

The Nature and Determinants of Urban Youth Unemployment in Ethiopia

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Abstract

Youth are important driving forces for social, political and economic development in any country. In Ethiopia, youth make up approximately 28.3% of the population but the problem of youth unemployment is a central issue of public discourse in Ethiopia. The main purpose of this study is to establish the nature and determinants of urban youth unemployment in Ethiopia. This study employs the micro level data from Urban Employment-Unemployment Survey conducted between 2006 and 2011 by Ethiopian Central Statistics Authority. The study mainly applies logistic regression model to examine the relationship between urban youth unemployment and a set of explanatory variables. The Study reveals that the prevalence of urban youth is still high as compared to the total unemployment rate though the urban youth unemployment decreased between 2006 and 2011. The situation is very critical for young women who suffer higher unemployment rates than young men in urban areas of the country over the study period. The logistic regression model shows that place of residence (regions), gender, age categories, and marital status significantly affect the urban youth unemployment in Ethiopia. Surprisingly, education did not guarantee the employability of youth in urban areas of Ethiopia. Thus, the study points out that government must work more on enhancing the public and private labor market information and educational structure based on the labor demand of the economy. In addition, the study underlines the need for policy that focuses on gender sensitive urban-center employment initiatives to improve the employability of the youth.

Key words: Urban youth, Unemployment, Urban-center Employment initiatives, Ethiopia

1. Introduction

Youth are important driving forces for social, political and economic development in any country. The ability of youth to engage in productive activities has both social and economic consequences for an economy. However, the intensity of youth unemployment is quite prevalent and widespread in developing countries. ILO (2010) indicates that 13 youths out of 100 youth were unemployed globally. The situation is not different for youth of Ethiopia who make up approximately 28.3% of the total population. As a result, the problem of youth unemployment is a central issue of public discourse in Ethiopia.

A high level of youth unemployment is one of the critical development problems facing Ethiopia. In line with this, Berhanu et al. (2005) stated that youth unemployment rate is consistently higher than any other age group of the population in the country. Similarly, studies by Guarcello and Rosati (2007) indicates that the high rate youth unemployment is among the critical development challenges facing the country, and a key barrier to national efforts toward achieving the MDGs.

The reasons and causes for urban youth unemployment have remained subject to different interpretations depending upon the specifications, demographics, and regional profiles of different countries, thus the perceptions regarding having a plausible solution lacks concurrency (Guarcello & Rosati, 2007). Therefore, there is limited empirical basis for formulating policies and programs in reducing urban youth unemployment in Ethiopia.

The main purpose of this study is to establish the nature and determinants of urban youth unemployment in Ethiopia. The specific objectives of this study are to:

- Examine characteristics of urban youth unemployment;
- Investigate the major determinants of urban youth unemployment; and
- Suggest possible policy interventions to improve the employability of the youth.

2. Review of literature

2.1. Basic concepts of unemployment

The labor market, like any other markets, has both supply and demand sides. The supply side is labor force or the economically active population which comprises of both the employed and the unemployed. The demand side, on the other hand, consists of jobs/filled posts and job vacancies/unfilled posts (WB, 2007). The prevailing

situation in countries around the world is the demand for labor is less than the supply and hence there is an excess supply of labor. This gap between the supply and demand for labor is referred to as unemployment (Olsson, 2009).

The International Labor Organization (ILO) defines the unemployed as numbers of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work (WB, 2007).

Youth unemployment, therefore, could be described as the conglomerate of youths with diverse background, willing and able to work, but cannot find any. When the supply of labor outstrips the demand for labor, it causes joblessness and unemployment. Given the lack of sufficient employment opportunities in the formal sector, young people may be compelled to engage in casual work and other unorthodox livelihood sources, thus leading to underemployment (Echebiri, 2005). Urban youth unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of urban youth unemployed individuals by all young people currently in the labor force.

