

ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
REGIONAL AND LOCAL DEVELOPMENT STUDIES

**THE CONTRIBUTION OF VOCATIONAL TRAINING TO
EMPLOYMENT: THE CASE OF BAHIR DAR SPECIAL ZONE**



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EMPLOYMENT**

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ACRONYMS

ANRS	Amhara National Regional State
BSZ	Bahir Dar Special Zone
BoPED	Bureau of Planning and Economic Development
BoLSA	Bureau of Labour and Social Affair
BoE	Bureau of Education
MoLSA	Ministry of Labour and Social Affair
MEDaC	Ministry of Economic Development and Cooperation
MoE	Ministry of Education
EC	Ethiopian Calendar

ABSTRACT

It is often stated that a nation's young people represent its future. It should naturally follow then the countries which provide their youth with appropriate knowledge and skills as well as productive work experience are laying or renewing the foundation for future economic and social well being.

Human resources constitute the ultimate basis for wealth of nation. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources and carry forward natural development. Clearly a country which is unable to develop the skills and knowledge of its people and to utilize them efficiently will be unable to develop anything else (Haribson 1964:3).

Like any other poor countries, Ethiopia faces with multi faceted problems. The problem of educated unemployment reached at its climax. In 1994, the rate of unemployment in the urban areas was about 22 percent. Unemployment rate stood at 38 and 39 percent within the age groups of 15-19 and 20-24 respectively in urban Ethiopia.

This endemic problem affects each Administrative Region. The ANRS is the one that unemployment pervades chronically. Unemployment, in the region, is the leading threat in every endeavour to mitigate poverty and fasten growth and development.

According to 1994 census, 78599 (1.02%) of the region's population were unemployed. 98 percent of the total unemployed masses found in the urban and 27 percent have completed grade 12.

This dilemma has spurred much investigation into the role of training in improving productivity and the employability of the school leavers. The need to help promote economic recovery and new long term development, to reduce unemployment and to help specific groups in the labour force obtain access to employment has brought vocational education and training to the forefront of political discussion and significant increase in public funds have been committed to it.

In view of the limited absorptive capacity of the modern sector in developing countries and the resultant high unemployment rate, it has been recommended technical and vocational training should encourage self-employment, initiatives and cooperation.

Despite its importance, some argue that training cannot be a solution and alleviate the existing high level of unemployment particularly in developing countries. The task of reducing unemployment lies primarily with general economic policies.

Vocational training can be effective in preparing school-leavers for jobs if the delivery is competitive and the economy is attractive. Therefore, the central theme of this study is that vocational training is not an end in itself to reduce unemployment but can serve as a means if provided effectively.

CHAPTER ONE

1. Introduction

Abject poverty and rampant unemployment are the two endemic social evils that bind all developing countries in general and Ethiopia in particular hand to foot. It is ridiculous to find such high and growing level of unemployment in a country where there is serious shortage of skilled manpower.

Unemployment of the educated person is a matter of serious concern to policy makers and manpower planners. Unemployment of secondary school-leavers in particular has become a threat to economic and social stability. This challenge also has started to invade and frustrate university/college/ graduates nowadays. In the very early stage of educational development people with a few years of schooling find it relatively easier to obtain jobs in the modern sector. As outputs of the schools continue to grow, however, job opportunities are no longer commensurate with this growth

The possible causes of unemployment are many and multidimensional, each with different weight. Some of the underlining causes are:

- ◆ lack of structural transformation and low or stagnant economic growth due to use of inappropriate technology in the modern sector and backward and traditional technology in the agricultural sector;
- ◆ irrelevant curricula (fields) and backward or traditional education and training system;
- ◆ inefficient function of labour market and social institutions;

- ◆ unstable political and administration system because of dictatorial leadership and lack of national feeling;
- ◆ nepotism and corruption and;
- ◆ impact of rapid population growth.

But most policy makers, educationalists, national and international consultants, donors and planners usually put the blame only on the system of education as a root cause of unemployment putting all other factors aside. It was in its embryonic stage that the schooling system, in economically backward countries, has been considered as being irrelevant in disseminating practical knowledge and often accused of alienating people from their farm and serve as a crossing-line from rural disguised unemployment to urban open unemployment (Dumont, 1996:195; cited in Godfrey, 1986:150).

Lack of consistent and definite strategies for education, with its diffusion mission in the role of economic development, and shortage of institutional frame-works to utilize the educational output in the economic and social transformation of a given country leads to further derive for educational expansion (ILO, 1993).

Several questions are being raised about the ways in which the problem can be effectively addressed and all sorts of the policies and measures that are being attempted. But only a few of them have brought any success. Among these, vocational training has been proposed and implemented as one of the panaceas for the problem of educated unemployment.

From its genesis vocational/technical/ training has been designed to reduce the shortage of middle level labour force and highly technical personnel in the industrial sector. Moreover, the objective of vocational training is to produce school output that needs to be job creator rather than job seeker.

Technical (vocational) education in Ethiopia is provided at different levels both by public and private agencies within the formal education system as well as out side it. Vocational training can be divided in two major areas. Training for the modern (formal) sector and training for the informal sector. Training for the modern sector includes employer training, private training, and public pre-employment training (Wanna, 1998). In the past /vocational /technical/ training was provided in a few government comprehensive and technical schools. The new education and training policy has given emphasis to vocational training. At present many private and non-governmental organizations are also involved in providing technical skills recently.

Skilled manpower is essential and an accelerator for the development of the economy. But training alone cannot solve the problem of unemployment unless there is an economic system and investment policy that could absorb the skilled labour force.

The central theme of this research is, therefore, to discuss on the contribution of vocational training to employment, either as own account or paid worker, of secondary school graduates.

1.1. Statement of the Problem

It is often stated that a nation's young people represent its future. It should naturally follow then that countries that provide their youth with appropriate knowledge and skills, as well as productive work experience, are laying or renewing the foundation for future economic and social well being (ILO, 1986:81). Therefore, it must be regarded as cause for serious concern that in recent years, against the backdrop of the global economic crisis, young people in increasing numbers found themselves out of work and sometimes running out of hope. The underutilization of young people assumes special urgency in the case of Africa because of the particular rapid growth of the already large young population. Large number of labour force entrant poses a problem for policy makers when public employment growth is no longer feasible and private employment growth is sluggish. Jobs clearly are not being created fast enough to meet the needs of a burgeoning youth age population with an estimated 7 to 8 million new persons now entering to the labour market each year (ILO, 1983:64).

Ethiopia ranks third in Sub Sahara Africa in terms of population size with an estimated population of nearly 60 million persons as of June 1998 (MEDaC, Economic survey, 1999). The population of Ethiopia has been increasing at 2.9 per cent per annum through the inter census years (1984 to 1994). If the new entrants into the labour force are to be engaged in productive employment, the rate of growth of both output and labour productivity has to surpass that of the labour force. The disproportionately young age population has serious implication on the size and composition of the labour force. The proportion of the population of age 10 and over increased from about 51 percent in 1984 to about 68 percent in 1994.

Consistent with the age structure of the population, the size of labour force (economically active population) has shown a significant increase from 14.7 million in 1984 to 26.5 million in 1994 (CSA, 1994). In 1994, the rate of unemployment in the urban areas was about 22 percent while that of the rural areas stood at less than 1 percent. The age distribution of unemployment depicts that youth unemployment has become severe in Ethiopia. At a national level, in rural Ethiopia 4.3%, 6.6% and 3.9 % of those within 15-19, 20-24 and 25-29 age groups were unemployed respectively (MEDaC, 1999). Unemployment rate stood at 38 and 39 per cent within the age groups of 15-19 and 20-24 respectively in urban Ethiopia. At country level, the majority of the employed population were self-employed (43.5%) and unpaid family workers (47.0%) (CSA Labour Force Survey, 1999).

The educational attainment of the employed at the country level reveals that about 15.7 and 18.9 percent attended elementary and higher school education while 24.6 per cent of them have already completed grade 12. On the other extreme, 35 per cent of the unemployed are illiterates. Thus more than 60 percent of the army of the unemployed in Ethiopia (including those beyond grade 12) have formal education of a certain level (MEDaC, 1999).

This endemic problem, unemployment, affects each Administrative Region. The ANRS is the one that unemployment pervades chronically. Unemployment, in the region, is the leading threat in every endeavour to mitigate poverty and fasten growth and development. Various survey results and collected data revealed this fact. According to the CSA projections based on the result of 1994 Population and Housing Census, the population of the ANRS reached

15,879,236 by July 2000. 78599 (1.02%) of these population were unemployed. Almost 98 percent of the unemployed army found in the urban. Of the total urban unemployed, 21,599 or 27 percent were high school graduates.

The socio-economic profile of the region reported that 33,131 grade 12 complete job seekers were registered between the year 1985-1988 EC. This holds 60 percent of the total unemployed. Four hundred-fifty (1.4%) of them have vocational skills. A survey conducted on “urban unemployment” in the region in 1997 also revealed that the highest level of job seekers were secondary school leavers which accounts for 31,606 or 37 percent of the total while the second largest comprise of 16,585 or 19.42 were persons attended between grade 1 and 6. The rate of female unemployed at the two levels comprised 57.91 percent and 52.48 percent respectively. In four years duration (from 1985-1988 EC) only 1718 (2.9%) were placed to work through the Region’s Labour and Social Affaires Bureau. The placement share of secondary school leavers and vocational school graduates was 238 (0.8%) and 24 (1.4%) respectively.

This problem is much worse in the main towns of the Zone Administrations. In towns like Dessie, Gondar and Bahir Dar the problem of unemployment is the highest compared to the other towns in the region. The unemployment rate in these towns alone comprises 55 percent of the total. Of this percentage Bahir Dar’s share is 34 percent.

Different factors are ascribed to the existing level of unemployment. Accordingly, various remedial measures have been attempted to ameliorate this problem but with little success. One

of the strategies that the Ethiopian Government designed to reduce youth unemployment is to give special attention to the education sector. Educational policy of the Federal Government of Ethiopia of 1994 pays an emphasis to the vocational training to be related with practical and technical skills in order that the school output to become self employed after completing a certain level of schooling.

This fact has caught the attention of policy makers to replace the purely academic education system with skill-oriented vocational training hoping that the system will serve as a solution to the malady of youth unemployment. This research, therefore, investigates whether vocational training can help to alleviate the existing problem of unemployment or not.

1.2. Description of the Study Area

Bahir Dar town is located in the North-Western part of Ethiopia and to the Southern shore of Lake *Tana* at 567 km. distance from Addis Ababa. This town is serving as an administrative city of the region following the new Federal structure in the country.

The Regional proclamation that was enacted in 1995 brought the status of the city to a zone level, having its own council, executive committee and management bodies (BSZ, 1998 quoted in Dereje, 2000). The town has two *woreda* and seventeen *kebele* administration units.

Based on the result of the 1994 census, the total population size of city was 96,140 and it was projected that the population will reach 138,632 by July 2002. The age structure of the

population is by large young and under the age of fifteen. Among the residents of the town in the age bracket between 15 and 64 years (which is considered as the productive age group) constitute 59,283 or 62 percent of the total population.

Of the total working age population that are aged ten and above (74,286) covered by the 1994 census, the active labour force was reported to be 37,213 with an activity rate of 50 percent. Out of these active labour force 19,260 (56%) were males while 17953 (44%) were females.

Like any other town in the Region, *Bahir Dar* is faced with multi-dimensional social and economic problems. As a result of rapid population growth, slow economic growth, increasing rural-urban migration and education policy that is not attached to productive work over the years has worsened the unemployment situation of the town. Too many school leavers join the unemployed army every year because of low level of job opportunities that could absorb this sheer size of job seekers. Recently, large number of job seekers from the suburbs and different administrative zones have been rushing to the town in search of jobs since *Bahir Dar* has become the capital city of the Region. According to the 1994 census, the total unemployed population of the city constitutes 6,035, which is, 16.22 percent of the active labour force and 6.3 percent of the total population. The percentage share of unemployed females is 18.36 percent while that of males is 14.22 percent. Of the total job seekers, the proportion of secondary school graduates holds the highest.

1.3. Objective of the Research

The general objective of this research is to undertake a study about the employment situation of high school graduates and to make a comparative analysis between those who acquired vocational skills and those who did not have the skills. The specific objectives of the study include:

1. To provide brief and clear picture about the structure of unemployment in the region;
2. To identify factors that influence the employment situation of secondary school graduates;
3. To see whether acquiring technical skill by itself can be a solution to the problem of educated unemployment in comparison with those who did not get this chance;
4. To forward recommendations that could help policy makers to ameliorate the problem of unemployment in the region.

1.4. Research Questions

The research focuses on how training affects the employment of high school leavers and attempts to answer the following basic questions:

1. Why do secondary school leavers undertake training after completing grade12?
2. What are the major factors that influence the employment situation of job seekers?
3. What are the major constraints to secondary school graduates to start their own business?
4. Can skill training alone be a remedy to the unemployment problem of secondary school graduates?

1.5. Methodology

1.5.1. Data Sources

The research is based on primary and secondary data sources. Primary data are collected by field survey. Enumerators were properly oriented and trained how to conduct the interview. Enumerators under the supervision of the researcher filled out the questionnaire. The questionnaire was pre-tested at kebele 11 in Bahir Dar so that some necessary modifications were made before the actual survey was conducted.

Secondary data were also the other important sources of this research. Secondary data, which have relevance to this study, were collected from MoE, MEDaC, MoLSA, ESLSE Office, BoPED, BOLSA, and BoE and from other relevant research documents and sources.

1.5.2. Sampling Technique

In this study two sampling techniques were adopted and two sampling elements were taken to serve as a basis of analysis. The two sampling elements were high school leavers who completed their study between the academic year 1982 and 1991 E.C and small scale and informal business units run by the owners themselves and/or by hired labourers.

Systematic random sampling was used to select high school graduates and simple random sampling was applied to small scale and informal businesses units. The household lists in each kebele Administration were used as a sampling frame to access the sampling units, that is,

school-leavers. On the other hand, trade license registration lists of the Trade and Industry Department of the zone was taken as a sampling frame to select the small-scale business sample units.

Of the seventeen kebele Administrations that are found in BSZ, four kebeles have been selected. The selected kebeles for this research were one from a marketing center (kebele 04), the other (kebele 08), adjacent to a factory. The two other kebeles were taken from a residence area, one (kebele 04) from the center of the town and the other (kebele 13) from the outskirts of the town. These kebeles have been selected purposefully to see whether a certain locality has contribution to chance of employment within the same geographical area.

1.5.3. Sample Size

According to the Physical Planning and Construction Department of BSZ the total number of households was 22707 in 1998. Of these, the share of kebele 01, 04, 08 and 13 is 1427, 2244, 694 and 2129 households respectively. Because of financial and time constraints the sample size of high school-leavers is 120 while the sample size of business units was limited to 30.

1.5.4. Methods of Analysis

Data results are organized and summarized into tables, percentage and cross-tabulation are used so that meaningful interpretations of results are made so as to draw conclusions and

recommendations. A regression analysis is also undertaken to determine the contribution of individual factors (variables) to employment.

1.6. Significance of the Study

The finding of this research helps policy makers on manpower development and social services. Moreover, NGOs, multilateral and bilateral agencies interested in supporting the operation of vocational training programme can also benefit from the result of the study. The research also helps other researchers who are interested in the area as an initial reference.

