DETERMINANTS OF YOUTH UNEMPLOYMENT: THE CASE OF DEDO WOREDA ,OROMIA REGIONAL STATE, ETHIOPIA.

A Thesis Submitted to the School Graduate Studies of Jimma University Partial Fulfillment of the Award of the Degree of Masters of Public management (MPM).

BY: - Hafiz Haji

Under the Supervision of Main Advisor: - Mr. Hagos Brhane (PhD scholar*)*

And

Co-Advisor: - Mr. Megersa wodajo (Msc)

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DECLARATION

I declare that the Determinant Factors Affecting Of Youth Unemployment: The case of Dedo Woreda Oromia Regional State, Ethiopia is my own work, that it has not been submitted for any degree or examination at any other university, and that all the sources I have used or quoted have been indicated and acknowledged by the complete references. **Declared by**:

Name _____

Signature _____

Date _____

This Research Report has been submitted for examination with our approval as a university advisor

Main advisor:

Name _____

Signature _____

Date _____

Co-advisor

Signature _____

Date _____

Acknowledgements

Abstract

Unemployment is a macroeconomic problem that affects people most directly and severely. Young people are more vulnerable to unemployment than Adults due to different factors. This study aimed at identifying the major determinants of youth unemployment in Dedo woreda. The research has employed descriptive and explanatory design in this study, a combination of qualitative and quantitative approaches were employed. The data was collected by distributing questionnaires to a total of 355 youth using multi stage sampling technique in five selected kebeles, out of which 340 were completed successfully.Descriptive and logistic regression model were used to analyze the data.. The output from the study indicates that half of the respondents were employed, whereas the remaining was unemployed. The result of binary logistic regression analysis showed that Sex, Age, Marital status of youth, educational level of youth, Access to credit, Household income, Job preference and Land ownership had significant effect on youth unemployment in Dedo woreda. However, the variables work experience and Infrastructure access was found to be statistically insignificant. It is recommended that, encourage youth to improve their education, empower females and increase their participation, encourage youth to increase their credit service, address the problem of land access to work on and improve youth attitudes towards jobs in self-employment were suggested as recommendations.

KEY WORDS: Youth, Unemployment, Employment, Demographic, Socio-Economic

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LISTS OF ABBREVIATIONS

CSA -   Central Statistics Agency

FDRE -   Federal Democratic Republic of Ethiopia.

GTP -   Growth and Transformation Plan

HEI -   Higher Education Institution

ILO   - International Labor Organization

LFS -   Labor Force Survey

TVET - Technical, Vocational Education Training

MoFED -   Ministry of Finance and Economic Development

MoLSA- Ministry of labor and social Agency

MSE   - Micro and small enterprise

OR- Odd ratio

PASDEP - Plan for Accelerated and Sustained Development to End Poverty

PED -   planning and Economic Development

WB -   World Bank

YES - Youth Employment status

CHAPTER ONE

INTRODUCTION

In this chapter, the study introduces the nature of the problem from broader perspectives, statement of the problem, objectives of the study, significance of the study, Scope of the study and limitations, and organization of the study and gave operational definitions for important words, terms and phrases used in the study.

1.1 Background of the Study

Unemployment is a problematic issue for many years already and reducing unemployment is a challenging task for all economies worldwide. As a type of unemployment, youth unemployment has a special importance. Youth unemployment is not only related to today, but also to the future. Being unemployed at early stages of one's life scare young people deeply and affect all further life. Young people are more vulnerable to crisis than adults, during the global crisis has shown that recession hits first of all with youth unemployment in all countries (O'Higgins, 2007; Ryan, 2001).

The International Labor Organization (ILO, 2019) defines the unemployed as numbers of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work (WB, 208).Youth unemployment, therefore, could be described as the conglomerate of youths with diverse background, willing and able to work, but cannot find any. When the supply of labor outstrips the demand for labor, it causes joblessness and unemployment. According to the ILO (2019), an estimated 172 million people worldwide were unemployed in 2018, which corresponds to an unemployment rate of 5.0 per cent. It is remarkable that, whereas it took only one year for the global unemployment rate to jump from 5.0 per cent in 2008 to 5.6 per cent in 2009, the recovery to the levels that prevailed before the global financial crisis has taken a full nine years. Assuming stable economic conditions, the unemployment rate in many countries is projected to decline further. However, macroeconomic risks have increased and are already having a negative impact on the labor market in a number of countries. On balance, the global unemployment rate should remain at roughly the same level during 2019 and 2020. The number of people unemployed is projected to increase by 1 million per year to reach 174 million by 2020 as a result of the expanding labor force. Globally, 70.9 million young people are estimated to be unemployed in 2017.

The youth unemployment rate is 13.1 per cent globally in 2017 and in 2019 and 2020 the same 11.8 per cent but highest in the Arab States, at 30.0 percent (ILO, 2019).

The definition of youth varies from country to country and economic, demographic, political and cultural contexts of a given country. For example, according to the United Nations, youth refers to a person aged between15-24. In South Africa, youth refers to persons falling within the age group of 15-34 years, which is the official definition of youth according to Statistics South Africa (FatihAyhan, 2016).According to the Ministry of Youth, Sports and Culture (MOYSC) of Ethiopia, youth is defined as an individual aged between 15-29 years (MOYSC, 2004). There are 1.2 billion youth between the ages of 15 and 24 years that make up 18% of the world's population. Of these, about 87% of these young people live in developing countries. For example, Africa alone has some 200 million youth. Ethiopia has the largest youth population in Sub-Saharan Africa. More than half of its population is under the age of 25 and 20% are between 15 and 24 (Nebil, Gezahegn and Hayat, (2010). According to ILO figures, the Sub-Saharan Africa region has the highest rate of youth unemployment 18.4 per cent. If this trend persists, it will have considerable effects on human capital in the region, as well as on the region's economic potential.

In 2019 population of Ethiopia estimated to 109 million and Unemployment rate in Ethiopia increase to19.10 percent in 2018 from 16.10 parents. Unemployment rate in Ethiopia average 19.54 present from 1999 until, reaching an all-time high of 26.40 present in 1999 and a record low of16.80 present in 2015.

Governments are targeting on policies and educational programs to improve opportunities for young people to enter the labor market, but still the problem is rampant. UN claims that Policy makers must ensure that educational curriculum prepare young people for the job market, providing them with professional, entrepreneurial and job-search skills" (UN, 2018), acknowledging that matching school curriculum with recent workplace requirements is a difficult task. Youth unemployment is a pressing issue in Ethiopia where almost two-thirds of the population is younger than 25 years. Being Ethiopia among the countries with a rapidly growing population coupled with a still backward economy, the proper management and efficient utilization of its work force is essential. Youth employment presents a particular challenge to Ethiopia; the country faces growing youth landlessness in rural areas and insignificant rural job creation, potentially leading to an increase in migration to urban areas (World Bank, 2007). In this respect, the capacity of the economy in absorbing the potential

labor force needs to be monitored regularly, and appropriate employment policy should consequently be adopted. The level of unemployment of a country is widely used as an overall indicator in evaluating the current performance of its economy.