2.2. Overview of Labor Market In Ethiopia

Ethiopia has witnessed rapid population growth in recent decades. The population was estimated to be about 74 million people in 2007 (CSA, 2008), making Ethiopia the second most populous country in Sub Sahara Africa. The overwhelming fact of the labor market in Ethiopia is characterized by the rapid growth of labor supply. The labor force is growing much more rapidly than the population as a whole because of the young dominates demographic profile. Population of Ethiopia depicts a classic pyramid with a higher proportion of young people at the bottom and narrow band of the elderly at the top. Ethiopia's population is predominantly young with about 45% of the population being below 15 years of age. The proportion of working age population (15-64 years) was estimated at about 52% (CSA, 2007). Over the last two decades, the total labor force of the country has more than doubled. It increased from 14.7 million in 1984 to 26.5 million in 1994 and further to 33 million in 2005 (It is projected to increase to 81.9 million in 2030). And this has placed a huge strain on the labor market even under the most optimistic growth scenario. Employment creation for such a rapidly increasing labor force (4.4% per annum), has become increasingly challenging.

The proportion of young people in the overall population has increased over the last two decades. The young cohort represented about 14 percent of the population in 1984 and 20 percent of the population in 2001 (Guarcello & Rosati, 2007). In 2007, the youth population accounted for 28.3 percent of the total population and 39.6 percent of urban population of the country(CSA, 2008). Thus, lack of employment opportunities for young people is among the critical development challenges facing the country (Guarcello & Rosati, 2007).

2.3. Causes of Unemployment in Ethiopia and some developing countries

Studies from Ethiopia indicate that the potential causes of unemployment in urban Ethiopia include increasing number of youth labor force, the rising internal migration, literacy rate, poor to modest macroeconomic performance, low level of job creation and low level of aggregate demand in the economy (Getinet, 2003; WB, 2007).

Kingdon and Knight (2004) show that unemployment in South Africa is determined by education, race, age, gender, home ownership and location among others. The study by Echebiri (2005), on the basis of youth in Umuahia city in Nigeria, finds that unemployment is influenced by age, marital status, dependency ratio, education, current income and employment preference (paid or self employment). Alhawarin and Kreishan (2010) also indicate that age, gender, marital status, region, work experience and educational level are the major determinants of unemployment in Jordan.

In nutshell, youth unemployment is the outcome of different socio-economic and demographic factors at macro and micro level. The micro level factors are directly associated to individuals' demographic and socioeconomic attributes while the macro level factors are related to the national issues (Toit, 2003). This study emphasizes on assessing individuals' demographic and socioeconomic attributes that influence youth employment.

2.4. Policy options to reduce (youth) unemployment

Godfrey (2003) indicates the mix of preventive and curative policy options to increase the employment while reducing the unemployment rates. As preventive policy options, he emphasizes on the programs that target to boost the demand for labor and decrease the supply of labor as the necessary condition for a successful employment policy. To boost the demand for labor, some of the mechanisms entail identifying and encouraging the growth of leading sectors, information and counseling, and national training systems. On the other hand, some of the mechanisms to reduce the supply of young labor include: a reduction in birth rates, keeping young job-seekers off the streets, and exporting young labor without overlooking the creation of enough demand for labor at home.

As curative policy options to deal with the consequences of unemployment, Godfrey (2003) points out mechanisms such as public works programs, wage subsidy programs, and pre-employment skills training programs.

As labor market policy directions, McQuaid and Lindsay (2005) underlines the importance of employability skills, the qualities and competences of the job seekers, and the external factors which include: the attitudes of employers towards the unemployed; the supply and quality of training and education; the extent to which the tax-benefits system successfully eliminates benefit traps; and the supply of appropriate jobs in the local economy.

For Awogbenle and Iwuamadi (2010), skills acquisition and employment generation through entrepreneurship development Programs should be considered as an urgent mechanism to youth unemployment.

2.5. Labor market policies and Institutions in Ethiopia

According to MoLSA (2009), employment generation has two important dimensions - the demand and supply side of job creation. The first dimension (*the demand side of job creation*) refers to the ability of the economy to create jobs for various skill categories as per the requirement of the economy. The second dimension (*the supply side of job creation*) deals with whether or not the skill levels of available pool of persons match with the type of skill that the economy requires. Besides, there is a third dimension (i.e. labor market institutions) that relates to the governance of labor market relations and labor market services.