1.7. Organization of the Paper

This thesis has four chapters. The first chapter is the introduction part that consists, the objective of the study, sampling technique, methodology and the significance of the study.

The second chapter discusses relevant literature reviews regarding the importance of education, causes of unemployment and the genesis of vocational training. Chapter three presents retrospective and prospective review of education and training objectives in Ethiopia under the Imperial, *Derg* and the EPRDF regimes. Chapter four describes and analysis the result of the study supported by tables and regression analyses. Chapter five, which is the final part of the paper, presents conclusion and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1. Education and Economic Development

INVESTING IN PEOPLE IF DONE RIGHT, PROVIDES THE FIRMEST FOUNDATION FOR LASTING DEVELOPMENT (World Bank Development Report 1992)

The role of education in development has been recognized ever since the days of Plato. Education, Plato believed, is indispensable to the economic health of a good society, for education makes citizens reasonable men (Tilak, 1989).

There have been relatively few authors who have attempted to document, or even explain, the emergence of formal schooling in human society. Most available evidence suggests that the deliberate and institutionalized training of scribes in the art of writing existed in 3000 BC in Mesopotamia and Egypt, almost as soon as writing itself begun (Saha *et al.*, 1983:32).

Development in all its forms (economic, social and cultural) will depend increasingly on knowledge-intensive industries, agriculture and services. The theoretical debates and policy decisions concerning development have varied considerably, and have sometimes stressed technological advancement, but at other times have focused on social well-being.

Three separate but interrelated perspectives illustrate the significance of basic learning to development. First, it is a basic human need. It equips people with fundamental knowledge,

skills, values and attitudes and enhances their capacity to change and their willingness to accept new ideas. Second, education is seen as a means of meeting other "core basic needs" (such as adequate nutrition, clean drinking water, and primary health care). Third, education also plays a critical role for development by infusing an individual ability to identify with his/her changing culture and to seek a constructive role in his/her society (Noor, 1981:2-3)

Academicians and policy makers accepted the casual relationship between education and development in the late 1950s and early 1960s. Education was seen as the most important and indeed an essential engine for both the take-off into industrialization by less developed countries as well as for the transition of the already developed countries to post-industrial stages (Saha *et al.*, 1983). Based upon the work of economists such as (Schultz, 1961; Denison 1962; and Becker, 1964), human capital theory rested on the assumption that formal education is highly instrumental and even necessary to improve the production capacity of a population. Post-World War II development in Japan is regarded as the classic example of education being deliberately utilized as a contributing factor to rapid industrialization and economic development.

There is now a persuasive body of theoretical and empirical evidence that investment in the formal labour force plays a crucial role in economic development. Education, in and of itself, brings about no economic development; but the evidence indicates that it is to be a vital factor. It provides a fertile ground without which other development initiatives will not take root. Many scholars have made thorough studies on the contribution and effect of education to economic growth, labour productivity and to overall economic development to a given nation.

2.1.1. Human Capital: the Key Factor of Economic Growth

IF YOU PLAN FOR A YEAR, PLANT A SEED, IF FOR TEN YEARS PLANT A TREE. IF FOR A HUNDRED YEARS, TEACH THE PEOPLE. WHEN YOU SOW A SEED ONCE, YOU WILL REAP A SINGLE HARVEST. WHEN YOU TEACH THE PEOPLE, YOU WILL REAP A HUNDRED HARVESTS (K'UANT-TZU BC WORLD BANK, 1991; 52).

People are the main determinant in every development and in an effort to build a modern nation. As Inove (1985) briefly put it, among the three basic resources necessary for economic development (financial, physical, and human resources), manpower appears to be the most fundamental one. He further explained that a country with rich natural resources and ample financial resources couldn't necessarily achieve steady economic development if it does not have enough labour to utilize and develop them. On the other hand, a country with well-educated labour force has a chance to obtain economic success even if it has poor natural resources.

This is not simply because better labour adds to output in the passive way that, say, more fertilizer or better machinery does. It is also because human beings are the sources of ideas, decisions, and actions on investment, innovation and other opportunities (World Bank, 1991).

Human capital theorists generally assume that after all the known inputs into economic growth have been explained, much of the unexplained residuals variance represents the contribution of the improvement of human capital of which education is seen as most important (Saha, 1983). Major contribution to the discussion on education-economic growth relationship was made first

by Adam Smith followed by a long honorable tradition of classical and neoclassical economists until Alfred Marshal in the twentieth century who emphasized that the most valuable of all capital is that invested in human beings (Tilak, 1989:10).

In the beginning, the unexplained proportion of economic growth, viz., the "residual" was attributed to technical progress (Solow, 1957). (Solow, 1957; Denison, 1961) also advocated an analysis education based on a growth accounting framework, using an aggregate production function, $Y=f(K, L)$ where Y is output, k is capital and L is labour, using this structure estimates the effect of education on output. Dennison's own calculations showed that between 1930 and 1960 around 23 percent of the rate of growth in U.S.A output is explained by the increased level of education of the workforce (Weale, 1992:32). Schultz, (1961), on the other hand, showed the contribution of the improvement of human capital to economic growth in this country (USA) between 1919 and 1957 ranged from between 36 and 70 percent of unexplained growth. Nadri (1972) used this approach to analyze developing countries' economy and his study presented a mix of results. For some countries such as Ghana, there were strong educational effects (23.29 percent output growth explained by education) where as for others like Colombia, it was relatively low (4.1 percent of output growth is explained by education). This variation might be attributed to technological differences.

2.1.2. Education and Labour Productivity

The productivity of labour is an economic concept of central importance. In the first place, output per head of the labour force is a major determinant of relative well being among nations (Harton and Timothy, 1981). In spite of its significance, the concept of labour productivity remains highly elusive. At one extreme, it may refer to the value of gross output per workers or per person-hour. At the other extreme, a careful attempt may be made to measure the physical output of labour and the net contribution of other factors of production. At the very least, it is generally recognized that the quality of labour is of crucial importance. Some dimension of this, in particular, education, training and experience have been readily incorporated into conventional economic analysis.

Education affects productivity and growth through several channels. A better-educated person absorbs new information faster and applies unfamiliar inputs and new processes more effectively (World Bank, 1991:57). Different studies show that education contributes to productivity. Welch (1970) found an impact of college education on US farm productivity.

He argues that education's effects are more likely to come in allocation and externality gains than direct productivity gains and thus state level studies are more likely to find an educational effect than farm level only. He found that college education was complementary to the rate of technical change as measured by research activity, and rate of flows of new inputs. Thus, education did increase productivity, and one major vehicle was in aiding adoption of new technology.

For developing countries, the evidence linking education to agricultural productivity was surveyed by Lockheed, Jamison and Lau (1980). They find 37 data sets relating education to technical efficiency in production of either cereal or mixed crops. Eighty-three percent of the studies showed a positive gain in production for four years of education. They found that the impact of education was greater in modernizing environment. Recent studies have also shown that the annual output of farmers who completed four years of primary schooling was on average 13 percent higher than those who had not been to school (Noor, 1981:4).

A few attempts have also been made to analyze the effect of education on productivity in industry. Research in two electrical machinery factories in Bangalore, India, shows that there is a positive effect of education and training on output, especially where training is in firm (Haddad *et al.*, 1990:4). The overall findings have confirmed that education is found to be vital to augment productivity, economic growth and development when there is modern technology and conducive economic environment.

2.2. The Genesis of Vocational/Technical/Training

As man invented tools, weapon, clothing, shelter and language, the need for training became an essential ingredient in the march of civilization. It is generally thought that man began amassing knowledge at the beginning of the stone-ages. As archeological excavations continue to unearth clay or brick tablets on which is inscribed information about the life of people living six thousand or more years ago, the place of training and learning in the skyrocketing development of knowledge and civilization has become dramatically evident. The Sumeria

palace at Kish, in Mesopotamia, built in 3500 BC exemplifies the ancient use of brick and the Bible tells us that tower of Babel was also built of brick (Craig, 1976). These facts prevail that knowledge of handicraft and other skills has a long and ancient origin. In the early period of civilization, this knowledge developed on apprenticeship system whereby an experienced person passed these skills to the next generation.

It is difficult to date exactly in which formal technical education started and the term itself is new in the literature of education and came into prominence at about the twentieth century (Minale, 1993). Some vocational education related documents states that the need for formal technical skills emerged with the World War II. The demand for maintenance of war machines and aircraft brought about the need of skill training. Moreover, the expansion of trades and business between 1912 and 1920 raised the demand for more and better-trained labour (Craig).

But historically the separation of liberal education from professional and industrial education goes back to the time of Greeks and was formulated expressly on the basis of a division of classes into those who had to labour for living and those who were relieved from this necessity, (John, 1916: 293-294; as quoted in Masri, 1994:24).

The genesis of modern and more organized technical and vocational education, which appeared in the nineteenth century, was directly induced by the demand of the new technical innovations during the Industrial Revolution. Once it is initiated, technical education became the single major means to assure of industrial might, individual prosperity and challenge foreign industrial competition (Cotggrove, 1977). Despite the growing attention towards technical

education, throughout the nineteenth century, it was understood to be a training that did not include mental labour and it was known to be the public as 'manual arts' (Minale). This in turn gave it an inferior status compared to academic education.

One of the common dreams about vocational education and training is that it can create the kind of highly skilled flexible labour force that is widely regarded as necessary for work in high performance firms. Vocational education especially for the basic occupational and skill levels has traditionally been considered an inferior alternatives reserved for young people who, for various reasons which are not all educational in nature, have been considered unable to benefit from further general (academic) studies (Marsi, 1994:1). Apart from being a means of preparation for work and employment, vocational education can be a component of general education or an aspect of further training and continuing education (UNESCO, Article: 1).

In Africa the first attempt to introduce technical education were made by missionaries. According to (Minale (1993), colonial education commissions stated the importance and proposed the expansion of practical (vocational) education for the native people. However, all these did not materialize to expected results due to shortage in education budget, lack of teachers as well as African's indifference towards the manual arts. This indifference came after they understood that learning the "craft skills" would place them in an inferior position relative to those who had received academic training. African indifference had also been inspired by lack of jobs for some artisans (Foster, 1979).

Although formal technical education and vocational training has a recent experience in Ethiopia like other developing nations, the aspiration for modern technology stretches back to the very dawn of its history. The country's prehistoric rock paintings- and carvings, as well as the wonders of ancient Axum, with its beautifully constructed palaces and remarkable stele or obelisk, and its fine coins struck for many centuries in gold and silver, and bronze indicates its long in the skills of handicrafts (Pankhurst, 1992:251).

The demand of Emperor Theodros II for foreign artisans to innovation purpose particularly in the military field and the establishment of Gafat (at Debretabor) foundry show the keen interest of the king for modern technology to the nation though it was aborted shortly.

In traditional Ethiopia the culture of the society had added its weight to the factors for stagnation in the native technology (Minale, 1994: 9). The society was not only unable and indeed unwilling to develop its productive forces that could have enhanced its productivity and surplus accumulation, but also opposed to the agents of change and innovation. Any manual work tended to be regarded with distrust, fear and at times even with hatred. According to Pankhurst (1992), craftsmen were most often down graded, condemned and had no security or social privileges. This was justified by the social value attributed to them, as possessors of an evil or 'buda'.

Institutionalized modern handicrafts teaching in Ethiopia was started as early as 1927- the list includes carpentry, weaving, smithing and sewing with machine. The teaching of crafts was

also undertaken in independent schools opened for the sons of liberated slaves and orphans respectively in 1925 and 1932 (Pankhurst).

Despite the contribution of these handicraft schools, the demand for skilled technicians increased from time to time. To meet such demands Emperor Haile selassie opened a primary and secondary school in 1930. This was named “Haile Selassie I school of Arts and Science”. The objective of the school was to train teachers, technicians and medical personnel.

Vocational education in Ethiopia is provided at different levels (both by public and private agencies) within the formal educational system as well as out side it (MEDaC, 1999). Institutions, which are responsible for the training of high level vocational and technical personnel, are higher education institutions. Below the university level, there are a number of technical and vocational training schools and institutes, which cater for the training of personnel at the middle and lower levels in different occupations.

This include vocational comprehensive secondary schools, which provide basic knowledge to secondary level students in the field of industrial arts, commerce, agriculture and home economics

2.2.1. Types and Objectives of Vocational training

The term “vocational training” masks considerable diversity of purpose and curricula contributing to lack of clarity in a policy discussion (Doughert, 1989; cited in Middleton, 1993:32). The challenges for international researchers is to define the term vocational education

and training (VET), the conceptual framework, the issues to be measured, the classification of levels, subjects outcomes, professions and sectors and the instrument for collecting statistics (ILO, 1993:4).

The other definitional problems raised by ILO are whether the training is formal, non-formal or informal; whether it is structured or unstructured and finally whether the skills acquired are general or specific. There is a certain degree of overlapping in the definitions, categories and programmes of vocational education and training.

In order to distinguish this overlap, one must look at the definition of some terms related with vocational programmes given by (UNESCO, 1978):

- ◆ Technical and Vocational Education: A comprehensive term referring to the educational process when it involves, in addition to general education, the study of technologies and related science and the acquisition of practical skills and knowledge and skills relating to occupations in various sectors of economic and social life.
- ◆ Technical Education: Education designed at upper secondary and lower tertiary levels to prepare middle-level personnel (technicians, middle management etc), and at university level, to prepare engineers and technologists for higher management positions. The institutions tend to be controlled by a variety of sector ministers, and are sometimes attached to a university.
- ◆ Vocational Education: Education designed to prepare skilled personnel at lower levels of qualification for one or group of occupations, trades or jobs. Vocational education usually,

provided at upper secondary level, includes general education, practical training for the development of skills required by the chosen occupation and related theories.

- ◆ Training: Activities which aim at providing the skills knowledge and attitudes requiring for employment in a particular occupation, group of related occupations or for exercising a function in any field of economic activity.

In addition to the above terminology, one must also consider the duration of the courses and the arrangement of the institutions and the way they are managed. Unlike technical education, vocational training usually falls outside the formal schooling cycle. Thus, it varies more in terms of training duration and entry requirements. Unlike in-service training, vocational training is outside the work place and is generally not intended for currently employed workers, but for those outside the schooling cycle who are seeking work. Although secondary vocational education lasts two to three year's vocational training programmes take from one month to three years (World Bank and ILO joint study, 200:17).

Some also put that training includes adult basic literacy programmes, life skills training, agricultural extension and rural development language and communication skills training religious education and general culture and leisure education (ILO, 1993). More broadly the term training applies to any transfer of knowledge, skills or attitudes which is organized to prepare people for production activities, or to change their working behaviour (Fluitman, 1989 as cited in Mulat and Wolday, 2000).

The main factors behind increasing skill needs are innovation, new technologies, the re-engineering of the business process and work organization, the globalization of economies and the structural shift towards the services and information sector (Tessaring, 1998:21). Training will foster willingness to learn and adapt in the occupational world, in view of rapid technological development and global structural changes, this is essential for any one wishing to maintain their professional competence or to practice a qualified occupation (Jurgen, 1997:6).