When we come to Oromia Regional State the region with a total population of over 34 million having 34 per cent of the national population out of the total population of the region, 30 per cent were youth (CSA, 2014).Besides, the size of urban population of the region was estimated about 2.1 million in which 41.2 per cent were youth (CSA, 2010). On the other hand, employment status of youth in the region showed that youth unemployment rate was estimated about 21.2 per cent, having 14.1 per cent of males and 26.5 per cent of females in 2005 (CSA, 2006). 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 per cent, with 15.5 per cent of males and the corresponding females unemployment rate was 20.4 per cent in 2007 (CSA,2010).

In Dedo woreda, out of total population 38.9% were youth (age 15-29), in number 82,788 which are 40152 male and 42635 females, out of this population 29.2 % unemployment in the woreda (PED 2018).The Goal of this study is therefore to identify the various possible factors which are associated with youth unemployment in Dedo District.

1.2. Statement of the Problem

Youth have special importance for all the countries worldwide. Youth can be seen as an engine for achieving development goals. Youth is more energetic, talented, creative, open-minded, productive and dynamic and it also forms future workers, entrepreneurs, consumers and producers. All these potentials of youth are precious resources for economies. Better world will be created by creative and dynamic youth. Thus, excluding youth from economies, societies and labor market is impossible. Youth must be integrated into labor force and economies in order to achieve development goals. The ability of youth to engage in productive activities has both social and economic consequences for an economy. In developing countries, youth face not only the challenge of obtaining productive employment, but also obtaining safe and acceptable work.

At present, youth unemployment is an ongoing problem in Ethiopia. Majority of the people below 30 years old who want to work are not able to find jobs. An estimated 45 percent of the populations are under age 15 and 71 percent under age 30(EDC, 2018).

A high level of young unemployment is one of the critical socio-economic problems facing in Ethiopia. While the labor force grows, with an increasing proportion of youth, employment growth is inadequate to absorb labor market entrants. As a result, youth are especially affected by unemployment. The inadequate employment situation of youth has a number of socio-economic, political and moral consequences. Unemployment and underemployment reflect the failure to make use of an important factor of production, labor, for fostering economic growth.

Generally increasing youth unemployment rate is a crucial problem because it causes both economic and social problems. It generates loss of resources (human capital), leads to social unrest, increased crime rate, drug use and mental disorders (depression, suicide attempts, feeling desperate etc.). Youth unemployment leads to economic and social aspects of the problem in different regions of the countries. The social aspects of the problem lie in the association of unemployment with social exclusion and a sense of hopelessness. Currently Massive youth unemployment becomes the basis for riots and violent demonstrations by the youth in Ethiopia, The incident resulted for many deaths and destruction for property worth of millions of birr (Adeto, 2019). From these facts this research was done in the study area to assess demographic and socio-economic determinants of youth unemployment in Dedo woreda. Dedo woreda is one of the 21 districts found in Jimma zone of Oromia Regional National State. According to the data obtained from Dedo woreda office of planning and economic Development (PED) total population of 212,277 out of total population 38.9 percent were youth population (age 15-29) and 29.2 percent of youth unemployment rate.

The youth unemployment problem in Dedo woreda/district is increasing from time to time and they become the source of social unrest and conflicts in society. The youths are protesting the government and it becomes the source of violent protest. They become hopeless and desperate on their life.

In the country some researches were conducted towards youth unemployment .For instance, a research conducted by Nzinga, Broussa and Tsegay (2012) entitled with youth unemployment in Ethiopia which assess the labor market institutions, evaluate the existing labor market polices and discuss their role in explaining, but it couldn't assess the demographic and socio-economic factors affecting youth unemployment. On the other hand zelalem(2014) also explored the nature of urban youth unemployment in kazanchis Addis Ababa, but the research did not indicate the socio economic factors of youth unemployment deeply in the

study area. The other research conducted by Asalfew (2011),Alemnew (2014) , Abel Tewalde (2016), Amanuel (2016), Dejen et.al.(2016) and Aynalem et al,(2016) The results of these studies contradict each other which need further study based on the specific socio-economic and Demographic situation of the study area. Zenebe (2006) and Aselefew (2011) studied the role of labor market entrant for the accumulation of youth unemployment in urban areas; Martha (2012) conducted a research on the challenges of unemployment from the government policy perspective. She concluded that unemployment mainly as an urban phenomenon and serious social problems in Ethiopia, Abel Tewolde (2016) studies from Addis Ababa and Dire Dawa city Administrations and his studies finding come up with policy recommendations to handle youth's employment/unemployment issue in the study areas and all those studies can be concentrated on urban youth. A research conducted in South Africa by Sekatane (2004) indicates that unemployment is also influenced by geographical location. There are often unequal employment opportunities among South Africa's provinces. Unemployment rates in the rural areas are higher than Unemployment rates in urban areas mainly because of scarce employment Opportunities.

As it is indicated in the above study, most of the previous studies conducted in urban areas and focused on the capital city, regional cities and at the Zonal towns. Despite the fact, it did not address the local areas, woreda administrative towns and rural areas. Therefore, this studies tried to investigate the unemployment of youth at the woreda level by focusing on Dedo woreda/ district. In addition, the determinants of youth unemployment was not yet studied and addressed in Dedo woreda. Hence, the researcher intended to address the gaps such as demographic and socio-economic factors affecting youth unemployment in the study area by raising the following basic research questions.

1.3. Research Question

In light of the above mentioned problem statement, the following basic research questions have been addressed.

1. What are the demographic Determinants of youth unemployment in the study area?

2. What are the socio-economic Determinants of youth unemployment in the study area?

3. What are the major cases of youth unemployment in study area?

4. What are the possible solutions can help to curb youth unemployment in Dedo woreda?

1.4. Objective of the Study

1.4.1 The General Objective of Study

The general objective of the study is to identify the determinant factors affecting of youth unemployment in the study area.

1.4.2 Specific objective

- ❖ To identify the demographic factors affecting of youth unemployment in the study area.
- ❖ To identify socio - economic factors affecting of youth unemployment in the study area.
- ❖ To identify the major cause of youth unemployment in the study area.
- ❖ To recommend possible solutions that can help to curb the problem of youth unemployment.

1.5. Significance of the Study

The Significance of the study would be to analyze something and to came up with identify the problems. Likewise this study would be provide to identify the major determining factors of youth unemployment in Dedo woreda and above all this study primarily develop the thinking and analysis capacity of the researcher student. The study was important for government, society, student and other research workers. In addition to this study would be also serve as the base line for governmental and non-governmental organization in taking necessary information on the major determining factors of youth unemployment in Dedo woreda district. The results would be helpful for the formulation of policies and strategies to facilitate the reduction of unemployment in the country and for district. Findings of the research can also stimulate the interest of other researchers to further investigate the various aspects of the problems which are not fully addressed by this particular study. Accordingly the study is expected to be a bench mark for the upcoming research investigations.

1.6. Scope of the Study

The study aims at identifying determinant factors of youth unemployment age 15-29 year found in dedoworeda specifically in five selected kebele from urban and rural. In order to make the study being manageable it is necessary to define the delimitation of the study. Thus the study has been delimited geographically and conceptually. Geographically the study would be delimited to Jimma Zone, Dedo Woreda because of limited resources and time to undertake the study on a wider scale. Conceptually the study was delimited to the determinant factors of youth unemployment and the socio-economic factors affecting youth unemployment.

1.7. The Definition of Key Words

In this section it may be useful to briefly consider and explain important concepts and terms related to the subject matter of the problem. Thus, it is very important to give some conceptual definition of the terms used in the study and attempts to explain them with the view to convey an explicit meaning for the readers.

