, application to employers, answering newspaper advertisements, seeking assistance of others, seeking on start-up resources to establish own enterprise, applying for work permits and licenses, etc. However, in situations where the conventional means of seeking work are of limited relevance; where the labour market is largely unorganized or of limited scope, where labour absorption at the time is inadequate; or where the labour force is largely engaged in the informal sector, the above standard definition of unemployment with its emphasis on seeking work criterion might be restrictive and might not fully capture the prevailing employment situations in many developing countries (Getnet, 2003; Serneels, 2001).

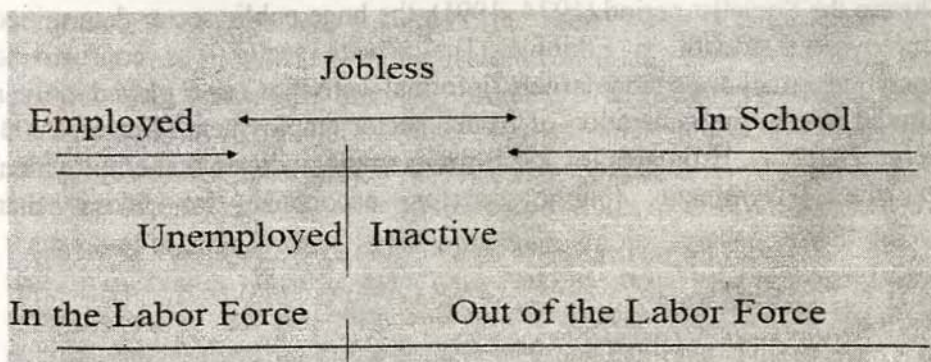
Employment can be viewed at both macro and micro levels. At least two issues are worthy of particular attention in relation to the problem of unemployment at the macro level – its level and distribution. High level of unemployment generally implies the failure of an economy to put to use its scarce resources. Such failure has been the feature of most developing countries. Poor macroeconomic performance, low level of employment creation and a rapid increase in the workforce are some of the most important reasons behind the high level of unemployment that the developing world is associated with. Distribution wise, unemployment is generally found to be rampant among certain sections of society. The

consensus in this regard is that the youth mostly bear the brunt of the problem. Any increase in the level of general unemployment worsens the position of this significant proportion of the society. Urban youth unemployment which deserves particular attention is part and parcel of the general problem of unemployment (ILO, 1983; Getnet, 2003; Sermeels, 2001).

This is because they are youth and face such problems. Youthhood is often recognized as one of the key transitional periods in a person's life. A better understanding and appreciation of how change and development occur during this period is important. Similarly, investigating the usual and intergenerational trends of this transition of youth from school to work, from dependence to independence, etc. in association with the new global and local changes is also imperative (Getnet, 20003; Sommers, 2010).

Youth employment problems are, therefore, associated with transitions. As can be seen in Figure 2, youth are in transition; people can be employed sometime and not another time, etc. They might move from school (what so ever may be the level) to work. In the process of attempting to have job they might fail or succeed. In any ways, the youth in the urban areas may fall in one of the categories: in the labour force or out of the labour force; unemployed or inactive and employed, jobless or in between. Sometimes a combination of any two of these, such as school and work; or employed and in the labour force might work together (LMCC, 2005).

Figure 2. Defining youth transition and employment problems



Source: After LMCC, 2005

The need for focusing on urban youth employment issues

Today, 1.5 billion people are youth (12–24 years of age); 1.3 billion of them are in developing countries (WDR, 2008). Youth is a stage for the process of becoming independent; it is a time for leaving the parental home and establishing new living arrangements; it is a situation to form personal relationships outside the family; it is a time of finding work and achieving a more or less stable living. In Ethiopian context the issue is even more complex than this—youth are expected to help parents, extended families, etc.

According to Curtain (2004), the problem of youth unemployment is a serious cause for concern on a number of grounds. First, the youth makes up a significant proportion of the population. Second, these countries already spend huge amount of resources on the youth. Such expenditure may turn out to be a lost investment if, ultimately, the youth is not going to be in a position to support itself and the larger society. Third, the youth being one of the resources that these countries are endowed with, failure to channel this resource properly may mean a further entrapment in the vicious circle of poverty and a bleak prospect in terms of economic development and growth (Annan, 1998). Fourth, high level of youth unemployment and the sense of desperation it creates have been linked to social problems that threaten the stability and peace of a society.

The trend and nature of (un)employment in Ethiopia: An overview

During the Socialist period (1974 -1991), the huge public sector determined employment growth in Ethiopia. The private sector was confined to operating small-scale and largely informal activities, and played only a limited role in the generation of formal sector employment (Getnet, 2003; Serneels, 2001). Estimates for 1981, for example, indicate that employment in the government (public) sector accounted for more than

94% of formal sector employment while the share of private sector employment was less than 6%. Thus, employment opportunities largely depended on the performance of the public sector during the last regime. Studies, however, indicate that the increase in the employment opportunities in the government sector was extremely low compared to the annual increase in the labour force (ILO, 1986). With the increase in the role of the private sector after the downfall of the *Derg* in 1991 and the liberalization of the economy, employment in the formal private sector has shown some growth. However, still youth employment issues are challenging and solutions to questions are being contested. According to Kedir (2009), the 'survival of the fittest' under the free market economy and 'massification' and peripherization of universities and training centres with low quality graduates in Ethiopia have left many marginalized from the pool of the labour force. In this case, urban youth are more challenged than their rural counterparts. Therefore, it seems that the urban youth is at the crossroads and the country is unable not only to accommodate this potentially productive segment of the population into the labour market but also to make them skilful and competent enough.

In 2007/08 World Bank carried out an assessment of unemployment in many countries of the world. Of these, those classified as unemployed, only about half of Ethiopia's 2.4 million urban youth were employed in 2005 (World Bank, 2008).