Training programmes have three general objectives (Ashenfelter, 1979, Block, 1979 as quoted in Metcalf, 1985:95). First, they aim to eliminate shortages of skilled workers via upgrading from less skilled to more skilled status. Second, they aim to augment human capital theory, raising the earning and probability of employment of the trainee. Third, they may be designed more on equity than efficiency grounds to alleviate poverty and to reduce inequality. For UNESCO, technical and vocational education should:

- I. Contribute to the achievement of society's goals of greater democratization and social, cultural and economic development, while at the same time developing the potential of individuals for active participation in the establishment and implementation of these goals;
- II. Lead to an understanding of the scientific and technological aspects of contemporary civilization in such a way that men comprehended their environment and capable of acting upon it. Skilled workers and technicians enhance the quality and efficient of product development, production.

There have been several categorizations of vocational education and training programmes. Few of the programmes are:

- 1 Pre-employment VET: prepares individuals for initial entry into employment. These are the 'traditional' programmes of vocational education, based in schools in most countries, and in both schools and work places in dual system, often operated by national ministries of education;
- 2 Upgrade training: provides additional training for individuals who are already employed, as their jobs change, technology and work organization become more complex, or as they advance within a firm or occupation;
- 3 Retraining: provides training so that individuals who have lost their jobs can find new ones;
- 4 Remedial VET: provides education and training for individual who are in some way marginal or out of the main stream labour force-typically those who have been unemployed for long periods of time, those who are underemployed and therefore in poverty (ILO, 1999).

Individuals acquire vocational and technical skills in many ways and sponsored by different organizations. Publicly support training, training by private and voluntary organization. Most skill acquisition takes place during employment, through informal, on-the-job learning or through formal training programmes financed by employers and workers and provided either in the work place or at external training institutes (Mddleton, *et al.*, 1993: 27).

2.2.2. Training for self-employment and the Vocational School Dilemma

Global unemployment and underemployment currently menace the world and this dilemma has spurred much investigation into the role of training in improving productivity and competitiveness (ILO, 1993: 2). The fact that vocational training plays a vital role in widening skill capacity, its role in reducing unemployment is still in question mark.

When education planners in developing countries consider investing in education for economic development, many think of vocational education and training, especially at the secondary level (Bacchus, 1988 as quoted in Haddad, 1990:45). The need to promote economic recovery and new long-term development, to reduce unemployment and to help specific groups in the labour force obtain access to employment has brought vocational education and training to the forefront of political discussion. And significant increases in public funds have been committed to it (OCED, 1983:7).

In view of the limited absorptive capacity of the modern sector in developing countries and the resultant high unemployment rate, it has been recommended technical and vocational education should encourage self-employment, individual initiatives and cooperation. Vocational training, thus, serves a double purpose: First, it enables the individual worker to earn a living and make headway in his career and secondly, it provides the country with the skilled labour force in needs for national development (ILO, 1996:5). For these purposes to be effectively achieved, it is essential that training should be constantly and closely coordinated with employment policy.

Until recently, almost every graduates of formal vocational training programmes in developing countries expecting to be absorbed into wage employment in the formal sector. Because of sluggish growth in the economy and inappropriateness of the training, the expected jobs have failed to materialize.

Self-employment defined here as own account workers and employers (working owners of unincorporated business)-create employment for themselves and others including regular and casual employees, unpaid family workers and apprentices (ILO, 1990). At its best self-employment can provide a person with considerable autonomy, a chance to realize his potential and to be rewarded in proportion to the physical and mental effort expended, the risks taken and the saving invested.

Despite its importance, some argue that training cannot be a solution and alleviates the existing high level of unemployment particularly in the developing countries. Self-employment can not be a solution for the underlining problem of unemployment even if training enables someone to create his or her own livelihood. It can be a safety net for many a means of supplementing and diversifying income for some, and an entry point to the market for the enterprising, but it cannot solve the unemployment problem (ILO, 1996:13). Employment in itinerant or indigenous micro-enterprise is more often a mechanism for coping with falling incomes in the face of absence of tangible job opportunities for younger family members than a phase in forward looking business career (ILO/JASPA, 1993). It does not follow that training is an absolute guarantee against unemployment, nor that increasing the number of trained people will reduce aggregate

unemployment (OECD, 1983:11). The task of reducing unemployment lies primarily with general economic policies.

As several scholars recently pointed out, the source of poverty, unemployment and economic inequalities are primarily rooted not in the nature of schooling but in the organization of the economy (Kanter, 1982:2). Consequently, by focusing on educational reform rather than on the structure of the work and labour market, vocational reform attacks the symptoms rather than the source of the conditions they hoped to eliminate.

There are, however, three particular factors that are indispensable to the effectiveness of technical and vocational education. First, creating employment depend less on training than on the pace of industrialization. Second, some success depends on the quality of the relationship between schools, employers and government ministries. Third, the quality of instructors with both industrial and academic background (OCED, 198).

Virtually every country in the world is struggling to cope with the limitation of the wage employment and public sectors and is turning, either by plan or by sheer force of need, to the informal sector and self-employment to help address the unemployment problem (ILO, 1986). More than twenty years of study vocational education therefore, raise serious questions about the economic value of investing in expensive vocational schooling, especially where such schooling is not directly connected to an employment situation.

Some years ago Philip Foster set a cat among the pigeons with an article entitled "The Vocational School Fallacy in development planning". Arguing from Ghanaian evidence, he

denied that vocational training provided with formal education institutions could even become an effective method of accelerating economic development. He further denied that general education and vocational training are ever substitute for each other, the former being on the contrary a necessary foundation for the latter, and the latter being generally more efficiently provided on the job rather than inside schools (Blaug, 1973:23).

In order for someone to become self-employed he needs capital, know-how, confidence and an earning potential. But most of the secondary school leavers lack these necessary factors.

Moreover, since education has been looked as a preparation for wage employment, secondary school leavers often look for wage employment (T/Mariam W/Michael, 1973; Mulat and Wolday, 2000). Therefore, one would expect school leavers to exhaust the possibility of wage employment before they engage into self-employment. Vocational training can be effective in preparing school leavers for jobs if the delivery is competitive and the economy is attractive.

All these suggest a more selective approach to investing in vocational education and training, focusing much more on firm and firm connected or industry connected programmes and on those related to rapidly growing sector (Haddad, 1990). Thus, vocational training needs careful and thorough assessment before implementation.

2.3. Causes of Unemployment

In spite of its critical importance to economic growth and productivity, education has been accompanied by a massive unemployment in many countries. Today many developing

countries are plagued by a historically unique combination of massive rural-to-urban population movements, stagnate agricultural productivity and growing urban and rural unemployment and underemployment. The incidence of unemployment is much higher among the young and increasingly a more educated in the 15-24 age bracket (Todaro, 1994). ILO (1994) describes the problems of unemployment as a long-term persistent trend affecting up to 30 percent of the global labour force, some 820 million men and women. The recent ILO study has confirmed that about one billion people are either unemployed or underemployed globally.

In the early 1960s the investment value of education for the improvement of human productivity was virtually unquestioned. By the end of the same decade, human capital theory as a basis for a viable development strategy had been brought into doubt. By the early 1970s belief in education as a panacea for development had entered an “ age of skepticism (Weiler, 1978 as cited in Saha, 1983:48).

The idea that education in abundance beyond literacy deserves challenge particularly in developing countries where open unemployment is common in urban areas. Moreover, the average level of education among the unemployed appears to be rising, suggesting that the growing investment in education system is increasingly an investment in idle human resources.

Development economists and different scholars have suggested several reasons for the emergence of employment problem in developing countries. Some of the underlying problems are discussed below.

2.3.1 Inappropriate Choice of Technology in the Modern Sector

In the 1950s and 1960s all development and modernization theories were biased to rapid industrialization, often at the expense of agriculture and rural development. On the basis of this assumption and taking the modernization experience of developed countries, many economists concluded that economic development in the Third World too, necessitated a concentrated effort to promote rapid urban industrial growth.

Unfortunately, this strategy of rapid industrialization has in many instances failed to bring the desired results predicted by historical experience (Todaro, 1994). This mode of development brought about high rate of rural-urban migration and thus bulged out the urban open unemployment, for the modern sector could not absorb this high number of job seekers.

Most of the industries in LDCs are the extension of developed countries system of industrialization, and hence, large-scale manufacturing industries are predominately capital-intensive. Employment directly generated by expanding activities in this field was therefore also relatively small. One historical reason for this is that the choice of techniques on the part of foreign enterprise was governed to a large extent by the availability of capital in foreign capital markets and the scarcity of skilled operatives in less developed countries.

Regarding choice of technology, (Ndeqwa and Powelsen, 1973:7-8) have said the following:

- ◆ Developing countries have been influenced by the growth theory and recent experience of industrialized countries in which both the supply of and the demand for incremental output depends on the amount of capital invested;
- ◆ There is psychological factor in which modernity is associated with capital-intensiveness a problem often made worse by engineers and architects attuned to producing more modern factory than the last one;
- ◆ Because of the abundance of labour and sometimes of land in developing countries, it was supposed that the reason for failure to develop lay in shortage of capital;
- ◆ Capital was, therefore, often made available by international institutions and the governments of industrialized countries on terms that tended to make its use cheaper than the use of labour and this favoured the introduction of labour-saving equipment;
- ◆ The developing countries themselves instituted policies to attract investment. Interest rate were kept artificially low for borrowers, tax incentives were accorded to investors, and capital goods were admitted at low rates of duty or with none at all, while the finished goods they produced were heavily protected;
- ◆ Because developing countries were traditionally exporters of primary products, it was at first believed that they could export little else. Big, efficient, highly protected enterprises were thought to monopolize the markets of the industrialized countries for manufacturing goods. Therefore, the hope for industrialization was seen lie not on in exports (other than traditional goods) but in substituting for imports. By promoting over-valuation of currencies, the high protection on imports of finished goods discriminated against exports, including traditional goods produced by labour-intensive methods;

- ◆ Trade unions, often protected and encouraged by government, raised wages in manufacturing industries to levels much higher than alternative earning possibilities in handicrafts or rural industry.

By encouraging employers to substitute machinery for labour, these high wages not only reduced employment possibilities; they also encouraged migration through increasing the attractiveness to urban employment.

2.3.2. Irrelevant Curriculum and Inappropriate Training System

The other area that has become a scapegoat for economic failure and high level of unemployment in LDCs is the schooling system. At its conception, education was considered as the only runway to take off to a nation's development. All countries, developed and underdeveloped, put huge volume of their resources to the expansion of schools and training. But this hope turned out to be naive after a short period of times when educated job seekers crowded the labour market. In many African countries, the educational system has been patterned after institutions in the former colonizing countries, with emphasis on a classical liberal arts curriculum (Ndegwa, 1973; Tekeste, 1990; Teshome, 1981).

The explosive phenomena of "educated unemployment" in Africa have two additional characteristics. In every country, which has produced reports on the subject, the level of educated unemployment, is considered "excessive"; and this level (and sometimes even its rate of growth) is projected as an increasing function of time. A second characteristic is that this increasing unemployment takes place in countries with the lowest

literacy rates and in states with near stagnating economies (Teshome Mulat, 1981:2).

Critiques of the relevance of schooling for employment have occurred both in the developed and developing countries. Those who blamed the educational system as the root cause of the unemployment problem argued that schooling has trained students for the wrong kinds of jobs and created a skilled work force inappropriate to the demands of a Third World labor market (Saha, 1980).

A variation of this argument is the widely held view that education in developing countries promotes the flight from farming and the rush to urban centers and in this way tends to convert disguised rural unemployment and underemployment into open urban unemployment (Blaug, 1973:11). Schools raise ambitions and expectations to levels inconsistent with labour market opportunities, and create false hopes about jobs in the mind of young people.

The strong critique about schooling is that education is at least responsible for the whole problem of open and disguised unemployment claiming that the bulk of existing formal education in less developed countries restricts children initiatives and stunts the entrepreneurial spirit and discourage them from taking self-employment.

Of course, on the other side of the argument, some denied the responsibility of education in creating the problem of educated unemployment. Blaug (1973) said that education and educational authority could not be responsible for the problem if we mean that poverty would be reduced if only the education system would be disappears. But responsible if we can think of

some educational reforms that might, in conjunction with other measures, make an impact on the poverty problem; and definitely responsible if there are educational policies that can, by themselves, affect the hiring standards of the working poor. The answer depends crucially on what is meant by “responsibility”.

2.3.3. Inefficient function of Labour Market, Institution and Social Factors

For many types of work, wages and wage-employment (especially in the public sector) are commonly based on the amount of education and the level of credentials held rather than on the type of education and its relevance to job requirements or the individuals’ demonstrable proficiency (World Bank, 1974:21).

The very high wage premiums paid to workers in the modern urban sector in conjunction with lock-step process in which scarce jobs allocated on the basis of ever increasing educational attainment leads directly to three obvious misallocation of human resources. First, the output of the educational system being greatly in excess of that which the economy can absorb, may emerge from it seeking jobs for which they may be educationally qualified but which have been preempted by others with even more education. Second, those who adjust their sights downwards and secure modern sector employment normally must take jobs for which they are “overeducated” in terms of the number of years spent in the educational stream. Third, misallocation associated with educational high wage bias of modern sector employment policy relates to the built in urban-rural distortion, which this policy creates (Farook, 1974).

If there exists imperfect labour market in a given country, it generates inefficient information flows, inefficient recruitment, illicit practices and lengthy job search process. Salary and wage, especially in the public sector, are arbitrarily fixed by the use of paper credential, and they are rigid downwards when there is over supply in the labour market. Such differences of wages and salaries discourages experiences and self-employment which can create excess demand for formal education, the consequence being the creation of educated unemployment in the long run. The private sector may also find it difficult to employ skilled workers and hence prefer to recruit and train unskilled workers, or workers with little formal education at a lower salary within the firm.

The other prominent obstacle to the proper functioning of the labour market is the social factor. Many people in LDCs find their job through relatives or friends. Employers prefer to employ those recommended by friends or relatives. Employers are not fully accustomed to employ through employment office. They are rather accustomed to hiring relatives or friends and they can also easily get workers at a lower salary from the crowded outside the factory gates (Teshome Wagaw, 1971:13).

2.3.4. Psychological and Attitudinal Factor of the Job seekers

This consideration concerns the responses of the job seekers to the already available vacancy their attitude regarding the occupation in general. In some instance the job seekers refuse to accept to join certain occupations or to move to certain geographical area to work. The very pursuit of higher educational qualifications raises job expectation and career aspirations.

Failure then to find a suitable salaried job in line with the formal qualifications acquired leads not only to frustration but also to an unwillingness to accept any other kind of employment or work activity. Thus the mismatch between aspirations and the types of jobs actually available in the urban economy helps to explain at least part of the urban unemployment (ILO/JASPA, 1981:91)

The study conducted in Kenya reveals that the school leavers' problem is not the result of simple excess of school leavers each year over the number of jobs requiring school qualifications. True, this excess is large and has been growing very rapidly. But the particular reason why school leavers are in a problem, why they are frustrated, and why an increasing proportion of them seeking work, is not so much that opportunities do not exist, but that the opportunities open are not attractive in relation to those obtained by persons with comparable qualifications only a few years ago (Teshome Mulat, 1981:30).

