

# Challenges of Youth Unemployment in South Gondar Zone, Ethiopia: A Case Study in Debre Tabaor, Woreta and Nefas Mewcha Towns

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## Abstract

Youth unemployment is a pressing issue that represent both widespread personal misfortune for individuals and a loss of opportunities for critical national and global economic development. Ethiopia is also one of the developing nations with highest urban unemployment rates worldwide. The overall objective of this paper is to assess challenges of youth unemployment in South Gondar Zone, Ethiopia. To these ends, the study has employed a mixed research approach. Semi-structured interview and questionnaires were used as a data collection tools. A total of 384 individuals were selected by using simple random sampling method as the participants of the survey. The interviewees were selected based on purposive sampling method. Based on this, the following conclusions are drawn. First, low absorbing capacity of the national economy, underdevelopment of the private sector, and absence of financial and technical support from the government bodies to the unemployed youths to start private business are the major challenges to create job opportunities for the youth. Secondly, unemployment exposes the youth for drug/substance addiction, to be socially dependent, and conflict with their family. Thirdly, the study concludes that youth unemployment is one of the sources of socio-economic and political problems, such as theft, youth delinquency, street life and prostitution, and political insecurity or disorder. Finally, the study recommends that government policy direction should be designed in relation to focus on the youth group and with full commitment to address issues related with youth unemployment. Both local and central government bodies should create conducive conditions that attractss the private sector to reduce the problem. Education or training sectors must design their programe according to the needs of the labour market.

**Keywords:** Youth, Unemployment, Challenges, Effects of Unemployment

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## 1. Background of the Study

According to the USAID report in 2011 the world population is increasing alarmingly and reached seven billion. Half of this population is under the age of 30, and 1.7 billion are aged 10–24, making this the largest generation in human history. Young people make up an especially large share of the population in developing countries (USAID; 2012). The youth employment crisis is a global challenge, though its social and economic characteristics vary considerably in size and nature from one country and region to another (ILO; 2012).

At global level, one person in five is believed to be between the ages of 15 and 24 years. Together with this, there are over 1.2 billion youth in the world. The majority of young people about 90 per cent live in developing countries, with 60 percent in Asia and 17 percent in Africa. The current population of young people in developing countries is the largest the world has ever seen around 1 billion. It will reach a maximum of 1.1 billion in 2060. A youthful population is considered a formidable asset for innovation and creativity in economies and societies. However, in order for countries fully to realize this potential and capitalize, young people need to be productively employed and integrated in the society. But, developing countries with large youth cohorts are facing growing challenges in absorbing youth into education systems and labour markets, and are thus not fully benefiting from the youth dividend. Thus, youth unemployment is a pressing issue that represent both widespread personal misfortune for individuals and a loss of opportunities for critical national and global economic development. Youth unemployment have lifelong effects on income and employment stability, as it affects young people start out with weaker early-career credentials, and show lower confidence and resilience in dealing with labour market opportunities and setbacks over the course of their working lives .

The issue of unemployment will result negative consequences as the poor unemployed have nothing left to worry about but instead prefer to act violently with hope of future opportunities. Poor employment in the early stages of young people's careers can harm their self-esteem and their employment prospects throughout their lives. Underemployed or unemployed youth will have less money to spend as current consumers as well as to save and

invest for future security. This in turn will have negative impacts on present and upcoming businesses and economies. Without the prospect of stable employment for young women and men, societies pay a high price as well. Excluded youth who find themselves alienated from society, frustrated by lack of opportunity and without financial means are more vulnerable to personal and socially destructive behaviour and more prone to engage in illegal and dangerous activities (ILO, 2006).

Considering the severity of the problem, there has been a variety of policies designed to overcome the challenges that are faced by the youth population both at the global, regional and national level. For example, the ILO at global level, the African youth charter (AYC) at regional level and the 2004 Ethiopian national youth policy can be cited as the forefront with regard to the issues of youth and its conditions. The AYC in its preamble stated that, Africa's greatest resource is its youthful population and that through their active and full participation; Africans can surmount the difficulties that lie ahead (AYC, 2006). But the question is that how far these declarations has been implemented and benefit the youth population.