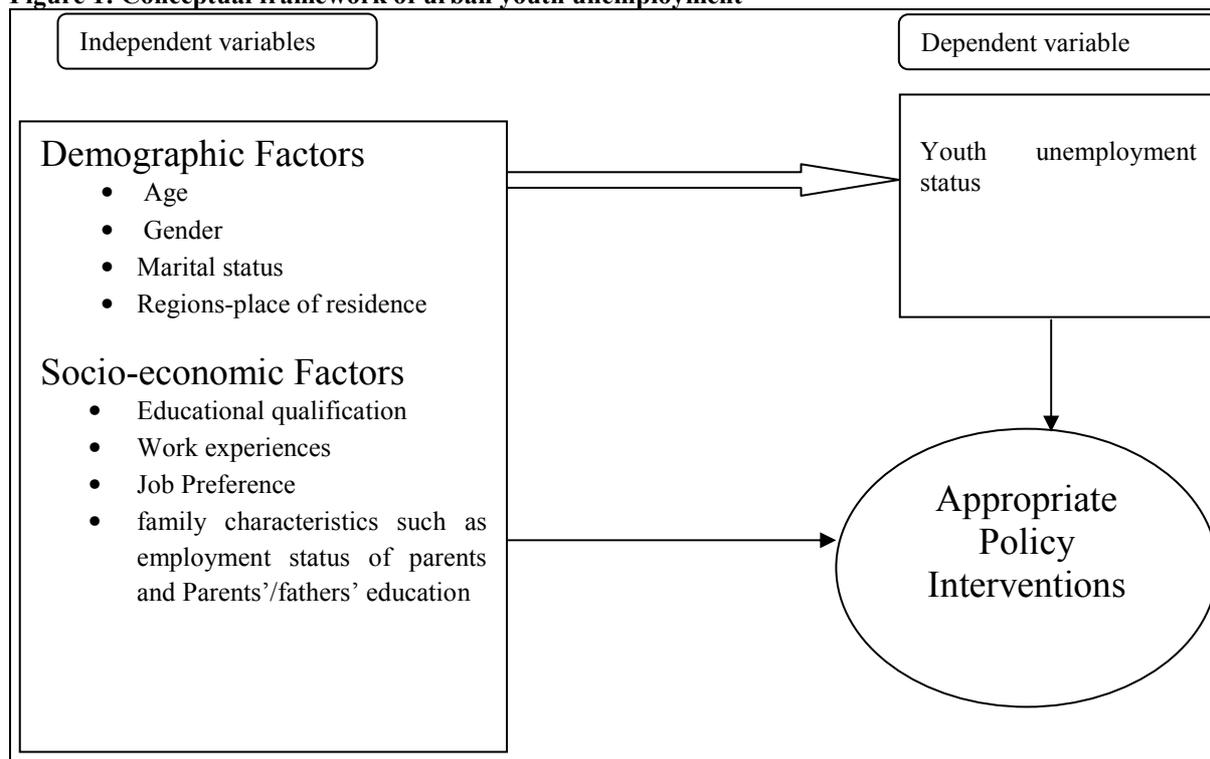
The existing institutions and legal entities mainly concern the formal and wage employment sector. Five year development plans are the main guidelines of government policy in Ethiopia. They outline the overall strategic priorities and policies of the government. The country's development plans emphasize creating employment and income-earning opportunities in the modern sector, the informal sector, and on farms. Unemployment and underemployment are targeted with special attention given to youth and women. The 2005/6-2009/10 plan, a Plan for Accelerated and Sustained Development to End Poverty (PASDEP), explicitly acknowledged the issue of the labor market and unemployment, particularly youth unemployment. The plan focused on job creation through private sector participation, with particular emphasis given to Micro and Small Enterprises (MSE), based on their potential to create employment opportunities. The plan also addressed improving the quality of education and integrating Technical and Vocational Education and Training (TVET) with the job requirements of the economy, which were identified as key problems leading to rising unemployment particularly in urban areas. Other solutions included special efforts to provide skills training to the unemployed and public works employment interventions (FDREb, 2004; MoFED, 2006). Technical and vocational training in Ethiopia offers programs that target those students who do not progress to higher levels of education. The aim is to provide the students with skills and competencies for engagement in wage employment or self-employment (MOE, 2006).