Youth - According to the Ministry of Youth, Sports and Culture (MOYSC) of Ethiopia, youth is defined as an individual aged between 15-29 years (MOYSC, 2004). So, in this thesis, youth included individuals aged between 15-29 years. The reason for this categorization in this thesis is that, youth included in my study were graduates who have been government employed or self-employed, unemployed or jobless for uneducated for one year.

Youth Unemployment- represents the number of unemployed young people aged 15 to 29 as a percentage of the total labor force, where the total labor force comprises both the unemployed and the employed.

Economically active youths- are persons aged 15 to 29 years – for this research

Unemployment: - defined as all persons above a specified age who during the reference period were "without work", but are "currently available for work" and are "seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment (Maric et al, 2010)

1.8. Organization of the paper

This thesis has four chapters; the first chapter is all about the introductory aspect of the study such as statement of the problem, objectives of the study, significance of the study, and limitation of the study, scope of the study and the definition of key words, the second chapter was review of literature related to determinants of youth unemployment, in the third chapter the methods and specification of

the model were discussed, chapter four results and discussion of the study, finally, the conclusion and recommendation are presented in chapter five.

CHAPTER TWO
2. LITERATURE REVIEW
Introduction

In this thesis the researchers used: -theoretical review (deferent theory), empirical literature, and conceptual frame work

2.1. Theories of Unemployment

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 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 labor 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 (ABERA, 2011).

2.1.2 The Job-Matching Theory

The Job-matching theory is based on the idea that the labor 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 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 (ABERA, 2011).

2.2. Types of Unemployment

Unemployment (or joblessness) occurs when people are without work and actively seeking work (ILO, 1982). According to Pieter (2010), Economists sometimes distinguish between different types of unemployment. There are different ways of classifying unemployment but the following is quite common.

A. Frictional unemployment: - individuals that are temporarily unemployed while transiting between jobs or just entering the labor market. This kind is typically short in duration but always present in a market economy.

B. Structural unemployment: occurs when there is a change in the structure of an industry or economic activities due to say rapid changes in technology which results in mismatch between the skills of workers and skill requirements of available jobs. This type of unemployment can be linked to the problem of a mismatch between skills attained by individuals and jobs available in the market (Levine, 2013). Having the wrong skills makes it hard to get a job (Kirk, 2011:7).

C. Cyclical unemployment: Occurs when the economy slows down, such as during times of recession, when people lose their jobs.

D. Classical unemployment: - unemployment due to real wage is being too high (e.g. through minimum wage laws). When workers themselves were blamed for not accepting lower wages Classical unemployment is also called real wage unemployment.

E. Cyclical (Keynesian) Unemployment: - Cyclical unemployment (also known as demand deficient unemployment) occurs due to general downturn in the business activities including production and demand for the products and services. During recessional business conditions, only few goods are produced and for such low production, only few employment

opportunities would be available. Employers are therefore, oblige to lay-off workers and cut back employment. There is a clear cyclical relationship between demand, output, employment and unemployment. Caused by a fall in aggregate demand relative to potential GDP leading to a loss of real national output and employment and If national output grows less than potential output then a slowdown in demand is nearly always enough to create some more cyclical unemployment" (Riley et al, 2010).

Peter (2010) concludes his take confirming that it is often difficult to determine exactly which category an employed individual belongs to an official measures of the unemployment in each category do not exist. However, knowing what type of unemployment is currently present is important when considering what type of measures to take to lower unemployment.

2.3. 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.

2.3.1 Demographic Factors of Youth Unemployment
1. Gender

According to Halleriid 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. 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 Berhanuet 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 (201Oa) unemployment report

also shows that out of 1,168,591 unemployed persons 41,2 percent were female youth, Furthermore, Genene *etal*(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.

2.3.2. Socio-Economic Factors of Youth Unemployment

1. Education

In Sub-Saharan Africa, one main cause for high youth unemployment is the lack of training and the mismatch between education delivered and labor market needs. The capacity of the education system remains a main area for development to ensure that high-quality systems are in place to ensure competitive labor outcomes. 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 (IDS, 2017).

The quality of the education system and preparation for employment is poor. Among many African countries, the education system has been more focused on academic performance rather than the practical skills needed to increase economic productivity (Oppenheimer and Spicer 2011). The education structure is not beneficial to students as it does not directly correspond to prevailing economic activities, and focuses more on theory than practice e. The upshot is an individual whose skills do not replicate the current economic trends in the African job market, and as the education curriculum in Africa does not consist of industrial skills, it produces many graduates with nontransferable skills (IDS, 2017).

The study conducted by Oppenheimer and Spicer (2011)　Brixiova, Fakudze, and Kangoye (2012) indicates a critical factor contributing to unemployment levels, and youth unemployment levels specifically, is the lack of skills and education mismatch and most of the youth with less education are unemployed.

A large proportion of unemployment in the region is explained by the lack of education (AEO, 2012:115). In essence, education often shapes opportunities (Filmer *et al.*, 2014:10); those with no education have a high chance of not only being unemployed but also being in vulnerable employment. A rising number of unemployed youth in many African countries are university and college graduates (AERC, 2013:3). According to Daniel (2013:3), a high proportion of the continent's unemployment rate is linked to its weak educational structure, which does not correspond with current economic conditions. Even though the current

African generation is the most educated or most schooled ever, their employment prospects differ widely from their parents; the situation is worse in other countries (Filmer *et al.*, 2014:1).

2. Work Experience

Evidence from south Africa Ariane De Lannoy, Lauren Graham, Leila Patel & Murray Leibbrandt, 2018), indicates that a lack of work experience is a factor that contributes to this. For instance, in his analyses of quantitative and qualitative Cape Area Panel Study data, Seeking (2012) demonstrates that middle-class youth who gained some work experience during their high school year's transition more smoothly into work than those with no experience. The African Capacity Building Foundation (ACBF, 302017) Labor Force Survey from Botswana, Namibia, South Africa, and Swaziland, lack of work experience makes it hard for youth to compete and enter the job market. A large number of unemployed young people are school dropouts and high school leavers, lacking most skills. According to ILO (2004), the lack of work experience reduces the chances of getting employment in the modern sectors of the economy. 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 labor market. This invariably excluded young entrant from the labor force. Anhet al (2005) and Hessen (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 hireyoung 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.

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 Anhe/ al (200S) 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 labor market.

4. 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 Echcbiri (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.

5. Rural Land

Rashid (1995) developed another type of model which is presented through open joblessness and surplus labor. The study found when agriculture employees are individually efficacy maximize receiving usual products such as incomes, a industrialized income support may decrease excess (rural) worker however rising exposed (urban) joblessness. The study that not aid can top direction of complete full employment. The unemployment rates in rural areas tend to be much higher than the unemployment rates in urban areas. Reasons: There are not

much employment opportunities, Small businesses get overrun by major corporations and franchises that enter, small business cannot compete with these big business.