Despite the efforts of concerned bodies to address the problem of youth unemployment with the issuance of the 2004 national youth policy and other youth related packages, youth employment remains a pressing issue in Ethiopia. Ethiopia is one of the developing nations with a highest number of unemployed youths in general and urban unemployment rates in particular. Although there have been significant increases in educational attainment, there has not been as much job creation to provide employment opportunities to the newly educated job seekers, (Nzinga, 2012). Considering this fact, the investigators of the study questions that, why youth unemployment is the most pervasive problem in Ethiopia?

Concerning the issue, some researches have been conducted so far. For example, Legese (2015) carried out an investigation to the challenges of youth unemployment in the case of Burayu town using both qualitative and quantitative methods. This study ended up with comprehensive strategy of employment creation seeks to promote job creation in the public, private sector, and also in terms of promoting self-employment and entrepreneurship as a solution. Nayak, (2014), conducted a research on an unemployed educated youth in Gondar town and nearby areas like Azezo Demaza. The findings of this study show that about 82% of educated youth search for job from 1 to 4 years and they become vulnerable to various problems. The study further states that, the labour market institutions that govern employment relations in Ethiopia are generally found to be weak. This weakness is characterized by limitation of legal framework and lack of social dialogue among institutions. Generally, an unemployed educated youth has been the main focus of previous studies on in Ethiopia. Thus, this research tries to address the issue of youth unemployment comprehensively by incorporating educated and uneducated sections. Furthermore, the study is initiated due to the increasing imbalance between graduates and job creation possibilities, and an increasing number of other unemployed youths who are out of school. The study is also initiated due to fill gaps in the study area.

Therefore, the overall objective of this paper is to assess challenges of youth unemployment in South Gondar Zone, Ethiopia. Particularly, the study intends to explore challenges in relation to creating job opportunities for the youth, effects of being unemployed on the lives of the youth, and the socio-economic and political effects of youth unemployment in the study areas.

## **2. Research Method and Methodology**

The study has employed a mixed research approach which involves combining/integration of qualitative and quantitative research approaches. The study is also conducted using interview and questionnaires as a data collection tools.

The questionnaire has been collected from educated and uneducated youths between the age category of 15 to 29, whose current status is actively seeking jobs and ready to be employed either in governmental or private sectors and who live in Debre Tabor, Woreta and Nefas Mewcha towns. In addition, representatives from the women, Children and youth affairs offices were participants of the survey and the interview sessions (selected by using a purposive sampling method). A total of 384 individuals were selected by using simple random sampling method as the participants of the survey. Finally, the study uses both qualitative and quantitative methods of data analysis. First, the quantitative data was entered into SPSS software. Then it was analysed using descriptive statistics analysis method. Secondly, the qualitative part was analysed thematically along with the quantitative part.

## **3. Result and Discussion**

### **3.1 Challenges to Create Jobs for the Youths**

As it is stated in the background, one of the objectives of this study is to assess the challenges to create job opportunities for the youth. Accordingly, the study found that low absorbing capacity of the national economy, mismatch of educational background or skills with vacancies, lack of motivation to start own business and stay in work by the youth, lack of work experience, absence of support from the government to start business, and the poor performance of the private sector are main challenges. The specific challenges are discussed below.