The current five-year development plan 2010/11-2014/5, the Growth and Transformation Plan (GTP), does not directly address the issue of youth unemployment, but rather implicitly through improved performance of the various sectors in the economy. The plan addresses the economic and social challenges faced by women and youth. Private sector development, particularly MSEs, continue to receive special attention as potential employment hubs and poverty reduction mechanisms. The plan emphasizes tailoring TVET programs with the demands of the economy and to continue to scale up MSE expansion as strategies tackling unemployment in the country (MoFED, 2010).

2.6. Conceptual Framework of the Study

For the purpose of this study, in examining the determinants of youth unemployment, demographic and socio-economic variables: namely age, sex, marital status, education, work experience, household income, family background/ fathers' education, social network density, job preference, family characteristics such as employment status of parents and Parents'/fathers' education and Regions-place of residence were taken as explanatory variables ; whereas youth employment status was the dependent variable. Such systematic investigation of identifying the major factors that determinate youth unemployment would lead to designing appropriate policy interventions so as to address this multifaceted problem. The conceptual framework of this study is depicted in figure 1:

Figure 1: Conceptual framework of urban youth unemployment



(Source: Developed by Authors, 2013)

3. Methodology of the Study

This study employs the micro level data from Urban Employment-Unemployment Survey conducted between 2006 and 2011 by Ethiopian Central Statistics Authority (CSA). Although according to United Nation's definition, the youth comprises of the age limit 15-24 but for the purpose of this study, the term 'youth' follows the Ethiopian context definition of those persons between the ages of 15 and 29 years (FDREa, 2004).

The data from the four surveys (2006, 2009, 2010 and 2011) were combined into a single dataset before any analysis was done. The study covered all urban parts of the country except three zones of Afar, Six zones of Somali, where the residents are pastoralists. This survey follows household approach and covers households residing in conventional households, thus population residing in the collective quarters such as universities/colleges, hotel/hostel, monasteries and homeless population are not covered by this survey. The country was divided into two broad categories - major urban center and other urban centers.

Major urban centers: In this category all regional capitals and five other major urban centers that have a high population size as compared to others were included. Each urban center in this category was considered as a reporting level. The category has a total of 16 reporting levels. In this category, in order to select the sample, a stratified two-stage cluster sample design was implemented. The primary sampling units were Enumeration areas (EAs) of each reporting level. From each sample EA 30 households were then selected as a Second Stage Unit (SSU).

Other urban centers: Urban centers in the country other than those under category I were grouped into this category. A domain of other urban centers is formed for each region. Consequently 8 reporting levels were formed in this category. Harari, Addis Ababa and Dire Dawa do not have urban centers other than that grouped in category I. Hence, no domain was formed for these regions under this category.

A stratified three stage cluster sample design was also adopted to select samples from this category. The primary sampling units were urban centers and the second stage sampling units were EAs. From each EA 30 households were selected at the third stage and the survey questionnaires administered for all of them.

The survey renders an opportunity to comprehensively study the important characteristics of households by encompassing the demographic, cultural, educational features; this momentous feature distinctly plays a pivotal role for research prospects and provides a healthy opportunity for a meticulous and detailed analysis of the different household categories.

The study mainly applies logistic regression model to examine the relationship between urban youth unemployment and a set of explanatory variables. The conceptual framework of the study entails that urban youth unemployment is determined by personal, family and urban areas characteristics.

For the analysis, STATA software Version 11.0 (STATA Corp LP, College Station, Texas, USA) was used. Univariate analysis was done to describe the respondent's demographic and socio-economic characteristics and presented in a table as appropriate. And bivariate analysis was also used to examine the association between explanatory variables with the dependent variable youth employment status. At the multivariate analysis, since the dependent variable is dichotomous, binary logistic regression model was fitted. Logistic regression was applied to examine the relationship between youth unemployment and a set of predictor variables. The logistic regression model explained:

$$\log\left(\frac{p(i)}{1-p(i)}\right) = \ln(\text{odds}) = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \dots + B_nX_n$$

Where, $P(i)$ is the probability that i^{th} respondent is unemployed and $(1-P(i))$ is the probability that the i^{th} respondent is employed from the survey data, B_i 's are the regression coefficients and the X_i 's are the set of independent variables. From the B_i 's the odds ratio is estimated as $\exp(B)$. The odds ratio is the factor by which the odds of unemployed change per unit change in the i^{th} independent variables, controlling the effects of other variables (Johnson & Wichern, 2007).