The usual explanation to such kind of voluntary unemployment is the inflated attitude from their side. The way they are trained, their family background and their access to transfer payments while they are seeking job govern their attitudes and psychological reaction towards the vacancies created. Job seekers refuse to take occupation, which let them to earn low income relative to their long time training.

2.3.5. High Population Growth

THE CENTRAL ISSUE OF OUR TIME MAY WELL TURN OUT TO BE HOW THE WORLD ADDRESSES THE PROBLEM OF EVER EXPANDING HUMAN NUMBERS (JAMES GRANT, DIRECTOR GENERAL, UNICEF)

Almost two centuries ago, Thomas Malthus put forward a theory of relationship between population growth and economic development that survive and debatable hitherto. As 1992 came to an end, the world's population was estimated to be almost 5.5 billion people.

Projections by the United Nations placed the figure at more than 6.3 billions by the end of the twentieth century and 8.5 billions by the year 2025. Over four-fifth of that population will inhabit the developing countries (Todaro, 1994). As predicted, the world population counted six billion in the midnight of the new millennium. The high fertility rates in most developing countries mean that age structures bulge disproportionately at the younger ages and successive age cohort increase in size (Squire, 1981:177). These characteristics in turn imply that:

- i. A greater proportion of resources is required to feed, clothe, and educate the youth and thereby reducing the availability of resources for productive investment;
- ii. A greater proportion of investment is required to equip new entrants to the labour force, thereby limiting the extent to which capital per worker can be increased and;
- iii. A larger stock of labour is applied to fixed factors, such as land, resulting in diminishing returns.

Developing World currently has about 2.25 billion people of whom less than one-fifth (about 400 million may be considered literate, of those remaining only 315 million are enrolled in the

formal school system and may become in the future. All this means that, for every person presently enrolled in school in the developing world, there are three people who are waiting in lined for access to education and for whom new educational provision needs to be made (Noor, 1981:4-5). This represents a massive explosion in the potential demand for educational services and one that is virtually inevitable over the short time horizon (World Bank, 1987:15). Most developing countries are experiencing considerable difficulties in absorbing new entrants to the labour market. Un/underemployment in the 15-24 age group has been calculated by the ILO to be 60 percent and higher in several countries (Farook, 1974).

CHAPTER THREE

Education and Training Status in Ethiopia: Retrospective and Prospective Review

Despite the fact that modern and structured education in Ethiopia has a recent experience, the traditional education system started around six centuries BC when the Sabeen alphabet was used for learning purpose. The Koran schools, which date back to the seventeenth century further, attested to this historic uniqueness (Fassil G/kiros *et al*, 1972:1). The two religions indeed, had a very profound influence over the lives of people in many ways and acted as the repository of important aspects of culture (MOE, 1984:2).

3.1. Education and Training Objective under the Imperial Regime

The process of introduction of programmes and structures of learning, which differed fundamentally, from the traditional, religion-based systems, was not really initiated until the very end of the nineteenth century. At the beginning of the new twentieth century many factors combined to promote new pattern of education (MOE, 1984:3). The formation of central government, the pressure of global modernization and commerce, technological innovation and diffusion inspired Menelik II to introduce modern education to Ethiopia.

Modern and structured education spark was seen in Ethiopia in 1908 when Menelik II established the first historical school named after his own name, Menelik School in Addis Ababa. As the diplomatic relation among countries widen the need for foreign language skill

become urgent to deal with outsiders. The primary emphasis, therefore, was placed on teaching foreign language as a means of attaining scientific and technological objectives faster and easier both at home and abroad.

During the first twenty years of its existence Menelik school resembled a language institute rather than a proper school. French, English, Italian, Arabic were the main subjects taught (Tekste, 1990). Senior feudal officials were obliged to follow the example of the monarch in the twenty years many 'personalized' schools offering the same type of curriculum were founded (MOE,1984: 4).

By 1935 there were only 4200 students in 21 government schools of which 9 were in Addis Ababa. The period between 1908 and 1935-prior to the Italian invasion- can rightly be called the "imitation stage" when Western educational system were imported with no effort at modification or adoption to local conditions (Girma Amare, 1973:335). The brief Italian occupation (1936-41) seriously disrupted the educational system that had just begun to emerge. Government's schools were closed down and educated Ethiopians were massacred and arrested. When the Italians left Ethiopia in 1941, the imperial government began to lay down the educational foundations virtually from scratch. Expenditure on education rose from just half a million birr in 1942 to over 19 million by 1958-59.

From 1942 until 1955, the Ethiopian government was frantically engaged in the expansion of the education system without sufficient consideration as to relevance. By 1959-60, enrolment in government schools had reached nearly a quarter of a million pupils, just over 50,000 whom

were females. To encourage students to remain in school for the full course and to enable them to take full advantages of these years all secondary students in the early years were boarding school students.

The structure of the educational system was a hybrid derived from Great Britain and from neighbouring African countries, for example Sudan and Kenya. A three tier system (4+4+4) was followed whereby the first four years were designated as primary, the next four years as middle or intermediate, and the third four years period as secondary. It was in the first five-year plan (1957-61), though not mainstreamed that an attempt had been made to the needs of the country and expands the coverage of the service.

While Emperor Haileselassie continued to believe that he was laying down the foundations for the rapid development of the “New Ethiopia” some young Ethiopians were reflecting upon the basic problems of the educational sector.

These limitations were: i) the inadequacy of the system, ii) the irrelevance of the curriculum, iii) the administrative and intellectual confusion created by the deliberate recruitment of teachers from many nations, and iv) over centralization (Tekeste, 1996:105).

According to the resolution of the Conference on Africa education, held in 1961 at Addis Ababa, compared to other African countries, Ethiopia was lagged behind in education development. Grave disparities in the distribution of educational facilities among administrative

regions and between urban and rural areas were the other main features of the educational system.

An attempt had been made to establish technical and vocational training schools to enable students acquire technical skills and thereby reduce the problem of middle-level personnel. Technical school was opened in Addis Ababa in 1941, Music school in 1966, and polytechnic Institute was opened in Bahir Dar in 1963 with assistance from the ex-USSR. In 1965, steps were taken to secure a World Bank loan to reconstruct the secondary schools so that they could offer practical courses in Industrial Arts, Commercial subjects, Agriculture and Home Economics as well as the basic academic subjects (Fassil G/Kiros *et al.*, 1972:19).

Table 3.1. Vocational/ Technical Schools Established between 1940-1960s

No	Name of the School	Year of Establishment
1	Addis Ababa Technical School	1941
2	Addis Ababa Commercial school	1943
3	Addis Ababa Building and trade School	1946 (phase out)
4	Ambo Agricultural School	1944
5	Bahir Dar Polytechnic School 1963	1963

Source: MOE, 1972

Table 3.2. Elementary Education in 1971-72 /1964 EC

	Government	Mission	Private	Church	Total
Students	525695	59718	107926	23390	716729
Teachers	10322	1651	2749	474	15196
Schools	1308	318	644	130	2400

Source: Ministry of Information 1973

Table 3.3. Secondary Education 1971-72/1964 EC

	Government	Mission	Private	Church	Total
Student (7-8)	67747	5111	5704	776	79338
Senior (9-12)	56267	1599	3174	313	61353
Total	124014	6710	8878	1089	140691
Teacher (7-8)	1981	236	284	28	2529
Senior (9-10)	1890	159	235	17	2301
Total	3871	395	519	45	4830
Schools (7-8)	242	62	58	6	368
Senior (9-12)	57	23	23	2	105
Total	299	85	81	8	473

Source: Ministry of Information, 1973

The dramatic expansion of education notwithstanding, Ethiopia by 1974-75 was very far from meeting the target of universal primary education that set out by the conference on African education. By 1974 primary education was accessible to only twelve percent of the primary school age population (Tekeste, 1996:105).

In 1963-64 the grade structure was changed from the 4+4+4 years combination into six years of Primary school, followed by two years of junior secondary and four years secondary programme

that is, a 6+2+4 years combination. By the end of 1969 Ethiopia urban society and the educational sector were in a serious crisis. The modern economic sector /both public and private/ proved too limited to accommodate secondary graduates. According to Desta Asayehegn's assessment by 1974 up to 25 percent of secondary school graduates were unemployed (Tekeste, 1996:105).

As a reaction to the above criticism, the imperial government decided the education sector review (ESR) to be conducted thoroughly. Thus, in October 1971, the ESR was launched with the following responsibilities:

1. To analyze the education and training system of Ethiopia, and its capacity for promoting economic, social and cultural development;
2. To suggest whenever necessary ways to improve and expand the education and training system in order that it might achieve aims relevant both to the society and the overall development of the country;
3. To suggest ways in which education could best be utilized to promote national integration;
4. To identify priority studies and invests in education and training. But all this effort had remained unpractical because of the then political wave.

3.2. Education and Training Objective under the Derg Regime

The military Government ambitions to promote mass education were manifested through a number of proclamations during the year after the revolution emphasis on the educational needs among the rural masses (Berhe Kahsay, 1994:16). During imperial Ethiopia, schools were

intended to produce loyal and skilled bureaucrats who would assist the government in consolidating their own power and promoting the economic interest of the ruling group. The military government interest was to promote a socialistic policy and mobilize the masses for these goals.

Like the imperial period, the educational institutions were promoting the political system of the military ruler. Of course, in every meeting, higher officials even recognized the low quality of the then education system and noted that education must fully prepare students to meet the objective of the nation and the ideological needs of the society. But in practice things changed from bad to worse in particular with regard to its quality though education expanded rapidly to the regions where this opportunity was denied for long.

Education in Ethiopia was in a far worse state than what was explained by different evaluation results. To speak in terms of a decline in quality is really to underestimate the seriousness of the situation (Tekeste, 1990:48).

The socialist Government formulated educational objectives and strategies that were intended to be implemented during the Ten Years Perspective Plan (TYPP) (from 1984/85_1993/94). These objectives were:

- ◆ To provide education, at all levels, that would contribute to the prosperity and well-being of the broad masses;
- ◆ To inculcate the principles and idea of socialism;
- ◆ To make education accessible to as many children as possible a first steps towards the introduction of polytechnic education;

- ◆ To produce middle-level manpower required for the political, social and economic development of the country;
 - ◆ To eradicate illiteracy and to conduct continuing education;
 - ◆ To combine theory with practice in general education with a view to help accelerate socio-economic development and inculcate proletarian culture and;
 - ◆ To carry out pedagogical research on the content, method and quality of general education.
- Different strategies had been devised to materialize the above mentioned objectives.

The TYPP targeted for general education pertain to the number of schools, teachers and the size of students population at every level of general education both formal and informal.

Some of these targets were:

1. Replacing the education curriculum which 6+2+4 by the system of 8+2+2 structure at the end of the plan period;
2. Universalizing primary education (grades 1-6) by the end of the plan period;
3. Expanding the capacity of the existing schools and building new ones.

It was planned to make available 13800 primary schools and 1175 junior and senior secondary schools. But at the end of the planning year, the primary level of education gross enrollment was 23 percent.

The administration and organization of the education sector was highly centralized which denied the participation of the community at a grass root level. Policies and directions were flowing in one direction. Regarding the distribution of education facilities even though it showed significant improvement, the problem was not totally avoided.

Amharic was used as a medium of instruction in primary schools and English language took over the role of Amharic in junior and senior secondary schools to serve as media of instruction. This created undesired consequences on the quality of education particularly to those students whose mother tongue was not Amharic. Even in the junior and senior high schools, students were not able to understand and communicate in English properly.

To relate theories to practical skills and reduce the momentum of unemployment, in the TYPP it was planned to construct 59 Technical/vocational schools by the end of the planning years. But only 17 percent of the plan were achieved.

The available vocational schools even could not contribute to ameliorate the unemployment challenge of secondary school graduates; rather vocational school graduates joined the long-queue of job seekers that swarmed the gate of factories and public sector employers.

In a response to this, the MOE devised new education plan to mitigate the problem of educated unemployment. According to this plan, emphasis was placed on providing eight years of universal polytechnic education and a curriculum that would enhance integration into the world of the labour (Tekeste, 1990). Above the level of grade 8 was designed a selective process of entry to the four years of secondary education in two cycles of two years each. The new education system that devised to be implemented was:

- ◆ General polytechnic Education grade 1-8;
- ◆ Higher polytechnic Education grade 9-10;
- ◆ Extended polytechnic education grade 11-12.

All these remained futile until the downfall of the military regime. But it served as a stepping stone to the existing education policy. The new education policy of the Federal Government Ethiopia is a direct replica of this initiative but with some modification.

Table 3.4. Enrolment by Grade in Primary, junior and Senior Secondary Schools (Government and Non-Government) from 1974/75_1990/91s

Year	Primary (grade 1-6)	Junior secondary (7-8)	Senior secondary (9-12)
1974/75	959822	124584	64213
1975/76	10853307	140817	90091
1976/77	1176636	150129	131339
1977/78	1143207	143880	135704
1978/79	1377702	160877	163910
1979/80	1810951	186089	185217
1980/81	2130716	210721	216876
1981/82	2374362	248754	238425
1982/83	2511050	278057	257095
1983/84	2497114	30303581	276253
1984/85	2408065	320188	282151
1985/86	2448778	363132	292385
1986/87	2736517	424046	318305
1987/88	2884033	464016	378734
1988/89	2855130	447463	426413
1989/90	22662214	418496	451766
1990/91	2466464	404861	453985

Source: MoE, 1994

3.3. Education and Training Since 1991

It is almost a century since Ethiopia has started staggering along the road of modern education. Despite the time that has elapsed and the effort that had been made to expand education, the average illiteracy rate is still the highest (which is estimated at 77% for female and 55% for male in 1995 (World Bank, 1996).

In Ethiopia it is a common phenomenon to look a change in a policy parallel with the change of new government and political ideology. Education system in Ethiopia has been changed several times and never has been cured from this contagious disease hitherto. When one goes through the education objectives of the past regimes, they were spotless and immaculate on the paper but did little practically to emancipate the masses from its abject poverty.

In 1991 the Transitional Government of Ethiopia provided overarching objectives of education for the transition period which were built upon the policies of the Derg except the latter's socialist orientation (MEDaC, 1999:401). These are: education for production which relates practical and technical skills to attitudes expressing respect and love for labour, education for scientific consciousness emphasizing an environment for inquiry and experimentation and the application of scientific methods to all aspects of learning.

Traditionally, the Ethiopian education system showed little concern about the fate of students after leaving school. The mismatch between the qualification of students and the demands of employer has become a serious issue with the growing unemployment of second leavers.

Thus, the reorientation of education towards meeting the labor demands of the economy has been and still is a major policy issue of the Government of Ethiopia (MEDaC, 1999).

In 1994 the Federal Government of Ethiopia came up with new education policies and strategies that are supposed to be a panacea for the long ill of the sector. As clearly put in the policy, the general objective of the new education and training policy is:

- To develop the physical and mental potential and the problem of solving capacity of individuals by providing basic education for all;
- To bring up citizens who can take care of and utilize resources wisely;
- To bring up citizens who respect human rights, stand for the well being of people, as well as for the equality, justice and peace, endowed with democratic discipline;
- To bring up citizens who differentiate harmful practices from useful one, who seeks and stand for truth, appreciate aesthetics and show positive attitude towards the development and dissemination of science and technology in the society.