Characterizing labour market conditions in developing countries using established labour market theories has always been a redoubtable task. As Serneels (2001) indicated, a study on the urban labour market of Ethiopia involving unemployment duration could be cited here. The basis of duration analysis was job search theory (Burdett, 1978; Burdett and Mortensen, 1980) which has to do with the disutility associated with being unemployed and the need for intervention through schemes such as job training and benefits of some kind, in order to make up for loss of utility associated with the state of unemployment. In Ethiopia there are no interventions of the sort that job search theory assumes, making one wonder as to the appropriateness of the search theoretic framework in the study of unemployment duration in the context of urban Ethiopia. This is even more so when it comes to the youth labour market. In relation to the youth labour

market in developing countries, the human capital theory, according to Becker (1962), is probably the one with some relevance. The human capital theory explanation of high level of youth unemployment assumes that the youth embodies less human capital, specific or otherwise, and, as a result, is likely to be at the end of the job queue. This seems to provide a good account of the situation in developing countries such as Ethiopia where majority of the youth scarcely get a job. However, the fact that there is scarcity of jobs forthcoming is the most important reason behind the high levels of unemployment in these countries. The skills queue and the position of the youth therein does have some relevance, but only when there are a reasonable number of jobs to queue for. Even if one happily sticks to this explanation, the commonly sought intervention that follows involves improving the (queue) position of the youth through various programs such as youth training/retraining schemes (Getnet, 2003).

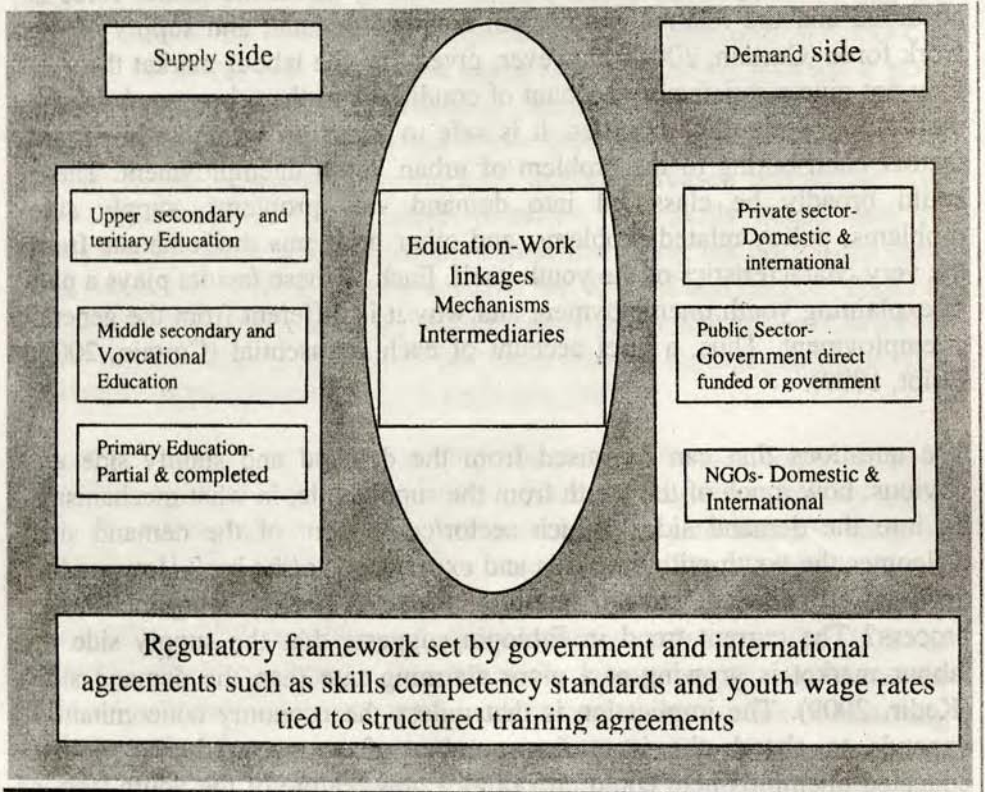
The explanation for training/retraining schemes can be macroeconomic and microeconomic in character. The macroeconomic argument largely stems from the concern that potential increase in aggregate demand may be constrained by labour market bottlenecks. The microeconomic rationalizations, on the other hand, stem from labour demand and supply considerations. Labour demand considerations relate to the lack of vacancies due to a slack in demand while labour supply considerations relate to problems of labour supply such as inadequate system of matching workers with jobs that may exist even when there is large number of vacancies (Getnet, 2003; Elliot, 1999). An intervention of this sort, the argument goes, improves the human capital of the youth and, with that, its position in the job queue. Such intervention has, in practice, been seen to improve the lot of at least some of the youth in the developed world. Given the sheer size of the youth and the resource requirement of running such programs, the applicability of an intervention of this nature in the poorest of countries is highly doubtful, however (Elliot, 1999).

Labour absorption and supply vs demand

Another critical question concerns the extent to which the labour force is absorbed and the relative equilibrium between demand and supply of the work force (Curtain, 2004). However, given that the labour market theories may not give a satisfactory account of conditions in the urban youth labour market in developing countries, it is safe to focus on the most important factors contributing to the problem of urban youth unemployment. These could broadly be classified into demand side problems, supply side problems, policy related problems, and other problems that emanate from the very characteristics of the youth itself. Each of these factors plays a part in explaining youth unemployment and why it is different from the general unemployment. Thus, a brief account of each is essential (Curtain, 2004; Elliot, 1999).

The questions that can be raised from the demand and supply side are obvious: how much of the youth from the supply side, in what mechanisms go into the demand side? Which sector/component of the demand side welcomes the youth with the skills and experience he/she has? How are the needs of all parties (Demand, supply and intermediaries) being met in the process? The current trend in Ethiopia suggests that the supply side of labour market is growing at a more alarming rate than the demand side (Kedir, 2009). The implication is that unless the economy concomitantly expands to absorb the increasing number of young graduates, young educated unemployment could prevail as a new feature of the youth labour market in Ethiopia (Fig.3).