Measurement

The dependent variable for this study was "whether a youth was unemployed or not". The researchers considered youth to be unemployed as those that had no work and had been seeking employment or trying to set up business in the last three months. The independent variables included socio-demographic characteristics namely: age, sex, marital status, educational level, relationship to household head, residence and year.

Characteristics of study population

The study considered 102,996 youth in total who were part of the 4 surveys carried out in 2006, 2009, 2010 and 2011 (21.66%, 25.86%, 26.49% and 25.99 respectively).

On the whole, 44.48 per cent of the youth considered in the study were male. The proportion of male ranged between 44% and 45% over the four years. The majority (69 per cent) of the youth in the study had never married, while 26.36 per cent and 0.39 per cent were either married or living together respectively. Only 4.24 per cent were divorced, widowed or separated. The average age of the youths was 21.5 years (SD: 4.18) with 63 per cent at least 20 years old. Of the youth included in the study, 19.56 per cent were household heads and 15.55 per cent were spouses of the household head. It was also observed that only 18.58 per cent of the study population had attained some form of education certificate. Of the youth in the study, 33.07 per cent had attained secondary education, 46.95% had attended and completed primary school with 0.35% had attended either kindergarten only or no education.

Oromia (25.44%), Amhara (17.79%), Addis Ababa (14.99%) and SNNPR (12.26%) were the regions with the largest number of youth included in the study. The other regions each accounted for between 3 to 5 percent of the study population.

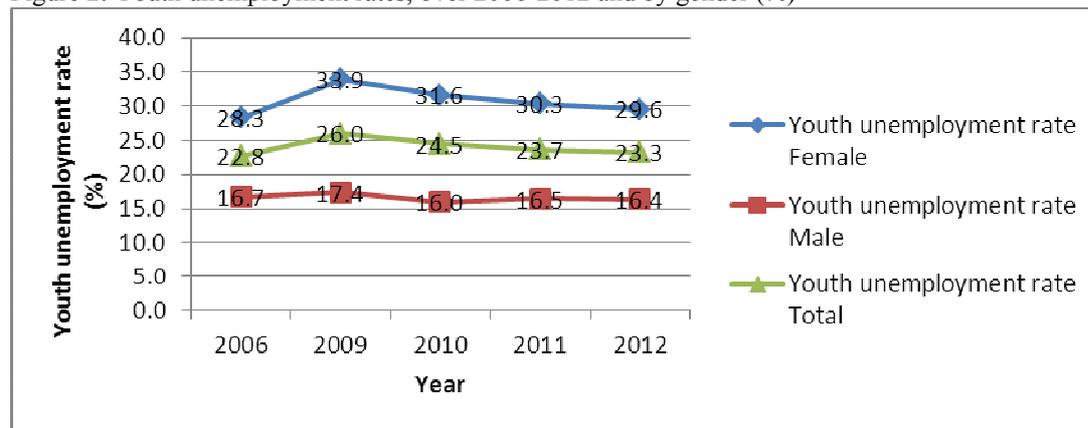
4. Results and Discussions

To investigate the factors associated with youth unemployment in Ethiopia, the study performed univariate logistic regressions to facilitate in the selection of candidate variables for the multivariate logistic model. Region of residence, relation to household head, age, sex, year, whether the youth has some certification and marital status were the variables that were carried forward to the multivariate stage. Dropped variables were excluded from the model because of high co-linearity with other variables. The results are presented in the section that follows.

4.1. The Characteristics of urban youth unemployment

Of the youth in the study 96.65 per cent were without work. This could include students in school, wives not seeking employment, the sick or injured at the time of the survey, those engaged in household activities, and the like). The study revealed that of the youth in urban Ethiopia, 19.34 percent are unemployed. Unemployment was slightly more prevalent among the female youth (19.56%) compared to the male youth (18.98%). Unemployment was more prevalent among those at least 20 years old (31.34%) as compared to those below 20 years of age (8.12%).