First, the respondents were asked whether or not that "low absorbing capacity of the national economy" is a

factor for youth unemployment in the study area. Accordingly, (249(64.8%) of the respondents strongly believes that the low absorbing capacity of the economy as the major obstacle for the youth population to find themselves as part of the community who are unemployed while 101(26.4%) of the participants fairly agreed that the issue mentioned above is a challenge and 12(3.1%) of the respondents believes that it is not the case for the problem that the youth population has faced. In relation with this question, Haile, (2003:7) has confirmed that, the major factor behind the youth unemployment problem is the rapidly increasing labour supply that is not in line with macroeconomic conditions in general and the performance of the urban sector in particular. The second question is related with the issue of mismatch of educational background/skills and vacancies. In this regard, 95(24.8%) of the respondents strongly believes that the mismatch of educational background /skills and vacancies as an obstacle for the youth population to get employed and 147(38.2%) of the participants fairly agreed that the issue mentioned above is a challenge while 119 (31%) of the respondents disagreed and 23 (6%) of the respondents strongly disagree the effect of vacancy- education relationship as the major factor for the problem of youth unemployment. This is a serious issue as far as youth unemployment is concerned. For example, Haile, in his 2003 studies stated that mismatch of education and training skills with the requirements of the labour market is another important reason for the high level of youth unemployment. This is particularly important in view of the fact that the unemployed youth in the urban areas of most developing countries seems to have gone through the best education and training that these countries can afford to provide. The third basic question posed to the participant is whether “youths lack motivation to start own business and stay in work” is a problem of youths unemployment. Therefore, according to the information gathered, 120 (31.3%) of the respondents strongly agreed that youths lack motivation to start own business and stay in work and 117(30.5 %) agreed youths lack motivation to start own business and stay in work while 111(28.9%) disagreed and 34(8.9%) strongly disagreed about the effects of youths lack motivation to start own business and stay in work towards youth populations unemployment. Fourth, 163(42.4%) strongly agreed and 155(40.4%) confirm that lack of work experience as factor while 33 (8.6%) disagreed and 33(8.6%) strongly believed that lack of work experience has nothing to do with the issues of youth populations unemployment. The Fifth question posed to the participants is how absence of support from the government to start business is challenge to youths unemployment. According to the response collected, 220(57.5%) of the participants strongly agreed and 119(31%) of them fairly agreed that absence of support from the government to start business while, 33( 8.6%) disagreed and 12(3.1%) strongly disagreed that absence of support from the government to start business. The Sixth factor underlies with the tendency of the youth seeking only for government jobs. According to the data, 119(31%) of the respondents strongly agreed and 163(42.4%) of them fairly agreed that the high tendency of youth to retain government jobs is a challenge while, 78(20.3%) of them disagreed and 24(6.3%) of the participants strongly disagreed the effects of it. Finally, the seventh factor prevalent as a challenge is the poor performance of the private sector. In this regard, 218(56.8%) of the respondents strongly agreed and 110(28.6%) of them fairly agreed that the poor performance of the private sector is a challenge while 28(7.3%) of the participant disagreed and 25 (6.5%) strongly disagreed with it. Furthermore, the majority of the interview participants were responded that, low absorbing capacity of the national economy, the poor performance of the private sector, mismatch of educational background or skills with vacancies and governments commitment are contributing factors to youths unemployment or create jobs for the youth. By considering all the cases assessed, the low absorbing capacity of the national economy and poor performance of the private sector are the main hurdles in relation to creating new job opportunities for the youth.

### 3.2 The Effects of Being Unemployed on the Youth

Assessing the effects of being unemployed on the lives of the youth was also second of objective of this study. Based on this, the study found that youth unemployment is led to, substance abuse/drug addiction, poverty, dependence on the family and society, disagreement/conflict with family and the society. It also degrades their confidence and future visions.

According to the survey result, about 215(56.8%) of the respondents strongly agreed and 113(29.4%) of them fairly agreed that unemployment brings down the confidence of the youth while 38(9.9%) of them disagreed and 16(4.2%) of the participants strongly disagreed about it. The second effect is the tendency of impairing youth's future vision, 142(37%) of them strongly agreed and 161(41.9%) of them fairly agreed that it has such an effect whereas 64(16.7%) of the participants strongly disagreed and 16(4.2%) of them also believed that it has nothing to do with the impairments of youths future visions. The other effects resulted from being unemployed is drug addiction. Regarding this, about 179(46.6%) of the participants responded that they strongly agreed and 130(33.9%) of them also fairly agreed with it while, 55(14.3%) of them strongly disagreed and 19(4.9%) of the participants were strongly disagreed about it.