Figure 3. Supply and demand side of employment



Source: Curtain, 2004

Youth employment status and some background variables

Employment status of a person indicates the level of involvement and degree of decision-making in respective activity. Employment status is classified into employee government, employee government parastatal, employee private organization, employee NGO's, domestic employees, other employees, self-employed, unpaid family worker, employer, apprentice, members of cooperatives and others.

Youth unemployment is growing from time to time and the situation for urban youth is even worse (Table 14). The attention given to youth employment issues by policy makers is minimal and what should be done is not yet done (Berhanu *et al.*, 2007). One only needs to just examine the two consecutive censuses in Ethiopia (1984 & 1994) and an estimate of 1999 to understand this.

Table 3 indicated that youth unemployment is increasing from time to time in the employment history of Ethiopia. As can be seen from the data, in all age groups (15-29 age group) of youth, unemployment rate is growing (regardless of whether they are educated or not, skilled or not, in the formal or in the informal sectors, etc.). In 1984, it was about 1.88% and grew to 5% in 1994 and the estimate of 1999 raised youth unemployment to 9.01%.

CSA (2005) had also conducted a National Labour Force Survey in 2005 and the survey result revealed that in March 2005 there were 1,653,685 unemployed persons. Of these, males were 427,915 and females were 1,225,770. This means that the rate of unemployment for urban areas of the country was 20.6%. Unemployment rate for rural areas was only 2.6 percent. Unemployment rate for the male and female were 13.7 and 27.2%, respectively. This indicates unemployment is more of a problem for females than males and urban than rural (Figures 2 and 3). It was shown that rural participation rates were much higher than urban participation rates. Open youth unemployment appears to be characteristic of urban centers, and rose sharply between 1984 and 1994. In contrast, the youth unemployment rate in rural areas was only 0.7% in 1984, 1.2% in 1994 and 7.2% in 1999. Besides, youth are more unemployed than other age groups.

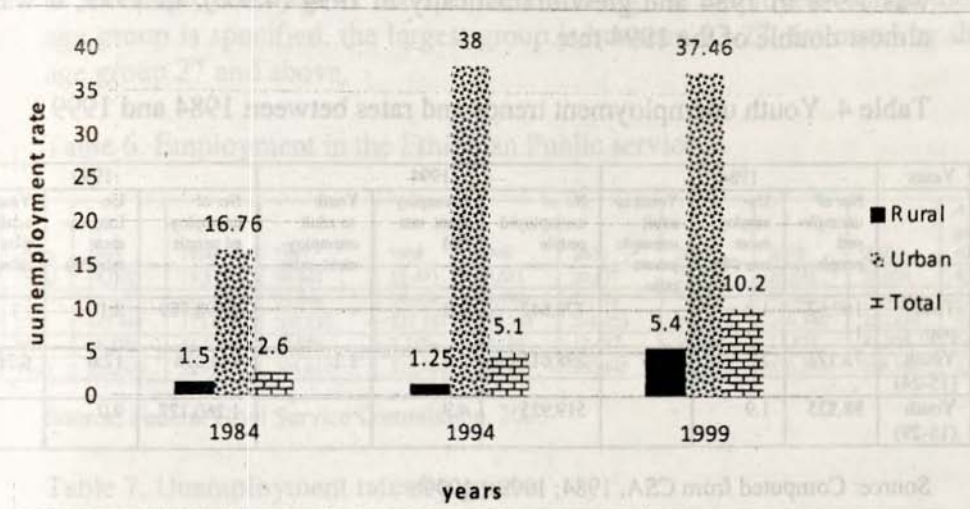
Table 3: The trend of summary statistics of unemployment in Ethiopia

Description		1984	1994	1999
Total unemployment	No. of unemployed people	169,621	770,642	2,198,789
	Unemployment rate (%)	1.15	2.91	8.06
Youth unemployment (15-24 yrs)	No. of unemployed people	73,173	398,615	946,036
	Unemployment rate (%)	2.34	5.33	11.97
Teenage unemployment (15-19 yrs)	No. of unemployed people	41,959	179,447	493,576
	Unemployment rate (%)	2.55	4.33	11.36
Young adults unemployment (20-24 yrs)	No. of unemployed people	31,214	219,168	452,460
	Unemployment rate (%)	2.11	6.58	12.72
Youth unemployment (15-29 yrs)	No. of unemployed people	88,835	519,925	1,260,177
	Unemployment rate (%)	1.88	4.92	9.01

Source: CSA (1984; 1994; 1999)

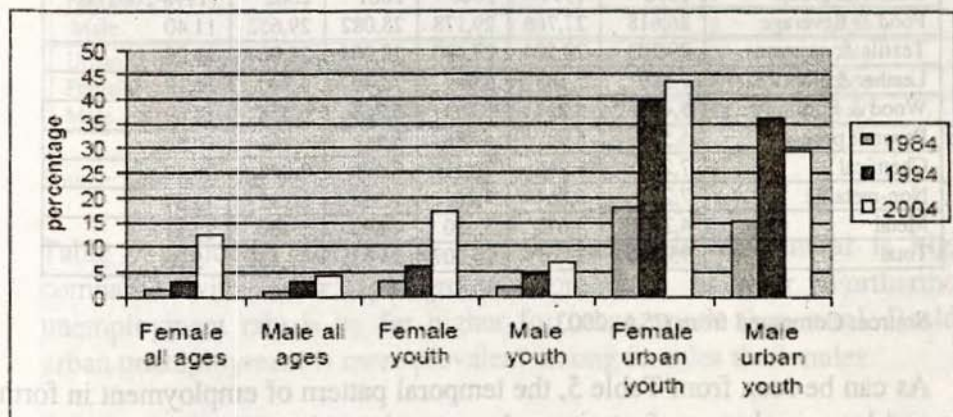
Undoubtedly unemployment depends on some natural or man-made variables. Problems of employment can have also specific rural and urban features. As in most developing countries, the trend in Ethiopia is that there is more unemployment in urban areas than in rural (Fig.4). The same is true for gender. Figure 5 indicates that unemployment rates and engagement in the labour force also differ by gender. More urban females were unemployed than their male counterparts in 1984, 1994 and 2004.