Figure 2: Youth unemployment rates, over 2006-2012 and by gender (%)



Source: Computed from CSA urban employment-unemployment surveys)

The data reveal a non-monotonic trend of unemployment over the years with the prevalence of 22.8, 26.0, 24.5 and 23.7 per cent in 2006, 2009, 2010 and 2011 respectively. Overall unemployment decreased between 2006 and 2010. In 2010 (OR: 0.839, 95% CI: 0.79 - 0.892) and 2011 (OR: 0.900, 95% CI: 0.846 - 0.956) youth were less likely to be unemployed as compared to 2006.

In terms of regional distribution of urban youth unemployment, the regions of Somali (9.78%), Gambela (11.46%), Afar (12.10%) and Benishangul-Gumuz (13.60%) had the lowest unemployment prevalence's among the youth. Addis Ababa (30.35%) had the highest prevalence of unemployment. The prevalence of unemployment in all the other regions was between 16 and 22 per cent.

4.2. Major Determinants of Urban Youth Unemployment

As discussed in the conceptual framework of the study, this sub-section presents the major determinants of urban youth unemployment in Ethiopia. These factors include: place of residence (regions), gender, age categories, educational, and marital status.

Regional disparities

Using the region of Tigray as the base region, the study showed that Addis Ababa, Dire Dawa and Amhara had a significantly higher level of unemployment compared to base region. The regions of Gambela, Benishangul-gumuz, Somale and Afar showed significantly lower odds of having unemployed youth compared to the base region. From the results, it can be concluded that unemployment is highest in the more urbanized and more developed regions compared to the relatively less developed regions. The Somali region, for example is an emerging region where pastoralism predominates.

Gender disparities: The results of the univariate logistic regression showed that female youth are 11% more likely to be unemployed as compared to males. The female population in general, not only in Ethiopia but throughout Africa has fewer opportunities of education, literacy and social inclusion. This together with gender discrimination reduces the opportunities of women to participate in the labour market.

Surprisingly, when the multivariate regression was done, a change in the direction of the effect of sex on the odds of being unemployed was observed. The adjusted model showed that the female youth were less likely to be unemployed compared to males. A possible reason for this could be that the female are more likely to be engaged in domestic work than male, and therefore not considered unemployed as per the definition used.

Age: Youth below the age of 20 were less likely (OR: 0.194, 95% CI: 0.184 - 0.203) to be unemployed compared to those 20 years and older. It is likely that the youth below the age of 20 are still in school and therefore not seeking employment. The data also showed that a unit increase in age increased the odds of unemployment by 1.190 (95% CI: 1.182 - 1.198). An increase in age of youth generally implies an increase in the years of schooling until the completion of schooling into the job market. For other households, increase in age implies an increase in responsibility to contribute to household income. Youth in both these categories will seek employment or try to establish businesses. However, the economic conditions, limited job creation environment, make it difficult to obtain employment in urban areas.

Education: Whereas generally education is important for employment, according to the results in table 1, the youth that had not attained some form of certification (vocational, diploma and degree) had less odds (OR: 0.169, 95% CI: 0.160 - 0.180) of being unemployed as compared to those that had some form of certification. Similarly

the youth that could not read and write had lesser odds of unemployment than those that could read and write. This implies that in urban areas, having an education certificate did not guarantee employment. In fact, according to the study results it is easier for the uneducated to get employment (for example odd jobs, petty trade) as compared to the educated. One of the reasons for this is the slow job creation in urban areas, to match the increase in the number of youth obtaining education certificates. In addition, this result shows that education and training have no link to the needs of the important sectors of the economy.

The lowest literacy rates, according to the 2011 Ethiopia Welfare Monitoring survey are in the regions of Somali and Afar. These are the regions with the lowest odds of unemployment. Youth unemployment in these regions is therefore not related to education and literacy. A possible reason for the low unemployment in these regions is because the youth are engaged in pastoralism, farming, and other subsistence activities, from which they derive their livelihood. Many youth with leave their regions of origin to seek better livelihoods in the more developed and urbanized regions of Addis Ababa, for example. Jobs are, however, not easy to find, hence the higher levels of urban unemployment.

