ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEMOGRAPHIC AND SOCIO-ECONOMIC DETERMINANTS OF YOUTH UNEMPLOYMENT IN DEBERE BIRHAN TOWN, NORTH SHOWA ADMINISTRATIVE ZONE, AMHARA NATIONAL REGIONAL STATE

BY

ASALFEW ABERA

MAY 2011

ADDIS ABABA

DEMOGRAPHIC AND SOCIO-ECONOMIC DETERMINANTS OF YOUTH UNEMPLOYMENT IN DEBERE BIRHAN TOWN, NORTH SHOWA ADMINISTRATIVE ZONE, AMHARA NATIONAL REGIONAL STATE

By

Asalfew Abera Gebere

A Thesis submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirements for the Degree of Maters in Population Studies

Advisor

Eshetu Gurmu (Ph.D)

May 2011

Addis Ababa

ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

Demographic and Socio-economic Determinants of Youth Unemployment in Debere Birhan Town, North Showa Zone, Amhara National Regional State

By

Asalfew Abera Gebere

Center for Population Studies
Institute of Development Studies

Approved by the Examining Board

Ato Dula Etana Chairman, Department Graduate Committee	Signature
Dr. Eshetu Gurmu Advisor	Signature
Dr. Terefe Degefa Examiner	Signature

ACKNOWLEDGEMENTS

I am grateful to Dr. Eshetu Gurmu, my advisor and instructor for his invaluable comments and suggestions that contributed to the successful realization of the study.

My sincere thanks go to my wife W/ro Hana Tadesse, who is the source of especial strength towards my success. I would like to express my gratitude to W/t Yashemebet Tadesse for taking care of my son and daughter.

My deep appreciation is extended to W/ro Meselu Kasahun and W/ro Shewangezew Getachew for their unreserved support and encouragement throughout my study.

My deep appreciation and thanks goes to Ato Demessie Wolde Yohaness and Ato Gezahagn Shemeles in CSA, for their moral and material support during my study.

Finally, my heartfelt gratitude goes to Central statistics Agency and Addis Ababa University for giving this chance to pursue my education and funding the research.

TABLE OF CONTENTS

Page

Acknowledgements i

Table of Contents ii

List of Tables iv

List of Figures v

Acronyms and Abbreviations vi

Abstract vii

CHAPTER ONE. INTRODUCTION 1

1.1 Background of the Study 1

1.2 Statement of the Problem 5

1.3 Objectives of the Study 7

1.4 Justification of the Study 8

1.5 Significance of the Study 8

1.6 Limitations of the Study 9

1.7 Definitions of Terms and Concepts 10

1.8 Organization of the Thesis 11

CHAPTER TWO. REVIEW OF RELATED LITERATURE 12

2.1 Theories of Unemployment 12

2.2 Factors of Youth Unemployment 14

2.2.1 Demographic Factors of Youth Unemployment 14

2.2.2 Socio-Economic Factors of Youth Unemployment 16

2.3 Consequences of Youth Unemployment 22

2.4 Trends of Youth Unemployment Rate in Urban Ethiopia 25

2.5 Hypothesis of the Study 26

2.6 Conceptual Framework 27

CHAPTER THREE. RESEARCH METHODOLOY 28

3.1 Description of the study Area 28

3.2. Data Sources 29

3.3 Study Design 29

3.4 Sample Design and Procedures 30

3.5 Sample size Determination 30

3.6 Data Collection 33

3.7 Methods of Data Analysis 34

3.8 Variable Descriptions 35

3.9 Ethics of the Research considered 38

CHAPTER FOUR. RESULTS OF THE STUDY 39

4.1 Background Characteristics of Respondents 39

4.1.1 Demographic Characteristics of Respondents 39

4.1.2 Socio-Economic Profile of Respondents 41

4.2. Differentials and Determinants of Youth Unemployment 47

4.2.1 Bi-Variate Analysis (Differentials of Youth Unemployment) 47

4.2.2 Determinants of Youth Unemployment 52

CHAPTER FIVE. DISCUSSIONS OF THE MAJOR FINDINGS 60

CHAPTER SIX. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS 65

6.1 Summary 65

6.2 Conclusions 67

6.3 Recommendations 69

REFERNCES

LIST OF TABLES

Page

Table 4.1: Percentage Distribution of Respondents by Sex, Debere Birhan, January 2011 ____ 39

Table 4.2: Percentage Distributions of Respondents by Marital Status, Debere Birhan, January 2011 ____ 40

Table 4.3: Percentage Distribution of Respondents by Job Preferences, Debere Birhan, January 2011 ____ 42

Table4.4: Percentage Distribution of Respondents by Work Experience, Business Advisory Services, and Father Education, Debere Birhan, January 2011 ____ 45

Table 4.5: Chi-Square test Result of Association between Youth Employment Status and Demographic Variables, Debere Birhan, January 2011 ____ 48

Table 4.6: Chi-Square test Result of Association between Youth Employment Status and Socio-Economic predictors, Debere Birhan, January 2011 ____ 51

Table 4.7: Logistic Regression Results of the Effects of Predictor Variables, Debere Birhan, January 2011 ____ 56

LIST OF FIGURES

Page

Figure 2.1: Trends of Youth Unemployment Rate in Urban Ethiopia _____26

Figure 2.2: Conceptual Framework _____27

Figure 3.1: Schematic Presentation of Sampling Procedure _____32

Figure 4.1: Percentage Distribution of Respondents by Age, Debere Birhan, January 2011_____40

Figure 4.2: Percentage Distribution of Respondents by Migration Status, Debere Birhan, January 2011_____41

Figure 4.3: Percentage Distribution of Respondents by Educational Level; Debere Birhan, January 2011_____42

Figure 4.4: Percentage Distribution of Respondents by Social Network Density; Debere Birhan, January 2011_____43

Figure 4.5: Percentage Distribution of Respondents by Employment Status, Debere Birhan, January 2011 _____46

LIST OF ANNEXES

Annex I: Survey Instruments (Household listing form, survey questionnaire, and FGD guidelines).

Annex II: Coefficient of Contingency Table, Multicolinearity Statistics, and Hosmer and Lemeshow Test.

ACRONYMS AND ABREVIATIONS

AAU -	Addis Ababa University
CDS -	College of Developmental Studies
CSA -	Central Statistical Agency
CSPro -	Census and Survey Processing System
DBM -	Debere Birhan Municipality
DEFF -	Design Effect Factor
df -	Degree of Freedom
EA -	Enumeration Area
FADF -	Fifth African Development Forum
FGD -	Focus Group Discussion
GTZ -	German Technical Corporation (Zusammenarbei)
IPS -	Institute of Population Studies
ILO -	International Labour Organization
MDG -	Millennium Development Goals
MSSEDO-	Micro and Small Scale Entrepreneurial Development Office
MEDAC-	Ministry of Economic Development and Population
MOY -	Ministry of Youth Sport and Culture
MOLSA-	Ministry of Labour and Social Affairs
NGO -	Non Governmental Organization
SSA -	Sub-Sahara Africa
SPSS -	Statistical Package for Social Scientists
UN -	United Nations
UNAIDS -	United Nations Programme on HIV/AIDS
UNODC -	United Nations Office on Drugs and Crime
UNFPA -	United Nations Population Fund
VIF -	Variance Inflation Factor
WB -	World Bank

ABSTRACT

A high level of youth unemployment is one of the critical socio-economic problems facing Ethiopia. The intensity of the problem is high in urban areas in general, Debere Birhan in particular where youth face serious difficulty in getting employment. Various studies indicate the level of youth unemployment in Debere Birhan. However, little is known about the factors exacerbating youth unemployment in the study area. In light of this problem, this study is conducted with an objective of assessing the demographic and socio-economic determinants of youth unemployment. Primary data collected from 600 youths randomly selected from the three kebeles of Debere Birhan town, North Showa Zone, Amhara National Regional State, are used for the study. Simple frequencies, cross tabulation and binary logistic regression model were used to analyze the data. Among all the respondents, 39.7 percent were found unemployed, while 60.3 percent were employed at the time of the study. The bivariate analysis showed that females and migrants were found unemployed. Youth who had secondary and below educational level, weak social network, inaccessible to business advisory services, and those who prefer paid employment were also found unemployed in the town. The multivariate analysis showed that sex, migration, education, social network, job preferences and access to business advisory services significantly determine youth unemployment in Debere Birhan town. Household income, father education, and marital status were found insignificantly related to youth unemployment. Based on the findings of the study: encourage youth to improve their education, empower females and increase their participation, encourage youth to increase their social networks, address the problem of migrants, and improve youth attitudes towards jobs in the formal sectors were suggested as recommendations.

Key Words: Youth, Employed, Unemployed.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

1.1.1 Global Perspectives

Youth is the time of life full of promise, aspiration and energy. Young men and women are most eager to strike out to secure their futures and to contribute to their families, communities and societies (ILO, 2008). They bring with them numerous assets: relevant and recent education and training; enthusiasm, hope and new ideas; willingness to learn and be taught; openness to new skills and technology; realistic expectations on entry into the labour market; mobility and adaptability; and represent a new generation to meet the challenge in countries with an ageing work force (Morris, 2006). The energy, skills and aspirations of young people are invaluable assets for sustainable development of a nation (WB, 2009).

Globally, the number of young people is about to become the largest in history relative to the adult population. According to UNFPA (2002), more than 50 percent of the population is under the age of 25. In terms of youth alone (age 15 – 24), there are over 1.3 billion youth in the world today. The majority (almost 85 percent) of the world's youth live in developing countries, with approximately 60 percent in Asia; 23 percent in Africa, Latin America and the Caribbean, and the number of youth living in developing countries will grow to 89.5 percent by 2025.

Youth are the world's greatest asset for the present and future, but they also represent a group with serious vulnerabilities. In this regard, ILO (2004b) confirmed that increasing global unemployment has hit young people hard and today's youths are facing high levels of economic and social uncertainty. Besides, the recent ILO (2010) report showed that there were an estimated 81 million unemployed young

people in the world and the rate of unemployment rose from 11.9 to 13.0 percent at the end of 2009. This rate of youth unemployment is the outcome of various social, economic and demographic factors (Hassen, 2005).

A research conducted by Morris (2006) and Salvador and Killinger (2008) found that lack of experience, mismatch between their skills and the demands of labour markets, inadequate information and counseling, less access to resources and services, discrimination on the basis of age, sex, ethnicity, health, family economic status, attitudes of youth towards jobs and other factors are common barriers of youth in finding employment. These factors hindered young people in finding employment, results the depreciation of human capital and deterioration of youth employment prospects, which could lead to social exclusion (Berhanu *et al.* 2005). This implies that youth have been largely neglected in the national development strategies of states (WB, 2009).

Improving the employment status of youth have been key concerns of several international summits and conferences since the late 1990's. Youth unemployment represents growing concerns worldwide. It becomes an important priority area on the political agenda of several states as well as of bilateral and multilateral development agencies (GTZ, 2006). The 1995 Copenhagen declaration on Social Development and Programme of Action of the *World Summit for Social Development* called for special attention to youth employment. The United Nations Millennium declaration also adopted a commitment to "*develop and implement strategies that give young people everywhere a real chance to find decent and productive work*" (Morris, 2006). However, such strategies are designed; youth still suffer a lot due to unemployment.

In most countries, whether industrialized, developing or in transition, young people suffer from low access to the labour market than the adult (Mlatsheni and Rospabé, 2002). The relative disadvantage of youth is more pronounced in developing

countries, where they make up a strikingly higher proportion of the labour force than in developed countries. Eighty-five percent of the world's youth live in developing countries and are 4.1 times more likely to be unemployed than adults, as compared to 2.3 times in industrialized economies (ILO, 2004c). The high unemployment ratio indicating that job opportunities are not expanding fast enough to keep pace with growth of the labour force, and young people do not have the education and skills required to meet labour market demands (ILO, 2007).

The employment situation of Africans youth, particularly the Sub-Saharan Africa, is serious and challenges their livelihood (ILO, 2003). In the region, young people aged 15–24 account for 36 percent of the working-age population, but accessing employment is very low (Guarcello and Rosati, 2007). The rates of growth of employment opportunities were inadequate to absorb the growing young population. Failure to address youth employment issues will have serious consequences for the economy and society (Odhiambo, 2006).

1.1.2 National Perspectives

Ethiopia has witnessed rapid population growth in recent decades. The population was estimated to be about 74 million people in 2007 (CSA, 2008), making Ethiopia the second most populous country in Sub Sahara Africa. The proportion of young people in the overall population has increased over the last two decades. The young cohort represented about 14 percent of the population in 1984 and 20 percent of the population in 2001 (Guarcello and Rosati, 2007). In 2007, the youth population accounted for 28.3 percent of the total population and 39.6 percent of urban population of the country (CSA, 2008).

In Ethiopia, the labour force grows with an increasing proportion of youth; employment growth is inadequate to absorb the new entrants in the various sectors of the economy (Guarcello and Rosati, 2007). The country has one of the highest urban unemployment rates worldwide, at about 50 percent of the youth labour force

(Berhanu et al, 2005). Thus, lack of employment opportunities for young people is among the critical development challenges facing the country (Guarcello and Rosati, 2007).

Amhara National Regional State is one of the regions with a total population of 17.2 million, having 23.3% of the national populations. Out of the total populations of the region, 28.2% were youth in 2007. Besides, the size of urban populations of the region was estimated about 2.1 million in which 41.2% were youth (CSA, 2010c).

On the other hand, employment status of youth in the region showed that youth unemployment rate was estimated about 21.2%, having 14.1% of males and 26.5% of females in 2005 (CSA, 2006a). This estimate includes both the rural and urban youth unemployment in the region. Furthermore, youth unemployment rate in urban areas of the region also found to be 18.0%, with 15.5% of males and the corresponding females unemployment rate was 20.4% in 2007 (CSA, 2010d).

Cognizant to this, Ethiopia approved its youth policy in 2004. The overall goal of the National Youth Policy is "to bring about the active participation of youth in the building of a democratic system and good governance as well as in the economic, social and cultural activities in an organized manner and to enable them to fairly benefit from the results" (MOY, 2004).

Improving the employment status of youth could lead to the achievement of MDGs through identifying the factors that hindered the young people in getting employment. Similarly, WB (2009) noted that helping youth to realize their full potential by gaining access to employment is a precondition for poverty eradication, sustainable development, and lasting peace.

Given the aforementioned youth employment scenario of the time and the current situation in Ethiopia, the study, attempted to explain the determinants of youth

unemployment on the basis of data collected from Debere Birhan town, North Showa Administrative Zone, Amhara National Regional State, Ethiopia.

1.2 Statement of the Problem

Unemployment is a serious socioeconomic problem facing all age groups of a population. However, youth unemployment is higher than adults. Strengthening this point, ILO (2004a, 2004c) report indicated that youth in developing countries are 4.1 times more likely to be unemployed than adults. This shows that it is becoming increasingly difficult for young entrants to find jobs in the labour market (Schiefebei and Farrel, 1982).

Moreover, ILO (2010) forecasts a continued increase in global youth unemployment to an all time high with a rate of 13.1 percent in 2010, followed by a moderate decline in 2011. This rate of youth unemployment has been recognized as one of the most serious barriers to economic and social development in many developing and developed countries (GTZ, 2010).

Currently, youth employment is a critical concern to almost every country in the world. It is one of the most pressing economic and social problems confronting developing countries whose labour markets have weakened substantially (Bell and Blanchfl, 2010).

According to ILO (2007) estimates, the Sub-Saharan Africa region has the highest rate of youth unemployment (18.4 percent) after the Middle East and North Africa (21.3 percent). A research conducted by Fadayomi (1992) shows that urban unemployment is higher than rural unemployment in the region. If this trend persists, it will have considerable effects on human capital, as well as on the region's economic potential (Berhanu et al, 2005). Thus, youth unemployment has

increasingly come to be recognized as one of the critical development challenge confronting many countries in the continent (Curtain, 2000).

Analysis of the factors associated with youth unemployment indicated that the social and demographic characteristics of individuals such as educational level, work experience, lack of employable skills, sex, migration, attitudes of youth towards jobs, family economic status are associated with youth employment status (Toit, 2003).

Another study conducted by Venatus and Agnes (2010) in Nigeria shows that females, less educated youth, young people from low income family, migrant youth constituted the highest proportion of unemployed persons.

The employment situation of youth in Ethiopia is worst, particularly those who reside in urban areas (Berhanu et al, 2005). According to Guracello and Rosati (2007), youth in urban areas face a high rate of unemployment (almost 20 percent). They encounter more difficulty in finding wage jobs and employment in the formal sectors of the economy or engaged in self employment. Confirming to this, youth unemployment rate in urban areas of the country, was found 24.5 percent in 2010 (CSA, 2010b).

The high rate youth unemployment is among the critical development challenges facing the country, and a key barrier to national efforts toward achieving the MDGs (Guracello and Rosati, 2007). In spite of the pressing youth employment challenge, youth issues were given only limited attention in the development policies of the country in the past (Berhanu et al, 2005). Considering the existing high youth unemployment rate, recently, the government has started new initiatives to reduce the problem through fostering entrepreneurship, and by increasing youth participation in the development activities of the country (MOY, 2004).