Figure 4. Rates of urban and rural unemployment



Source: CSA, 1984, 1999a, 1999b

Figure 5. Unemployment rates by gender for the labour force as a whole and for youth



Source: CSA, 1984; 1999a; 1999b; 2004

In Ethiopia the unemployment rates of youth were increasing from time to time in both urban and rural areas. The unemployment rate of youth (15-29) was 1.9% in 1984 and grew dramatically in 1994 (4.9%). In 1999, it was almost double of the 1994 rate.

Table 4. Youth unemployment trends and rates between 1984 and 1999

Years	1984			1994			1999		
	No. of unemployed people	Un-employment rate (%)	Youth to adult unemployment ratio	No. of unemployed people	Unemployment rate (%)	Youth to adult unemployment ratio	No. of unemployed people	Un-employment rate (%)	Youth to adult unemployment ratio
Total pop.	169,621	1.2	-	770,842	2.9	-	2,198,789	8.1	-
Youth (15-24)	73,173	2.3	0.76	398,615	5.3	1.1	946,036	12.0	0.76
Youth (15-29)	88,835	1.9	-	519,925	4.9	-	1,260,177	9.0	-

Source: Computed from CSA, 1984; 1999a; 1999b

Table 5. Temporal pattern of employment in the formal medium and large scale manufacturing sub-sector

Industrial group	1998	1999	2000	2001	2002	Rate of change (1998-2002)%
Food & Beverage	26,618	27,766	29,178	28,082	29,652	11.40
Textile & garments	29,283	29,504	27,499	28,004	26,054	11.03
Leather & Footwear	7,589	7,183	6,989	7,040	6,740	11.19
Wood & Furniture	5,441	5,222	5,103	5,263	6,458	18.69
Paper & printing	5,554	5,497	5,888	5,519	6,142	10.59
Chemical	7,220	6,965	7,431	7,470	9,398	30.17
Non-metallic	7,229	6,864	7,269	7,328	8,232	13.87
Metal	4,282	4,677	5,650	4,809	5,460	27.51
Total	93,216	93,678	95,007	93,515	98,136	5.28

Source: Computed from CSA, 2003

As can be seen from Table 5, the temporal pattern of employment in formal and large scale manufacturing sub sectors by industry indicate that the rate of change (1998-2002) is highest in chemical followed by metal. It is lowest

in paper and printing followed by textile and garments. Table 6 also indicates that in public civil service employment, surprisingly the majority of the employees' age is not specified. Among the employees where their age group is specified, the largest group is between 23-27, followed by the age group 27 and above.

Table 6. Employment in the Ethiopian Public service

Age group	1995	1996	1997	1998	1999	2000	2001	2002	2003	Av. growth rate p.a
18-22	18,092	19,513	18,947	18,493	20,011	20,877	23,526	25,061	25,056	4.29
23-27	42,521	47,562	62,949	69,474	70,498	71,478	71,650	73,108	72,416	7.35
27+	145,861	173,073	200,858	221,167	232,784	246,053	246,618	266,346	250,128	7.24
NS	29,175	45,399	25,856	7,755	13,134	12,437	20,794	11,828	41,303	34.99
Total	235,649	285,547	308,610	316,889	336,427	350,845	362,588	376,343	388,903	6.61

Source: Federal Civil Service Commission, 2003

Table 7. Unemployment rates by gender

Description	1984	1994	1999
Unemployment for all working age groups	1.15	2.91	8.06
Female	1.40	3.09	12.49
Male	0.97	2.77	4.36
Youth unemployment rate	2.34	5.33	11.97
Female	2.90	5.97	17.32
Male	1.87	4.79	6.85
Urban youth unemployment rate	16.76	38.06	37.46
Female	18.09	39.80	43.66
Male	15.28	36.37	29.40

Source: Compiled from CSA (1991; 1999a; 1999b)

Table 7 indicates that youth unemployment rate in general is higher compared with other age groups from year to year. Furthermore, unemployment rate is by far higher for urban youth than rural. Besides, urban unemployment is more prevalent among females than males.

In the 1994 Population and Housing Census, the urban unemployment rate was 22 percent and then grew to 26.4 percent in 1999 (CSA, 1997, 2000).

The unemployment rate as registered in the Urban Biannual Employment and Unemployment surveys of October 2003 and April 2004 were 26.2 percent and 22.9 percent, respectively. In the March of 2005 NLFS survey, the rate has declined to 20.6 percent. Decline in unemployment could occur either due to creation of jobs or shift from unemployment to inactive status. The trend of youth unemployment is growing from time to time. The data indicates that the rate of unemployment more than doubled between each period. Despite this increase, the national unemployment rate still appears to be relatively low - 8 per cent (Table 6).

Table 8 presents data on the urban employment status of the country aged 10 years and above. As can be seen from the data, most urban paid employees are government employees followed by private organizations' employees. The largest employment status share is covered by self employment. Self-employment usually happened when an individual is incompetent and/or has no access to government or NGO vacancies. There is a high gender disparity in the employment status. Male employed are higher in paid employment than female except in domestic employment. There are more women in domestic and self-employment which still indicates that they are marginalized from the highly respected and paid jobs.

The unemployment rate for the 26 major urban centres is presented in Table 9. As can be seen from this table, the overall unemployment rate for these major urban centres is 30.5 percent, - 20.4 percent for males and 41.1 percent for females. Comparing the major urban centres, the rate is higher for *Jijiga* town and Addis Ababa City Administration (38.6 percent and 33.6 percent, respectively).