Another justification for why unemployment rates tend to be higher among the more educated young is that there is unavailability of resources to support full-time job search in Ethiopia like many other developing countries unlike the situations in Latin American countries (Godfrey, 2003).

Marital status: The multivariate logistic regression showed that youth that were married had less odds of being unemployed (reversed from the univariate model). This could be because the need for income to provide for families would drive married individuals into the labour market. The effect of unemployment on marital status was more pronounced among the male youth as compared to those that were female. This may point to the fact that the female, who get married at an early age in Ethiopia are more likely to concentrate on household chores and raising children in the home as opposed to looking for jobs.

Youth that were either divorced or separated had higher likelihood (OR: 2.840, 95% CI: 2.519 - 3.201) of being unemployed as compared to those that were never married. The odds are higher among the female than the male. When married, a female does not tend to seek employment because of concentration on household chores. When divorced, it is difficult to get employment related to (1) lack of work experience and (2) stigma attached to employment of females.

Significant association between unemployment and relationship of the youth to the household head was also observed in the multivariate logistic model. Youths that were either spouses, children/other-relatives and those that were not relatives of the household head were slightly less likely to be unemployed than those that were household heads.

5. Conclusions and Policy Implications

5.1. Conclusions

The global interest in youth welfare is increasing. The post 2015 MDG agenda includes inclusive growth as a development priority, by proposing to ensure the inclusion of youth in the development agenda. Growth has often left out the youth, whose contribution to economic growth is often unappreciated. Likewise, Ethiopia's steady and fast economic growth has not created employment opportunities for the increasing number of youth. The study results showed that whereas the odds of being unemployed have decreased over time, youth unemployment is high.

The results also showed that education (certification) is not necessary for employment in urban areas. There has been an increase in the number of educated youth in Ethiopia, however, according to the study results, the odds on unemployment are less for those individuals who do not have some form of certification. Macro economic growth facilitates the growth of small and medium enterprises (SMEs). Therefore economic growth should be matched with an increase in technical and vocational education training (TVETs) centres. TVETs are an important opportunity for the growth and involvement in SMEs, where the youth could either be employed or proprietors of businesses.

In addition at the micro, meso and macro level, there is a need for institutional arrangements that support capacity building through technology and innovation transfer, value chain approach and development, business (and entrepreneurial) development, market research and market information, relevant for innovation, growth and productivity.

The results of the univariate logistic regression showed that female youth are more likely to be unemployed than the male. The multivariate regression revealed that female are less likely to be unemployed compared to the male. They were unemployed because they were not actively seeking work, nor trying to start up businesses. While there are cultural reasons for the low employment among women, the government needs to take into consideration the social inclusion of women in job creation and employment policies.