Youth in urban areas of the Amhara National Regional State had limited access to employment opportunities. According to CSA (2010d) estimate, the rate of youth unemployment in urban areas of the region was found 18% in 2007. This implies that youth in urban areas of the region were less employed in the various socioeconomic sectors of the region economy.

Debere Birhan is one of the towns in Amhara National Regional State with a total population of 65,231. Out of this population, 43.7 percent were youth (CSA, 2008). Like other towns of the country, Debere Birhan also manifests the problem of youth unemployment. Youth unemployment rate was found 20.64 percent, having 9.63 percent male and 27.75 percent female (CSA, 2006a). The facts displayed that youth population is one of the segments of the town population affected by the problem.

While these general facts are clear, the specific factors affecting youth employment in the town have received little research attention. The determinants of youth unemployment in the town so far was not well assessed. In this stand, this study was conducted to examine demographic and socio-economic determinants of youth unemployment in the study area. Consequently, the results provide information for designing relevant program and strategy to reduce the problem of youth unemployment in the study area. This in turn will have a far reaching implication for youth as well as the achievement of MDGs.

1.3 Objectives of the Study

1. **General objectives of the study**:

The general objective of the study is to assess the factors that contribute for youth unemployment in the study area.

2. **Specific objectives of the study**:

The specific objectives of the study are:-

1. To investigate the differentials of youth unemployment.
2. To identify the determinants youth unemployment in the study area.

1.4 Justification of the Study

Several studies show that youth are exposed to unemployment. ILO (2010) indicated that 13 youths out of 100 youth were unemployed globally.

In Ethiopia, the employment situation of youth is serious and devastating not only for the country but also for the youth (Guracello and Rosati, 2007). In urban areas of the country, youth face a high rate of unemployment (24.5 percent) in 2010 nationally (CSA, 2010b); and 20.6 percent in Debere Birhan in particular (CSA, 2006a). Hence, the study is conducted primarily because of the high rate of youth unemployment as indicated by the factual evidence above. Secondly, the determinants of youth unemployment in the town has not been yet well assess so far. Thirdly, the population size of the town increased from 38,717 in 1994 (CSA, 1995) to 65, 231 in 2007 (CSA, 2008). Hence, such rate of population growth is expected to move up the unemployment rate of youth.

1.5 Significance of the Study

Unemployment among youths has been a serious socio-economic problem in urban Ethiopia in general and in Debere Birhan in particular. Previous studies have been attempted to explain the level of youth unemployment rather than addressing the specific factors affecting youth employment. In assessing the factors that affect employment opportunities of the young people, this study is different from other studies conducted so far. The study attempts to address factors that contribute for the high youth unemployment. Thus,

1. Though the study is confined to a single town, its findings will be helpful for better understanding of the determinants of urban youth unemployment in the country in general and of the study area in particular.
2. It shed some light on the nature and extent of the problem associated with high level of young people unemployment.
3. The result is also expected to be helpful for the formulation of policies and strategies that facilitate the reduction of youth unemployment.
4. The finding will also helpful in order to conduct further studies on the issue.

1.6 Limitations of the Study

In spite of the fact that effort have been made to control the quality of the data, the following limitations were encountered in this study.

1. Due to lack of willingness, some respondents were not given accurate information on some socio-economic characteristics such as household income.
2. Assessing the determinants of youth unemployment is difficult as it is the collective effect of different factors. Youths are different in their socio-economic and demographic status. This requires the consideration of large sample size. However, due to limited resources, the study was restricted to only 622 youths. The result may not be generalizable to the whole youth population, though it can show the determinants of youth unemployment in the study area and serve as a stepping stone for future study.

1.7 Definitions of Terms and Concepts

Youth comprises part of the society who are between age 15-29 (MOY, 2004).

Unemployed: - described as those people without work but looking for work or available and ready to work during a reference period (ILO, 1992).

Employed: - includes those persons who were engaged in productive activity during the reference period as paid or self employed (ILO, 1992).

Enumeration Area: - is a unit of land delineated for the purpose of enumeration population and housing units without omission and duplication. An EA in urban areas constitute 150- 200 housing units (CSA, 2010).

Household:-consists of a person or group of persons, irrespective of whether related or not, who normally live together in the same household and housing units and have common cooking and eating arrangements (CSA, 2010).

Social capital includes social relations, formal and informal social networks, group membership, trust, reciprocity and civic engagement (National Statistics Office, 2001).

Social network density refers the number of persons such as friends, relatives...etc an individual would have in exchanging information about jobs available in the labour market using any form of communication channels.

Human capital is considered an attribute of individuals and comprises a stock of skills, qualifications and knowledge (National Statistics Office, 2001).

Business advisory services includes short term training or consultancy focused on skill upgrading, entrepreneurial management and other services.

1.8 Organization of the Thesis

This thesis is organized into six chapters. Chapter one covers background of the study, statement of the problem, justification of the study, objectives of the study, significance and limitations of the study, and definition of terms and concepts. Chapter two present review of related literature which includes theories of unemployment, factors of youth unemployment, consequences of youth unemployment, trends of youth unemployment rate in urban Ethiopia, conceptual framework, and hypothesis of the study. Description of the study area, data source, study design and sampling procedure, sample size determination, measurement tools, method of data analysis and ethics of the research are included in chapter three. Chapter four and five discuss about findings of the study which includes demographic and socioeconomic characteristics of the respondents, differentials and determinants of youth unemployment; and major findings of the study, respectively. The last chapter presents summary, conclusion and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theories of Unemployment

The relationship between a job and an individual is expressed by different theories. This section reviews some of the theories that express job-individual relationships.

2.1.1 Human Capital Theory

According to this theory, education is considered as an important asset for economic development as well as securing decent and productive job. Schultz (1961) noted that education plays a great and significant role in the economy of a nation. It increases the productivity and efficiency of people by increasing the level of cognitive stock of economically productive human capability which is a product of innate abilities and investment in human beings. He further illustrated that education increases the chances of employment in the labour market, allows people to reap pecuniary and non-pecuniary returns and gives them opportunities for job mobility, and leads to greater output for society and enhanced earnings for the individual worker. He furthermore, stated that higher education provides the skills needed to perform complex jobs, making people more productive, thus sustaining economic growth. People with the most human capital are said to be the most productive, and thus secure the best jobs and the highest salaries. Thus, education plays an important role in determining the employment status of an individual.

2.1.2 Social Capital Theory

Social capital approach focused on the strength of the social tie used by a person in the process of finding a job. Granovetter (1973) states that strong ties or social networks among people are frequent, emotionally intense ties with friends, advisors and co-workers. The information possessed by any member of this circle is quickly

shared with the other members. He also noted that weak ties are infrequent, not emotionally intense, and restricted to one narrow type of relationship. Individuals with weak ties will be deprived of information from distant parts of the social system and will be confined to the provincial news and views of their close friends. Thus, individuals with weak ties could miss job opportunities available through social networks.

2.1.3 The Job-Matching Theory

The Job-matching theory is based on the idea that the labour market is composed of jobs of many different skills and experience levels, as well as workers of many different skills and experience levels. According to Jovanovic (1979), the most skilled workers (i.e. the most educated) should occupy the most skilled positions, and there is a mismatch if either the supply of educated workers or skilled positions surpasses the other. He also states that workers prefer such a match because they have the opportunity to utilize all of their skills, increasing their feelings of usefulness, which allows them to command higher salaries. Employers prefer such a match because individuals who are optimally utilizing their skill sets will maximize productivity for their firm, and will stay longer at the firm.

2.1.4 The Theory of Job Search

Stephen and Jackman formulated the theory of job search. For Stephen and Jackman (1991), a typical unemployed person looking for work is expected to pass three stages. *At stage one*; he/she collects information about job vacancies. Vacancies come with different pre-assigned wage and conditions. *In stage two*, he/she decides to apply for the vacancies that he/she learns of. The decision to apply for it depends on the expected value of getting a job or not. *Lastly*, he/she accepts the offer of any job for which he/she applied in getting it. The success of individual's application depends on his/her personal characteristics. Thus, they concluded that

individual factors and the degree of competition from other job seekers could affect the chance of finding a productive job.

2.2 Factors of Youth Unemployment

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

2.2.1 Demographic Factors of Youth Unemployment

2.2.1.1. Migration

The movement of young people is one of the causes for the high levels of urban youth unemployment problem in most developing countries (Raphael, 2005). Since young people view migration as an avenue to improve their status and learn new skills, they move in to urban areas for various reasons (Harris, 2010). Similarly, ILO (2007) and MOY (2004) noted that migration of young people in their twenties is very high in Africa. Moreover, they also state that youth often move to institutions for education and training, but many migrants move for employment related reasons followed by their families. In line with this, Okojie (2003) depicted that migration of youth has resulted in a concentration of youth in cities and towns where there are few jobs available in modern sector establishments.

In addition to this, Todaro (1994) and Mlatsheni and Rospabé (2002) state that rural to urban migration of young and educated people is the very root cause for the high and ever rising levels of urban unemployment. A study conducted by Anh *et al* (2005) and Yisak (2006) showed that youth having migration experience are more

likely to be unemployed than other migrants. Confirming this, Nwuke (2002) noted that young migrants are highly unemployed in urban areas. He further stated that in a context where social relations are as crucial as qualifications, young urban migrants searching for a job face an uphill struggle of surviving with limited social networks. Sarr (2000) also reaffirmed that youth migrants are three times more unemployed than other migrants in Africa. It might be possible to deduce that young migrants are more vulnerable to unemployment in urban areas.

2.2.1.2 Sex

According to Halleröd and Westberg (2006), being one of the demographic variables, sex reveals substantial differences between female and male with respect employment opportunity. Females are vulnerable both in short term and long term unemployment than males. ILO (2004a) also conforms the activity rate of young males have been much higher than that of young females due to the different opportunities society provide to males and females, and domestic activities for personal or household use. Strengthening this point, Mlatsheni and Rospabé (2002) (2009) found that lack of employment is more severe for females than for males as 63 percent of economically active females are unemployed whereas 53 percent of males remain without jobs in South Africa. They further noted that one of the reasons behind females unemployment is that girls spend much time in doing domestic work than boys. This leads them to poor academic performance and sometimes withdrawal from education. It could be concluded that girls therefore end up with less education and limited skills, and thereby resulting in high number of unemployed females.

In the same manner, differences between male and female with respect to employment has also been prevalent in Ethiopia. With this regard, Guracello and Rosati (2007) state that female youth across all ages are more likely to be unemployed and are much more likely to be jobless than male youth. Another research conducted by Berhanu *et al* (2005) noted that unemployment rate among

young female (20-24) was 38.7 percent while it was only 23.2 percent for young male in the same age category during the same year. Besides, the CSA (2010a) unemployment report also shows that out of 1,168,591 unemployed persons 41.2 percent were female youth. Furthermore, Genene *et al* (2001) confirmed that females are more marginalized than males due to different socioeconomic factors. Hence, the problem of unemployment is more prevalent among females than males.

2.2.2 Socio-Economic Factors of Youth Unemployment

2.2.2.1 Education

Education is one the basic factors of youth employment. The achievement of lower educational level reduces the chances of getting decent and productive jobs in the world of work. In line with this, Salvador and Killinger (2008), WB (2009), and Morris (2006) noted that unemployment rate of less educated youth tends to be higher than the unemployment rate of more educated youth in developing countries because their skills and competencies may not correspond to the demand of the labour market. In other words, the chance of getting employment for more educated youth is higher as compared to lower educated youth since they had the required knowledge and skills. Similarly, Mlatsheni and Rospabe (2002) found that young people with secondary level education (from grade 8 to grade 12) do not have a better chance to get a job than people with no education. ILO (2004a) also confirms that young people with some education are vulnerable to unemployment due to the lack of knowledge and skills required by the labour market.

Accordingly, unemployment is higher for youth had lower educational level in Africa. With this respect, Okojie (2003) stated that unemployment in Africa concentrated among youth who have received some education. He further added that youth who had limited education lack the industrial and other skills demanded in the labour market, thereby making them unattractive to employers who prefer skilled and experienced workers. Confirming this idea, Haji (2007) and Anh *et al* (2005) found

that youth who attain limited education are more prone to unemployment in the continent. In addition to this, they noted that, training in Africa remains largely unrelated to the labour market needs, which foster the existence of a degree of mismatch between the demand for and supply of education.

In the same fashion, less educated youth has also been faced the challenge of being unemployed in Ethiopia. In this regard, Guracello and Rosati (2007) found that among youths, the less educated youth face more difficulties in finding employment in urban areas of the country.

Based on the aforementioned discussions, it could be said that unemployment is higher for youth who had limited education than better educated ones.

2.2.2.2 Work Experience

According to ILO (2004), the lack of work experience reduces the chances of getting employment in the modern sectors of the economy. On the other hand, it also added that young people having work experience, something very much desired by most employers, increases the possibilities of getting employment. Similarly, a study conducted by Foot (1986) found that because of limited work experience and other personal characteristics, youth unemployment tends to be high.

Moreover, Osterman (1980) noted that employers with desirable job characteristics preferred to hire persons who already had some experience in the labour market. This invariably excluded young entrant from the labour force. Anh *et al* (2005) and Hassen (2005) also illustrated that besides to insufficient work experience, poor work habits, unreliability, and lack of dedication to the job lead to the segmentation of young workers. They further noted that employers are usually hesitant to hire young people who have little or no practical work experience since the costs to retrain and/or upgrade skills of young workers are often too high. As a result, youths

are suffering from the lack the work experience, so that they spend considerable time in looking for a job.

2.2.2.3 Household Income

Household income is one of the socioeconomic factors that contribute to the problem of youth unemployment. ILO (2004b) indicated that unemployment rates among young people tend to decline as household income increases. Youths who reside in a better off family had higher chance of getting employment since their family tends to invest more in the education of their sons or daughters. Likewise, a research conducted by Anh *et al* (2005) and Rees and Gray (1982) found that family income serves as an important factor in determining the employment experience of Vietnamese youth. A family in which a young person lives is the strongest predictor of his or her future in the job market. On the other side, they added that youth who reside in low income earning family are less employed in the labour market.

Correspondingly, Morris (2006) showed that the significant effects of family economic status, paternal occupation, education and parental divorce are notable in affecting the employment status of youth. He further noted that a better income earning household had a number of opportunities, i.e. higher income can enable youth to have greater access to education, information and connections. This could facilitate easy access to employment opportunities available in the market. Also ILO (2010) reveals that young people who reside in low income household have higher likelihood of being unemployed than adults of being among the working poor. It also indicates an estimated 152 million young people were living in poor households (with per-capita expenditure below US$1.25 a day) in 2008, were unemployed. Strengthening this point, a study conducted by Echebiri (2005) depicts that unemployment has affected youths from a broad spectrum of socioeconomic groups, both the well and less well educated, although it has particularly stricken a substantial fraction of youths from low income backgrounds.

2.2.2.4 Father's Education

According to Rees and Gray (1982), being one of the socio economic factors, father's educational status reveals differences among youth with respect to employment opportunity. Young people who had well educated parents have higher chance of getting employment. They further noted that giving assistance in finding work is clearly not the only way in which family members can influence the employment prospects of young people, but also much education takes place in the home. So that youths who have well educated parents and who have been exposed to books and to serious discussion while growing up may have advantages in finding and holding jobs over other youths with the same amount of formal schooling.

Similarly, Schiefelbein and Farrell (1982) stated that family background in particular father education has an impact on the insertion of youth to the labour market. They also indicated that the higher the education of the father, the smaller the number of firms visited, and the higher the proportion of individuals who have found employment. Furthermore, Morris (2006) noted that as a measure of social status, father education's is an important factor in determining employment status of youth. Therefore, youth who had well educated father could face less challenge in finding jobs compared with those youth whose father were less educated or illiterate.

2.2.2.5 Job Preference

With regard to job Preference, Okojie (2003) and Haji (2007 noted that educated youth prefer wage jobs in the formal sectors and would prefer to remain unemployed until they get the type of job they prefer. Likewise, ILO (1991) also reflected that instead of looking for gainful employment self or otherwise, the youths waited for the government to find employment for them. When the government failed to offer employment opportunities, most youths remained unemployed in Tanzania.

A study conducted by Echebiri (2005) in Nigeria found that most young job seekers preferred employment in the organized private sector. They would like to work in banks, oil companies, manufacturing companies, major marketing companies, and so on. While a large proportion of youth also preferred to work in the public sectors. Similarly, another study carried out by Adenikinju and Oyeranti (2004) revealed that youths from Ethiopia and Tunisia are prepared to wait for a long time for a public sector job instead of actively seeking a job in the private sector or starting a business on their own.