The new education structure constitute of basic, general, higher and specialized education on a formal and non-formal basis, the components are as follows:

- ◆ A kindergarten system for children aged 4-6 years;
- ◆ a primary education from grades 1-8 subdivided into two sections of basic (1-4) and general primary (5-8) education;
- ◆ A general secondary education from grades 9-10
- ◆ A preparatory senior secondary education of two years and a system of vocational and technical education in parallel with it;
- ◆ A higher education of 1-2 years for diploma and 3-5 years for under graduate degree and an additional 1-3 for post graduate degree;

- ◆ A system of vocational and technical training in parallel with the academic education and coordinated and interlinked with it.

Up to 1994/94 the structure of the formal education system was 6+2+4, that is, six years of elementary education, two years of junior and four years senior secondary education. The general structure of the new education system is 8+2+2 with eight years of primary education of which the first cycle (grade 1-4) offering basic education and the second phase (grade 5-8) provides general primary education to prepare students for further general education and training. Secondary education will be of four years duration, consisting of two years of general secondary which will enable students identify their own interests for further education, for specific training and for the world of work.

The second cycle of secondary education and training will enable students to choose subjects or areas of training which will prepare them for higher education and the world of work. Moreover special emphasis is given to vocational/ technical/ training system hoping that this training enables school leavers either to start their own work or able to be absorbed in the existing labour market. Hence, skill training is provided parallel to the academic system. Technical training will be provided for those who complete grade ten for the development of middle level manpower starting 1994 EC academic year. Students who discontinue the formal academic education and who wish to acquire skill will be trained in different vocations or techniques at a level and competence corresponding to their educational background.

What makes unique the educational system of the Federal Government from the previous ones is the fact that the medium of instruction in the primary level is vernacular language.

This happened because of the pedagogical advantages of the children and teachers as well and the rights of nationalities to promote their own language.

The other improvement that has been made in the education sector under the Federal system is regarding its organization and management. Education management in Ethiopia had been highly centralized with the central education ministry being involved to the lowest levels. The long bureaucratic chain was not only unresponsive to the needs of the lower level of education services but created a system characterized as inefficient and ineffective in terms of addressing the problems of education in the country (ESR, 1996:38-39).

Without the participation of local resources and finance it would be difficult to provide education for all through central government budgetary appropriation. On the other hand, local level participation in schooling activities may identify and utilize local resources and finance efficiently and optimally. There may also arise the need to relate education or training to local circumstances (Teshome Mulat, 1989:24-25).

Proclamation 45/1993 dealt with decentralization of decision-making and the division of power between the central and the regional administration. Each region is by now responsible for the provision of primary education (from 1 to grade 8). For all purposes, proclamation 45/1993 that dealt with the separation of powers between the regions and the central authority functioned as the corner stone for the education policy. The policy of regionalization has added one additional layer to the previous structure. The new administration has now five layers, that is, School, Woreda, Zone, Region and Ministry of Education (Tekeste, 1996:63).

When we review the educational achievement that has been accomplished in the past ten years, we find the following performances.

Gross enrollment ratio in primary education was oscillating from a high of 35% to a low rate of less than 20% in 1987/88 reached 51% in the primary education in both cycles in 1999/2000. When we look gross enrollment by sex, it is 40.7% for girls and 60.9% for boys. There are 11490 primary and 410 senior secondary government and non-government schools. The amount of budget allocated to the sector is improved through time. It was 1.383 billion birr in actual expenditure in 1995/96, which by 1999/2000 the budget was raised to 2.304 billion birr (Education Statistics Annual Abstract, 1999/2000).

**Table 3.5. Number of Schools by Grade Level (Government and Non-Government)
1999/2000**

No	Region	Primary	Senior Secondary
1	Tigray	852	31
2	Afar	124	5
3	Amhara	2895	81
4	Oromia	4359	129
5	Somalia	222	9
6	Benshagul-Gumiz	272	10
7	SNNP	2271	83
8	Gambella	129	6
9	Harrari	46	3
10	Addis Ababa	267	49
11	Dire Dawa	53	4
	Total	11490	410

Source: Education Statistics Annual Abstract (MoE) 1999/2000

CHAPTER FOUR

RESULTS AND DISCUSSION

In this chapter results of the sample data are described and discussed using tables and regression analysis.

4.1. Data About High School graduates

This section presents data regarding age and sex composition, education and training aspect, and marital status and employment situation of the secondary school leaver respondents.

4.1.1. Demographic Characteristics

i. Age and Sex Composition

Age and sex composition of high school graduates is shown below in Table 4.1. The age structure of the informants is between the age of 18 and 28 years. The respondents in the 18-24 age group holds 86 or 72 percent while 34 (28%) are between the age of 25 and 28. This makes the mean age 23. With regard to their sex make up, 82 (68 %) of them are females while that of 38 or 32 percent are males.

Table 4.1. Age and Sex Composition

Age	Sex		Total	Percent	Cumulative percent
	male	female			
18	1	1	2	1.7	1.7
19	5	4	9	7.5	9.2
20	4	11	15	12.5	21.9
21	6	5	11	9.0	30.9
22	4	11	15	12.5	43.4
23	5	14	19	15.3	59.4
24	5	10	15	12.5	72.0
25	3	17	20	16.7	89.0
26	3	4	7	5.8	94.8
27		2	2	2.0	96.0
28	2	3	5	4.0	100.0
Total	38	82	120	100.0	
Percent	31.7	68.3	100.0		

ii. Marital Status

The marital status of the respondents constitutes 80 percent single, 17 percent married, 3 percent widowed and 0.8 percent divorced. All married, widowed and divorced respondents are females while all male respondents are single.

Table 4.2. Marital status and Sex Cross tabulation

Marital Status	Sex		Total	Percent
	Male	Female		
Single	38	58	96	80.0
Married		20	20	17.0
Widowed		3	3	2.5
Divorced		1	1	0.8
Total	38	82	120	100.0
Percent	32.0	68.0	100.0	

iii. Parents' Places of Origin

Different factors contribute to the movement of people from rural area to urban centers. Though the major cause of migration is economic, people move to urban centers because of social reasons as well. Various social and economic push factors in the rural and pull factors in the urban area cause a steady flow of people from rural to urban areas. As shown in Table 4.4, 97 or 81 percent of parents' place of origin is out of *Bahir Dar*. It is only 23 or 19 percent of the respondents reported *Bahir Dar* as their family place of birth.

Table 4.3. Parents' place of origin

Place of Origin	Frequency	Percent
<i>Bahir Dar</i>	23	19.0
Out of <i>Bahir Dar</i>	97	81.0
Total	120	100.0

4.1.2. Education and Training

i. Field of Study in High School

In the high school students are assigned to their respective stream either by the teachers or are given the chance to choose to themselves. Of the total informants, 89 or 74 percent attended academic stream (natural science 53% and social science 21%) and 31 or 26 percent studied vocational field. Because of low intake capacity of the vocational department along with low interest of students in technical skills, the greatest shares of high school students study purely academic subjects that are not very relevant to the world of work. It can also be inferred from Table 4.4 that 48 (40 %) respondents have completed their high school study between the year 1982 and 1986 while 72 (60 %) completed between 1987 and 1991 EC.

Table 4.4. Field of Study and year Completed grade 12

Academic year	Field of study in High School			Total	percent
	Natural science	Vocational	Social science		
1982	3	1		4	3.3
1983	3	1	1	5	4.2
1984	3	6		9	7.5
1985	9	2	2	13	10.8
1986	11	5	1	17	14.2
1987	8	1		9	7.5
1988	2	7	2	11	9.2
1989	3	1	4	8	6.7
1990	7	5	5	17	14.2
1991	15	2	10	27	22.5
Total	64	31	25	120	100.0
Percent	53.0	26.0	21.0	100.0	

ii. Objectives of Attending High School

Respondents were asked about the purposes why they were attending schools to learn whether they thought of “own account” employment at the end of their high school, or expected wage employment. Not surprisingly, 105 (88%) replied that they were going to school to become a wage employee after completing grade 12. Only 12 (10%) said that they had the plan to start their own business. The rest 3 (2.5%) replied that they used to go to school for there were no other options (Table4.5). Public employment syndrome seems to be a chronic disorder created by multiple factors that are reinforcing each other. The education system from primary to

secondary level does not infuse an entrepreneurial know how and technical skills into the students to develop a sprit of self-dependent.

Table 4.5. Purpose of going to school

Purpose to learn	Frequency	Percent
To become wage employee	105	87.5
To start my own business	12	10.0
For there is no other alternatives	2	1.7
Other	1	.8
Total	120	100.0

iii. Informants who have taken Vocational Training

The larger portion of secondary school graduates mostly do not go to work directly after completing their high school study due to limited absorbing capacity of the labour market. Thus job seekers usually undertake further education and skill training as an option to win the fierce labour competition.

Table 4.6 shows that 57 or 48 percent of the interviewees have undertaken skill training in non-formal training institutes after they did complete secondary school. Thirty-one (26%) of the total informants attended vocational stream in commerce, productive technology, home economics and agriculture field while they were in high school for two years starting from grade eleven (Table4.7). Of these, 20 or 65 percent who had vocational skills in high school have undertaken training again in non-formal training schools. This makes up the total number

of respondents who acquired vocational skills through non-formal and formal training 68 or 57 percent.

With regard to field of training, the significant portions of trainees have undertaken similar types of skills training. Of those who have vocational skills in non-formal schools, 43 or 75 percent have specialized in secretarial training such as computer and typing. Respondents who acquired skills in general metal works, building technology, carpentry and electricity account for 8 (14 %), (Table4.8).

Duration of the training programme depends on the type of training. Secretarial training like computer and typing ranges from 6 months to one year. Training like building technology, electricity, carpentry and general metal works takes from 4 to 10 months.41 or 95 percent of respondents who have undertaken computer and typing training are females

Respondents attend vocational skill for different purposes and objectives. Twenty-seven (47%) informants replied the reasons that have prompted them to undertake training were because training promise good employment opportunity and 20 (35%) due to limited job opportunity after high school. Twenty-one (40%) replied that they would not have undertaken the training if they had got the chance to find a job immediately after high school.

Table 4.6. Respondents who have taken Vocational Training in Non-Formal Schools

Did you undertake Training?	Frequency	Percent	Cumulative Percent
yes	57	47.5	47.5
no	63	52.5	100.0
Total	120	100.0	

Table 4.7. Vocational training in non-formal schools by field of study

Field of study in High School	Non-Formal Vocational Training				Total
	yes		no		
	Number	%	Number	%	
Natural Science	30	47.0	34	53.0	64
Vocational	20	65.0	11	35.0	31
Social Science	7	6.0	18	94.0	25
Total	57	48.0	63	52.0	120

Table 4.8. Type of training by Sex

Type of Training Attended	Sex		Total	Percent From the Total
	Male	Female		
General metal work	5		5	8.8
Building technology	1		1	1.8
Carpentry(Wood Work)	1		1	1.8
Computer	2	6	8	14.0
Building and Typing		1	1	1.8
Electricity		1	1	1.8
Tailoring and Embroidery		1	1	1.8
Typing		28	28	49.0
Typing and Computer		7	7	12.0
Typing and Surveying		2	2	3.5
Tailoring and Barber		1	1	1.8
Book keeper		1	1	1.8
Total	9	48	57	100.0

Table 4.9. Reasons to undertake training

Reasons to undertake Training	Frequency
Limited job opportunity	20
Training promises good employment opportunity	27
Training gives wide choice of future career	9
Others	1
Total	57

iv. Educational Level of Parents

The largest proportions of parents (58%) are illiterates while 26 percent of them have attended primary levels between 1 and grade 8. Those who are in the grade 9-11 educational category comprise only 5%. Members who have completed grade 12 and above comprise only 16%.

Table 4.10. Educational Level of Parents

Educational Level	Frequency	Percent	Cumulative Frequency
Illiterate	70	58.0	58.3
From grade 1-4	7	5.8	64.0
From grade 5-8	18	15.0	79.0
From grade 9-11	6	5.0	84.0
12 complete and Above	19	15.8	100.0
Total	120	100.0	

4.1.3. Employment Status

As shown in Table 4.11, below, 80 or 67 percent of informants are totally unemployed. Among these unemployed respondents 35 (44%) have undertaken vocational training in non-formal training schools. Of the total informants, 40 or 35 percent have been employed or engaged in their own private and family business. Thirty-two or 80 percent of the employed respondents work in public, private and Non Governmental Organizations as paid worker. Twenty-two (55%) of these have undertaken training while 18 (45%) did not have special skill training. The self-employed comprises only 8 (20%) of the total employed respondents.

With regard to the term of employment, 56% of the paid workers are working in a contract and temporary basis. The monthly income of these wage employees ranges from minimum birr 60 to maximum birr 600 and this makes the monthly mean income birr 205.

Table 4.11. Employment and training Situation of Respondents

Are you Employed?	undertake vocational training				Total
	yes	%	no	%	
yes	22	39.0	18	29.0	40
no	35	61.0	45	71.0	80
	57	100.0	63	100.0	120

Table 4.12. Type of employment

Type of Employment	Frequency	Percent
Self	8	20.0
Public	21	53.0
Private	8	20.0
NGO	3	7.0
Total	40	100.0

i. Vocational Training and Type of Employment

Of those who have received vocational training and employed currently, 19 or 86 percent work in public, private and non-governmental organization as paid workers. Only 3 or 14 percent are self-employed

Table 4.13. Type of Employment and Vocational Training Received

Type of Employment	Undertake non-formal Vocational training?					
	yes	%	no	%	Total	%
Self	3	38.0	5	62.0	8	20.0
Public	13	62.0	8	38.0	21	53.0
Private	3	43.0	5	57.0	7	18.0
NGO	3	100.0			3	8.0
Total	22	55.0	18	45.0	40	100.0

ii. Types of Activities Performed by Own Account Workers

The self-employed have been engaged in different petty activities like barber, garage, hotel and stationery service and retailing petty commodities in small kiosk. Thirty-eight percent are selling different consumption commodities in a kiosk, 25 percent rendering barber service. The other 38 percent provide garage, hotel and stationery services.

Table 4.14. Type of Activities of Self Employed Workers

Type of Activities	Frequency	Percent
Barber	2	25.0
Garage service	1	12.5
Hotel service	1	12.5
Kiosk	3	37.5
stationery	1	12.5
Total	8	100.0

iii. Employment Situation by Sex

When we observe the proportion of the respondents disaggregate by sex, 16 (40%) of the males and 24 (60%) of the females have got chance of employment. Of the total self employed, 5 (63%) are males while 3 (37%) are females. On the other hand, 21 (66%) of paid workers are females (Table 4.15 and 4.16).

Table 4.15. Employment Level by Sex

Sex	Are you Employed?				Total
	yes	%	no	%	
Male	16	40.0	22	28.0	38
Female	24	60.0	58	72.0	82
Total	40	100.	80	100.0	120

Table 4.16. Type of employment by sex

Type of Employment	Sex		Total
	male	female	
Self	5	3	8
Public	5	16	21
Private	6	2	8
NGO		3	3
Total	16	24	40

iv. Duration of unemployment

Duration of unemployment of high school leavers in most cases varies with the year in which respondents completed their high school study. The period of unemployment ranges from 1 months to 11 years for those who did not any skill training. Secondary school graduates have been unemployed from 3 months to 8 years after undertaking skill training.