2.4 Unemployment as a Global Problem

Unemployment is the most challenging economic problem facing the government. It is a vital challenge for both developed and developing world (Kabaklalriet al, 2011). The ability of youth to engage in productive activities has both social and economic consequences for an economy. In developing countries, youth face not only the challenge of obtaining productive employment, but also obtaining safe and acceptable work. Unemployment is the condition which is characterized with the incapability of an individual to find a job of any kind. According to ILO (2012) defines unemployment is the main challenges of the modern era in both the developed and developing countries, especially youths, which the United Nations defines as, those between the ages of 15-24, are more affected by unemployment. The ILO, 2017 estimates the global youth unemployment rate for 2016 at 13.0 per cent, just below the crisis peak of 13.1 per cent between 2011 and 2013, but rising again to 13.1 percent in 2017 and 11.8 per cent the number of unemployed youth in 2018 , 2019 and 2020 are stable in the three constitute years. At the same time, although the number of unemployed youth decreased to a low of 70.3 million in 2015 for the first time in more than two decades, the decline has since reversed. While the estimated 70.9 million unemployed youths in 2017represent a strong improvement from the crisis peak of 76.7 million in 2009, it is a slight increase from the previous year. The number of unemployed youth worldwide is expected to rise by another 134,000, to reach 71.1 million in 2018.

The deteriorating global youth labor market conditions in 2017 are driven by the increasing unemployment rates in emerging countries. The youth unemployment rate in these countries is expected to raise, from 13.6 per cent in 2016 to 13.8 per cent in 2017 – adding two hundred thousand young people to the unemployed. The youth unemployment rate in emerging countries should stabilize in 2018, although remaining at its highest level since 2003.

In developing countries, the unemployment rate among youth is expected to remains stable at 9.5 per cent in 2017 and 2018. However, considering the large cohort of young people entering the labor force each year, the number of unemployed youth in developing countries is projected to increase by half a million between 2016 and 2018. The youth unemployment rate is expected to fall in developed countries, declining from 14.0 per cent in 2016 to 13.4 percent in 2017, increasing again slightly in 2018.

A worldwide review of youth unemployment rates, the overall number of unemployed young people and labor force participation rates suggest that the youth unemployment rate is 13%, the number of young unemployed people totals approximately 71 million, and 46% of young people participate in the labor force. In regional terms, the highest youth unemployment rate (30.6%) can be found in Arab countries and the highest number of unemployed young people, 13.8 million, can be found in South Asia. labor force participation is lowest in Arab countries where it stands at just 30.4%.(Bayrak, 2018).

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

Ethiopian economy is predominately traditional agriculture which is highly dependent on the windfall and disadvantage of nature. The sector takes the majority of the work force and the lion share in the GDP of the nation contributing 90% of export earnings and providing 70% of input requirement for large and medium scale agro industries (Tesfay, 2008). Despite the fact that agriculture has larger share in the national economic activity, its contribution is not commensurate with the expectation. This is due to the fact that the sector is still in its lower most stage because of different factors. Weak market, fragile capacity to implement, unaddressed gender issue, under developed irrigation schemes, and shortage of improved agricultural inputs are some of the reasons considered by Awulachew, Erkossa, and Namara (2010) as factors for less development of Ethiopia's agriculture. Hagos et al., (2006) also indicated that though the majority of the working force is engaged in agriculture, increasing food insecurity and hunger has been the rule rather than the exception for many years. For Brixiova and Asaminew (2010) also, Ethiopia is one of the poorest countries in the world, with:- (i) A large and dualistic informal sector; (ii) high and almost constant share of agriculture in output; (iii) pervasive labor market frictions, including imperfect information; and (iii) pervasive labor market frictions, including imperfect information; and (iv) a rigid business environment.

This poor performance of agricultural sector together with other problem mentioned above leads to rural urban migration and consequently leads to urban youth unemployment. According to Broussar and Tekleselassie (2012) Youth employment presents a particular challenge to Ethiopia; the country faces growing youth landlessness in rural areas and insignificant rural job creation, potentially leading to an increase in migration to urban areas.

The governments can influence the entrepreneurial environment directly or indirectly, either providing support or becoming obstacles (Minniti, 2008). The institutional setting in which the entrepreneurial decisions made is influenced by the government policy. The policies of government frame structures of institutions for entrepreneurial undertakings, inspiring some actions and depressing others (ibid.). Lack of a culture of work ethic and job creation in the respective societies determine youth unemployment (Hiruy, 2012)

2.6. Consequences of Unemployment

Unemployment has negative consequences on various fate of life at individual, local regional as well as national level.

1. **Private Costs for the Involuntary Unemployed**

   Loss of income – but many people have major commitments (mortgage, credit agreements) ,fall in real living standards, increased health and social risks (particularly for long term unemployed) and loss of marketable skills (human capital)

2. **Economic Consequences for Businesses**

   Negative consequences: Fall in demand for goods and services, fall in demand for businesses further down the supply chain and consider the negative multiplier effects from the closure of a major employer in a town or city."(ibid).

3. **Consequences for the Government**

   Drop in employment hits trend growth – hysteresis, increased spending on unemployment benefits and other income – related state welfare payments ,fall in revenue from income tax and taxes on consumer spending fall in profits – reduction in revenue from corporation tax.   Rise in government borrowing" (Riley et al., 2010)

Generally speaking unemployment has the following consequences for the Economy as a

Whole: Lost output (real GDP) from people being out of work – the economy will be operating well within its production frontier ,unemployment seen as an inefficient way of

allocating resources – labor market failure, some of the long-term unemployed may leave the labor force permanently – fall in potential GDP (hysteresis effects) and increase in income inequality – rise in relative poverty." (ibid)

In spite of the fact that unemployment has the above effect on national economy, youth unemployment in particular has the following specific individual as well as collective effect on the nation's economy:-The immediate effect of rural youth unemployment is starvation of the youth and their family; in rural areas a young person who does not have land cannot establish a family. Similarly, an unemployed young person in urban centers cannot do the same. This will inevitably be a source of very serious social problems in the foreseeable future; it seriously affects the country's economy; it makes the youth vulnerable to substance abuse; it makes the youth hopeless in education. If the educated cannot get a job, the children of today couldn't imagine a future worth suffering in the educational world. This in the long term affects the future of our continent and unemployed youth can easily be manipulated for any cause of which one could be armed groups rebelling against governments. This will take our continent to the vicious circle of civil war and instability (Wubie, 2012)

2.7. National Youth Policy

The Ethiopian National Youth Policy was endorsed at the 100th Federal Democratic Republic of Ethiopia Council of Ministers regular meeting that was held on March 12, 2004.It emphasizes creating an enabling environment for the young in participation of the democratization and the development effort of the country, to build the capacity of the young so as to make them more employable, to create network between the young and different groups of the society, etc. The policy aims at "enabling youth to participate in an organized manner, in the process of building a democratic system, good governance and development endeavors and benefit fairly from the outcomes." The National Youth Policy, (2004) incorporates several measures has been taken to tackle youth unemployment. The government also plans to develop rural infrastructure and introduce agricultural demonstration farms to encourage the youth to seek employment or self-employment in the rural areas as opposed to looking for employment in the urban areas.

Document review indicated that while the policy is quite ideal and accommodative to address youth unemployment challenges, however; there are significant capacity constraints on the part of the implementing sectors such as, WCYA of the regional bureaus and lower level

offices to do so. Thus, it lacks implementation capacity, low infrastructure to reach out and lacks financial resources as the youth people are too huge.