In Ethiopia, job preference has been observed among youth. With this regard, Berhanu *et al* (2005) indicates wrong kinds of attitudes and job expectations on the part of youth is prevalent, including the preference for white collar jobs as opposed to agricultural and manual work. Moreover, they state that one of the reasons for wrong kinds of attitudes towards jobs is the inadequacy and excessively academic orientation of the educational systems of the country, and the result is still visible in the current situation. Therefore, job preference could be seen as a factor for youth unemployment.

2.2.2.6 Social Networks

Social capitals are important assets to search employment. According to Lange and Martin (1993), social networks are key instrument to find a job in urban areas with less expense and difficulty. They also found that youth who use social networks in finding employment are successful. Social capital theorists account for the differential access to job related information that workers have and, recognize that possessing more or superior information through social networks may lead to labour market advantages.

On the other hand, Coleman (1990) and Granovetter (1983) showed that young workers not utilizing personal networks may miss job opportunities available through personal networks. Also, Fernandez and Kelley (1995) confirmed that

youths with limited or deficient personal networks may lack knowledge of employment opportunities available in the state or regions. Consistently, Holzer (1996) discussed that the lack of information can be harmful to young people labour market outcomes, which are influenced by an individual's access to employment information via social networks. Toti (2003) also noted that lack of labour market information and access to the main information networks in the labour market decreases the chance of getting employment.

2.2.2.7 Business Advisory services

As far as business advisor service is concerned, Haji (2007) noted that access to effective business advisory services is critical in promoting youth entrepreneurship. He further showed that the inaccessibility of business advisory service for youth contributes for their unemployment. Correspondingly, FADF (2006) depicts that making advisory service accessible to the youngsters could help them to engage in entrepreneurship, shift youth from being job seekers to job creators, and also from social dependence to self sufficiency. FADF also illustrated that providing the right combination of motivation, ideas and opportunities; youth are more than able to establish productive and creative businesses. However, the lack of entrepreneurial training, incomplete market information, absence of business support and physical infrastructure, regulatory framework conditions, and poor access to finance contributed for the rise of unemployed youth in cities and towns. Thus, youth continue to look up to the state for employment rather than creating their own jobs and employing others. ILO (1991) also confirms that due to the lack of business training, some youth fail to manage income generating activities and others who would want to start a business do not do.

Similarly, Klugman (2005) states business advisory services could help youth to find jobs, provides access to a work place for entrepreneurs, access to credit, offers business development assistance to existing enterprises, as well as legal support and

other information, skills development, and counseling services. Access to business advisory services, could, therefore, be seen as a determinant factor for youth employment.

2.3 Consequences of Youth Unemployment

The inadequate employment situation of youth has a number of socio-economic, political and moral consequences (Berhanu et al, 2005; Toit, 2003). Some of the consequences of youth unemployment are as follows.

2.3.1 Unemployment fosters drug addictions among youths

Unemployed young people are more likely to abuse illicit substances than are employed young people. According to UN (2003) report, unemployed youth are the main drug users in Sub Sahara Africa, which accounts 34 million young people representing 7.7 percent of the continent's youth population. The report also indicated that Cannabis sativa or marijuana is the main drugs consumed by youth in the region. Similarly, Curtain (2000) stated that in the continent, delinquency, crime and drug abuse are on the increase among unemployed youths. Other scholars Chigunta (2002) and Haji (2007) also confirmed that some of the unemployed youth have become drunkards; others are on drugs such as marijuana and mandrax. Therefore, unemployment fosters drug addictions among youth.

2.3.2 Youth unemployment contributes to crime and violence.

Youth unemployment also contributes for the prevalence of crime and violence in societies where employment opportunities are limited. In line with this, Okojie (2003) and Haji (2007) found that many unemployed youth run criminal enterprises engaged in violence, armed robbery, car snatching, illegal fuel sales, and illegal importation of arms. Some of which have reached alarming levels in several African cities, having names such as "Area Boys" in Nigeria and "Manchicha" in Uganda. Echebiri (2005) also noted that urban society is becoming increasingly criminalized,

especially with the proliferation of youth gangs. He added that crime and violence have been increasing in many parts of Sub-Saharan Africa as a result of youth unemployment. Further, Chigunta (2002) states unemployed and disaffected youth appears to play a significant role in African conflict.

2.3.3 Unemployment results in psycho-social problem on youth

Unemployment is a stressful life event that makes people unhappy. Increases in the unemployment rate lower the happiness of everyone, particularly the unemployed (Bell and Blanchfl, 2010). Consistent to this, Toit (2003) also found that depression experience is the consequences of unemployment. Moreover, Berhanu *et al* (2005) state unemployment results social exclusion and a sense of hopelessness on youth.

2.3.4 Commercial sex work is common among young Unemployed girls

Youth unemployment also facilitates the development of street youths. Likewise, Echebiri (2005) noted that unemployment has driven many young women and girls into sex work in Africa. Struggling to support their families and provide care members of the household, they are often restricted in their opportunities for education and training. The lack of job opportunities and their disadvantageous social role make them more likely to end up as sex workers. Okojie (2003) also explained that lack of employment opportunities has contributed to increasing feminization of poverty, and also encouraged prostitution as a means of survival in several African towns and cities. Further, ILO (2005) stated that, in Ethiopia, young unemployed women are unwittingly drawn into prostitution.

2.3.5 Economic costs of unemployment

1. Unemployment affects economic development

Youth unemployment is challenging not only for those affected, but also for the economy as a whole. Salvador and Killinger (2008) found that unemployment among young persons implies unutilized labour potential and thus has a negative impact on potential growth of the economy. Similarly, Berhanu *et al* (2005) state that unemployment is the failure to make use of an important factor of production, labour, for fostering economic growth. On the other hand, the increase in criminality in a country as a consequence of youth unemployment causes losses in foreign direct investment. For example, foreign investors have cited crime as the biggest deterrent for investment (UNODC, 2003).

2. Youth unemployment results in higher medical costs

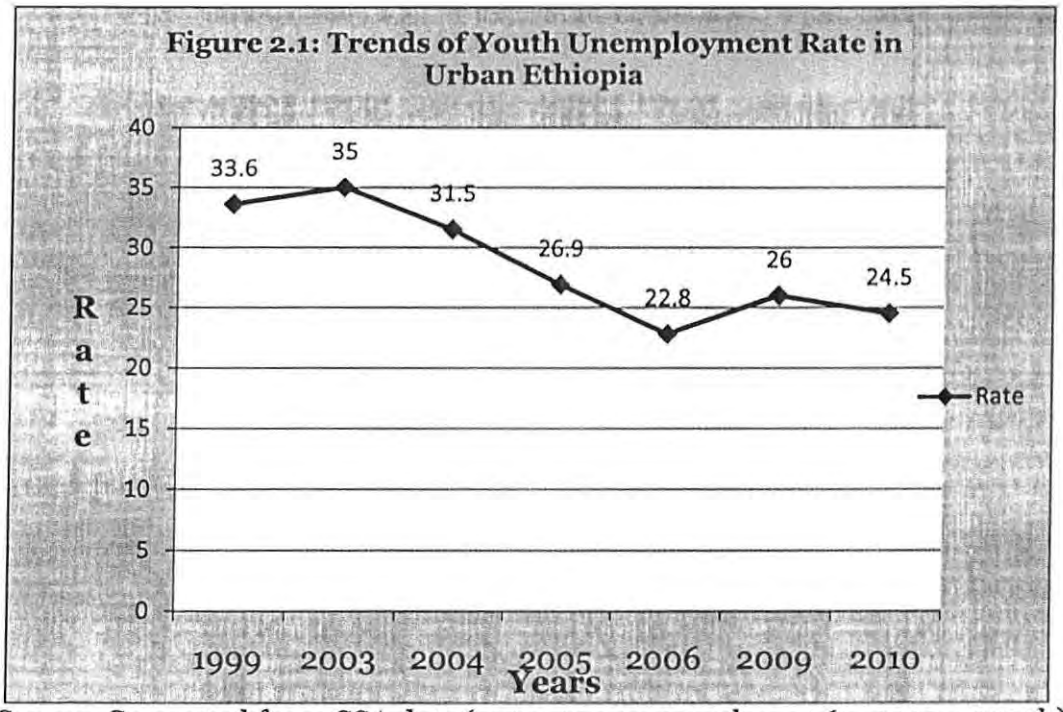
According to UNAIDS (2004) report, unemployed young people are at a much higher risk of contracting HIV/AIDS than employed young people. This is due to persistent behavioral risks, and lack of information, education and services. Fredriksson and Kanabus (2004) noted that the annual medical cost of HIV/AIDS is estimated at about $30 per patient in Sub Sahara Africa, compared with overall public health spending of less than $10 per capita. This means that Sub-Saharan Africa would have to spend $186 million a year on young people infected by HIV.

2.4 Trends of Youth Unemployment Rate in Urban Ethiopia

A high level of youth unemployment is one of the critical development problems facing Ethiopia. In line with this, Berhanu *et al* (2005) stated that youth unemployment rate is consistently higher than any other age group of the population in the country. Also Guracello and Rosati (2007) illustrated young people living in cities and towns are much more likely to be unemployed than rural young people. A study conducted by Getamesay (2009) found that the problem of unemployment highly affect the young population of Dessie town.

As shown in Figure 2.1, youth unemployment rate in urban areas of the country has shown a declining trend, but it remains high. The highest rate (35 percent) was observed in 2003. Then after, the rate had shown a declining trend, in which the lowest rate (22.8 percent) was recorded in 2006. After three years, the rate reached 26 percent in 2009. Currently, 24.5 percent of youth unemployment rate was estimated in urban centers of the country. The declining of youth unemployment was attributed to the adoption of youth policy in 2004 and the efforts made by the government in making the young people actively participate in the development activities of the country.

The factual evidence indicated that youth unemployment in urban areas is a serious problem. It reflects that efforts have been made to address the problem, in which a 10 percent decline was observed in the last eleven years. However, the issue requires further intervention from the concerned body in order to benefit from the human resources, individually and nationally. Otherwise, the social and economic costs would affect individuals and societies in particular, and the country in general.



Source: Computed from CSA data (1999, 2004a, 2004b, 2006a, 2010a, 2010b)

2.5 Hypothesis of the Study

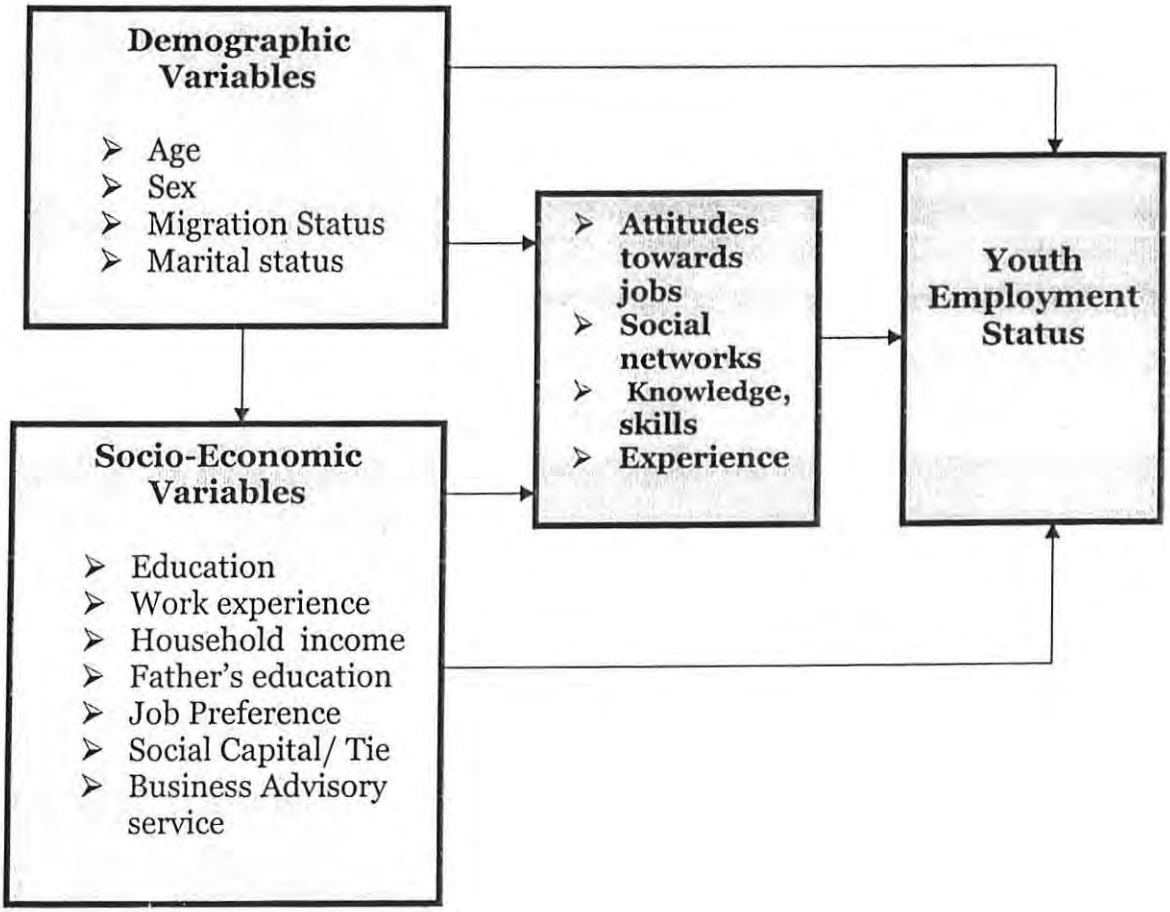
On the basis of the objectives of the research and the literature reviewed, the following hypotheses were tested.

1. Females are less employed than males.
2. Education negatively correlates with youth unemployment.
3. The risk of unemployment is higher for migrants than non-migrants.
4. Youth who has weak social networks has higher chance of being unemployed as compared to youth who has strong social network.
5. Household income negatively correlates with youth unemployment.

2.6 Conceptual Framework

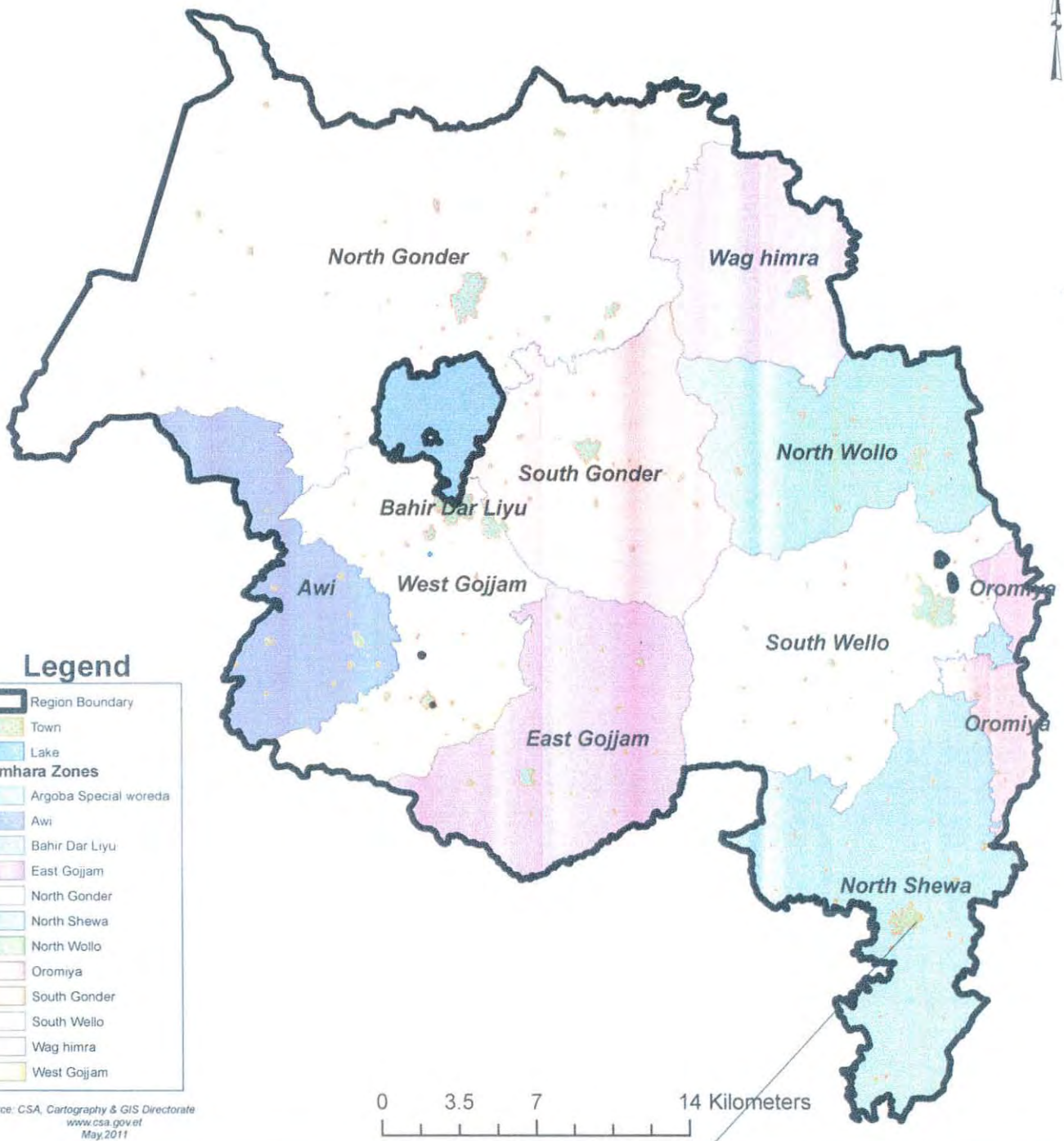
For the purpose of this study, in examining the determinants of youth unemployment, demographic and socio-economic variables: namely sex, migration status, marital status, education, work experience, household income, fathers' education, social network density, business advisory service and job preference were taken as explanatory variables ; where as youth employment status was the dependent variable.