The fourth question is related with poverty exposure. In this area, 221(37.6%) of the participants were strongly believed and, 119(31%) of them fairly believed that one of the effects is that unemployed youths are exposed to poverty while, 25(6.5%) of them disagreed and 19(4.9%) of the respondents also strongly disagreed with the issue mentioned. Moreover, 221(57.6%) of the participants strongly confirmed that unemployment creates high

dependency while 105(27.3%) of them fairly stated that it has such an effect. To the opposite, 43(11.2%) of disagreed and 12(3.1%) of the participants were strongly stands against it. The other somewhat related question posed to the participants was whether unemployment brings about disagreement with family and the society. In this regard, 129(33.6%) of them strongly held this position and 163(42.4%) of them also fairly shares the first position, while 55(14.3%) of the participants disagreed and 32(8.3%) of them also strongly stands against the claim.

In addition to the above data, the results of the qualitative data collected through interview confirmed that, unemployment exposes the youth for drug addiction, dependence on the family and the society, conflict with their family.

### **3.3 Socio-Economic and Political Effects of Youth Unemployment**

The second major finding of the study is concerned with the socio-economic and political implications of youth unemployment basically categorized under the major heading of socio-economic and political effects of youth unemployment. Considering this, the following fundamental questions has been addressed. These are whether or not youth unemployment leads to social insecurity (like theft, juvenile delinquency and related issues), political insecurity and disorder, expansion of prostitution, expansion of beggary, expansion of street life, and lose the productive labor force as a nation.

According to the findings of this study, about 249(64.8%) of the respondents strongly agreed and 105(27.3%) of them fairly agreed that unemployment causes social insecurity (like theft, juvenile delinquency and related issues), while 21(5.5%) of them disagreed and 9(2.3%) of the participants strongly disagreed about it. Regarding to political insecurity and disorder, 156(39.1%) of the participants were strongly agreed and 169(44%) of them fairly agreed that it has such an effect whereas 52(13.5%) of the participants strongly disagreed and 12(3.1%) of them also believed that it has nothing to do with the impairments of youths future visions. as far as the first and second question is concerned, it can be summarized as follows by taking Haile's 2003 work. as to him, youth unemployment is widely viewed as an important policy issue for many countries. Young men and women today face increasing uncertainty in their hopes of undergoing a satisfactory entry to the labour market, and this uncertainty and disillusionment can, in turn, have damaging effects on individuals, communities, economies and society at large. Unemployed or underemployed youth are less able to contribute effectively to national development and have fewer opportunities to exercise their rights as citizens. They have less to spend as consumers, less to invest as savers and often have no voice to bring about change in their lives and communities. In certain cases, this results in social unrest and a rejecting of the existing socio-economic system by young people. Widespread youth unemployment and underemployment also prevents companies and countries from innovating and developing competitive advantages based on human capital investment, thus undermining future prospects (Haile; 2003:7). Furthermore, previous research results proved that, youth unemployment is a problem that affects most countries. The ability of youth to engage in productive activities has both social and economic consequences for an economy. Youth unemployment is often higher than the unemployment rate for adults highlighting the concerns that many countries face in facilitating the transition from school to work. In developing countries, youth face not only the challenge of obtaining productive employment, but also obtaining safe and acceptable works (Nzinga, 2012). Youth unemployment is a critical socio-economic issue. According to the ILO, more than one-third of the world's youth are currently either seeking but unable to find work, have given up on the job search entirely, or are working but still living below the poverty line. Prolonged unemployment of youth can impair their future employability chances and their access to quality jobs. A high level of unemployment indicates the failure of a country's economy to use its labour resources effectively. And there can be various factors explaining unemployment, such as a low level of general economic activity, recession, inflation, rapid changes in technology, disability, willingness to work and discrimination (Nayak, 2014).