2.7.1. MSE Strategy

The government has focused on creating micro and small enterprises, based on their potential to create employment opportunities, more on innovation and creativity as spelled out in the industrial development strategy of the country. To this end, the micro and small enterprises strategy was ratified and came to implementation. however, the implementation had leaves much gaps to address huge youth challenges such as rigid project package which do not accommodate flexible market, youth are too dynamic to bind by the strict rules and regulations of the agencies, project duplication, lack Implementation capacity and have serious resource constraints.

2.7.2. TVET Strategy

In order to prepare the youth for better labor market situation, Technical and Vocational Education and Training (TVET) has been used as a tool for unemployment alleviation strategy (O'Higgins, 1997). Youth with the completion of basic education has not been efficiently absorbed into the labor market and the expansion of basic education is not enough to produce capable and employable workforce to the country. For these reasons, World Bank and other international partners recognize the importance of balancing between the expansion of basic education and enhancement of TVET to improve the situation. Thus, TVET is considered a key to enhance economic competitiveness and contribute to social inclusion, decent employment, increased income and poverty reduction. The strategy paper have the following overall objective "to create a competent, motivated, adaptable and innovative workforce that contribute to poverty reduction and to enhance socio-economic development through demand-driven, high quality technical and vocational education and training, relevant to all sectors of the economy and to all people." however, this perception of TVET is a significant obstacle to help TVET move into a high quality Education tool in support of national development

2.8. Overview of Labor Market in Ethiopia

According to Ethiopian Education Development Center (EDC) labor market assessment report Ethiopia is the second-most populous country in sub-Saharan Africa. As of 2016 the population exceeded 100,000,000 and as of January 2018 stood at over 106,380,626, and in 2019 population of Ethiopia estimated to 109 million based on the latest United Nations

estimates. This makes Ethiopia the second most populous country in Sub Sahara Africa (EDC, 2018).

Ethiopia has increased its focus in education in recent years. University enrolment has increased from 10,000 in 1990 to 360,000 in 2015. The country has also invested heavily in technical and vocational training (TVET) with the aim of producing "semi-skilled and relatively well-suited workers to the growing manufacturing and construction sectors"— increasing the number of TVET students. The challenge is in the quality of the training with many graduates not meeting the skills needs of the market. There has been an increase in the number of rural young seeking employment, particularly in the health, education, and social work sectors.

The World Bank estimates that about 600,000 individuals enter the Ethiopian labor force every year. However the economy is not generating enough jobs for this large number. This is even more apparent with the large number of young people entering the market due to the youth bulge. This "imbalance between the increase in the supply of and demand for workers" will create increasing and long-lasting unemployment for Ethiopian youth. Rising unemployment is especially true for university and college graduates, and even more so for those with less skill. The overwhelming fact of the labor market in Ethiopia is characterized by the rapid growth of labor supply. The labor force is growing much more rapidly than the population as a whole because of the young dominates demographic profile. Population of Ethiopia it's a classic pyramid with a higher proportion of young people at the bottom and narrow band of the elderly at the top. Ethiopia's population is predominantly young with about 45% of the population being below 15 years of age. The proportion of working age population (15-64 years) was estimated at about 52 % CSA, 2007)**.** The proportion of young people in the overall population has increased over the last two decades. The young cohort represented about 14 percent of the population in 1984 and 20 percent of the population in 2001(Guarcello&Rosati, 2007). In 2007, the youth population accounted for 28.3 percent of the total population and39.6 percent of urban population of the country (CSA, 2008). Thus, lack of employment opportunities for young people is among the critical development challenges facing the country (Guarcello&Rosati, 2007).

2.8.1. Labor market policies and Institutions in Ethiopia

According to MoLSA (2009), employment generation has two important dimensions - the demand and supply side of job creation. The first dimension (the demand side of job creation)

refers to the ability of the economy to create jobs for various skill categories as per the requirement of the economy.

The second dimension (the supply side of job creation) deals with whether or not the skill levels of available pool of persons match with the type of skill that the economy requires. Besides, there is a third dimension (i.e. labor market institutions) that relates to the governance of labor market relations and labor market services.

The existing institutions and legal entities mainly concern the formal and wage employment sector. Five year development plans are the main guidelines of government policy in Ethiopia. They outline the overall strategic priorities and policies of the government. The country's development plans emphasize creating employment and income-earning opportunities in the modern sector, the informal sector, and on farms.

Unemployment and underemployment are targeted with special attention given to youth and women. The2005/6-2009/10 plan, a Plan for Accelerated and Sustained Development to End Poverty (PASDEP), explicitly acknowledged the issue of the labor market and unemployment, particularly youth unemployment. The plan focused on job creation through private sector participation, with particular emphasis given to Micro and Small Enterprises (MSE), based on their potential to create employment opportunities.

The plan also addressed improving the quality of education and integrating Technical and Vocational Education and Training (TVET) with the job requirements of the economy, which were identified as key problems leading to rising unemployment particularly in urban areas. Other solutions included special efforts to provide skills training to the unemployed and public works employment interventions (FDREb, 2004; MoFED, 2006). Technical and vocational training in Ethiopia offers programs that target those students who do not progress to higher levels of education. The aim is to provide the students with skills and competencies for engagement in wage employment or self-employment (MOE, 2006).

The current five-year development plan 2010/11-2014/5, the Growth and Transformation Plan (GTP), does not directly address the issue of youth unemployment, but rather implicitly through improved performance of the various sectors in the economy.

The plan addresses the economic and social challenges faced by women and youth. Private sector development, particularly MSEs, continue to receive special attention as potential

employment hubs and poverty reduction mechanisms. The plan emphasizes tailoring TVET programs with the demands of the economy and to continue to scale up MSE expansion as strategies tackling unemployment in the country (MoFED, 2010)

2.9. Ways of Tackling Youth Unemployment

Different nations may adopt different approaches in dealing with the astounding realities of youth unemployment. Regardless, it is important to take valuable lessons accordingly. For instance, a study by Lizzie, Katy, Nye and Jenny (2013) identified several key alternatives in order to improve the daring challenge of youth redundancy. These are first; a strong dual apprenticeship system can facilitate transitions between school and work. Second, intervening early with active labor market policy can reduce the duration of unemployment. Third, the availability of part-time flexible employment opportunities supports high levels of youth employment. There is no one-size-fits-all solution to the youth employment challenge. Policy responses depend on national circumstances. Policy options should be part of an integrated framework that promotes economic development and employment growth. This calls for combining policies for employment expansion with targeted program that overcome the specific labor market disadvantages faced by many young people. The best labor market entry path for young people remains a good basic education, vocational training or higher education and initial work experience. Policies and national program that provide incentives to enterprises to hire young people, promote youth entrepreneurship, and facilitate access to finance and to other targeted active labor market measures can also help countries to improve decent work prospects of its young population. The development of national action plans on youth employment that are focused on these elements can guide countries to translate national commitment into action (ILO,2010).

The need to develop working strategies is partly inflicted to the magnificent numeric picture showing the extent of the problem. A United Nations study recognizing this suggests that young people constitute a substantial share of the population of most Sub-Saharan African countries and of the region as a whole. This creates a need for practical policies and related programs to engage youth effectively in all aspects of the development of their countries (UN DESA, 2007).