Figure 2.2: Conceptual Framework



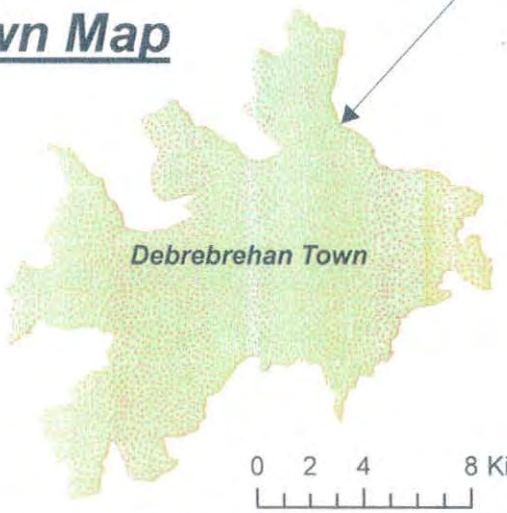
Source: Developed by the Author, 2011

AMHARA NATIONAL REGIONAL STATE MAP



Source: CSA, Cartography & GIS Directorate
www.csa.gov.et
May,2011

DebreBirhan Town Map



CHAPTER THREE

RESEARCH METHODOLOY

3.1 Description of the study Area

This research was conducted in Debre Birhan town of North Showa Administrative Zone located in the Amhara National Regional State. It is located about 130 KM North of Addis Ababa. The town has nine kebeles. According to the 2007 Population and Housing Census of Ethiopia (CSA, 2008), the town had a total population of 65,231; of which 31,668 were male and 33,563 were female. From the total population, 28, 516 (43.7 percent) were youth in the age group 15 to 29.

Debere Birhan has shown progress in socio-economic sectors in the last five years. According to DBM (2010) report, new investments in manufacturing (38), construction (103), horticulture and diary farming (27), tourism (hotels and restaurants) (88), education (16), and health (4) projects with a paid up capital of 1.5 billion birr were implemented by 276 investors (2006-2010). These investments opened employment opportunities for 6,897 persons. Besides, there are four government owned higher institutions such as Debere Birhan University, College of Teacher Education, Technical and Vocational Training College, and College of Health Science; Blanket factory owned by joint venture were also contribute for the development of the town, particularly in creating employment opportunities for the people.

Besides, youth participation in the town socio-economic sectors has been increasing via entrepreneurship, which has played a role in alleviating youth unemployment. According to MSSEDO (2010) report, unemployed youths in the town were organized in to different sectors. The main sectors were food (13), wood and metal work (17), construction (25), urban agriculture (19), municipality service (3), clothing and dressing (3), and in other services (176) totally 256 enterprises having

17.5 million capital were organized. Theses enterprises were functional and open employment opportunities for 3,948 youths since 2006 up to 2010. Though such efforts have been made by the concerned body, 2,034 youth were registered as unemployed in the office.

In general, all these activities had been making the population particularly youth beneficial. But, comparing the youth population size (28, 516), the number of unemployed youth and the existing achievements would give a picture about the situation of youth in the town. It is now the time to assess the determinants of youth unemployment in the town.

3.2. Data Sources

The study used quantitative data collected through household survey based structured questionnaires. The questionnaires were designed and formulated to collect information about socio-economic and demographic determinants of youth unemployment from sampled youth.

Qualitative data were also collected through focus group discussions (FGDs). The FGDs were administered with those youths who are unemployed at the time of the survey. It was carried out to together information in order to substantiate the findings obtained through household structured questionnaires.

In addition, secondary data obtained from records of administrative offices, publications, journals, books and other sources relevant to this study were also used to enrich the investigation.

3.3 Study Design

The study used a cross-sectional study design. The target populations were consisted of youth aged 15-29 years at the time of the survey, who reside in the town, were considered as eligible to the study.

3.4 Sample Design and Procedures

A multi-stage sampling design was employed in order to select respondents who reside in the study area during the reference period.

Stage 1: The primary sampling units were kebeles. Three kebeles namely Kebele 02, 04 and 07 out of the nine kebeles in the town were selected using simple random sampling techniques.

Stage 2: The secondary sampling units were enumeration areas. Enumeration areas were selected using simple random sampling techniques. Two enumeration areas from the three kebeles, a total of six enumeration areas were selected for the study. In each enumeration area, fresh lists of households were prepared at the beginning of the survey. The study kebeles and enumeration areas were selected from the 2007 population and Housing Census list prepared by CSA.

Stage 3: Using fresh list of households in each enumeration areas as a sampling frame, samples were selected using systematic random sampling techniques for the study.

To undertake the focus group discussions, participants were selected on the basis of the characteristics they have in responding the topic under investigation from the study areas and, information was collected using focus group discussion guide.

3.5 Sample size Determination

In order to determine the sample size required for the study, the researcher used the formula proposed by (Kothari, 1990). That is,

$$n = \frac{p\,q\,(Z\alpha/2)^2}{\varepsilon^2}$$ where, n is sample size

P is the proportion of youth, who are unemployed,

q is the proportion of youth, who are employed,

ε is marginal error, $\varepsilon = 5\%$ is accepted.

$Z\alpha/2$ = Confidence interval of at 95% is assumed ($Z\alpha/2 = 1.96$)

In order to determine the size of the sample, the proportion of youth who are unemployed at national level was considered for computing maximum possible size. According to CSA (2010), the proportion of unemployed youth in 2009 was 26%.

- The sample size was estimated, $n = (0.26)(0.74)\frac{(1.96)^2}{(0.05)^2}$

Where q =1-p, q=1- 0.26 = 0.74

n = 296

The above formula applies when sampling techniques is simple random sampling. But the study used multistage sampling techniques. As a result the calculated sample size should be adjusted by design effect factor (DEF); which is the ratio of actual variance under the sampling method actually used to the variance computed under the assumption of simple random sampling (Ariawan, 2005). For this study, DEF 2 was used. Hence, n adjusted = n ×DEFF, = 296 x 2 = 592

The overall sample size of the survey was also increased by 5% for non-response.

592 x 5% = 30

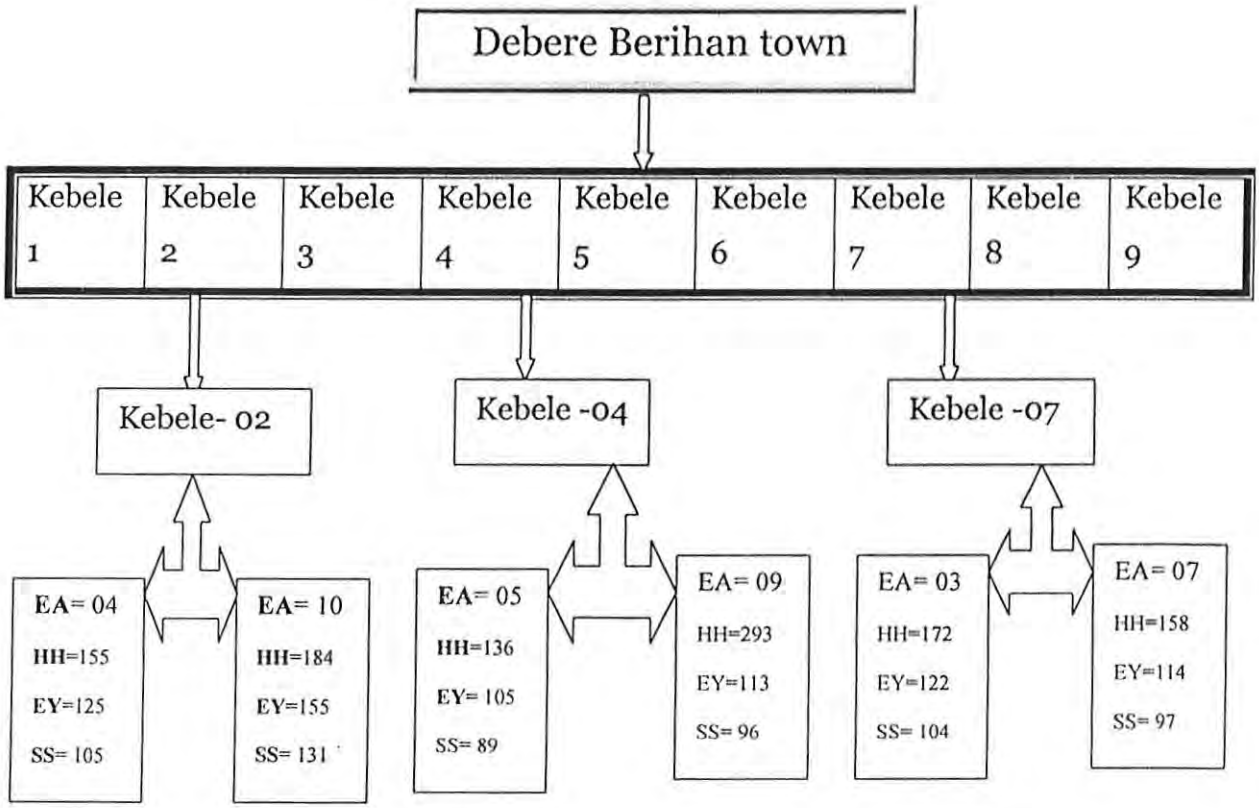
The total sample size of the study will be, 592 +30 = **622**

The sample size for each EA was allocated proportionally by using the formula:

$$n_a = N_a \frac{n}{N}$$

Where n_a is sample size allocated for enumeration area "a", N_a is the number of listed eligible youth in enumeration area "a", n is the total sample size (622), and N is the sum of all eligible youths listed in the six enumeration areas. Based on the above formula, sample sizes for each enumeration area were allocated. The overall sampling procedure was schematically presented in Figure3.1.

Figure3.1: Schematic Presentation of Sampling Procedure



HH= Households EY= Eligible Youth SS= Sample Selected EA= Enumeration Area

From the total sample size (622), the actually covered samples were 600. That means 96.5% of the selected samples were successfully covered in this study. The survey questionnaires were administered for 600 youths in the six enumerations areas. Data from twenty two respondents were not collected. Some of them had changed their place of residence or address, and others were gone to celebrate Christmas with their family.

3.6 Data Collection

3.6.1 Measurement Tools

The questionnaire, which consists of structured questions, was prepared to collect information on socio economic and demographic characteristics of the respondents. The questionnaires originally prepared in English and for ease of understanding by the enumerators and respondents were translated in to Amharic. The translated version of the questionnaires was tested in a pilot survey conducted in kebele 9 of the town. It helped to assess the content, clarity, and logical flow of the questions and the time needed on average to fill out a single questionnaire. Depending on the results of the pilot survey, the data collection instruments was finalized after making the necessary corrections and reorganizations.

3.6.2 Field Work

The field work was carried out by six enumerators and one supervisor having extensive experience in data collection of similar surveys. The researcher provided classroom training for one day and practical training for another day. The content of the training includes explaining objectives of the study, procedure of data collection, how to approach the respondents and respecting the consent and ethical values of the respondents. Trainees interviewed 2 to 3 youths outside the study area during the practical session for the purpose of familiarizing themselves with the data collection tools. After the practical sessions, a revision was done upon the problem they have faced in the field. Orientation was given to the supervisor on how to organize and supervise the data collection and techniques of detecting errors and correcting them on spot. The orientation was also focused on how to minimize non-response through system of revisiting and assure the quality of the data through observation of the interview, editing and re-interviewing sample of youths. FGD was conducted by the supervisor, a note taker with discussion participants. The content of the discussions includes factors of youth unemployment, affected population

group by the problem, and the possible solution forwarded by the participants. The actual data collection lasts 30 days (Dec.25/2010 - Jan.25/2011).

3.7 Method of Data Analysis

3.7.1 Quantitative data

During data collection, data quality checking was made on spot and data was entered after manual editing and coding was completed. CSPro was used to enter data mainly to minimize errors that could be committed during data entry. In order to control possible errors during data entry, a number of skip rules were employed in CSPro. The software allows consistency checking, double entry and data verification which is useful to keep the quality at higher level. It also allows exporting data to SPSS for analysis.

For the analysis, SPSS was used. Univariate analysis was done to describe the respondent's demographic and socio-economic characteristics and presented in a tabular and graphic form. And bivariate analysis was also used to examine the association between explanatory variables with the dependent variable youth employment status.

At the multivariate analysis, since the dependent variable is dichotomous, binary logistic regression model was fitted. Logistic regression was applied to examine the relationship between youth unemployment and a set of predictor variables. The logistic regression model explained:-

$$\log (P(i)/1-P(i))= \ln(odds) = B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+.....+B_nX_n$$

The corresponding multiplicative model for the odds is:-

$$P(i)/1-P(i)) = \exp^{Bo+B1X1+B2X2+B3X3+B4X4+.....+BnXn}$$

Where, P (i) is the probability that i^{th} respondent is unemployed and (1-P(i)) is the probability that the i^{th} respondent is employed at the time of the survey, B_i's are the

regression coefficients and the X_i's are the set of independent variables. From the B_i's the odds ratio is estimated as exp (B). The odds ratio is the factor by which the odds of unemployed change per unit change in the i^{th} independent variables, controlling the effects of other variables (Johnson and Wichern, 2007; Walker, 1996).

3.7.2 Qualitative data

In qualitative data analysis, familiarization of the data was achieved by reading the transcript and discussion notes. The themes were identified in line with the response to the key questions formulated prior to the FGD session. The quotes were sorted out, comparison was made and relation investigated. The data was indexed, mapped and interpreted.

3.8 Variable Descriptions

3.8.1 Dependent Variable

The dependent variable in this study was youth employment status. In the regression analysis, it was denoted by 1 if the respondent was unemployed; otherwise 0 if the respondent was employed at the time of the survey.

3.8.2 Independent Variables

1. Sex

Sex of a respondent is one of the variables that can be considered in the model, being categorized as (1) female (2) male. The reference category used in the model was male.

2. Migration status

Migration status is also expected to influence the employment status of a respondent. It was categorized as (1) migrant (2) non-migrant. Hence, in the regression analysis, the reference category was non-migrant.

3. Educational status

Educational status of a respondent refers to the highest grade level of a respondent completed rather than institutional participation. Categorization of such variable was done in such a way that it reflects the variation in the level of respondent's knowledge in supporting access to employment. Considering the educational system of the country, level of education of respondents was categorized in to 4 groups: (1) illiterate (no schooling), (2) primary (1-8), (3) secondary (9-12), and (4) above secondary education (includes college, university level education). The reference category used in the model was above secondary education.

4. Business Advisory Service

The variable refers to whether the respondent has got advisory services in the form of training, skill upgrading, entrepreneurial management and other services from government or NGO's. Accessibility to business advisory service is, therefore, expected to influence the employment status of a respondent, can be categorized as (1) not received business advisory services (2) received at least once. In the model, respondents who have received business advisory service at least once was taken as a reference category.

5. Job Preference

Job preference refers to the choice of a given job among various jobs available in the labour market, is expected to influence the employment status of a respondent. It was categorized as (1) preferring paid employment (in government or private institutions), (2) self employment, and (3) any available jobs in the labour market. In the model, preferring any available job was taken as a reference category.

6. Household income

Household income constitutes the gross earnings that a household has got on regularly basis (monthly) either in cash or in kind or both from paid employment, self employment, remittance, house rent, pension...etc. As other variables, household income, is also expected to influence the employment status of a respondent, can be categorized in to four groups using quartiles: - (1) less or equal to 400 birr, (2) 401-800 birr, (3) 801-1500 birr, and (4) above 1501 birr. In the model, the reference category was above 1501 birr.

7. Social Network Density

Social network density refers the number of persons such as friends, relatives...etc an individual would have in exchanging information about jobs available in the labour market using any form of communication channels. The density of the networks, is expected to influence the employment status of a respondent, can be considered in the model, being categorized as (1) no social networks, (2) social network less than 5 and, (3) social networks 5 and above. The reference category used in the model was social network 5 and above.

8. Father's Education

Father's educational status refers to the highest grade level a respondents' father completed at the time of the survey. The level of father's education is expected to influence the employment status of a respondent, and grouped in to (1) literate and (2) illiterate. In the regression model, illiterate was taken as a reference category.