When youth employment is a focal point for discussion and concern, working space prepared is central. Although, most of the working spaces are prepared for the ethnic groups of the region, more working space is prepared by SNNPR followed by Amhara regional states. Addis Ababa has the largest number of youth beneficiaries compared with other regions (Table 8). It has been usually argued that Addis Ababa is a preferable work place for the majority since ethnic issues are calm.

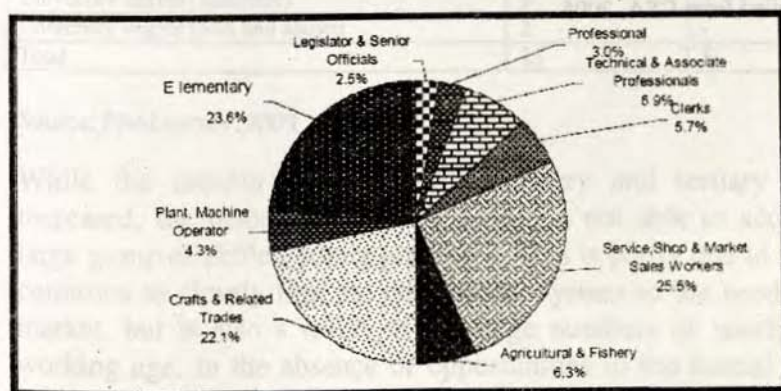
Table 8. Working space prepared and accorded to MSEs in 2004

Region	Area of space provided (in M ²)	No. of beneficiaries
Addis Ababa	222,299	37,554
Amhara	245,812	6,507
Tigray	19,212	6,303
Oromia	199,730	718
SNNPR	285,700	8,364
Dire Dawa	72,964	2,971
Total	1,045,717	62,417

Source: FMSEDO, 2004

Figure 6 presents data on the distribution of the employed population aged 10 years and above by major occupational groups at country urban level. As can be observed from the figure, nearly three-fourths of urban employed population of the country is engaged in three equally major occupations, namely: service, shop and market sales workers (25.5 percent), elementary occupation (23.6 percent), and craft and related activities and (22.1 percent). Professionals together with technical and associate professionals make up about 10 percent of the employed population while those persons working in legislator and senior officials took the lowest position, contributing 2.5 percent to the employed urban population of the country.

Figure 6. Distribution of currently employed population of urban areas of the country by major occupation for both sexes in 2006



Source: Compiled from CSA, 2006

Table 9. Current unemployment rate for selected urban centres aged ten years and over by sex: 2005

Regions	Total Population			Total Unemployed population			Unemployment rates		
	Region	Total	Male	Female	Total	Male	Female	Total	Male
Total	1,925,448	986,710	938,738	587,119	201,394	385,725	30.5	20.4	41.1
Adigrat	14,607	6,615	7,992	4,178	1,171	3,007	28.6	17.7	37.6
Mekele	65,087	32,275	32,812	15,106	6,110	8,996	23.2	18.9	27.4
Asayita	5,631	3,058	2,573	1,180	259	921	21.0	8.5	35.8
Gonder	56,101	26,313	29,788	15,422	5,342	10,080	27.5	20.3	33.8
Kombolcha	16,582	8,563	8,019	5,061	1,542	3,519	30.5	18.0	43.9
Dessie	40,988	21,093	19,895	12,292	3,905	8,387	30.0	18.5	42.2
Debrehan	20,831	9,589	11,242	3,239	864	2,375	15.6	9.0	21.1
Debremarkos	19,210	8,609	10,601	3,411	998	2,413	17.8	11.6	22.8
Bahirdar	68,155	31,063	37,092	13,154	3,068	10,086	19.3	9.9	27.2
Neqemte	24,843	13,109	11,734	6,305	1,973	4,332	25.4	15.1	36.9
Debrezeit	36,638	18,915	17,723	10,831	3,660	7,171	29.6	19.4	40.5
Shashemene	25,832	13,911	11,921	7,758	2,443	5,315	30.0	17.6	44.6
Asela	22,421	11,888	10,533	4,403	1,375	3,028	19.6	11.6	28.8
Adama	71,254	34,630	36,624	18,967	6,243	12,724	26.6	18.0	34.7
Jimma	44,492	23,161	21,331	10,278	3,107	7,171	23.1	13.4	33.6
Jijiga	29,211	16,901	12,310	11,268	4,480	6,788	38.6	26.5	55.1
Asosa	9,909	5,576	4,333	1,982	325	1,657	20.0	5.8	38.2
Hosana	19,041	10,719	8,322	4,116	972	3,144	21.6	9.1	37.8
Awassa	49,779	25,942	23,837	13,086	3,316	9,770	26.3	12.8	41.0
Dilla	19,756	10,413	9,343	4,852	1,573	3,279	24.6	15.1	35.1
Soddo	23,352	13,485	9,867	4,557	1,429	3,128	19.5	10.6	31.7
Arbaminch	27,560	13,736	13,824	6,027	1,917	4,110	21.9	14.0	29.7
Gambella	8,570	4,712	3,858	2,480	688	1,792	28.9	14.6	46.5
Harar	35,066	18,093	16,973	10,509	3,735	6,774	30.0	20.6	39.9
Addis Ababa	1,072,918	555,702	517,216	360,240	129,854	230,386	33.6	23.4	44.5
Diredawa	97,614	48,639	48,975	36,417	11,045	25,372	37.3	22.7	51.8

Source: Compiled from CSA, 2005

Table 10. Unemployment by area and type of training, 2009

Type of Training	Born in Addis Ababa	Born outside Addis Ababa	Total
Certificate-1 or less 2 years	3	2	5
Certificate-2 or more years	2	3	5
Diploma- 2 or more years	5	3	8
University degree (Bachelor)	7	3	10
University degree (MA and above)	2	-	2
Total	19	11	30

Source: Field survey, 2009

During the field survey of this study, 30 unemployed youth were identified through snowball sampling. Of these, 19 were born in Addis and the rest were not. More than half of these unemployed youth were holder of Diploma and BA degree. Male were more unemployed and had higher educational attainment than women (Table 10 & 11).