Governments shall also focus in preventing the incidence of this problem by focusing on quality education, productive school to work transition and regional integration. According to ECA (2011), the majority of Africa's population is below the age of 30 years. This poses

peculiar challenges, including the nature and level of education provision for young people and their quality employment within an increasingly complex and rapidly changing global environment. As we revitalize and promote regional integration, we need to ensure that young people are equipped with social and market-related skills which will enable them to be well integrated young adults as well as being competitive at the national, sub-regional and global levels. Therefore, investing in education and skills development for young people should therefore go beyond increasing basic literacy rates to assure dynamic, multifaceted knowledge-building at higher and tertiary levels. This will go a long way in preparing young people for the evolving labor market.

A much advocated and a long lasting remedy for the youth unemployment is entrepreneurial adventure. A government can hire by itself or can also make a suitable environment for the private sector to hire people. According to a study by manpower group, both direct employment by the public sector, and direct subsidies for private employment, remain models that appeal to many governments because of their immediate and observable impacts; this sort of approach can, however, be prohibitively expensive, and there is controversy about its long-term effects. The promotion of entrepreneurship is increasingly recognized as an important strategy that can leverage the energy of individuals and civil society to expand the creation and supply of jobs. Such programs are relevant in both the developing and developed world.

As cited by Manpower Group (2012), in pursuit of effective program strategies, a study by Card, Kluve, and Weber reviewed nearly 200 program impacts from 1995-2007 and found that strongest impacts on young people came from job search assistance programs, while training programs were more effective in the medium than in the short term. More to revelation cited by Manpower group, the World Bank's Youth Employment Inventory, an accumulating body of research suggests that such relatively cost-effective programs can have as great, if not greater impact on youth employment than much more expensive public employment or subsidized hiring programs.

2.10. Empirical literature

Different studies have been undertaken throughout the world. In this section some of the findings are discussed as follows:-

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 labor market.

According to Hallerod and Westberg (2006), being one of the demographic variables, sex revealed substantial differences between female and male with respect to employment opportunity. Females were vulnerable both in short term and long term unemployment than males. Strengthening this point, Mlatsheni and Rospabe (2002) found that lack of employment was more severe for females than for males as 63 percent of economically active females were unemployed whereas 53 percent of males remain without jobs in South Africa.

The study by (Amanuel D ,2015) on the determinants of youth unemployment in Ethiopia, finds that unemployment is influenced by the regional variations, access to electric power, age, gender, access to market information, economic status of their families and youth's educational level are found to be the significant determinants of youth unemployment in Ethiopia. Dejene T (2016), on the basis of youth in Ambo city in Ethiopia, finds that unemployment is influenced by access to credit, work experience, participation in training, and access to information, migration and income of house hold or family.

The World Bank (2007) indicates that the potential causes of urban unemployment include the increasing number of the youth labor force, the rising internal migration and literacy rate. Another study by Haile (2003) states that some of the most important causes in developing countries especially in Ethiopia are the rapidly growing size of the labor force, poor to modest macroeconomic performance, low level of job creation and low level of aggregate demand in the economy. Kingdon and Knight (2004) analyze unemployment in South Africa and they show that unemployment is determined by education, race, age, gender, home ownership and location among others.

Echibiri (2005) investigates unemployment in Nigeria using data from 220 randomly selected youths in the city of Umuahia and finds that unemployment is influenced by age, marital status, dependency ratio, education, current income and employment preference (paid or self-employment).

Young people are more vulnerable to lack experience, social networks or other qualifications that would make them difficult to find employment. In most regions youth were nearly three times more likely to be unemployed than adults (Amanuel D. 2016).

In Ethiopia (Alemnew, 2014: cited at Aynalem Sh. and Mulugeta D. (2018) study indicates that labor force is growing with an increasing proportion of youth and employment growth is inadequate to absorb this high proportion of labor force specially the youth part in different sectors of the economy .the factors that seem to contribute to the high underemployment rates include inadequate education achievements for rural youth. Other contributing factors are inadequate infrastructure and poor communication systems mostly of a rural phenomenon. Though there are diverse rural livelihoods opportunities in rural areas, most youths find them unattractive and not appealing to engaged-in. Many youth regard farming as a 'dirty activity' due lack of proper facilities. This has resulted to the fact that agriculture is regarded as vocation of the last resort to young people Woldehanna and et al (2011). Several factors explain migration as lack of well-established system of property rights for land and high sense of uncertainty to its ownership is the major factor youth migration. (2011).

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 labor 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, Mlatsheniand 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 labor market.

In Ethiopia the same, less educated youth has also been faced the challenge of being unemployed ,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.

Zaheer Ahmad and Jangraiz Khan (2016) from Pakistanin his observation in rural regions there are less chances of employment as compare to urban the rate of unemployment is more than urban regions. While in urban regions a lot of opportunities of jobs because in results of industrial state. In Pakistan the rural search for industrialized zone for work because there is no suitable source of incomes. As results the rate of unemployment is rising. Pakistan is agro based country and 70 % population are engage with agriculture sector which is not fascinating in the result of new instrument and not good circumstances. Rural people's not finding proper source of earning .similarly in South Africa unemployment is also influenced by geographical location. There are often unequal employment opportunities among South African provinces (sekatane 2004:20). Unemployment rates in the rural areas are higher than unemployment rates in urban areas mainly because of scarce employment opportunities.

To reduce the rate and negative consequences of rural youth migration, policy efforts should focus on integrating rural youth into diversified agricultural activities. If governments were committing to this investment, the desire to migrate would diminish. Rural youth could evolve into agents of change with the capacity to improve their living standards. In this regards, the UN recommends that programs of integrated rural development and reorientation of the economy and social investments towards the rural areas need to be embarked upon creating appropriate rural-urban economic balance (2011).

Holister and Goldstein (1994) pointed out that the effect of the accelerated growth of population in Ethiopia's unemployment problem is multifaceted. Firstly, it affects the supply side through a high and rapid increase in labor force relative to the absorptive capacity of the economy. Secondly, the increase in the number of children in the population presently implies a serious burden. Other supply-side factors are what some experts describe are inappropriate school curricula and lack of employable skills.

Several analysts argue that, in the formal sector the skills that job seekers possess do not match the needs and demands of employers in Ethiopia (Deavers 1992, Mengistie, 2001). It is argued that Ethiopia's education system, with its western bias, does not just over supply the labor market with graduates and school leavers, but also does not produce the type of skills demanded for formal employment. Henderson, (2002) observed that high unemployment incidence of secondary school-leavers is a reflection of improper coordination of the educational system. Gibson (1990), criticized the government expenditure policy whereby most of government projects such as industries and public utilities were concentrated in urban

areas at the utter neglect of the rural areas because of its tendency to encourage mass exodus of rural skilled and unskilled labor from villages into the urban centers thus causing urban unemployment. Another important problem faced by the young work-seekers is their inexperience and the preference of the employers for experienced workers. The importance of this factor was suggested by scholars as the majority of the urban unemployed to be new entrants into the labor force or those seeking work for the first time (ILO, 2005).

Gender disparities in unemployment have been reported by Qayyum (2007) using data from labor force survey (2003-2004) and probit model to investigate causes of unemployment among young people aged 15-29 years in Pakistan. Qayyum found higher unemployment rate among females than males. A study by the International Labor Office (2004), pointed out that youth unemployment in South Africa has a gender dimension, because it is generally higher among females than males. This has been confirmed recently by Msigwa and Kipesha (2013). The results of the same study by Quyyum (2007) relating to marital status showed that unemployment among unmarried people was found to be considerably higher than among married people. This seems to contradict the findings of a study by Gebere (2011) which found that the percentage of unemployed for married youths was greater for never married.