9. Marital Status

Marital status is also expected to influence the employment status of a respondent. The variable was categorized as (1) ever married (includes currently married, divorced, widowed and separated) and (2) never married (single). The reference category in the model was never married (single).

10. Work Experience

The variable refers to whether a respondent had been engaged in productive works such as self employment, paid employment or others type of works prior to the survey date. The variable was categorized as (1) no work experience and (2) had work experience.

3.9 Ethics of the Research considered

In conducting a research, adhering to the principles of research ethics is indispensable. First, a letter written from the institute of population studies were submitted the town municipality in order to get permission to conduct the study. During this, the objectives of conducting the study was explained to the city municipality head. Secondly, respondents were informed about the objectives of the study and their response will be kept confidential and not used for purpose other than the objectives of the study. Thirdly, they were also informed that they have the right not to answer to any of the questions. Lastly, respondents were informed about the rights they have to know the results of the study. Further the name of respondents was avoided from the questionnaires. Thus, voluntary youths were participated in the study and questionnaires were administered to them based on their verbal consent

CHAPTER FOUR

RESULTS OF THE STUDY

4.1 Background Characteristics of Respondents

The survey has collected a wide range of information which is essential to the interpretation of the findings and the understanding of the results of the study on demographic and socio-economic determinants of youth unemployment. The background characteristics which include the demographic and socio-economic profile of respondents interviewed in the study area such as age, sex, migration status, marital status, education, social network density, business advisory services, household income, father education, job preference, work experience... etc are presented in this section using figures and tables.

4.1.1 Demographic Characteristics of Respondents

1. Sex of Respondents

One of the variables used to discuss the demographic characteristics of the respondents is sex. As presented in Table 4.1 among the respondents 55.2 percent were female while the remaining 44.8 percent were male.

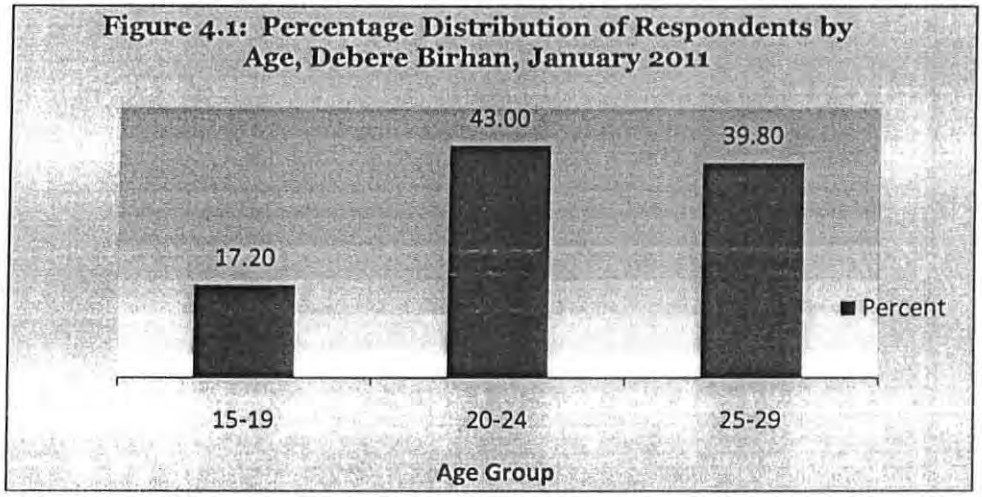
Table 4.1: Percentage Distribution of Respondents by Sex, Debere Birhan, January 2011

Sex	Number	Percent
Female	331	55.2
Male	269	44.8
Total	600	100

Source: Survey data

2. Age of Respondents

The age distribution of respondents included in the survey is presented in Figure 4.1. The highest proportion of respondents were found in the age group 20-24 (43 percent) and 25-29 (39.8 percent). The number of respondents in the age group 15 - 19 was 17.2 percent.



Source: Survey data.

3. Marital Status of Respondents

As indicated in Table 4.2, 71.3 percent of the respondents were never married and the remaining 28.7 percent were ever married (includes currently married, divorced, widowed and separated).

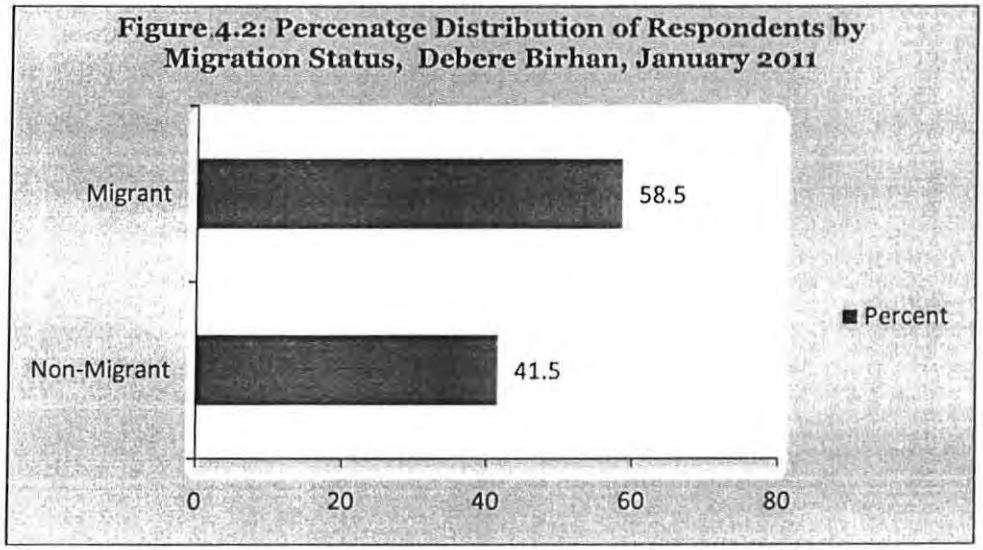
Table 4.2: Percentage Distribution Respondents by Marital Status, Debere Birhan, January 2011

Marital Status	Number	Percent
Ever Married	172	28.7
Never married	428	71.3
Total	600	100

Source: Survey data

4. Migration Status of Respondents

Respondents were asked about their migration status at the time of the survey. The response which is presented in Figure 4.2 shows that 58.5 percent of the respondents were migrants and 41.5 percent were non –migrants.

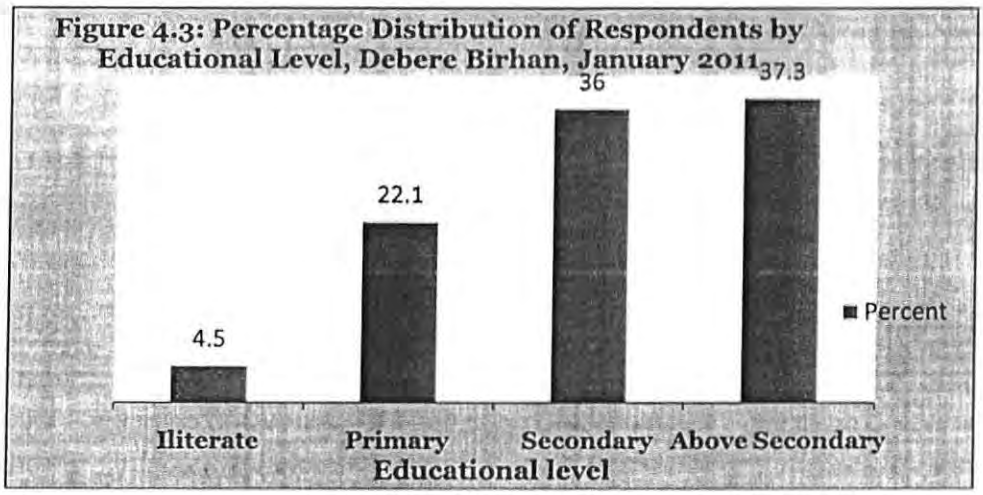


Source: Survey data

4.1.2 Socio-Economic Profile of Respondents

1. Educational level of Respondents

One of the variables used to discuss the socio-economic profile of respondents in this study is the educational level of the respondents. The distribution of respondents according to their educational level is presented in Figure 4.3. The data on the highest educational level of respondents illustrated that the higher proportion (37.3 percent) and (36 percent) of the respondents completed some higher education and secondary education, respectively. And 22.1 percent of the respondents attained primary education and a small proportion (4.5 percent) were illiterate.



Source: Survey data

2. Job Preferences of Respondents

Information was also collected about the type of job a respondent preferred to engage in the labour market. The data concerning job preference of respondents shows that about 33.7 percent of the respondents preferred paid employment in the formal sectors (private or government institutions), 34.8 percent preferred self employment and 31.5 percent preferred any available job (Table 4.3).

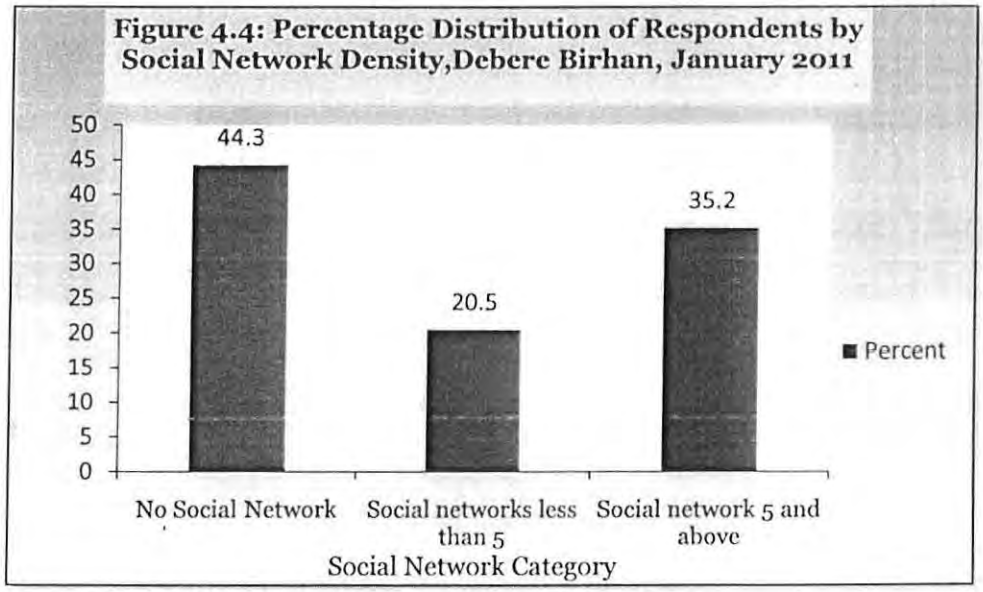
Table 4.3: Percentage Distribution of Respondents by Job Preferences

Type of Job Preferred	Number	Percent
Paid Employment *	202	33.7
Self Employment	209	34.8
Any Available Work	189	31.5
Total	600	100

* includes government and private employment
Source: Survey data

3. Social Network Density of Respondents

Regarding the density of the respondents' social network, data was collected from each respondent. As Figure 4.4 shows 44.3 percent had no social network, 35.2 percent had social network five and above and 20.5 percent of the respondents had social networks less than five.



Source: Survey data

4. Work Experience of Respondents

Respondents were also asked whether they had been engaged in any productive work or not prior to the survey date. The data indicated that 71.5 percent of the respondents had working experience or had been engaged in a productive work and 28.5 percent of the respondents had no work experience at the time of the survey (Table 4.4).

5. Business Advisory service status

Business Advisory service status is another socio-economic characteristic of respondents. According to the collected data, 72.5 percent of the respondents did not get any kind of business advisory service, while 27.5 percent received advisory services at least once and above prior to survey period (Table 4.4).

6. Father's Educational status

Survey participants were asked about the educational status of their father. As Table 4.4 depicts 39 percent respondents' fathers were illiterate and 61 percent respondents' fathers were literate.

7. Household Income

With regard to household income, 28.0 percent, 25.2 percent, 24 percent and 22.8 percent of the study respondents live in household monthly income of less than or equal to 400 birr, 401-800 birr, 801-1500 birr and, above 1501 birr, respectively (Table 4.4).

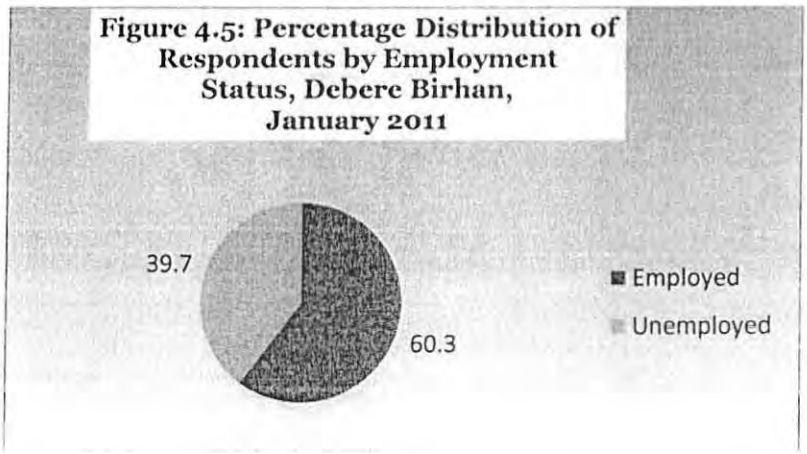
Table4.4: Percentage Distribution Respondents by Work Experience, Business Advisory Services and Father Education, and Work Experience, Debere Birhan, January 2011

Work Experience	Number	Percent
No work Experience	171	28.5
Had Work Experience	429	71.5
Total	600	100
Business Advisory Service		
Not Received at all	435	72.5
Received once & more	165	27.5
Total	600	100
Fathers' Education		
Illiterate	234	39.0
Literate	366	61.0
Total	600	100
Household Income per month		
<=400 birr	168	28.0
401-800 birr	151	25.2
801-1500 birr	144	24.0
>=1501 birr	137	22.8
Total	600	100

Source: Survey data

8. Employment Status of Respondents

In the study, respondents were also asked about their employment status in the last seven days prior to the survey date. As figure 4.5 shows out of the 600 respondents, the majority of the respondents (60.3 percent) were employed. The rest of the respondents (39.7 percent) were found unemployed at the time of the survey.



Source: Survey data

4.2. Differentials and Determinants of Youth Unemployment

There are different methods of assessing the association between two variables. Pearson Chi-square test is one way for examining a bi-variate relationship. It measures the degree of association between a given independent variable and the dependent variable keeping the effect of the other variable constant (Montgomery and Peck, 1992). For all demographic and socio-economic predictor variables such as sex, migration status, marital status, education, social network density, work experience, household income, job preference, business advisory services, and father education taking one at a time, a test of association was carried out using the chi-square test.

4.2.1 Bi-Variate Analysis (Differentials of Youth Unemployment)

1. Demographic Factors Associated with Youth Unemployment

Sex of a respondent is one of the demographic variables that was found to be related to employment status. The relationships between sex and youth employment status illustrates that among 331 females included in the sample, 47.7 percent were unemployed while 30.5 percent of males among 269 total male subjects were unemployed (Table 4.5). This shows that female unemployment is higher than male unemployment. The chi-square test indicates a statistically significant association between sex and employment status ($x^2 = 9.133$, $P < 0.001$, $df = 1$).

Respondents were asked about their migration status at the time of the survey. Based on their response, the difference in youth employment status was examined. In connection with this (Table 4.5), migrant youths showed a higher percentage of unemployment in the town compared to non-migrant (44.2 percent Vs 33.2 percent). The difference was statistically significant ($x^2 = 7.134$, $P < 0.01$, $df = 1$).

As far as the relationship between marital status and youth employment status is concerned, the percentage of unemployment was higher for ever married youths (46.5 percent) than never married youth (36.9 percent) (Table4.5). The test of association was significant ($x^2 = 4.721$, $P < 0.05$, $df = 1$).

Table 4.5: Chi-Square test result of the association between Youth Employment status and Demographic variables, Debere Birhan, January 2011

Variables	Employment Status		Total	X^2- test	P-value
	Employed	Unemployed			
Sex				17.183	**0.000**
Female	52.9% (175)	47.1% (156)	100% (331)		
Male	69.5% (187)	30.5% (82)	100% (269)		
Migration Status				7.134	**0.008**
Migrant	55.8% (196)	44.2% (155)	100% (351)		
Non-Migrant	66.7% (166)	33.3% (83)	100% (249)		
Marital Status				4.721	**0.030**
Ever Married	53.5% (92)	46.5% (80)	100%(172)		
Never married	63.1% (270)	36.9% (158)	100% (428)		

Source: Survey data

2. Socio-Economic Differentials of Youth Unemployment

Education plays an important role for employment. As shown in Table 4.6, the relationship between educational level of youth and employment status illustrates that unemployment was higher among those respondents who are illiterate (51.9 percent), having primary level (48.1 percent) and secondary level education 47.2 percent but it was lower among those respondents having above secondary level (higher) education (25.9 percent). In general, as the educational level of youth increased, youth unemployment decreased. The Pearson chi-square test confirmed that the association was statistically significant ($x^2 = 28.556$, $P < 0.001$, $df = 3$).