The third finding is that about 169(44%) of the participants strongly agreed and 132 (34.5%) of them fairly agreed that youth unemployment leads to the expansion of prostitution, while 64(16.7%) of the respondents were strongly denied the effects of unemployment as a cause to expansion of prostitution and 17(4.4%) of the participant believed that youth unemployment has nothing to do with the expansion of prostitution. The fourth consequences resulted from youth unemployment assessed as part of socio-economic and political effects of youth unemployment is expansion of the culture of begging. In this regard, 111 (28.9%) of the respondents were strongly agreed and 125(32.6%) of the respondents were fairly admitted that youth unemployment does, while 104(27.1%) of the respondents were disagreed and 43(11.2%) of the respondents were strongly disagreed about the it. And, 113(28.95%) of the respondents were strongly agreed and 111(28.9%) of the respondents were fairly admitted that youth unemployment is characterized by expansion of street life while 112(29.2%) of the respondents were disagreed and 48 (12.5%) of the respondents were strongly disagreed about the it.

Finally, losing the productive labor force as a nation is regarded as the other socio-economic and political effects of youth unemployment. To this end, 276(71.9%) of the respondents were strongly agreed and 17(4.4%) of the respondents were fairly admitted that youth unemployment is responsible to the loss of productive labor

force while 82(21.4%) of the respondents were disagreed and 7(1.8%) of the respondents were strongly disagreed about it. In connection with the information gathered, the socio economic and political effects of youth unemployment has been witnessed in many parts of the world and by far Ethiopia is affected too. According to the data gathered through interview, the majority of the interview participants were responded that, losing the productive labour force as a nation, social insecurity (like theft, juvenile delinquency and related issues), political insecurity and disorder are responsible to youths unemployment.

In a similar fashion, interview participants stressed that, the exponential growth in the number of unemployed youth brings an adverse effects to the economic and political aspects. Its scope of the effect is not limited at the local or regional level but also affect the nation at large that will cause a wave of nationwide violence and instability.

#### 4 Conclusion

Ethiopia is one of world countries with the highest urban unemployment rates at global level. Assessing challenges in relation to creating job opportunities for the youth, effects of being unemployed on the lives of the youth, and the socio-economic and political effects of youth unemployment in Debre Tabor, Woreta and Nefas Mewecha towns were the objectives of this study. Based on the findings of this study the following conclusions are drawn.

First, it is plausible to conclude that, the low absorbing capacity of the national economy, underdevelopment of the private sector, and absence of financial and technical support from the government bodies to the unemployed youths to start private business are the major challenges to create job opportunities for the youth. Furthermore, most job vacancies in the study area requires at least some work experiences, that gives little job opportunities for new university graduates or youths without work experience. Secondly, unemployment significantly affects the lives of the youth. Unemployment exposes the youth for drug/substance addiction, to be socially dependent, and conflict with their family. Above, all unemployment highly degrades the confidence and vision of the youth. Thirdly, the study concludes that youth unemployment is one of the sources of socio-economic and political problems, such as theft, youth delinquency, street life and prostitution, and political insecurity or disorder. Considering the presence of large number of unemployed youth in the study areas, it can be concluded that, as a nation Ethiopia is losing its productive citizens, which a key to achieve economic growth and development.

Finally, the study recommends the following key points which can be taken as a measure for short term or long run process to overcome the multidimensional effects of youth unemployment at zonal, regional level and at federal level government including different stakeholders that have their own role.

Government policy direction should be designed in relation to focus on the youth group and with full commitment to address issues related with youth unemployment. Creating conducive conditions that attractss the private sector is another best option to reduce the problem. Both local and central governemts should create safe private investment environment through providing loan for investrors, by expanding infrastructures like road, electricity and water. Education or training sectors must design their programe according to the needs of the labour market. Moreover, sectors under this category can provide training and consultancy services on how the youths can create and start their own private business. Non-Governmental Organizations (NGOs) can also provide free training to the youth to unlearn their bad habits and beable to flexible to cope with the existing reality.

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