In the country some researches were conducted towards youth unemployment which is discussed below, however the research has reasons that inspire him to conduct this research in the study area. For instance a research conducted by Nzinga, Broussa and Tsegay (2012) entitled with youth unemployment in Ethiopia which assess the labor market institutions, evaluate the existing labor market polices and discuss their role in explaining, but it couldn't assess the demographic and socio economic factors affecting youth unemployment. On the other hand zelalem(2014) also explored the nature of urban youth unemployment in kazanchis Addis Ababa, but the research did not indicate the socio economic factors of youth unemployment deeply in the study area. The other research conducted by Asalfew (2011),Alemnew (2014) , Abel Tewalde (2016), Amanuel (2016), Dejen et.al.(2016) and Aynalem et al,(2016) The results of these studies contradict each other which need further study based on the specific socio-economic and demographic situation of the study area. Zenebe (2006) and Aselefew (2011) studied the role of labor market entrant for the accumulation of youth unemployment in urban areas; Martha (2012) conducted a research on the challenges of unemployment from the government policy perspective. She concluded that unemployment mainly as an urban phenomenon and serious social problems in Ethiopia,

Abel Tewolde (2016) studies from Addis Ababa and Dire Dawa city Administrations and his studies finding come up with policy recommendations to handle youth's employment/unemployment issue in the study areas and all those studies can be concentrated on urban youth. A research conducted in South Africa by Sekatane (2004) indicates that unemployment is also influenced by geographical location. There are often unequal employment opportunities among South Africa's provinces. Unemployment rates in the rural areas are higher than unemployment rates in urban areas mainly because of scarce employment opportunities.

As it is indicated in the review of literature above, most of the previous studies result shows differences. This difference indicates that the determinant factors for youth unemployment vary from country to country, geographical place to place, and person to person. As these general facts this studies to investigate unemployment of youth in woreda level. Dedo woreda/ district youth population is one of the segments of the rural and urban population affected by the problem. While these general facts are clear, the determinants of youth unemployment in the district which are not addressed yet. Hence, the initiation of this study by the researcher is intended to address the missing gaps such as demographic and socio-economic factors affecting youth unemployment in the study area.

2.11. Conceptual Framework of the Study

For the purpose of this study, in examining the determinants of youth unemployment, demographic and socio economic variables: namely age, gender , marital status, migration , education, work experience, household income, access to credit, Infrastructure and size of landholding were taken as explanatory variables whereas youth employment status was the dependent variable. Such systematic investigation of identifying the major factors that determinate youth unemployment would lead to designing appropriate conceptual framework of the study as to address this multifaceted problem.

Figure 1: Conceptual Framework of the Study

Independent variables

Demographic factors
- ❖ Age.
- ❖ Gender
- ❖ Marital status

Socio-Economic factors
- Education level
- Access to credit
- Job preference
- Work experience
- Household Income
- Size of landholding
- Infrastructure access

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Dependent variable



Youth unemployment status
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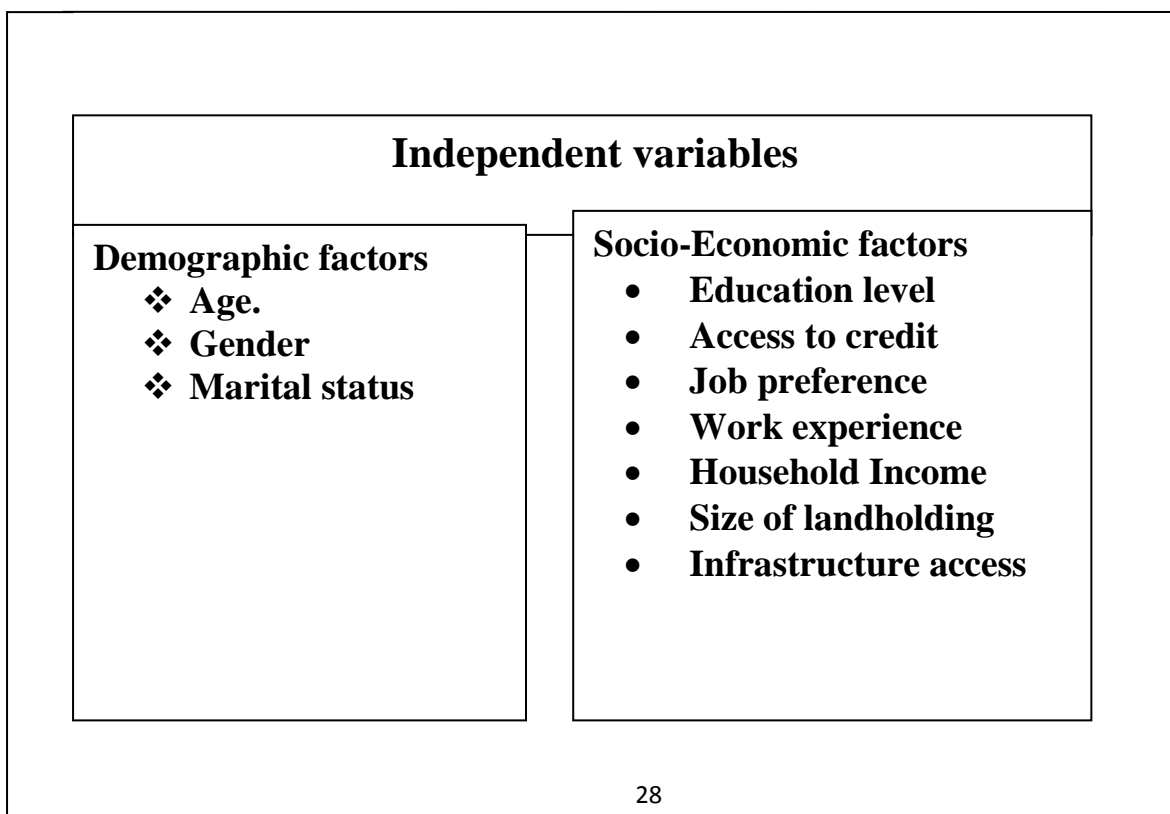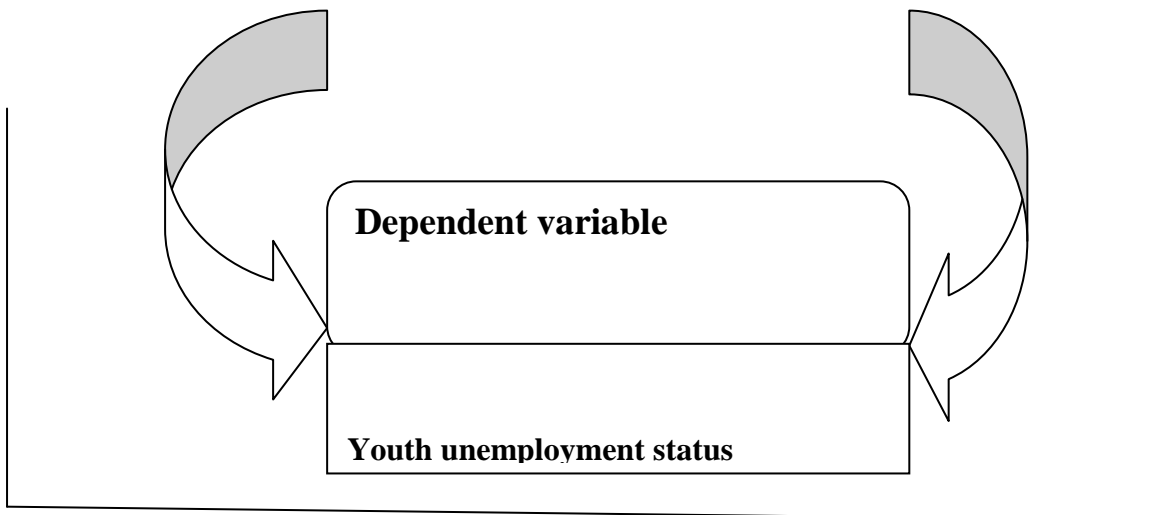
Source: Self developed from literature review (2020)