The relationship between youth employment status and access to business advisory services was found to be statistically significant. Table 4.6 also presents the differentials in youth employment status with business advisory service status. It indicates that youth unemployment was higher (43.9 percent) among those respondents who did not receive or get advisory service prior to the survey date than those respondents who had received once and above (28.5 percent). The bi-variate analysis also reveals the association was statistically significant ($x^2 = 11.890$, $P < 0.05$, $df = 1$).

As far as the relationship between respondents fathers' educational status and youth employment status is concerned, the percentage of unemployment was higher (45.3 percent) among those respondents whose fathers' were illiterate than those respondents whose fathers' were literate (36.1 percent). The test of association was significant ($x^2 = 5.085$, $P < 0.05$, $df = 1$).

Job preference is another socio-economic characteristic related to youth employment status. As explained in various literatures (Okojie, 2003; Haji, 2007), a substantial proportion of young people prefer to work in the formal sectors. In this regard, as shown in Table 4.6, 45 percent of the unemployed respondents preferred to work in the formal sectors (government and private institutions) as paid workers

and those who prefer to engage in self employment were 30.6 percent. The test of association result indicate the existence of a statistically significant association between job preference and youth employment status (x^2= 11.015, P <0.05, df = 2).

Social network density of a respondent is one of the social capitals related to youth employment status. As shown in Table 4. 6, among the unemployed youth, 47.9 percent had no social networks; and 41.5 percent of the respondents had weak social network (less than 5) as compared with those who had strong social networks five and above (28.4 percent). The bi-variate analysis revealed the existence of an association between social network density and youth employment status (x^2 = 18.538, P < 0.001, df = 2).

Regarding household income and youth employment status, statistically significant association was found between the two. Of the total respondents, 46.4 percent, 39.7 percent, and 40.3 percent of the unemployed youth lived in a household earning less than or equal to 400 birr, 401-800 birr, 801-1500 birr, respectively as compared with unemployed youth who lived in a household earning above 1500 birr per month (30.7 percent). As the income of the household increases, the risks of being unemployed would decrease since families could afford or invest on further education and training of their sons or daughters. The chi-square test exhibited a significant association between household income and youth employment status at (x^2 = 7.879, P < 0.05, df=3).

Table 4.6: Chi-Square test result of association between Youth Employment Status and Socio-Economic predictors, Debere Birhan, January 2011

Variables	Employment Status		Total	X^2- test	P- value
	Employed	Unemployed			
Education				28.556	**0.000**
Illiterates	48.1% (13)	51.9% (14)	100% (27)		
Primary	51.9% (69)	48.1% (64)	100% (133)		
Secondary	52.8% (114)	47.2% (102)	100%(216)		
Above Secondary	74.1% (166)	25.9% (58)	100%(224)		
Business Advisory Service				11.890	**0.001**
Not Received	56.1% (244)	43.9% (191)	100% (435)		
Received once and above	71.5% (118)	28.5% (47)	100% (165)		
Father Education				5.085	**0.024**
Illiterate	54.7% (128)	45.3% (106)	100% (234)		
Literate	63.9% (234)	36.1% (132)	100% (366)		
Job Preference				11.015	**0.004**
Paid Employment	55.0% (111)	45.0% (91)	100% (202)		
Self Employment	69.4% (145)	30.6% (64)	100% (209)		
Any Available Work	56.1% (106)	43.9% (83)	100% (189)		
Social Network Density				18.538	**0.000**
No Social network	52.3% (139)	47.9% (127)	100% (266)		
social network less than 5	48.5% (72)	41.5%(51)	100% (123)		
Social network 5 and above	71.6% (151)	28.4% (61)	100% (211)		
Household Income				7.879	**0.049**
<=400 birr	53.6%(90)	46.4% (78)	100%(168)		
401-800 birr	60.3% (91)	39.7% (60)	100% (151)		
801-1500 birr	59.7% (86)	40.3% (58)	100% (144)		
>=1501 birr	69.3% (95)	30.7% (42)	100% (137)		

Source: Survey data

4.2.2 Determinants of Youth Unemployment (Multivariate Analysis)

Besides bi-variate analysis, the demographic and socio-economic determinants of youth unemployment were examined using logistics regression model since the dependent variable is dichotomous. Binary logistic regression model is the multivariate statistical tool used to analyze the relationship between the dependent variable (youth employment status) and the predictor variables; namely sex, migration status, marital status, education, business advisory services, household income, job preference, social network density, and father education.

The logistic regression model predicts the log odds (youth unemployment Vs employment) of the dependent variable. The model is expressed by:-

$$\log (P/1-P) = B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+.....+B_kX_k$$

Where, P is the predicted probability of the event unemployed coded with 1 and 0 otherwise. The regression coefficient together with their sign indicates the magnitude and direction of the effect in the log odds, being the category of interest of response variable for a unit of increase in the predictor variable. And exp (B_i) is the estimated multiplicative change in the odds for a unit of increase in the predictors, controlling the effects of others (Johnson and Wichern, 2007; Walker, 1996). A positive predicative coefficient (B>1) means the predicted odds increases as the predictor value increases, and a negative coefficient (B<1) indicates that the predicted odds decrease as the predictor value increases. Hence, if the value of the odds ratio exp (B) is >1, the chance of unemployment is higher for a member of the group in relation to the reference category. An odd ratio of less than 1 indicates lower chance of unemployment in relation to the reference category.

Before estimating the chance of the event using binary logistic regression model, goodness of fit of the model and multicollinearity diagnoses were made.

1. Multicollinearity Effects

Multicollinearity in logistic regression is a result of strong inter-correlation among the predictor variables (Montgomery and Peck, 1992; Garson, 2009). To assess multicollinearity effect in the model, bi-variate correlation analysis, Variance Inflation Factor (VIF) and Tolerance was used. Kendall's tau bi-variate correlation is one of the techniques used to detect inter-relationships between explanatory variables. Based on the values of r, the existence of multicollinearity is known. The result of bi-variate correlation analysis shows that there is no strong association between the explanatory variables (See Annex II).

Besides, the effect of multicollnearity can also be tested by using Variance Inflation Factor (VIF) and Tolerance. Tolerance is 1-R2 (coefficient of determination) for the regression variable on all other independent variable, ignoring the dependent variable (Garson, 2009). The higher the inter correlation of predictor variables, the Tolerance estimate approach to 0 (zero); when the inter correlation gets lower, the estimate approach to 1 (one). VIF is the reciprocal of Tolerance (1/ 1- R2). The VIF >=4 is an arbitrary but common cutoff criteria for deciding a given independent variable display multicollinearity effect. When the VIF value of a given independent variable exceeds 4, the variable reflects multicollinearity problem.

In this study, the estimate of Tolerance and VIF was done using multiple linear regression analysis for all independent variables. The values of VIF were found less than 4 and Tolerance was more than 0.6 (approach to 1) for the predictors (see Annex II). Hence, multicollinearity is not a threat for the estimation of the results of the dependent variable based on the independent variable.

2. Goodness of Fit

One of the techniques used to assess the goodness of fit of a model is Hosmer and Lemeshow test. The test is used to accept or reject the alternative hypothesis "the model adequately describes the data". If the significance level of the test is less than

0.05, it indicates that the alternative hypothesis is rejected and the null hypothesis which states the inadequacy of the model to describe the data is accepted. In the case of this study, the significance level of the test was found to be 0.398 (see Annex II). Thus, the alternative hypothesis which states that the model is adequate to describe the data was accepted.

Application of binary logistic regression in this study is based on the dependent variable (unemployment) is coded as 1 if the respondent is unemployed and a value of 0 if the respondent is employed. The enter method was used and sets of explanatory variables which are found significant in the bi-variate analysis: namely sex, migration, education, business advisory service, job preference, household income, social network density, father education and marital status were entered in to the model. The result of logistic regression is presented in Table 4.7.

4.2.2.1 Demographic Determinants of Youth Unemployment

1. Sex

As various studies found (Halleröd and Westberg, 2006; Li, 2009), it appears that sex was significantly related with youth employment status. In the regression analysis, it was found out that the relative risk of being unemployed for female was 1.7 times higher than that of males (Table 4.7). The regression coefficient between sex and youth unemployment was significant at $p < 0.01$.

2. Migration Status

Migration status was the other demographic factor that significantly influenced youth employment status in the study area. As indicated in Table 4.7, the likelihood of being unemployed for migrants was 1.6 times higher than non-migrants. The regression coefficient between migration and youth unemployment was significant at $p < 0.05$.

3. Marital Status

As far as the marital status of youth is concerned, the relative risks of being unemployed for ever married youth was 1.3 higher compared to those of the never married youth. However, the relationship between marital status and youth employment was not statistically significant.

Table 4.7: Logistic Regression Results of the Effects of Predictor Variables

Variables	Category	B	S.E.	Wald	df	Sig.	Exp(B)
Sex	Female	.521	.188	7.652	1	**0.006***	1.683
	Male (RC)						
Migration	Migrant	.464	.190	5.964	1	**0.015****	1.590
	Non-Migrant (RC)						
Education	Illiterate	.601	.464	1.677	1	0.195	1.823
	Primary	.718	.270	7.063	1	**0.008***	2.051
	Secondary	.911	.232	15.468	1	**0.000*****	2.487
	Above Secondary RC						
Business Advisory Service	Not Received	.470	.214	4.794	1	**0.029****	1.599
	Received (RC)						
Job Preference	Paid Employment	.387	.224	2.989	1	**0.084******	1.473
	Self Employment	-.295	.226	1.710	1	0.191	.744
	Any Available job RC						
Household Income	< = 400 birr	.157	.284	.305	1	0.581	1.170
	401-800 birr	.200	.278	.519	1	0.471	1.221
	801-1500 birr	.368	.278	1.755	1	0.185	1.445
	> 1500 birr (RC)						
Social Network Density	No Social Network	.523	.211	6.166	1	**0.013****	1.687
	Social network less than five	.550	.253	4.716	1	**0.030****	1.733
	Social network five and above (RC)						
Father Education	Literate	-.122	.192	.403	1	0.526	.885
	Illiterate (RC)						
Marital Status	Ever Married	.288	.206	1.952	1	0.162	1.333
	Never Married (RC)						
	Constant	-2.471	.418	34.938	1	0.000	.085

* P < 0.01, ** P < 0.05, *** P<0.001, ****P<0.1, RC- reference category
Source: Survey data

4.2.2.2 Socio-Economic Determinants of Youth Unemployment

1. Education

Educational level of an individual would affect his/her employment opportunity. People with the most human capital are said to be the most productive, and thus secure the best jobs and the highest salaries (Schultz, 1961). On the other hand when the necessary skills and knowledge lack, the chance of being unemployed is high. The findings of this study support this idea, having lower level of education increases the odds of unemployed. The relative risks of being unemployed was 2 times higher for those respondents who had primary level education as compared with those who had above secondary education (higher education), and the association was significant at ($P < 0.01$).

Similarly, Table 4.7 shows that the likelihood of being unemployed was 2.5 times higher for those respondents who had secondary level of education as compared with those who had above secondary level of education. And the result was statistically significant at $P < 0.001$. Besides, the probability of unemployment for illiterate respondents was 1. 5 times higher than those who had above secondary level of education in the reference category. However, the level of association was statistically insignificant.

2. Business Advisory Service

As far as accessing business advisory service is concerned, those respondents who did not get business advisory services were likely to be unemployed as compared to those who had got. The likelihood of being unemployed for those who did not get the service was 1.6 times higher than those who got the service. The relationship was significant at $p < 0.05$.

3. Job Preferences

Job preference has a significant effect on the likelihood of youth employment status. As Okojie (2003) found out educated youth prefer wage jobs in the formal sector and would prefer to remain unemployed until they get the type of job they prefer. This study also shows that preference of paid employment in private or in the government institutions would increases the odds of unemployment. The likelihood of being unemployed for those respondents who preferred paid employment in the formal sectors was 1.5 times higher as compared to those who preferred any available job in the labour market. The relationship was statistically significant ($p < 0.1$). On other hand, those respondents who preferred self employment would reduce the relative risk of being unemployed by 24.2 percent than those who preferred any available jobs in the labour market. But, the relationship between the choice of self employment and any available job was not statistically significant.

4. Household Income

Household income is expected to influence the employment status of youth in the study area. Unexpectedly, household income had no significant effect on youth unemployment in Debere Birhan. Though, the relationship was not significant, the likelihood of unemployment for those youth who lived in a household earning monthly income birr < = 400, 401-800, and 801-1500 per months was 1.17, 1.22 and 1.5 times higher than those who lived in a household earning monthly income above 1500 birr (Table 4.7).

5. Social Network Density

Social networks are key to find a job in urban areas (Lange and Martin, 1993). Youth who do not utilize personal networks could miss job opportunities available through personal networks. The lack of social network could increases the risk of unemployment. The findings of this study confirm the underline statement that lack of social network increases the odds of unemployment. It indicate the relative risks

of unemployment for youth who had no social network with other people were 1.69 times higher as compared to those who had social networks five and above. The association was statistically significant at $P< 0.05$. Moreover, the likelihood of being unemployed for those youth who had social networks less than five was 1.73 times higher as compared to those youth who had social networks five and above. The association was statistically significant at $P < 0.05$.

6. Father Education

With regard to the educational status of the fathers of the youth, the likelihood of being unemployed was lower by 10 percent for those youth whose fathers were literate compared to those whose father were illiterate (Table 4.7). However, the association was not statistically significant.

CHAPTER FIVE

DISCUSSIONS OF THE MAJOR FINDINGS

1. Females are less employed than Males

Different researchers (Mlatsheni and Rospabé, 2002; Guracello and Rosati, 2007) noted that unemployment is more severe for female than for male. The result of this study shows that the risk of unemployment is higher for female than for male, and thus confirming the stated hypothesis in the relationship between sex and youth unemployment. In addition, information obtained from the focus group discussions also confirmed the findings obtained from household survey. FGD participants stated that:

> Here in Debere Birhan, due to low level of education, high responsibility for domestic activities, perception of females about themselves, lack of entrepreneurship training, and other factors, made females less employed than males.

Thus, the risks of being unemployed for young females in Debere Birhan is higher than males.

2. Migrants are more unemployed than non-migrants

Migration of youth towards urban areas from rural areas could exacerbate the problem of unemployment. In this study, migrants who came from different areas face the main challenge of unemployment in the town. The findings of this study thus showed consistency with the finding of other scholars (Anh *et al*, 2005; Todaro, 1994). It seems that non-migrants may have better opportunity for education and other advantages, while migrants particularly from rural areas who had low level of education coupled with weak social networks could increase their risks of being

unemployed. A statement obtained from the FGD participants also support the underlined argument. They stated that:

> Due to the expansion of socio-economic sectors, young people migrated towards the town in search of employment opportunities, education and other services. These days it is common to see new faces in the center of the town referred as '**piassa**', which is the area of daily laborers. These new job seekers definitely had come from the surrounding areas in particular from rural kebeles to look for jobs.

The statement given by the FGD participants and the findings of the survey confirmed the hypothesis which states the risks of unemployment is higher for migrants than non-migrants.

3. Lower educational level of youth related with higher risks of Unemployment

Much has been said about the importance of education for employment. Salvador and Killinger (2008), World Bank (2009), and Okojie (2003) stated that unemployment rate of less educated youth tends to be higher as compared to more educated youth. At 1% significant level, the risk of unemployment is higher among respondents who had lower level of education particularly primary and secondary school graduates as compared to respondents who had above secondary education. The possible explanation for this, according to ILO (2004a), Okojie (2003), and Hassen (2005) is the lack of knowledge and employable skills required by the labour market. Confirming this statement, FGD discussants also noted the following:

> Currently, higher numbers of unemployed youth have been observed among secondary school students in the town, including us. Some of us completed grade 10 and grade 12, but we did not get any employment opportunity in various socio-economic sectors of the town. At this level of education, we do not have sufficient knowledge, skills and experience required in the market.

> With this low level of human capital, we join the labor market and wasted our productive time.

Thus, the hypothesis which states education negatively correlate with unemployment i.e. youth who had lower level of education is less employed compared to those who had completed above secondary level of education is confirmed.

4. Weak Social Network density related with higher risks of Youth Unemployment

Social network is one of the social capitals that significantly influence youth unemployment. According to Granovetter (1983), individuals with weak ties will be deprived of information and this makes them at disadvantage position in the labour market. This implies that individuals with better social network could get benefits in the labour market, while others could not. The finding of this study shows that unemployment was higher among youths who had weak social networks as compared to youth who had strong social networks. The reason behind for this is that social networks increase the accessibility of information regarding jobs and areas of job opportunities. FGD participants also firmly noted the advantage of social network in finding employment. They stated that:

> These days, obtaining employment has become difficult unless you have relatives, friends, good social communication, and social networks. Most of us do not have adequate social networks for searching employment as a result of the closed social and cultural settings we have grown, lack of motivation and discouraged in search of jobs. We missed a number of jobs that came through personal networks.