Table 11 Unemployment by sex and type of training, 2009

Type of Training	Sex		
	Male	Female	Total
Certificate-1 or less 2 years	4	1	6
Certificate-2 or more years	5	-	5
Diploma- 2 or more years	7	3	10
University degree (Bachelor)	6	2	8
University degree (MA and above)	2	-	2
Total	25	5	30

Source: Filed survey, 2009

While the number of youth in secondary and tertiary education has increased, the labour market in Ethiopia is not able to accommodate this large group of skilled young graduates. This is partly due to failure in many countries to closely link the educational system to the needs of the labour market, but is also a result of the large numbers of youth now reaching working age. In the absence of opportunities in the formal labour market, youth are also turning to the so-called "forced entrepreneurship" and self-employment in the informal sector, working in often hazardous conditions

for low pay and with fewer prospects for the future (ILO, 2004). One of my cases, Gete (Female- 23), a graduate of Bahir Dar University, Ethiopia, in 2008 explained her experience as follows:

I think I didn't get the kind of work I want because I don't have the experience required by the employers. ... I asked one organization if I could be an intern. They told me to first finish my undergraduate programme. So I did that and asked them again if I can be an intern. But they sent me a reply in which they said that I have to be enrolled in a second degree programme to be an intern. In my opinion, in order to have students with more practical work, companies or organizations should set criteria to involve them as an intern.

A similar case was observed for Berhanu (Male- 26):

My name is Berhanu. I have a BSc degree in chemical Engineering from AAU. I have occasionally managed to get a job but not a regular or permanent one. Actually we were not taught about what sort of jobs or careers are available. Nor did we have guidance on how to go about finding jobs. When students get over the "exam hall" of high school and join University, only then do they start thinking about what they want to do. They should really start thinking about this when they were in high school, because when they choose the wrong path they lose motivation. If I had clear information about chemical engineering, I would have joined Department of Chemistry Education. This time there are more job opportunities to chemistry teachers than to chemical engineers.

Table 12. Number of Ethiopians to work abroad by age group

Age group	2001	2002
15-19	132(6)	334(7)
20-24	1,362(57)	2,614(52)
25-29	745(31)	1,627(32)
30-34	136(6)	334(7)
35+	24(1)	106(2)
Total	2,399(100)	5,015(100)

NB. Numbers in parenthesis are percentages.

Source: Compiled from MOLSA (2002; 2003)

As far as international job opportunity is concerned, more of the job seekers are in the age group of 20-24, followed by 25-29. Most of them (about 90%) are women and they usually go to Middle East countries to work as maidservants, not as professionals and informal jobs (Table 12).

In Ethiopia, methods of searching job always matters in the employment process of youth. Until 1999, for methods of searching jobs, trying to establish own enterprise accounts for the largest share followed by search on vacancy advertisement board. Electronic media contributed less in terms of helping youth hunt for jobs.

Table 13. Percentage distribution of methods of searching for work by unemployed, 1999

Steps taken to seek work	Percentage of steps taken by age group			
	All ages (10+)	Teenagers (15-19)	Young adults (20-24)	All youth (15-24)
Acquired unemployment card	4.76	3.89	7.06	5.76
Made application for job	5.59	2.62	6.86	5.11
Search on vacancy advertisement board	17.48	16.45	25.39	21.71
Seek through newspaper, radio, TV	2.14	1.37	2.45	2.00
Seek through friends & relatives	15.47	18.38	15.88	16.91
Checking at work sites	20.63	20.97	18.94	19.77
Trying to establish own enterprise	29.92	31.63	20.01	24.80
Others	3.75	4.17	3.02	3.49
Not stated	0.27	0.53	0.38	0.45
Total	100.00	100.00	100.00	100.00

Source: Compiled from CSA, 1999b

Most job seekers have problems of methods of searching job. The case seems more challenging for youth who have less exposure as Kassa, one of my cases, explained:

Today young people are into stiff competition for jobs after graduation. A lot of new graduates [especially from private colleges] take a year to get jobs, sending numerous resumes to as many as a hundred companies and some even do not know where to send their resumes (Kassa, 26, recently arrived from Hawassa, SNNPR).

One of my cases, Bekele (Male-30), has also revealed similar case. Bekele came from Bale. He spent six months living with his uncle. Depression took a hold on his life. He recalls:

At this time I had nowhere to go. I didn't know what to do and I didn't want to live anymore. My life was messed up. I felt like I was at the end and there was no way to go on. I felt like I had nothing to live for. I have no job. I have no information about how to look for job except the Arat Kilo notice board that my uncle showed me once. My parents are too poor and unable to give me money that I can give to agents of employers or to give directly to the employers themselves...oh!

Previous work experience and duration of unemployment have also significant impacts. Respondents indicated that in most of the vacancies prior work experience is mandatory. Table 14 presents data on the distribution of the country unemployed population by sex, previous work experience and duration of unemployment. As it has been indicated in the table, out of the 1,653,685 unemployed persons of the country, about 47.5 percent never had work experience prior to the survey date. The data also revealed that 50% unemployed females had no previous work experience, while about three-fifths of the unemployed male had previous work experience. This suggests that prior exposure to the working environment and previous work experience cannot be a guarantee for employment. In Table 14, one can easily see that the majority i.e. three-fifths (38.1%) of the unemployed have been without work for 1-6 months. The table also shows that 22.8 percent and 8.2% of unemployed urban population remained jobless for 7-12 months and 13-24 months, respectively. The above pattern also holds true for both males and females. The proportion of unemployed

person with previous work experience is higher in rural areas (52.6) than that of urban areas (51.2%). This can be associated with intermediaries/information and lack of access to services. Work experience, also called "professional experience" or only "experience", is becoming the most important requirement when vacancies are announced. Employers give more emphasis to the evidence testifying that someone actually did so far. The majority of my case studies had no prior work experience and most of them explained that one of the factors for not to get employed was lack of previous work experience (Table 15).