Of the total employed workers 15 (47%) had been job seekers almost from 5 to 10 years. As indicated in Table 4.17, more than 58 percent of the unemployed respondents have been idle from 5 to 11 years.

Table 4.17. Duration of Unemployment after Completing High School

Academic Year	Duration of Unemployment (year)												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
1982		1						1					2
1983										1	1		2
1984									2		1		3
1985	1										2	1	4
1986						1			1		2	1	5
1987								1	2				3
1988								1			1	1	3
1989													
1990					1					3	4		8
1991								2					2
Total	1	1			1	1		5	5	4	11	3	32

v. Reasons for Being Unemployed

Low economic growth, uncontrolled population-pressure and lack of skilled manpower reckoned to be the major road-blocks in the process of employment generation. As indicated in Table 4.18, 57 (71%) of unemployed replied that limited employment opportunity is the major factor for the existing high level of unemployment. Eight (10%) percent replied that they have been unemployed because employment takes place through relatives, friends and other type of relation. The remaining 19 percent have given other reasons for the existing unemployment problem.

Job seekers have positive attitude towards work and mentally ready to take any kind of jobs that enable them independent of their parents). Sixty (75%) of respondents have applied for

public and/or private organization to employment offer more than eight times on average. The type of vacancy they have applied for is like office woman/man/, guard work, janitor service, record keeper, secretary typist and the likes (Table 4.19 and 4.20).

Different bodies have emphasized own account employment as an alternative to reduce unemployment. But there are various bottlenecks in this area that constraint to engage in private business activities such as low access to initial and working capital, low demand for the local product due to high number of sellers and inferior quality of the outputs. Ninety percent of the informants replied that the problem to engage in self-employment is limited access to initial and working capital (Table 4.21). Of these currently unemployed respondents only 15 (19%) had a short duration contract or temporary work previously and discontinue working at present due to different reasons. The rest have never got the chance of employment at all.

Table 4.18. Reasons for being unemployed

Reason for Unemployment	Frequency	Percent
No job opportunity	57	71.3
Not interested in wage employment	1	1.3
Low academic performance	2	2.6
Low working experience	4	5.0
Employment takes place through Relatives/friends	8	10.0
Others	8	10.0
Total	80	100.0

Table 4.19. Respondents Interested to Take any Type of Job

Volunteer to take any job?	Frequency	Percent
yes	70	87.5
no	10	12.5
Total	80	100.0

Table 4.20. Number of Application for a Vacancy

No. of Application for Vacancy	Number of Applicants	Percent	Cumulative Frequency
1-3 times	35	56.0	56.0
4-8 times	5	8.0	64.0
9-15 times	10	16.0	80.0
16-20 times	6	10.0	90.0
21-30 times	4	6.0	96.0
31 and above	1	2.0	98.0
Not Applied at all	2	3.0	100.0
Total	63	100.0	

Table 4.21. Major Problems to Start Business

Type of Constraints	Frequency	Percent
Initial capital	90	75.0
Special skill training	10	8.3
Entrepreneurial know how	6	5.0
Market problem	10	8.3
Working premises	4	3.3
Total	120	100.0

vi. Types of work sought in the Future

Sizeable proportions of respondents prefer to work in public organization as paid worker. They choose public employment to self-employment, because they think that public employment is much safest compared to own account employment. On the other hand business activities are supposed to be risky and unreliable. As shown in Table 4.22, 54 or 45 percent of the respondents are ready to take any kind of jobs available, and 51 or 43 percent prefer to be wage-workers in any organization, private or public. Only 11 percent of the respondents want to be self-employed.

Table 4.22. Type of work Respondents want to do in the future

Future Intention	Frequency	Percent
To be wage employee	51	42.5
Any job available	54	45.0
Better work than what I have now	2	1.7
To invest more in my business	4	3.3
To start my own business	9	7.5
Total	120	100.0

4.1.4 Factors Influencing Employment Situation

Various factors influence the employability of individuals. Training is one of these factors that fasten or slows the chance of employment, other things being remained unchanged.

i. **Type of Training Vs Employment Opportunity**

Of the total 43 respondents who have trained in computer and typing only 15 or 35 percents have got job opportunity; on the other hand, from the total 5 respondents who have trained in general metal works 4 or 80 percents have been employed. Others trained in book keeping, carpentry, electricity and typing and building technology have not been employed at all.

Table 4.23. Type of training attended and employment situation

Type of training attended	Employed	%	Unemployed	%	Total	%
General Mechanics	4	80.0	1	20.0	5	9.0
Book keeper			1		1	2.0
Building and typing			1		1	2.0
Building technology			1		1	2.0
Carpentry			1		1	2.0
Computer	4	50.0	4	50.0	8	14.0
Electricity			1	1		2.0
Tailoring and Embroidery	1			1		2.0
Tailoring and barber	1			1		2.0
Typing	8	29.0	20	71.0	28	49.0
Typing and computer	3	43.0	4	57.0	7	12.0
Typing and surveying	1				1	2.0
typing and surveying			1		1	2.0
Total	22	39.0	35	61.0	57	100.0

ii. Field of Study in Secondary School Vs Employment

As indicated in Table 4.24, 28 or 70 percent of employed respondents had completed in academic stream (natural and social science) while 12 or 30 percent attended vocational field. When we compare the chance of employment taking each department at its own, it depicts that 39 percent of vocational and 31.4 academic graduates have been employed.

Table 4.24. Secondary School Field of Study and Employment Situation

Stream	Are you employed?				Total
	yes		no		
	Number	%	number	%	
Natural science	20	31.0	44	69.0	64
Vocational	12	39.0	19	61.0	31
Social science	8	32.0	17	68.0	25
Total	40	33.0	80	77.0	120

iii. Parents Level of Education and Employment Situation

As presented in Table 4.25, 23 or 58 Percent of respondents whose parents are illiterates have secured job. And the other 13 (32%) of the employed parents are at the level of 1 and grade 11. Those who completed grade 12 account only 4 (10%).

Table 4.25. Parents' Education Level and Employment Situation

Educational Level of Parents	Frequency	Are you Employed?				% out of the Total Sample
		yes	%	No	%	
Illiterate	70	23	58.0	47	59.0	58.0
From grade 1-4	7	3	7.5	4	5.0	3.0
From grade 5-8	18	7	17.5	11	14.0	9.2
From grade 9-11	6	3	7.5	3	4.0	2.5
12 complete and Above	19	4	10.0	15	19.0	12.5
Total	120	40	100.0	80	100.0	100.0

iv. Parents Income and Employment Situation

Like the level of education, parents' income influences the employment situation of job seekers. Thirty-one (78%) of Secondary school graduates whose parents' income is birr 50 and below have been employed. The remaining 9 (22%) of the employed parents have an income between birr 51 and 550.

Table 4.26. Parents Income and Employment Situation

Parents Income	Employment status				Percent
	Employed	%	Unemployed	Total	
Less than birr 50.00	31	32.0	63	74	68.0
50-150	1	17.0	5	6	83.0
151-250	4	67.0	2	6	33.0
251-350	3	50.0	3	6	50.0
351-450	-	-	2	2	100.0
451-550	1	33.0	2	3	67.0
550-650	-	-	2	2	
650 and above	-	-	1	1	
Total	40	33.0	80	120	100.0

v. Employment Situation Vs Residence Location of Respondents

To observe the contribution of certain location to employment, respondents were selected from residences that have different characteristics, that is, location adjacent to factory (kebele 08), to marketing center (kebele 04), areas purely residence at the center of the town (kebele 01) and on outskirts (kebele13).

Twenty-eight percent from kebele 08, 20 percent from the center residence area, 28 percent from the outskirts area and 25 from marketing center have got employment opportunity. Twenty-one (53%) of respondents who reside adjacent to the factory and marketing area (04 and 08) and 19 (48%) live in residences locations (01 and13) have been employed.

Table 4.27. Employment Situation Vs Residence location

Kebele	Employed	%	Unemployed	%	Total
01	8	27.0	22	73.0	30
04	10	33.0	20	67.0	30
08	11	37.0	19	63.0	30
13	11	37.0	19	63.0	30
Total	40	33.0	80	67.0	120

Table 4.28. Type of Employment with Respect to Residence Areas

Type of Employment	Kebeles				Total
	01	04	08	13	
Self Employed	1 (13%)	4 (50%)	1 (13%)	2 (27%)	8 (20%)
Public	6 (29%)	2 (9%)	8 (38%)	5 (24%)	21 (53%)
Private	1 (13%)	4 (50%)		3 (38%)	8 (20%)
NGO			2 (67%)	1 (33%)	3 (8%)
Total	8 (20%)	10 (25%)	11 (28%)	11 (28%)	40 (100%)

4.2. Informal and Small-Scale Business Units

This section discusses and presents data about the informal and small-scale business units as to what factors determine to start a business and to stay in a market. Thirty small business units that have been engaged in different production and service activities were randomly selected.

4.2.1. Sex Distribution of Business Owners

Sex compositions of the small business owners are by large males. Activities like hair-dressing and embroidery and tailoring are owned and performed by females whereas activities like garage work, carpentry, metal and glass works are owned and operated by males. Twenty (66.7%) of the respondents are males while 10 (33.3%) are females.

Table 4.29. Sex Distribution

Sex	Frequency	Percent
Male	20	67.0
Female	10	33.3
Total	30	100.0

4.2.2. Educational Levels of Business Owners

As shown in table 4.30, the largest number of small business owners did not complete grade 12. Those who did not complete 12 grade constitute 18 or 60% of the total. It is only 40% of respondents who did attend grade 12. Twenty-three percent of them have undertaken vocational training through formal and non-formal training. The rest 73 percent have got the skill through apprenticeship and work experience.

Table 4.30. Educational Levels of Business Owners

Grade levels	Frequency	Percent	Cumulative Percent
5	1	3.3	3.3
7	2	6.7	10.0
8	3	10.0	20.0
9	3	10.0	30.0
10	4	13.3	43.3
11	5	16.7	60.0
12	12	40.0	100.0
Total	30	100.0	

4.2. 3. Types of Activities or Services the Business Units Provide

Sixty percent of the businesses units have been engaged in producing metal and wood products and garage service. Twenty percent engaged in barber and hair-dressing and the remaining 20 percent provide embroidery and tailoring, and selling petty commodities in small kiosks.

Table 4.31. Type of Activities or services

Type of activities	Frequency	Percent
shopping service	4	13.3
Barber	2	3.3
Embroidery & tailoring	2	6.7
Garage service	2	6.7
Hair dressing	4	13.3
Metal products	8	26.7
Wood products	8	26.7
Total	30	100.0

4.2.4. Amount and source of Initial capital

The minimum initial investment that have been made by the small business owners was birr 100 and the maximum was birr 15000, and the average initial investment was birr 2412.96. Seventy percent of this sum of money was raised from individuals own saving. The remaining 30 percent of the initial capital is an offer or loan advanced by relatives and friends. The role of formal institutions in providing credit to this business group is almost none.

Table 4.32. Sum of Initial Investment

Initial Investment	Frequency	Percent	Cumulative Percent
100.00-300.00	9	3.3	3.7
301.00-600.00	4	10.0	14.8
601.00-900.00	1	3.3	18.5
900.00-1200.00	3	13.3	33.3
1201.00-1500.00	2	10.0	44.4
1500.00 & Above	9	3.3	48.1
Not Told	3	3.3	51.9
Total	30	6.7	59.3

Table 4.33. Source of Initial Capital

Source of Investment	Frequency	Percent
Own saving	21	70.0
Family/friend offer	5	16.7
Borrowed from Relatives/friends	3	10.0
Other	1	3.3
Total	30	100.0

4.2.5. Number of Hired Workers

As shown in Table 4.34, only owners are operating almost half of the business units. Fifteen (50%) have 1 to 3 number of hired workers and 10 (33%) have 5 to 10 workers. Most of these workers have been hired in contract or temporary basis.

Table 4.34. Number of Hired Workers

Number of Hired Workers	Frequency	Percent	Cumulative Percent
No Hired Worker	12	40.0	40.0
1	6	20.0	60.0
2	5	16.7	76.7
3	4	13.3	90.0
5	1	3.3	93.3
7	1	3.3	96.7
10	1	3.3	100.0
Total	30	100.0	

4.2.6. Monthly Income

Monthly income of the business owners varies from minimum birr 50 to maximum birr 1000.

Twenty or 67 percent of them earns from birr 50 to birr 300 while 10 or 30 percents have a monthly income ranging from birr 350 to 500.

Table 4.35. Monthly Income of Small Business owners

Monthly Income	Frequency	Percent	Cumulative Percent
50.00-150.00	8	27.0	27.0
151.00-250.00	10	33.0	60.0
251.00-350.00	4	13.0	73.0
351.00-450.00	3	10.0	83.0
451.00-550.00	3	10.0	93.0
551 & Above	1	3.0	96.0
Not Told	1	3.0	100.0
Total	30	100.0	

4.2.7. Major Problems Encountered Small Business units

Problems like low access to financial loan, limited market to the products and raw materials, working place or premises, machines and equipment are the major constraints facing the business units. As shown in Table 4.36, 50 percent of the respondents have mentioned working capital as major problem to their business activities. Market problem to products and to the services they provide is the other major bottleneck that limited the expansion of their businesses.

This problem occurred due to too many sellers in similar products and services and low purchasing power of consumers. Low quality of the outputs and services as a result of inadequate training and experience, old and backward working machinery and equipment makes the informal sectors not to resist the fierce competition of the market. As revealed in Table 4.37, 63 percents of own account workers have undertaken such activities only because they were unable to find wage employment. More than 50 percent of the owner of small business units replied that they would quit up their business if they find wage employment in the public/private organization. This is because the business they engaged at could not render them sufficient income.

Table 4.36. Major problem encountered the Small businesses

Problems	Frequency	Percent
Market problem	8	26.7
Raw material	2	6.7
Working capital	15	50.0
Other	5	16.7
Total	30	100.0

Table 4.37. Reasons to Establish Small Business Units

Reason to Start a Business	Frequency	Percent	Valid Percent	Cumulative Percent
Unable to find wage employment	19	63.3	63.3	63.3
Demanding better income	10	33.3	33.3	96.7
Other	1	3.3	3.3	100.0
Total	30	100.0	100.0	

4.2.8. Business Owners Looking for Wage Employment

Most of informal business units prefer wage employment rather than to continuing and investing more in their business. Among these business owners 10 or 33 percent want to stay and expand their business while 20 or 67 percent prefer wage employment. For 50 percent of business owners, insufficient income is the factor that forced them to seeking paid employment and 17 percent want to quit up because of lack of working capital and low social status towards private business by the community.

Table 4.38. Small Business owners looking for Wage Employment

Do you look for Wage employment	Frequency	Percent
yes	20	66.7
no	10	33.3
Total	30	100.0

Table4.39. Reasons to prefer wage employment

Reasons to prefer wage Employment	Frequency	Percent
Insufficient income	15	50.0
Low social status towards Private work	3	10.0
Lack of working capital	20	66.7
Other	2	6.7
Total	30	100.0

4.3. Regression Analysis

Regression is concerned with the study of the dependence of one variable, the dependent variable on one or more other variables, the explanatory variable, with a view to estimating and or predicting the (population) mean, or average value of the former in terms of the known or fixed (in repeating sampling) values of the latter (Gujarati, 1988). In regression analysis it frequently happens that the dependent variable is influenced, not only by variables which can be readily qualified on well-defined scale but also by variables which are essentially qualitative in nature. For such qualitative attributes an artificial variables can be constructed which take value of '1' or '0'. 0 indicating the absence of an attribute and 1 indicating the presence of that attributes. This kind of variable is known as dummy variable.