As discussed above, the possession of weak social network increases the risks of being unemployed. Thus, the hypothesis which states youth who have weak social networks have higher chance of being unemployed as compared to youth who have strong social network is also confirmed.

5. Lack of Business Advisory Services related with higher risks of Youth Unemployment

Access to business advisory services was also found significantly related to youth unemployment. The service help youth to find jobs, provides access to a work place for entrepreneurs, skills development, and counseling services (Klugman, 2005). However, lack of such services increases the likelihood of being unemployed (Haji, 2007). The findings of this survey indicated that 72.5 percent of youth did not get any form of advisory services. The deficiency of the service could have a significant impact on youth employment. The regression analysis displayed the risk of unemployment was higher for those youth who did not get any form of advisory service as compared to those who had got. Accordingly, all of the FGD participants noted that:

> In the town, we have seen that trained youth create their own jobs and work in other enterprises. However, all of us did not participate in such training or service in the past. Because the service is not easily accessible, the institution plan for small number of persons, and the timing of the services is not known. Due to such factors, accessing advisory service is difficult.

6. Job Preference related with increased risk of Youth Unemployment

A number of scholars Echebiri (2005), Okojie (2003) and Rahman (2004) noted that young and potentially active individuals prefer jobs in the formal sectors and would prefer to remain unemployed until they get the type of job they prefer. The findings of this survey indicates that one third of the respondents preferred paid employment in the government or private sectors, thus, youth who preferred paid employment were unemployed compared to others. Confirming this, FGD discussants remarked the following:

> Preferring decent and productive work is the unique character of youth. Most of us, here, prefer to work in the formal sectors particularly in the government office because of job security, safe working place, and optimum working hours. Besides, our role model were our brothers and sisters who are working in the government institutions and they have a big influence on us.

In general, the finding of the study indicates that young people are the disadvantaged group of the population in the town.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary

In this study, an attempt has been made to explore the demographic and socio-economic determinants of youth unemployment in Debere Birhan town, North Showa Zone, Amhara National Regional State. The survey is cross sectional by design, and largely used primary data obtained through conducting household survey. In order to assess the determinant factors of youth unemployment, data on the demographic and socioeconomic characteristics of youth were collected from 600 respondents. The samples were selected by using multistage sampling design and the data were analyzed by using univariate, bivariate and multivariate methods.

The distribution of sample respondents by age and sex shows that the majorities (60.2 percent) of the respondents were found below age 25 and more than half the respondents were females. Among the total number of respondents, migrants constituted the higher percentage (58.5 percent). With regard to educational level of respondents, nearly two thirds of them had completed secondary and below education. Regarding access to business advisory services, about three-fourth of the respondents did not get the service. The social network density of respondents demonstrated that almost two thirds of the respondents had weak social network density. Data on job preference depicts that one third of the respondents preferred to work in the formal sectors (private and government institutions) of the economy. The percentage of youth who had no work experience was very small. Most of the respondents lived in a household earning a monthly income below 1500 birr and also their marital status shows higher percentage of them were never married. Concerning the employment status of survey participants, 39.7 percent of the respondents were found unemployed and 60.3 percent were employed at the time of the survey.

The differentials of youth unemployment were also analyzed in relation to demographic and socio-economic variables using bi-variate analysis. As far as sex is concerned, females were at disadvantage in their employment. When compared with male, the percentage of unemployed female was higher. Unemployment also affects youth who has come from other areas to Debere Birhan. High unemployment was observed among migrant respondents (44.2 percent) than non-migrant respondents. With regard to youth educational level, respondents who had primary and secondary level of education were not employed in jobs available in the labour market of the study area. Youth who had no access to business advisory services were unemployed than others who had access the service. In relation to social networks, unemployment was higher among youth who had no social networks as compared to others who had social networks. The sample respondents who lived in a household earning monthly income of less than 1500 birr were not employed. Youth who preferred paid employment in the formal sectors were found unemployed as compared to others. The educational status of respondents' father illustrated that unemployment was higher among respondents whose father were illiterate. Concerning the marital status of respondents, ever married youth were unemployed as compared to never married youth.

The multivariate analysis shows that sex of a respondent and migration statuses, among the demographic variables were significantly related to youth unemployment. The relative risk of unemployment was found to be higher for females than for males. And also, compared to non-migrants the likelihood of being unemployed was higher for migrants.

From the socio-economic variables included in the model, education, social network density, business advisory services and job preference were found to be significantly related to youth unemployment. The relative risk of unemployment was high for those respondents who had primary and secondary level of education; youth who

had no or weak social network; respondents who had no access to business advisory service; and participants who prefer paid employment in the formal sectors. At 5% level of confidence, household income, marital status, and fathers' educational status were found to be insignificant.

In general, most of the predictor variables included in the regression analysis showed significant effect on youth unemployment in the expected direction, as it is confirmed in most of the research works.

6.2 Conclusions

Unemployment is one of the challenging socio-economic problems that affect all people in the working age group. The problem is so severe among the young people in countries of the world, particularly in the developing countries. The existence of high youth unemployment rate is an indication of failure in utilizing human capital, which is an important asset for economic development. Though, the youth are an indispensable asset for economic prosperity and social security; they have been detached from the labour market, and as a result their energy and talent have been wasted and their contribution for development is neglected due to social, economic, and demographic factors. Currently, addressing youth unemployment becomes an important development and political agenda of several states.

The issue of youth unemployment is the outcome of different socio-economic and demographic factors. As indicated in the theoretical approach and emphasized in the findings, demographic factors play a decisive role in determining youth employment. In this vein, from the youth covered in this study, females are more unemployed as compared to males. Further, migrants are also not employed in various socio-economic sectors of the town.

On the other hand, socio-economic characteristics of the youth also contribute to unemployment. The possession of low human and social capitals reduces the

employment of respondents. This can be inferred from the findings that lower educational level, and limited social network density significantly increases the likelihood of youth unemployment. That is, unless the youth increase their education and make education relevant to the labour market, increase their social networks, unemployment continues to affect them.

The availability of inadequate business advisory services to the young people significantly influences the employment status of youth. Based on the findings, it is possible to conclude that the relative risk of unemployment is higher for youth who have no access to the service. Besides, preferring jobs in the formal sector also affects the employment status of youth. Thus, youth who prefer paid employment in the formal sectors have higher likelihood of unemployment.

Generally, demographic factors coupled with socio-economic attributes, reduces the chance of employment opportunities of the young people. As a result, individuals, families, societies in particular and the country in general, are expected to pay social and economic costs of youth unemployment.

6.3 Recommendations

Based on the findings of the study, the following points are recommended to reduce the unemployment of young people in urban areas.

- Empower females and increase their participation. As females are more vulnerable to unemployment, efforts made by the government and other organization to empower them should be further enhanced and increase their participation through promoting equal opportunities for young men and women; organizing them in to cooperatives, and provide credit and training so as to facilitate their entry into business and entrepreneurship; improving awareness family heads about females; education and skills enhancement.

- Encouraging youth to improve their educational level. Achieving higher educational level is found to be significantly related to lower unemployment risks. This calls for the importance of encouraging the youth to improve or continue their education. But, for those youth who are unable to continue their education, government and NGOs should design a strategy such as funding their education, provide opportunities in government educational institution and, initiate private educational institutions to give chance for youth.

- Improving the accessibility and quality of business advisory services. The achievement of getting productive work is also the functions of quality business advisory services. Thus, improving the quality and accessibility of the service is indispensable to employment. One of the ways of improving the accessibility of the services is encouraging NGO's and other private institutions to participate in making the service available at lower administrative level; capacitating the existing service provider institutions through trained manpower, finance and materials.

- Encourage youth to increase their social network. Social networks are key to find jobs in urban areas. Having higher density of social network increases the chance of getting new information about job opportunities available in the residential areas as well as outside the area. In order to increase the social networks; educating youth to bring change in their social communication habits using public and private media, encourage them to use and access internet, mobile telephone; participate in youth related activities, visit and ask private employment agencies, friends, and relatives is suggested.

- Improving the awareness of youth towards jobs. Preferring jobs only in the formal sectors particularly jobs in government offices increases the likelihood of being unemployed. Thus, to improve the awareness of youth advocating the importance of self employment by using role models; enabling youth to bring attitudinal change through education by organizing awareness creation programs is necessary.

- Addressing the problem of migrants. As shown in the finding, migrants are the victims of unemployment in town. Though, identifying the pushing factors of migrants is out of the scope of the study, it is important to note the continuous drift of youth may worsen the unemployment situation in urban areas, and the social and economic costs would be high. Thus, identifying the pushing factors of young migrants and setting solutions is valuable.

- Lastly, further research should be conducted on:

  - The consequence of youth unemployment should also be investigated as the high rate of unemployment exists in the country. This may help policy makers and other concerned bodies to understand the nature and extent of the problem.

  - Unemployment is an outcome of micro and macro economic factors. In this study emphasis is given to demographic and socioeconomic

determinants of youth unemployment at micro level. Even though, it is out of the scope of the study, macroeconomic factors also play a significant role in determining youth employment. Therefore, future inquiry on macroeconomic factors is valuable.

- Some of the variables namely household income and others were found insignificant in determining youth employment in the model. Hence, conducting similar research with larger sample size will help to further understand youth unemployment.

REFERENCES

Adenikinju, A. and Oyeranti, O. (2004). Characteristics and Behavior of African Factor Markets and Market Institutions: Their Consequences for Economic Growth. University of Ibadan, Ibadan.

Anh, D., Duong, L. and Van, N. (2005). Youth Employment in Vietnam: characteristic, Determinants and policy Responses. Employment strategy Papers. ILO, Geneva.

Ariawan Iwan (2005). Course Materials for International Course on Biostatistics. University of Indonesia. University press. Jakarta.

Barros, C. and Alves, F.M. (2003). Human Capital Theory and Social Capital Theory on Sports Management. Sociological Review, Vol. 9, No. 3. Pp (218-227).

Becker, G. S. (1964). Human capital: a Theoretical and Empirical Analysis. National Bureau of Economic Research, New York.

Bell, D. and Blanchflower, D.(2010). Youth Unemployment. Discussion Paper No. 4705. University of Stirling, Frankfurt.

Berhanu, D., Abraham T. and Hannah D. (2005).Characteristics and Determinants of Youth Unemployment, Underemployment and Inadequate Employment in Ethiopia. ILO, Geneva.

Boudarbat, B. and Chernoff, C. (2009). The Determinants of Education-Job Match Among Canadian University Graduates. Discussion Paper, No. 4513, Munich.

Chigunta Francis (2002). The Socio-economic Situation of Youth in Africa: Problems, Prospects and Options. Journal of Economics, vol.1, pp (1-29).

Coleman, J. C. (1990). Foundations of Social Theory. Harvard University printing Press, Cambridge.

Curtain, R. (2004). Indicators and measures of youth unemployment: Major Limitations and Alternatives. National Institute for Governance, University of Canberra, Australia.

CSA (1999). The 1999 National Labour Force Survey. Addis Ababa.

_____(1995). The 1994 Population and Housing Census of Ethiopia: Results for Amhara Region, Vol., I, part I, Statistical Report on Population Size and Characteristics, Addis Ababa.

(2004a). Urban Bi-Annual Employment and Unemployment Survey on 2003. Addis Ababa.

_____ (2004b). Urban Bi-Annual Employment and Unemployment Survey on 2004. Addis Ababa.

_____ (2006a). The 2005 National Labour Force Survey. Addis Ababa.

_____(2006b). The 2006 Urban Employment and Unemployment Survey. Addis Ababa.

_____ (2008). Summary and Statistical Report of the 2007 population and Housing Census. Population Size by Age and Sex. Addis Ababa.

_____ (2010a). Analytical Report on the 2009 Urban Employment and Unemployment Survey. Addis Ababa.

_____ (2010b). Analytical Report on the 2010 Urban Employment and Unemployment Survey. Addis Ababa.

_____ (2010c). The 2007 Population and Housing Census of Ethiopia Results for Amhara Region: Part I. Statistical Report on Population Size and Characteristics. Addis Ababa.

_____ (2010d). The 2007 Population and Housing Census of Ethiopia Results for Amhara Region: Part II. Statistical Report on Educational Characteristics and Economic Activity Status. Addis Ababa.

DBM (2010). Annual Investment Report: 2006-2010. Debre Birhan Municipality, Debere Birhan (Unpublished).

Dike Victor (2009). Addressing Youth Unemployment and Poverty in Nigeria: A Call for Action, Not Rhetoric. Journal of Sustainable Development in Africa, Volume 11, No.3, pp (129-151).

Doeringer, P., and Piore, M. (1975). Unemployment and the Dual Labour Market. Journal of Economics, The Public Interest, 38: (67-79).

Echebiri, R.N. (2005). Characteristics and Determinants of Urban Youth Unemployment in Umuahia, Nigeria: Implications for Rural Development and Alternative Labour Market Variables. Okpara University of Agriculture, Umuahia, Abia State.

Fadayomi, T.O. (1992). Migration Development and Urbanization Policies in Sub-Saharan Africa. Codesria Books Series, Ibadan.

Fredriksson, J. and Kanabus, A. (2004). The Impact of HIV and AIDS on Africa. West Sussex. England.

FADF (2006). Youth and Economic Development in Africa: Youth and Leadership in the 21st Century. An Issues Paper, Addis Ababa, Ethiopia.

Garson ,G. D. (2009). Multiple Regression : Statistical Notes. North Caroline State University, North Caroline.

Genene, B., Teshome, A., and Gesano, G. (2001). Work Status and Unemployment in Urban Ethiopia. CSA and Italian Multi-Bi Research Project. Addis Ababa (Unpublished).

Getamesay Tafera (2009). Demographic and Socio-Economic Determinants of Unemployment in Dessie Town. South Wollo, Amhara National Regional State. AAU, CDS, IPS, (Unpublished Master Thesis).

Granovetter, M. (1983).The Strength of Weak Ties: A Network Theory Revisited. Sociological Theory, Volume 1, pp (201-233).

GTZ (2010). Youth Employment Sector Project Implementation of Children and Youth Rights. Tina Silbernagle Ltd, Frankfurt.

Guarcello, L. and Rosati, F. (2007). Child Labor and Youth Employment: *Ethiopia Country Study*. The World Bank, New York.

Haji Samboja (2007). The Youth Employment in East Africa: *An Integrated Labour Market Perspective*. African Integration Review, Vol 1, No. 2, PP (1-24).

Hanchane, S. (2002). The Socio-Demographic Determinants of the Professional Insertion of Youth on the labor market: *A longitudinal Analysis by Gender Based on French Data*. Aix-en-Rovence, Paris.

Halleröd, B. and Westberg, A. (2006).Youth Problem: What's the Problem?: *A Longitudinal Study of Incomes and Economic Hardship among Swedish Youth*. Sage Publications, Ltd., Sociological Review, Vol. 49, No. 1, PP (83-102).

Hassen, K. E. (2005). Overview on the State of Global Youth Employment: *Emphasis on Egypt's Case*. UNDP and United Arab Emirates Municipality, Dubai.

Harris, C. M. (2010). Youth Migration and Poverty in Sub-Saharan Africa: Empowering the Rural Youth. Journal of Tropical Review Digest, Vol. 1, No.1, PP (167-186).

Higgins, N. (1997). The challenge of youth Unemployment. Unemployment and Social Security Review, Vol.50/97, ILO, Geneva.

_____ (2001). Youth Unemployment and Employment Policy. A Global Perspective. ILO, Geneva.

ILO (1991). Meeting the Employment Challenge in Tanzania. Geneva.

_____ (1992). Surveys of Economically Active Population. Employment, Unemployment and Underemployment: ILO manual on Concepts and Methodology. Geneva.

_____ (2004a). Improving Prospects of Young Women and Men of Work. A guide To Youth Employment. Geneva.

_____ (2004b). Global Employment Trends for Youth. Geneva.

_____(2004c). World of Work. The Magazine of ILO. Geneva.

_____ (2005).Youth: Pathways to Decent Work. Promoting youth Employment-Tackling the challenge. Geneva.

_____(2007). ILO Policy on Youth Employment in Cambodia. ILO Sub Regional Office for East Asia. Geneva.

_____(2008). Youth Employment: Breaking Gender Barriers for Young Women and Men. Geneva.

_____(2010). Global Employment Trends for Youth. Special Issue on the Impact of the Global Economic Crisis on Youth. Geneva.

Johnson, R.A., and Wichern, D.W. (2007). Applied Multivariate Statistical Analysis. 6th ed., Pearson Prentice Hall, United States of America.

Jovanovic, B. (1979). Job matching and the Theory of Turn-Over. Journal of Political Economy. Vol. 87(5), pp (972-990).

Klugman Jeni (2005).Youth Employment in Ethiopia: Stocktaking and Policy Questions Labor Markets and Employment in Ethiopia and the Emerging Policy Agenda. Joint MOLSA/ILO/WB Technical Workshop. Addis Ababa.

Kothari , C. (1990). Research Methodology: Methods and Techniques. 2nd Edition. Wishwa Prakashan, New Delhi.