Table 14. Distribution of currently unemployed population aged ten years and over by sex, previous work experience and duration of unemployment, Ethiopia (2005)

Previous work exp. & duration of unemployment	Urban + Rural			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total Unemployed Persons	1,653,685	427,915	1,225,770	894,177	292,709	601,468	759,508	135,206	624,302
%	100	100	100	100	100	100	100	100	100
Previous work experience									
Unemployed with Work Experience	51.9	59.1	49.3	51.2	57.2	48.3	52.6	63.2	50.3
Unemployed without Work Experience	47.5	40.4	50.0	48.0	42.1	50.9	46.9	36.7	49.1
Not stated	0.7	0.5	0.7	0.8	0.8	0.8	0.5	0.1	0.6
Duration of unemployment									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100
< 1 month	14.2	12.1	14.9	13.5	11.2	14.6	15.1	14.1	15.3
1-6 month	38.1	41.1	37.0	25.0	30.6	22.3	53.5	63.8	51.2
7-12 month	22.8	22.1	23.0	24.8	25.8	24.3	20.4	14.1	21.8
13-24 month	8.2	9.2	7.9	11.6	11.5	11.6	4.3	4.2	4.3
25-36 month	4.7	4.7	4.7	6.8	5.9	7.3	2.1	2.0	2.1
37-48 month	2.5	2.3	2.5	3.8	3.1	4.1	0.9	0.6	1.0
49-60 month	1.9	1.9	1.8	3.1	2.8	3.2	0.4	0.0	0.5
61-72 month	0.9	0.7	0.9	1.2	1.1	1.2	0.5	0.0	0.6
73-84 month	0.5	0.3	0.6	0.8	0.5	0.9	0.3	0.0	0.3
85-95 month	0.2	0.1	0.2	0.3	0.2	0.3	0.0	0.0	0.0
96 or more months	5.7	5.1	5.8	8.7	7.0	9.6	2.0	1.2	2.2
Not stated	0.5	0.4	0.6	0.5	0.5	0.5	0.5	0.1	0.7

Source: Compiled from CSA, 2005

Table 15. Previous work experience of unemployed persons, 2009

Last occupation	Born in Addis Ababa	Born outside Addis Ababa	Total
No work experience	20	2	22
Service and Shop workers	6	1	7
Agriculture related work	-	3	3
Small business/ Own Managers	6	3	9
Technicians & Associate professionals	2	1	3
Clerks			
Craft and Related workers			
Plant/Machine operators & Assemblers	1	1	2

Source: Field survey, 2009

Youth born in Addis Ababa were more likely to have prior experience of some jobs compared with those who were not. Males were more likely to have previous work experience than females (Tables 14, 15 and 16).

Table 16. Previous work experience by sex of unemployed persons, 2009

Last occupation	Males	Females	Total
No work experience	17	5	22
Service and Shop workers	5	2	7
Agriculture related workers	3	-	3
Small scale business/Own Managers	6	3	9
Technicians & Associate professionals	3	-	3
Plant/Machine operators & Assemblers	2	1	3

Source: Field survey, 2009

In this study, disability was found to be another factor of unemployment. In one of my cases, I met Abush near the well known *Arat Kilo* notice board in response to his request. I confirmed from him that there was no vacancy announcement for the position of accountant at that time. He was leaping and use crutch. He graduated from Commercial College, Addis Ababa University, in accounting last year and said that: 'It is difficult to get a job because disabled persons are considered to be invalid'. (Young disabled jobseeker, Abush, Male-27).

Table 17 Percentage of people employed in formal vis-à-vis informal sectors

Types of employment	Percentage employed by group			
	All age groups (10+)	Teenagers (15-19)	Young adults (20-24)	All youth (15-24)
All employed	100	100	100	100
Formal	25	14	25	19
Informal	74	85	74	79
Not specified	1	1	1	1
Urban employed	100	100	100	100
Formal	47	30	50	41
Informal	52	68	48	57
Not specified	1	2	2	2
Rural employed	100	100	100	100
Formal	12	8	11	10
Informal	87	91	88	89
Not specified	1	1	1	1

Source: Compiled from CSA, 1999b

Table 17 indicates that compared with formal and informal sectors, more youth were engaged in the informal sector than in the formal one. Had it not been for the presence of informal sector, life would have been difficult for the majority of youth job seekers and the case is almost similar in most African cities. According to Sommers (2010), the livelihood of many urban youth is, in most cases, technically illegal. Accordingly, economic life is frequently shielded from official and formal view. The greatest share of the economic activity in urban Africa goes to the informal sector. The activity has also derived many connotations like the black market, the hidden sector, the underground, fraudulent, peripheral, shadow and creeping economy, terms suggesting that it is not the context for honorable economic activity.

An official, Addis Ababa City Administration, Department of youth and sports, when asked on how youth are usually unemployed and engaged in informal jobs, said:

Our figures show that jobless youth are finding it increasingly difficult to find work. This situation will be exacerbated this time as the new cohort of graduates begins to look for work. Our office is trying to get funds to put into ensuring more education and training places for youth so as to make them employable.

One of my cases, Emebet (Female - 23), indicated that it was easier to have access to informal jobs than formal ones although some of them are immoral.

In January last year I left home for good. I am living with my friend in a rented house. My friend has a job in the informal sector for a salary which is not enough even for her subsistence. My first night there was really weird. I got some food and clothes from friends. The first week that I was there I didn't realize that I was actually jobless and I am looking for a job like my friend.