4.3.1. Variables selected for the Study

In the endeavour to understand the main factors affecting employment situation of high school graduates, different explanatory variables have been selected. In this regression analysis, we use seven dummy variables and one continuous variable.

These are: **Dependent variable** = Employment (EM)

EM=1, if respondent is employed as paid worker or own account worker, 0= Otherwise,

Independent Variables (Explanatory variables):

TR = Vocational training;

TR=1, if respondents had vocational training, 0= Otherwise,

IP = Parents monthly Income,

IP= is continuous variable

PE = Parents Level of education;

PE=1, if the educational level of parents is grade 9 and above, 0= Otherwise

RC = Respondent resides at the Center of the Town;

RC=1, if respondent resides at the center of the town, 0= Otherwise,

MA = Respondents resides adjacent to the market;

MA=1, if respondents resides adjacent to the market, 0= Otherwise,

OR = Respondents Resides on the outskirts;

OR = 1, respondents Resides on the outskirts, 0= Otherwise,

FA = Respondents resides around a factory Area;

FA=1, respondents residing Around a Factory Area, 0= Otherwise

SE = Sex.

SE=1, if respondent is male, 0= Otherwise

4.3.2. About the Model

Total number of cases: 120 (Unweighted)

Number of selected cases: 120

Number of unselected cases: 0

Number of selected cases:120

Number rejected because of missing data: 0

Number of cases included in the analysis: 120

-2 Log Likelihood 144.304
 Goodness of Fit 123.185
 Cox & Snell - R² .068
 Nagelkerke - R² .095

	Chi-Square	df	Significance
Model	8.460	7	.2938
Block	8.460	7	.2938
Step	8.460	7	.2938

Classification Table for EM
 The Cut Value is .50

Correct		Predicted		Percent
		UNEMPLOYED	EMPLOYED	
Observed		U	E	
	UNEMPLOYED	U	E	
		77	3	96.25%
	EMPLOYED	E	3	7.50%
			Overall	66.67%

4.3.3. Result of Logistic Regression analysis

Estimates of the logistic regression model are presented in Table 4.40. The Table Contains the estimated coefficient, under the column heading β , standard error, S.E, degree of freedom, df, Significance value, Sig, Residual Value, R, and β exponent, Exp (β). The regression result shows that most of the variables are found to be insignificant as shown in the Table 4.40. Only training and sex are significant at 10% and 5% values respectively. It appears that vocational training significantly improves the probability of getting employment as wag worker or self-

employed worker. This confirms the descriptive result that training has a positive impact on employment. It also appears that females have a greater chance of being employed than males. The nature of the wage employment which largely includes positions such as office woman, janitor service and the likes.

Table 4.40. Regression Analysis Result

Variable	B	S.E.	Wald	df	Sig.	R	Exp. (B)
TR	.8113	.4430	3.3544	1	.0670**	.0942	2.2508
IP	-.0004	.0017	.0699	1	.7915	.0000	.9996
PE	-.5200	.5885	.7808	1	.3769	.0000	.5945
RC	-.8638	.6266	1.9001	1	.1681	.0000	.4216
MA	-.2640	.5838	.2045	1	.6511	.0000	.7680
FA	.0908	.5914	.0236	1	.8780	.0000	1.0950
SE	1.0156	.4930	4.2444	1	.0394*	.1212	2.7611
Constant	-1.0520	.5615	3.5096	1	.0610		

**=Significant at 10%

*= Significant at 5%

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

Unemployment problem in Ethiopia is severe and needs sustainable solution. Low economic growth accompanied by uncontrolled population pressure changes the situation from bad to worse. The existing economic system in Ethiopia heavily depends on the private sector for economic development and so as to reduces unemployment. But this sector is yet at its embryonic stage, and mostly uses family labour and could not be dependable to alleviate this high level of unemployment. The power of market and private sector alone cannot fulfil all the needs of the unemployed.

Limited available job opportunities in the formal sector forced larger portion of labour force to engage in informal activities. As a result, this sector becomes saturated to absorb the new labour forces that enter into the labour market. Most micro and small-scale enterprises suffer from low productivity which is due to a combination of factors such as lack of policy directions, obsolete equipment, poor skills, shortage of raw materials, lack of spare parts, etc. Moreover, individuals who have little interest or enthusiasm usually operate these informal and small-scale business activities. Therefore, this issue calls for the government to formulate programmes directed for the creation of jobs and special emphasis should also be given to these sectors to remove the constraints and enable them to expand. Thus, the government should shoulder much of the responsibilities to reduce unemployment by investing in selective labour-intensive industries until the private sector is grown fully.

Skill training and access to capital are the two widely held proposals heard repeatedly to reduce the rampant unemployment. Training and access to credit can give symptomatic relief but do not bring about a long lasting effect to uproot the underline causes. Training is a necessary strategy to prepare job seekers either as wage employee or own account worker. But it serves its purpose well in an environment where there is an appropriate and modern technology and in an economic system and investment policy that could enable to absorb this skilled labour force. Otherwise, all training programmes remain ineffective and futile. Hence, training should not be considered and be taken neither as a preventive nor as a remedial solution to the existing problem of unemployment, by itself, unless there is a buoyant economic condition in the region. The training policy, therefore, should consider the market demand of skilled labour force and be adjusted frequently to the changing situation.

The solution to human resource development and employment is a long-term task and involves a multifaceted approach. Piecemeal treatment in any one direction would be doomed at the start. Therefore, solutions to such deep rooted and chronic problem should be in a package form so as to break the vicious circle of unemployment. The following are some of the recommendations and issues that should be considered to reduce the existing level of unemployment in general and secondary school graduate job-seekers in particular.

Provide Credit for Unemployed Youth: There is a saying which goes like this: “it is not adequate to teach someone how to fish, but also provide the hook that helps him/her to catch the fish”. Job seekers can acquire the skills through various means but capital is the major constraint to that unemployed who seek to start their own business or who have already

established the business. Initial or working capital is made available from ones own saving or offer by relatives and friends. The capital raised in this form is inadequate and could not enable informal and small business units to expand and survive in the market for long.

As observed in the research finding, respondents have limited access to credit through formal financial institution. Commercial banks provide loan only to the formal sectors that are able to produce collateral as a guarantee for the loan required. Moreover, the interest rate that the bank charges is unaffordable and beyond the capability of small business operators.

In order for job-seekers to employ themselves as an own account worker, they should have easy access to initial or working capital through an alternative lenders such as government organizations, NGOs, business associations or communities at a reasonable interest rate or free of charge, if possible. Working premises are the other major bottlenecks that face informal and small business units. Thus, in addition to financial access, working place is essential to operate their business smoothly

Provide Relevant and Demand Driven Skill Training: Skill training alone cannot be a panacea to the malady of unemployment unless it is geared to the actual needs of the market. The type of vocational training should be based on the region's manpower requirement and economic comparative advantage.

Low quality of education and inadequate training in productive fields prevent job seekers from participating in productive employment. Results obtained from the research indicate that

considerable proportion of job seekers have undertaken similar types of training. Moreover, the training is superficial and lacks depth. This training redundancy has been occurred due to lack of coordination among different training rendering organizations such as Government, private and NGOs.

Vocational training is much more expensive than academic, and if unconnected to market demand does not give graduates any advantage in finding work. The output of schools (trainees) should have depth knowledge in the field they undertake so that they would become easily marketable at regional and national level. Thus, the Amhara Regional Government as a whole and the special zone in particular should undertake labour market demand and training need assessment to avoid such unnecessary economic and manpower wastage.

The training that is being provided should also inculcate in and enhance entrepreneurial knowledge, risk taking behavior and develop business management and accounting system of the trainees in addition to professional skills. When job seekers feel that they have low entrepreneurial know how, they are usually inclined to undertake wage employment even after they have acquired vocational skills.

Organize Skilled Unemployed Youth to Work in Association: It has been raised that the problem to start a business is lack of capital and working premises. Working in a group joining the various skills and their scarce resources help the youth to work better and reduce the financial shortage. Moreover, if they form an association it would become simpler to them to request any assistance from government, NGOs, and other concerned bodies.

Develop effective Labour Market Information System: Timely and better labour market data are necessary. If more comprehensive data are obtained periodically, bigger improvements will be possible in employment generation. Because of limited and insufficient information system between the labour exchange offices and employer organizations, we find excess skilled manpower and unfilled vacancy simultaneously. Thus, constant flow of information is necessary to reduce the labour shortage in one area and excess supply in another.

A research also should be conducted to identify the comparative advantage of the region in general and the special zone in particular. There must be a constant follow up of those who have completed vocational training about their employment situation.

Improve the Infrastructure of the Rural Area and Quality of life of the poor:

Urban unemployment is, to greater or lesser extent, a reflection of rural poverty, which cannot be solved in the towns alone but many of the solutions are to be found in rural development through developing social service, expanding infrastructure, stimulate agricultural output and improving living standard of the poor. Most of the job seekers have their origin in the rural areas. Therefore, such measure has dual advantages. In the first place it arrests rural-urban migration, secondly, it pulls investors and urban job seekers to move and work in the rural areas and thereby reduce the urban open unemployment.

Promote Economic Growth and Invest in Labour-Intensive Investment: It is believed that, to tackle the problem of unemployment, accelerated economic development will be a sustainable remedy. The attainment of solutions to the problem of unemployment demands implementation of comprehensive programme designed to substantially increase the capability of the economy as a whole. This economic growth comes when there is appropriate investment policy with regard to the choice of technology. Either deliberately or by the influence of the internal or external factors, most developing countries use capital-intensive technology, which is not in harmony with the economic advantage of the region. The choice of technology should be compatible with the type of available resources that a given region is endowed with. Investment policy of the Region, therefore, should be geared towards encouraging investors to invest in employment generating areas and expand its service to more pressing activities.

Control Population Pressure: The debate whether high population pressure is regarded as a resource or as a liability to a given nation is not yet settled. But if the size of labour force is beyond the absorbing capacity of the labour market, problem of un/underemployment becomes a common phenomenon. Therefore, one of the long-term solutions to the problem of unemployment, to a country like ours, is to limit the population pressure to manageable size.

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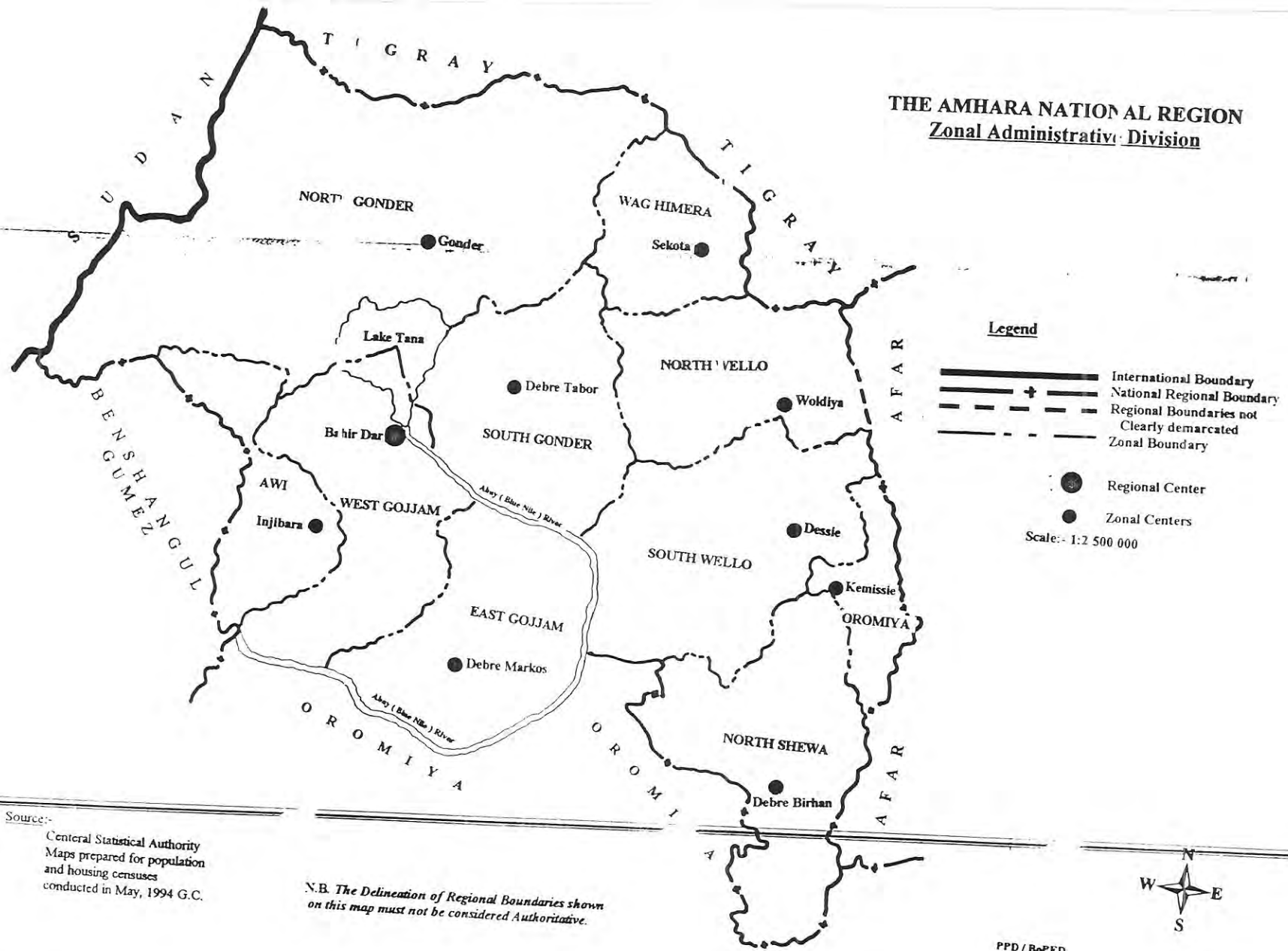
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THE AMHARA NATIONAL REGION
Zonal Administrative Division



Legend

- International Boundary
- National Regional Boundary
- Regional Boundaries not Clearly demarcated
- Zonal Boundary

- Regional Center
- Zonal Centers

Scale:- 1:2 500 000

Source:-

Central Statistical Authority
 Maps prepared for population
 and housing censuses
 conducted in May, 1994 G.C.

*N.B. The Delineation of Regional Boundaries shown
 on this map must not be considered Authoritative.*

PPD / BoPED
 1998

APPEDIX 2

THIS QUESTIONNAIRE IS GOING TO BE FILLED BY INDIVIDUALS WHO COMPLETED HIGH SCHOOL IN 1982 TO 1991 (ETH. CALENDAR) AND BY THOSE ENGAGED IN SMALL-SCALE AND INFORMAL PRIVATE AND FAMILY BUSINESS

VOCATIONAL TRAINING AND LABOUR MARKET SURVEY STUDY

INTERVIEW NO: _____ INERVIEWER _____
DATE _____ 2001
STARTED TIME _____ HOURS

INSRUCTION : FILL THE NUMBER OR PUT A CHECK MARK (✓) IN THE BOX GIVEN OR WRITE THE CORRECT RESPONSE IN THE SPACE PROVIDED AGAINST EACH QUESTION

I PERSONAL INFORMATIONS

1 Name _____

2 Sex (Male=1, Famale=2)

3 Age

4 Marital status (Single=1, Married =2, widowed/Widower=3, divorced=4)

5 Address : Kebele Woreda

Tel.