Table 1: Results of logistic Regression

		Unadjusted		Adjusted OR (95% CI)		
		OR (95% CI)	P-Value	OR (95% CI)	P-Value	
Region	Tigray	1.000		1.000		
	Afar	0.603 (0.517 - 0.703)	0.000	0.622 (0.529 - 0.733)	0.000	
	Amhara	1.064 (0.969 - 1.168)	0.193	1.110 (1.003 - 1.229)	0.044	
	Oromia	1.021 (0.933 - 1.117)	0.654	1.078 (0.978 - 1.189)	0.132	
	Somalie	0.475 (0.414 - 0.545)	0.000	0.527 (0.455 - 0.610)	0.000	
	Benishangul-gumuz	0.690 (0.591 - 0.806)	0.000	0.837 (0.708 - 0.989)	0.037	
	Snmpr	0.892 (0.806 - 0.988)	0.029	0.994 (0.889 - 1.110)	0.912	
	Gambela	0.568 (0.482 - 0.669)	0.000	0.618 (0.519 - 0.736)	0.000	
	Harari	0.890 (0.762 - 1.039)	0.141	0.861 (0.728 - 1.019)	0.081	
	Addis ababa	1.910 (1.743 - 2.093)	0.000	1.767 (1.597 - 1.955)	0.000	
	Dire dawa	1.222 (1.078 - 1.386)	0.002	1.227 (1.069 - 1.407)	0.004	
	Head	1.000		1.000		
	Relation to head	Spouse	0.508 (0.467 - 0.553)	0.000	0.657 (0.590 - 0.731)	0.000
		Children/relatives	0.327 (0.303 - 0.352)	0.000	0.547 (0.494 - 0.604)	0.000
Non relatives		0.260 (0.232 - 0.292)	0.000	0.442 (0.385 - 0.506)	0.000	
Sex	Male	1.000		1.000		
	Female	1.038 (0.994 - 1.084)	0.091	0.892 (0.846 - 0.941)	0.000	
Age	Age in completed years	1.208 (1.201 - 1.215)	0.000	1.190 (1.182 - 1.198)	0.000	
Age group	20 and Above	1.000				
	Below 20 years	0.194 (0.184 - 0.203)	0.000			
Year	2006	1.000		1.000		
	2009	1.027 (0.968 - 1.09)	0.380	1.058 (0.990 - 1.130)	0.094	
	2010	0.839 (0.79 - 0.892)	0.000	0.797 (0.745 - 0.853)	0.000	
	2011	0.900 (0.846 - 0.956)	0.001	0.853 (0.797 - 0.913)	0.000	
Has certificate	Yes	1.000		1.000		
	No	0.169 (0.160 - 0.180)	0.000	0.240 (0.225 - 0.255)	0.000	
Read and write	Yes	1.000				
	No	0.967 (0.900 - 1.039)	0.362			
Education Level	No formal or kindergarten	1.000				
	Primary	0.883 (0.548 - 1.424)	0.611			
	Secondary	1.603 (0.994 - 2.584)	0.053			
	Literacy campaign/ adult education	1.439 (0.552 - 3.750)	0.457			
	Vocational	2.641 (1.636 - 4.264)	0.000			
	Incomplete degree or diploma	0.877 (0.536 - 1.433)	0.600			
	Diploma	2.848 (1.711 - 4.742)	0.000			
	Degree	3.088 (1.879 - 5.073)	0.000			
Marital status	Never married	1.000		1.000		
	Married	1.618 (1.543 - 1.697)	0.000	0.754 (0.675 - 0.842)	0.000	
	Divorced/widowed/separated	2.840 (2.519 - 3.201)	0.000	1.342 (1.166 - 1.544)	0.000	
	Living together	2.204 (1.515 - 3.205)	0.000	1.218 (0.799 - 1.856)	0.359	

(Source: Computed from CSA urban employment-unemployment surveys of 2006, 2009, 2010 and 2011)

5.2. Policy Implications

Addressing youth unemployment requires both short- and long-term measures that encompass increasing demand for labor, improving education and skills, and labour market policy priority programs and projects that improve the employability of young people.

The first issue for policy implication is pertinent to improving the linkage between education/training with the skills demanded by the labor markets so as to enhance youth's employability via education and training programs. The education system should mould young people whose skills are required by the labor market and thus enhance their employability. Thus, secondary school education should particularly entail practical training on different aspects. In addition, there should be a policy that makes it compulsory for all universities and secondary schools to offer their students with career guidance services and job preparation information. In connection to this, TVET programs should be adequately integrated into the national development strategies including employment and socio-economic development. For example, TVET should give priority to training for such sectors as tourism, agriculture, information communication technology and modern infrastructure development. All these steps would ensure that students make informed decisions about the courses to study while at the university and also prepare them for the existing job market.

The second important aspect for policy implication is related with gender issue. The results have shown that youth unemployment is gendered. The face of unemployment among the youth is more female than male. This is not only an employment issue since gender disparities in access to resources has far reaching implications on overall social welfare given the role of women in national development. There is therefore need to mainstream gender issues in employment policies and interventions. By engendering employment policies it implies looking at every policy through a gender lens to see how possible impacts from the policies affect both men and women.

The other policy recommendation pertains to tax incentives for private sector institutions. In this regard, government should introduce modest tax incentives for enterprises that avail internship placements and also create jobs for young people in the country. This move would encourage more employers to be involved in progressive programs aimed at dealing with the problem of youth un-employment and also give young people the opportunity to become gainfully employed.

Amidst the rapid population growth, poverty, and limited employment opportunities, it is important that the policy and institutional environment is reshaped to recognize the value and contribution of youth to the economy, and institute programs that comprehensively address the issues identified in the discussion above.

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