A problem for those who are planning to start their own business after graduating from TVT is lack of finance. *'I am a TVT graduate from Entoto. I was hoping to get tools so I can improve on the education I got from training but didn't get anything up to now. So I am looking for money to set up businesses, but getting money is also difficult, although micro credit lenders are doing it on some conditions.'* (TVT graduate, Teklu, Addis Ababa)

Conclusions and Recommendations

Conclusions

The problem of youth unemployment is rapidly assuming dangerous proportions in many countries of the world as among all categories of the labour force, youth have the highest unemployment rate. The situation appears to be precarious when it comes to urban youth and their employment prospects vary for several factors thus requiring different policy interventions.

No matter what the age range and where the geographical location may be, the point is that anytime we talk and think about youth it implies a group of people in a society who has a lot of energy, new ideas, new ways to see life and face problems. However, as a group, they may also be characterized by having lack of knowledge and skills in certain areas that come with more experience, higher education and age, which in turn forces them to engage in the informal sector. At the same time, they beg for more opportunities to develop their potential, although they are unable to realize them because of certain barriers.

The urban youth unemployment rate is larger than that of the adult and rural ones and the chances of getting into wage employment in the formal sector are lower. We find more urban youth in the informal sectors than the formal ones. It is clear from the cases that the youth in Addis Ababa share several features with those living in several other places as shown in the literature and official figures elsewhere in the country. Their common problem seems to be lack of strong labour force absorptive capacity and disregarding the informal sector.

The descriptive evidence suggests that education helps to secure better jobs, but difficulties in finding a job increase with the level of human capital. This study indicated that further investment in special training and skill formation activities is needed in parallel with broader education expansion efforts, to improve the employment scenario of this "stock" of low or uneducated youth.

The strong role that labour market stance plays in determining the probability of employment indicates that macroeconomic growth is crucial to youth employment and that the youth situation to a large extent hinges on the success of general national development policies. Likewise, there is no doubt that a workable labour-market framework must articulate the socio-economic characteristics of unemployed youths in regard to their causal influence on unemployment. It must equally incorporate some location-specific realities of youth in order to achieve sustainability. It is on this premise that some suggestions are put forward.

Recommendations

There are ranges of possible ways of interventions available to foster urban youth employment and develop their potential. These mainly relate to both the supply and the demand side of the labour market. The role of linking mechanisms and intermediary agents is also crucial. Finally, supporting policy options in relation to facilitative regulatory frameworks have an important role. Some of these possible ranges of options include the following:

a) The importance of overall level of demand and a youth friendly labour market

The starting point for any discussion of policy options related to youth employment has to acknowledge that the overall level of demand in the labour market is the most important factor in assisting young people into work. In addition to an economy with good growth prospects, young people also require that labour markets be youth friendly. This include providing ample opportunities for young people to be trained within enterprises under wage arrangements and employment contracts that encourage their recruitment and training; providing opportunities for young people to gain experience of paid work while they are students; and limiting the restrictions that are attached to hiring them. Besides, designing programmes according to poor youth priorities, including what they need to achieve adulthood is imperative. It is also important to ask the youth what they need

in order to become socially acceptable men and women. There is also a need to determine whether access to formal education is what they seek or whether they prefer assistance to meet immediate livelihood requirements.

(b) Youth employment strategies

Youth employment strategies should also involve some key considerations including promoting urban youth entrepreneurship as a viable option. It was seen as a way to apply a litmus test for governments about how well a country's education institutions and regulatory framework allowed youth to respond to existing opportunities; work through private/public partnerships where possible; and target the poor youth; and put youth themselves in charge in developing and implementing initiatives.

c) Proper utilization of Information and Communication Technology

This strategy proposed direct linkages to the so called 'new economy' through the use of new, low cost forms of communication. Potential roles and uses of ICT to promote urban youth employment opportunities should be recognized in the current dynamic and globalized world especially in urban areas. In short, this means making ICT as accessible as possible which may involve the following:

- access to information job opportunities at their level;
- creation of new employment opportunities;
- enhancing interaction with peers over long distances through telephone, e-mail, fax, etc;
- promoting progressive image of 'low status' and marginal jobs;
- creating entertainment opportunities (games, music, video, etc.) but with monitoring; provide more realistic information on life elsewhere;
- enabling political participation at a distance;
- providing educational opportunities and trainings; etc.

d) Setting up urban employment information centres

The majority unemployed urban youth did not know where to go for help. Most of the unemployed said they were unaware of any government program in Addis Ababa that could help them find a job or start a business. This suggests that simply better publicizing the services available could make an initial difference.

e) Strengthening the role of intermediaries and encouraging small business development

This option has two dimensions in order to foster youth employment: the need to make more use of labour market intermediaries or brokers and self employment and small business development.

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Endnote

¹ According to the standard UN definition is that youth refers to the 15-24 age groups and it is 15-29 as defined in the Ethiopian Youth Policy. The AU definition ranges from 15-35 years of age. There is wide variation in the definition of youth across countries depending on cultural, institutional and political factors. The youth and employment report of the ECA highlights the wide variation in the definition of the youth among member countries. Youth, therefore, refers to a cultural group, an age cohort, and a socio-political category.

Abstract

Youth unemployment is a serious concern to policy makers in many developing countries because of its multidimensional impact. In this occasion, the paper attempts to characterize youth unemployment in Ethiopia and reveal its major determinants. Univariate results indicate that the youth in general (including teenager youth and young adults), those living in urban centers like Addis Ababa and Dire Dawa, those with primary and secondary education, as well as female youth face large unemployment spells. From the regression results, we found the prime age male unemployment rate to be a positive significant predictor of youth unemployment rates whereas demographic trends were found to be insignificant.

Keywords: youth, unemployment, demographic characteristics, Ethiopia

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