Lange, M. and Martin, Y. (1993).Socialization of Education. Institute of Development. Paris.

Li Xiao (2009). Factors affect the Employment of Youth in China. Thesis in Economics. School of Management and Economics, Växjö University, China.

Mlatsheni, C. and Rospabé, S. (2002). Why is Youth Unemployment so High and Unequally Spread in South Africa? School of Economics University of Cape Town, Working Paper 02/65.

MSSEDO (2010). Annual Entrepreneurship Report. MSSEDO. Debere Birhan (Unpublished).

MEDAc (1999). Survey of Ethiopia. Addis Ababa.

MOY (2004). National Youth Policy. Addis Ababa, Ethiopia

Michael, O., and Dennis, S. (1999).Youth Unemployment and Government Policy. Journal of Population Economics, Vol. 12, No. 2, pp. (197- 213). Springer Stable.

MOLSA (2010). Labour Market Information. Bulletin 2008/9. Addis Ababa.

Montgomery, D. and Peck A. (1992). Introduction to Linear Regression Analysis. 2nd edition. John Wiley & sons Inc., New York.

Morris, E. (2006). Globalization and Its Effects on Youth Employment Trends in Asia. ILO Sub Regional Office for East Asia. Geneva.

National statistics Office (2001). Social Capital: A Review of the Literature. Social Analysis and Reporting Division, New York.

Novartis Foundation (2010). World population growth: Status in 2010 and Prospects. New York.

Nwuke, K. (2002). Youth and Employment in Africa. Alexandria press Inc, Egypt.

Odhiambo, O. (2006). Natural Resource Management towards Employment Creation in Kenya: *Experiences from Kenya Rural Youth Livelihood Strategies.* Nairobi, Kenya.

Olaniyan, D, and Okemakinde, T. (2008). Human Capital Theory: Implications for Educational Development. European Journal of Scientific Research, Vol.24 No.2 , pp.157-162.

Okojie, C. (2003). Employment Creation for Youth in Africa: The Gender Dimension. Economics and Statistics University of Benin City, Nigeria.

Ojo, F., Aderinto, A. and Fashoyin, T. (1986). Manpower Development and Utilization in Nigeria: Problems and Policies. Lagos University Press, Lagos.

Osterman, P. (1975). An Empirical Study of Labour Market Segmentation. Industrial and Labour Relations Review, vol. 28, PP (508-523).

Putnam, R. (2000). Bowling Alone. The Collapse and Revival of American community. Simon and Schuster press, New York.

Rahman, I.R. (2004). Employment Route to Poverty Reduction in Bangladesh. ILO, Geneva.

Rees, A. and Gray, W. (1982). The Youth Labor Market Problem: Its Nature, Causes and Consequences. University of Chicago Press, Chicago.

Ricard, L., Stephen, N., and Jackman, R. (1991). Unemployment. Macro Economic Performance and the Labour Market. Oxford University Press, New York.

Sabot Richard (1982).Migration and the Labour Market in Developing Countries. West View Press. New York.

Salvador, R., and Killinger, N. (2008). An Analysis of Youth Unemployment in the Euro Area. Occasional Paper Series, No. 89, Frankfurt.

Sarr, M. (2000). Youth Employment in Africa. UN Secretariat, New York.

Schultz, T. (1961). Investment in Human Capital. American Economic Review, Vol. 51 (1), PP (1-17).

Schiefelbein, E., and Farrell, J. (1982). Eight Years of Their Lives. Through Schooling to the Labour Market in Chile. International Research Center, Ottawa, Canada.

Stephen, N. and Jackman, T. (1991). Unemployment. person House Ltd, New York.

Stigler, G. (1962). Information in the labor markets. Journal of Political Economy, Vol. 70, No. (5), PP (94-105).

Todaro, M. (1994). Economic Development. Longman Group. London.

Todaro, M. (1992). Economic Development. 2nd ed. Longman publishing Ltd., New York.

Tekesete, N. (1996). Rethinking Education in Ethiopia. Nordiska Africa, Institute of Uppsala. Uppsala.

Toit, R. (2003).Unemployed Youth in South Africa: The Distressed Generation? Paper presented at the Minnesota International Counseling Institute, Minnesota.

UNAIDS (2004). Report of the Global AIDS Epidemic. Geneva.

UNODC (2003). Country Profile: South Africa. Vienna.

UN (1992). Statistical Charts and Indicators on the Situation of Youth. The 1970-1990, New York.

UN (2003). World Youth Report 2003: The Global Situation of Young People. Department of Economic and Social Affairs, New York.

UN (2008).World Population Prospects 2008 Revision Database. New York.

UNFPA (2002). Youth Unemployment: The Current Scenario. Youth Employment Summit Secretariat, New York.

Venatus, K., and Agnes, I. (2010). Youth Unemployment in Nigeria: Causes and Related Issues. Canadian Social Science, Vol. 6, No. 4, pp (231- 237).

World Bank (2009). Africa Development Indicators: Youth and Employment in Africa, Washington.

Yisak Tafere (2006). Youth Migration and Unemployment: Evidences from Wed Urban Sities. Addis Ababa.

ANNEX I.

A. Households Listing Form

Addis Ababa University
College of Developmental studies
Institute of Population Studies

Section I. Area Identification

S/N	Identification	Name	Code	Signature
01	Region			
02	Zone			
03	Woreda			
04	Kebele			
05	Enumeration Area			
06	Supervisor			
07	Enumerator			

Section- II Households List

Serial No.	House No	List Usual member of the HHs				Eligible Youth 15-29			
		Name of Household Head	Name of Household members: -list each usual member of the HH starting from HH head.	Sex 1. F 2. M	Age	Employment status of youth 15-29 1.paid employed 2. self employed 3. working the HH 4. unemployed 5. student 6. disable, etc	If code 1_4 in col.7		Selected eligible Youth (√)
							Eligible youth serial number	HH number for eligible youth	
01	02	03	04	05	06	07	08	08	09

Serial No.	House No	List Usual member of the HHs				Eligible Youth 15-29			
		Name of Household Head	Name of Household members: -list each usual member of the HH starting from HH head.	Sex 1. F 2. M	Age	Employment status of youth 15-29	If code 1_4 in col.7		Selected eligible Youth (√)
						1.paid employed 2. self employed 3. working the HH 4. unemployed 5. student 6. disable, etc	Eligible youth serial number	HH number for eligible youth	
01	02	03	04	05	06	07	08	08	09

B. Survey Questionnaire

Addis Ababa University
College of Developmental studies
Institute of Population Studies

Section I. Area Identification

S/N	Identification	Name	Code	Signature
01	Region			
02	Zone			
03	Woreda			
04	Kebele			
05	Enumeration Area			
06	Supervisor			
07	Enumerator			

Introduction and Consent

Hello, my name is ---------- and I am working with a graduate student from Addis Ababa University. I am here to collect information about youth unemployment. The main objective of the study is to assess the determinants of youth unemployment in your kebele. We want to know major causes of youth unemployment in Debere Birhan town and this study is conducted among a number of youth 15-24 list in this form. Information from this discussion and interview will help the town administration to reduce the major causes of youth unemployment and hopefully benefits the youth and the community at large.

Youth participation in the study is entirely voluntarily. If at any time during the interview you feel uncomfortable, you have the right not to answer a particular question or you can discontinue the interview at any time in the process. The information you provide is strictly confidential and will not be released to any third party.

Are you willing to participate in the study? Yes ☐ No ☐

With your permission, may I proceed with the interview questions?

☐ Yes (proceed to the interview) ☐ No (Thanks the person and move to other interviewee)

Kebele	EA code	HH no.	Youth selection no.

Section – II Demographic and Socio-Economic Information of Respondents

201	203	204	205	206	207	208	209	210	211	212	213	214	215	216
S/N	Sex	Age		Educational Status		TVET Training			Marital status	Migration status		Ethnicity	Religion	HH size
	1- F 2. M	What is your age?	When did you born ? Month/ year	Can you read and write? Yes -1 No- 2 (skip to Q **208**)	What was the highest grade you have completed?	Have you received any TVET Training in private or gov't institution? Yes - 1 No - 2 (skip to Q-211)	Are you working by the training ? 1.Yes 2. No	What was the duration of the training? **N.B:-** take the longest training for those trained 2 & above	What is your marital status? 1. Never married 2. Married 3. Divorced 4.Widowed 5.Separated	Where did you born? 1.Debere Birhan (skip to Q214) 2. Other than D/B	How many years have you ever lived here continuously? (years) N .B: Write "00" if it is less than 1 year	What is your ethnicity? 1. Amahra 2. Oromo 3. Tigre 4. Gurage 5.Others (specify)	What is your religion? 1. Orthodox 2. Muslim 3. catholic 4. protestant 5. others (specify)	What is the total members in the household you live?

0. Non-formal
1. Grade one
2. Grade two
3. Grade three
4. Grade four
5. Grade five
6. Grade six
7. Grade seven
8. Grade eight
9. Grade nine
10.Grade ten/ new
11. Grade eleven/ new
12. Grade twelve / new
13.Grade ten /old
14.Grade eleven / old
15.Grade twelve / old
16. Certificate
17. TVET
18. Diploma not completed
19. Diploma
20. Degree not completed
21.Degree
22. Masters and above

Kebele	EA code	HH no.	Youth selection no.

• Section- III Employment status of Respondents

201	301	302	303	304	305	306	307	308	309	310	311
S/ N.	Employment status					Working Experience			Business Advisory services		
	During the last 7 days were you engaged in any kind of **productive activities** such as work for payment, for family gain, or profit, produce for own consumption? Yes - 1 No – 2 (skip to Q – 305)	Excluding lunch and journey time, in total how many hours did you work at all jobs in the last 7 days?		Check the total number of worked hours in the last 7 day? 1. less than 4 hours (skip to 305) 2. 4 hours and above (skip to Q – 306	Even though you were not working during the last 7 days, did you have a job, business or holding which you will return to? 1. yes, I have my own business/ enterprise 2. yes, paid for duration of absence, 3. yes, with agreement for returning to work 4. No	Have you ever done productive work in the past for pay or profit? 1. No (skip to Q 309) 2. yes	What was your employment status ? 1.Private employee 2. govern -ment employee 3. NGO employee 4. unpaid family worker 5. self employed 6. others	How long did you work? (In Years) NB. Write "00" if the answer less than 1 year	Have you received any business advisory services for your work, enterprise? Yes – 1 No - 2 (skip to Q-401)	How many times you have received the services? Once -1 Twice -2 Three and above - 3	Is there any business advisory services provided in the town, kebele ? Yes – 1 No - 2 Do not Know -3

❖ **Productive Activity** is defined as work which involves the production of goods and services for sale or exchange. In addition, production of goods and services for own consumption are also considered as economic activities. These activities could be performed for an individual, family or private enterprise, government establishment. On the other hand,, unpaid household chores such as preparing food, cleaning the house, taking children are not considered to be economic activities (ILO, 1982 cited in CSA, 2010).

Kebele	EA code	HH no.	Youth selection no.

Section IV: Job Preferences, Social Network and Father educational status of Respondents

201	401	402	403	404	405	406	407	408	409	410
S/N	Job Preferences			Membership		Social Network status			Fathers' Educational status	
	What types of jobs you prefer to do? 1. self employment 2. paid employment -private 3.paid employ ment-gov't 4. any available work 5. others	Do you prefer the existing job that you have been doing now? Yes – 1 No - 2	Do you prefer a job based on your work experience ? 1. yes 2. No	Are you a member of social, (youth) group in the town, kebele? Yes – 1 No - 2 (skip to Q-406)	Do you think that being membership benefit you to get employment? 1.Yes 2. No 3.Do not know	Do you have any social network (contacts) with other people to share information about jobs? Yes – 1 No - 2 (skip to 409)	Where most of your contacts are found? 1.In the town 2. outside the town 3. in and outside the town	How many contacts you have in exchangi ng job informati on?	Can your father read and write? Yes -1 No - 2 (skip to **Q-501**	What was the highest Grade he have completed ? **N.B:** Look codes in section II

Kebele	EA code	HH no.	Youth selection no.

Section V: Household Income and other Characteristics of Respondents

201	501	502	503	504	505	506	507	508	509	510	511
S/ N.	Mothers' Educational Level		Household Income			Access to Information			Availability of Job related Information in the town		
	Can your mother read and write? Yes -1 No - 2 (skip to **Q-503)**	What was the highest grade she have completed ? **N.B**: Look codes in section II	What are the major sources of income in HHs? 1. Privately owned enter-prise. 2. paid employment 3. remittance 4. pension 5. house rent 6.others	Who can produce income among your HH member? 1. Father 2. Mother 3 Children 4. All 5. 1 and 2 6.1 and 3 7. 2 and 3 8. others	What is the total monthly income of your HHs in birr?	Did you follow up information to find jobs? Yes – 1 No - 2 (skip to Q-509)	What type of media mostly you has been followed? 1.vanacy notice;News paper 2. Radio, Tv 3. Internet 4. Relatives; Friends 5. LSAO 6. private employment agency 6. others	How often you follow medias? 1.always 2. once a week 3. twice a week 4. monthly 5.at six months 6. it depends	What are the major sources of job information in the town? 1.vanacy Notice; News paper 2. Radio, Tv 3. Internet 4. Relatives; friends 5. LSAO 6. private employment agency 7. do not Know	Where is the job information sources found in the town? 1. All kebeles 2. center of the town 3. limited areas 4. do not know	Is job information adequately available in the town? 1.Yes 2.No 3.Do not know

Kebele	EA code	HH no.	Youth selection no.

Section VI: Characteristics of unemployed Respondents

201	601	602	603	604	605	606	607	608
S/N	Search of Jobs							
	Did you look for work or try to establish your own business during the last 3 months? (code 4 in Q-305) 1. yes 2. No --- (skip to Q – 603)	What steps have you taken mainly in search of work or to start your own business? (skip to Q-504) NB: see options below	What was the reason that you did not seek or try to establish your own business / enterprise?	Are you ready to work in the next one month if all conditions are available? 1.yes 2. No (end)	What type of job are you looking for? 1. self employment 2. paid employment – private 3.paid employment-government 4. any available work 5. others	Are you available to do a job what you prefer only? Yes – 1 No - 2	Are you looking a job based on your work experience? 1.Yes 2. No	For those who answered code 1 in col. 505 What were the main problems you faced to establish your own business/ Enterprise?

1. Searching vacancy board
2. Reading news paper, radio and Tv
3. I have unemployed card
4. Seeking assistance of friends
5. Try to establish own enterprise
6. Direct application to employer
7. Checking at work sites
8. Others

1. Pregnancy
2. Illness
3. Family responsibility
4. Home activity
5. Education/ training
6. Make arrangement for work
7. Possibility to rejoin my previous work
8. Thought no work available
9. Others

1. No problem
2. Shortage of finance
3. Lack of training
4. Working place
5. Lack of finance and training
6. Lack of work place and finance
7. Absence of license
8. Shortage of equipment
9. Lack of information
10. Do not know

C/. FGD Guidelines

1. What are the common youth problems in the town?
2. How is the risk of youth unemployment in the town?
3. Are there any job opportunities available for youth in the town?
4. What are the factors that are responsible for the youth unemployment?
5. Comparing to the other group of population, how much the degree of unemployment affect youth in the town?
6. Is there any measure taken to reduce the problem of youth unemployment in the town by the concerned body?
7. What are the major problems that affect people who attempt to participate in the self employment effort?
8. Among the educated youth group, which level of educated youth highly affected by the risk of unemployment? Why?
9. Why female youth are more unemployed than male?
10. What measures do you think successful to minimize the risk of youth unemployment in the town?

Annexes II

1). Coefficient of Contingency Table

	X1	X2	X3	X4	X5	X6	X7	X8	X9
X1	1								
X2	0.07	1							
X3	0.16	0.02	1						
X4	0.04	0.09	0.19	1					
X5	-0.08	0.00	-0.17	0.01	1				
X6	0.12	0.04	0.20	0.08	-0.03	1			
X7	0.11	0.07	0.37	0.10	-0.09	0.09	1		
X8	-0.06	-0.10	-0.22	-0.04	0.10	-0.12	-0.22	1	
X9	0.20	0.06	0.13	0.04	-0.09	-0.01	-0.06	-0.11	1

2). MultiCollinearity Statistics

Variables	Tolerance	VIF
Sex	.921	1.086
Migration status	.973	1.027
Educational level of Respondents	.707	1.414
Business Advisory Service	.945	1.058
Job Preference	.950	1.053
Household Income	.776	1.289
Social Network Density	.933	1.072
Father Education	.892	1.121
Marital Status	.905	1.105

3). Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	8.376	8	.398

Declaration

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

Student:

Name: Asalfew Abera

Signature: _____

Place: Addis Ababa University

Date of Submission: 25-05-2011

This thesis has been submitted for examination with my approval as a supervisor.

Advisor:

Name: Dr. Eshetu Gurmu

Signature: _____

Date: 25/05/2011