6. If you are married:

Educational attainment of your spouse _____

A) Spouse's occupation _____

B) spouse's approximate monthly gross income (before tax deduxtion) _____

7. Parents' higher educational attainment: Father _____, Mother _____

8. Parents' occupation: Father _____, Mother _____

9. Parents' place of origin (Bahir Dar=2, Out of Bahir Dar=2)

10. Parents' approximate gross monthly income (before tax deduction):

Father Mother

11. Do you ever take (consume) addictive things such as "chat", cigarette or any habit forming drugs (yes=1, no=2)

12. If 'yes' indicate its type _____

II. EDUCATIONAL AND TRAINING STATUS

13. When did you complete high-school? (In Eth. Calendar)

--	--	--	--

14. Which stream? _____

15. What was/were/ the main purpose/s/ of your going to school?

To become a wage-employee

For there is no other alternative

To start my own business

Other (specify) _____

16. Have you ever been admitted to a college after ESLCE? (yes=1 proceed to Q.17, no=2 proceed to Q.21)

17. If 'yes' you have/are/:

Completed your study

Got dismissal

Still learning

Discontinue

Made withdrawal

Other (specify) _____

18. If you did complete your college study, what is the certificate you are awarded?

(Diploma=1, advanced diploma=2, B.A(Sc.)=3) other=4 (specify) _____

19. Why do (did) you attend college study?

To win the fierce labour competition

To specialize in a particular discipline

To widen my knowledge

Other (specify) _____

20. You attend(ed) your college in the (regular=1, evening=2, other=3 (specify) _____

21. Aside from your formal education, did you have any other vocational /skills/training?

(yes=1, proceed to Q.22. no= proceed to Q.39)

22. If 'yes' how do you acquired the skills?

Through formal education or training

Through apprenticeship

Through work experience

Other (specify) _____

(If it is through formal education or training, answer from Q.23 to Q.38)

23. Year of the training started (Eth. calendar) _____

24. Type of training attended _____

25. Duration of the programme (1-4 months=1, 5-8 months=2, 9-12 months=3, Greater than 12 months=4

26. Type of certificate received (certificate=1, diploma=2, other=3(specify) _____

27. Is the type of training you took your own interest? (yes=1, no=2

28. If 'yes' what prompted you to choose this training? (Indicate the rank in of each using 1 as the most relevant one)

Limited job opportunity after leaving high school

Influenced by parents

The training promised good employment opportunity other (specify)_____

The training gives a wide choice of future career

29. The training institution (center) owned by (Government=1,Private=2, NGO=3, other=4(specify)_____

30.Total training cost in Birr _____

31.Who covered your training expense?

The local government

NGO

Private Enterprise

Own saving

Parents

Others (specify)_____

32. What was your main objective to undertake the training?

To work in the family business

To increase the chance of employment

To start my own business

Other (specify)_____

33. Did you undertake the training having been certain about your future career?

(yes=1, no=2)

34. If 'yes' mention the organization that promised to offer you a job after completing the training?

The local government

Private Enterprise

My family

Other)specify)_____

The NGO working in the area

35. If you had got the chance to find a job immediately after high school, do you think you would undertake this training? (yes=,no=2)

36.If 'no', why not?_____

37. How important are the following reasons for undertaking training?

	<u>Not important</u>	<u>Important</u>	<u>Very important</u>	<u>Extremely Important</u>
a) acquiring of skill	1	2	3	4
b) professional advancement	1	2	3	4
c) monetary gains	1	2	3	4

38. How do you assess the quality of training you obtained with respect to:

not adequate barely adequate adequate very adequate Extremely useful

a) methods of

instruction	1	2	3	4	5
b) share of practical teaching to theory	1	2	3	4	5
c) efficiency of the trainers	1	2	3	4	5
d) teaching equipment	1	2	3	4	5
e) duration of the programe	1	2	3	4	5

39. If 'no,' rank the following reasons why you did not undertake training?(Indicate the rank of each using 1 as the most relevant factor)

- | | |
|---|--|
| <input type="checkbox"/> Financial constraint | <input type="checkbox"/> I have no interest |
| <input type="checkbox"/> The type of training that I want to undertake is not provided here | <input type="checkbox"/> Training brings no chance of employment |
| <input type="checkbox"/> Did not get the opportunity | <input type="checkbox"/> No spare time for training since I am self-employed |
| | <input type="checkbox"/> Other (specify)_____ |

III. EMPLOYMENT AND UNEMPLOYMENT HISTORY

40. Are you employed at present?(including self-employment) (yes=1, proceed to Q.41.no=2 proceed to Q.79)

41. Type of employment

- | | |
|----------------------------------|---|
| <input type="checkbox"/> Self | <input type="checkbox"/> NGO |
| <input type="checkbox"/> Public | <input type="checkbox"/> Other (specify)_____ |
| <input type="checkbox"/> Private | |

(pass to Q. 42 if you are wage-employed and pass to Q.56 if you are self-employed or assisting your family)

42. What is your employment status? (permnent=1,contractual=2, temporary/daily=3, other=4 (specify)_____

43. The year the employment started (Eth. Calender)_____

44. How long did it take you to get your first job after:

- a) Completing high school _____years _____months
- b) Undertaking training _____years _____ months (answer if only you do undertake skills training)

45. If you think it took you too long to find a job after looking for one, rank in your judgment the reason/s/ for this delay

- Salary offer too low Limited job opportunity
 Working condition not satisfactory Other(specify)_____

46. Is this your first employment? (yes=1,no=2)

47. If 'no', please list down the type of job you had undertake after leaving high school

1 _____ 2. _____ 3 _____ 4 _____

48. Were you employed (including self-employment) before you undertake your first vocational training? (yes=1,no=2) (answer if you do undertake training)

49. If 'yes' what was your most important reason to undertake the training?

For social prestige To widen chance of promotion

For monetary purpose Other (specify)_____

50. Are you satisfied with your present job? (yes=1,no=2)

51. If 'no', rank the relevant reason/s/ for your dissatisfaction (Indicate the rank of each using 1 as the most relevant factor)

Poor working condition Cannot get along with co-workers

Unable to apply training Other (specify)_____

(Q. 52&53 only for those undertaking training)

52. Is your present occupation /job description/ relevant to the training you acquired? (yes=1,no=2,)

53. To what extent do you think your training necessary for getting your present job?

Not necessary Necessary

Barely necessary Very necessary

54. Indicate the degree of importance of the following factors in helping you get your first job?

Through school placement Media advertisement

Government recommendation Other (specify)_____

55. Do you think your income is equivalent to your qualification?(yea=1,no=2)

56. What is your present average monthly income? (before tax deduction) _____

ANSWER Q.57 TO Q.78 IF YOU ARE ONLY SELF-EMPLOYED OR WORKING IN A FAMILY ENTERPRISE

57. The business you are working at (your own=1, share=2, your family=3,

other =4 (specify)_____

58. How many years ago was your business established? _____ years ago.

59. How many birr did you invest initially to start your business? _____

60. How did you raise the money?

Own saving

borrowed from relatives/friends/

Family/friends/offer

other(specify) _____

61. Which are the products that you produce/sell/ or the service that you render? _____

62. Why did you start this business?

Unable to find wage employment

Easy access to initial capital

Demanding better income

Other(specify) _____

63. What is your position in the business? _____

64. What inspired you to start this business?

Prior business experience

limited wage employment

Access to initial capital

other(specify) _____

65. What are the major problems for your business?

Market problem because of too many sellers Working capital

Raw material

Other(specify) _____

66. Did you start this business after undertaking the training? (yes=1, no=2)(answer if do undertake training)

67. Did you start your business after assuring to your-self that you could not find wage-employment?(yes=1, no=2)

68. How many workers are employed in your business? _____

69. How many of the workers:

a) Undertake skill training _____ Mode of training _____

b) Complete high school _____

c) Not completed high school _____

70. Do you look for wage-employment in a public/private/ organization? (yes=1, no=2)

71. If 'yes' what is/are/ the reason/s/ that make/s/ you prefer wage-employment to the business that you have now?

Insufficient income

Unreliable business activity

Low social status towards private work

Wage employment is less risky

Lack of working capital

Other(specify) _____

72. Do you currently undertake any other job? (yes=1, no=2)

73. If yes describe the job type _____

74. Did you receive any support from the government? (yes=1, no=2)

75. If 'yes' what kind? _____

76. How do you see the importance of training in preparing trainees to start their own business?

Not important

Very important

Important

Brings no difference

77. What is/are/ the main factor/s/ that limit/s/ someone to engage in private business? (Indicate the rank of each using 1 as the most relevant factor)

Shortage of initial capital

Market problem

Low entrepreneurial know-how

Other(specify) _____

78. What is on the average your income per month? _____

FOR THOSE CURENTLY UNEMPLOYED

79.If 'no' how long have you been unemployed after:

80.1. Leaving high school _____years _____months

80.2. Undertaking training _____years _____months (if you undertake training)

81. Rank the following reasons for your being unemployed

No job opportunity

Low work experience

Not volunteer to take wage employment

Employment takes place

through relatives/friends

Low academic performance

Other (specify) _____

82. Do you think that you are still unemployed because you did not have special skills training (yes=1, no=2)

83. Are you volunteer to take any job available? (yes=1, no=2)

84. If not why not?

Do have other better alternatives

Prefer to wait for a job offer

that is equivalent to the education level that I have Other (specify) _____

85. Have you ever applied for public or private organization for a vacancy?

(yes=1, no=2)

86. If 'yes,' a) how many times _____ b) list down the type of vacancy applied for _____

87. Did you work for a salary in any organization before now? (yes=1,no=2)

88. If 'yes' state:

a) Type of work _____

b) Term of employment

c) Duration of the work _____years _____months

89. Why did you discontinue working?

Term of agreement terminated

Did not like the work

The pay was too low

Other (specify) _____

90. Have you refused any job offer? (yes=1, no=2)

91. If 'yes' rank the relevant reason/s/ for refusing the job offer/s/ (Indicate the rank of each using 1 as the most relevant factor)

- | | |
|---|---|
| <input type="checkbox"/> the salary was too low | <input type="checkbox"/> the work place was too far |
| <input type="checkbox"/> did not like the kind of work | <input type="checkbox"/> other (specify) _____ |
| <input type="checkbox"/> the work was not in my field of specialization | |

92. Were you start doing your own business before now? (yes=1, no=2)

93. If 'yes' why did you quit it up?

- | | |
|--|--|
| <input type="checkbox"/> Market problem | <input type="checkbox"/> limited business experience |
| <input type="checkbox"/> Shortage of working capital | <input type="checkbox"/> other (specify) _____ |

94. What is/are/ the major problem/s/ to start ones own business?

- | | |
|---|---|
| <input type="checkbox"/> Initial capital | <input type="checkbox"/> Market problem |
| <input type="checkbox"/> Special skill training | <input type="checkbox"/> Other(specify) _____ |
| <input type="checkbox"/> Entrepreneurial know how | |

95. How do you see the importance of training in preparing trainees to start their business?

- | | |
|--|---|
| <input type="checkbox"/> Not important | <input type="checkbox"/> Very important |
| <input type="checkbox"/> Important | <input type="checkbox"/> Brings no difference |

(All informants should answer the following questions.)

96. What are the major problems of unemployment in general and the youth unemployment in particular in our country? _____

97. Are there important points that we did not touch upon regarding unemployment and training? _____

98. What kind of work would you like to work in the future? _____

99. Do you have any other point to say or tell us _____

ENDING TIME _____

THANK YOU, AND WISH YOU A BETTER FUTURE!

APPEDIX 2

THIS QUESTIONNAIRE IS GOING TO BE FILLED BY INDIVIDUALS WHO COMPLETED HIGH SCHOOL IN 1982 TO 1991 (ETH. CALENDAR) AND BY THOSE ENGAGED IN SMALL-SCALE AND INFORMAL PRIVATE AND FAMILY BUSINESS

VOCATIONAL TRAINING AND LABOUR MARKET SURVEY STUDY

INTERVIEW NO: _____ INERVIEWER _____
DATE _____ 2001
STARTED TIME _____ HOURS

INSRUCTION : FILL THE NUMBER OR PUT A CHECK MARK (✓) IN THE BOX GIVEN OR WRITE THE CORRECT RESPONSE IN THE SPACE PROVIDED AGAINST EACH QUESTION

I PERSONAL INFORMATIONS

1 Name _____

2 Sex (Male=1, Famale=2)

3 Age

4 Marital status (Single=1, Married =2, widowed/Widower=3, divorced=4)

5 Address : Kebele Woreda

Tel.

6. If you are married:

Educational attainment of your spouse _____

A) Spouse's occupation _____

B) spouse's approximate monthly gross income (before tax deduxtion) _____

7. Parents' higher educational attainment: Father _____, Mother _____

8. Parents' occupation: Father _____, Mother _____

9. Parents' place of origin (Bahir Dar=2, Out of Bahir Dar=2)

10. Parents' approximate gross monthly income (before tax deduction):

Father Mother

11. Do you ever take (consume) addictive things such as "chat", cigarette or any habit forming drugs (yes=1, no=2)

12. If 'yes' indicate its type _____

APPENDIX 3

AGRICULTURE TRAINING CENTERS IN THE AMHARA REGION

NO	NAME OF INSTITUTE	CAPACITY ANNUAL INTAKE	MINIMUM EDUCATION REQUIREMENT FOR ADMISSION	DURATION OF THE COURSE	AWARD UPON COMPLETION
1	Woreta Agricultural Center	200	Grade 12	9 months	Certificate
2	Combolcha agricultural Training Center	240	Grade 12	1 year	certificate
3	Mersa Agro-Technical school	30	Grade 10	3 years	Diploma
4	Bure Agro-technical School	70	Grade 10	3 years	Diploma
5	Mertolemariam Forest and Soil Devt. And Protection training Center	136	Grade 12	9 months	Certificate
6	W/o Sihin Technical and Vocational School	99	Grade 10	3 years	Certificate
7	ADA Basic Construction Skill Training Center	480	Grade 12	3 months	Certificate
8	Kobel Industry Village	50	Grade 10	2 months	Certificate

Source:BoLSA

APPEDIX 4

VOCATIONAL TRAINING INSTITUTES IN ADMINISTRATIVE AND SECRETARILA SKILLS

NO	TYPE OF SCHOOL	TOTAL NUMBER
	Comprehensive Schools offering Vocational Training	6
2	Typing schools	21
3	Computer training Centers	3
4	Embroidery and Training	6
5	Community skill Training Center	22
6	Others	4
	Total	62

Source: BoLSA

DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other University, and that all sources of material used for the thesis have been duly acknowledged.



MOLLA JEMBER

JUNE 2001

The thesis has been submitted for examination with my approval as a University Advisor



MULAT DEMEKE

JUNE 2001