CHAPTER THREE

3. RESEARCH METHODOLOGY

INTRODUCTION

This chapter comprises research design which the specific procedures involved in the research process: Description of the study area, research design, sampling techniques, data collection, measurement, data analysis and report writing (Kothari, 2004).

3.1. Description of the Study Area

The study was conducted in Dedo woreda, Jimma Zone, oromiaregion. Dedo district or woreda is one of the 21 districts found in Jimma zone of Oromiya Regional National State. The district established during the Abajifar-II of Jimma Kingdom in 1867 E.C. Pre the year 1988 the current Dedo district of Jimma awaraja of Jimma province. The name Dedo was derived from Jarso Dedo which is referring to the name of a clan group of the area. Hence, the present name of the district, Dedo, was given from the name of called JarsoDedo. The district or woreda 370 km away from capital city of Ethiopia, Addis Ababa and 20km away

from Jimma town, which located in the south–west part of the country between $11^0 56'$ and $13^0 45'$ North latitude and $35^0 11'$ and $35^0 50'$ East longitudes. The boundaries of the woreda adjoin south nation and nationality peoples region in the south, Saka cokorsa woreda in the west and West Mancho woreda in the north Karsa woreda

Figure 2**: Dedo woreda Administrative map**

The dedo woreda was located about 800-3000 meters above sea level at latitude of $7^0 17'$ N and longitude of 38006'E. The woreda has an area of 100,591 Hectares. The woreda has 36 kebeles which has three urban administrations namely, sharif , shagar and moxoso and 33 rural kebeles. The altitude of Dedo ranges from 800 to 3000 m above sea level while the minimum annual temperature ranges between 11^oC and 28^oC. The mean annual rainfall for the area ranges from about 800 to around 1400 mm.

The Agro – ecology of the woreda was 35% high land, 47% mid land and 18% low land which are suitable for agricultural commodity. The most widely produced products in the district are crops, Vegetables, fruits and coffees are countered. Inter farming system in relation with rearing livestock production is moderately produced.

According to the data obtained from Dedo woreda office of planning and economic Development Estimated from (PED, 2018), the total population of the woreda is 212,277 which 109,480 are males and 102,797 are females. The youth population age 15-29 is 82,788

which are 40152 male and 42635 females. The spatial distribution of population in the district is 94.32% of the population live in rural area and the remaining 5.68% of population live in urban.

3.2. Research design

The study employed cross-sectional study in the sense that all relevant data were collected at a single point in time. The reason for preferring a cross-sectional study was due to the vast nature of the study and the limitation of time. And obtaining information from a cross-section of a population at a single point in time is a reasonable strategy for pursuing many descriptive researches (Janet M. Ruane, 2006:9.Another reason for using a cross sectional study design is relatively quick, cheap, and easy to carry out, and results are easy to analyze (Reaves, 1992; Kirkwood, 1988). Moreover Kothari (2004) supposed that the cross-sectional survey method is used to gather data from a relatively large number of cases at a particular time. Also a cross-sectional study is particularly suitable for studying conditions that are quantitatively measurable (Kleinbaum, Kupper & Morgenstern, 1982).The unemployed and employed youth were serving as unit of respondent to whom the study questionnaire was administered.

The research has employed both descriptive and explanatory design so as to assess the key factors that affect the determinant factors of youth unemployment in dedo woreda. The reason for using descriptive design is that it enables to describe the different variables that affect youth unemployment and explanatory design are used to examine the relationship between variables. The study used qualitative and quantitative, known as mixed approach that is best testifies the basic research questions (Onwuegbuzie& Combs, 2011).the explanatory sequential mixed method is a type of approach in which the researcher first conduct quantitative analysis then analyze qualitative data.

Thus, mixed approach has provided an opportunity to get potential benefit from multitude of methods employed in this study the primary reasons for choosing mixed-method approach are that either quantitative or qualitative method alone was not sufficient enough to generate the relevant information and challenges prevailing in the district administration in detail. It was also difficult to identify any causal links, effects and direction of relation between them.

Multiple sources were used to triangulate information to enhance validity of the research findings. It also entails that mixed method research design enables the researcher to understand a phenomenon from different angles using multiple data collection instruments. It

also provides a better opportunity to the development of a comprehensive data base than either of the research approaches alone. Hence, the combinations of both quantitative and qualitative methods to be employed in this study Creswell (2009:203-216).

3.3. Target Population

The focus of this research was youth population age between15-29 economically active youth found in dedo woreda specifically in five selected kebele from urban and rural. To determine the population, first the researcher identifies total number of youths who live in the district. Hence, according to the data obtained from Dedo woreda office of planning and economic Development Estimated from (PED, 2018), The total youth population age 15-29 is 82,788 which are 40152 male and 42635 females. This is out of total population 38.9 % were youth population (age 15-29) and many efforts have been made by the concerned body, however 29.2 % of youth unemployment rate were registered as unemployed in the office. Therefore 6282 youth who live in the selected kebele of dedo woreda in Jimma zone the sample was selected from total number of youth age between15-29 which was employed as well as unemployed youth in five selected kebeles.

3.4. Method of sampling techniques

The research was employed multi stage sampling techniques. Because multi stage sampling technique was generally used in selecting a sample from a very large area. As the name suggests multi-stage sampling refers to a sampling technique which is carried out in various stages.

Stage 1: Dedo woreda was selected purposively due to high youth unemployment (Dedo woreda youth and sport office, 2019).

Stage2: based on youth population and unemployment rate, kebeles are stratified in to three categories: high, moderate and low youth population and unemployment rate. Next, by using random sampling five kebeles are selected from each stratum. Such as: Shagar, Sharif,Chalete Bullo, WaroKolobo, Garmalamessa,

Finally, depending up on the proportional allocation rules the population size of each stratum or kebele sample size was taken from each stratum or kebeles as per proportional allocation rules (Kothari, 2004). Additionally, key informants such as expert of youth and sport office, government officials, community and youth leaders were purposely selected from target area.

3.4.1. Sample size determination

Based on high rate of youth unemployment criteria five kebeles were selected. In those kebeles there are 6282 youth who are economically active. So, to determine sample size there are several formulas developed for sample size determination that conforms to different research situations. The sample size of the study was determined based on formula for finite population with 95% confidence level with identified by (Kothari, 2004).

n=z^2.Npq$_{/e}$^{2} (N-1) +z2p.q

Where n=required sample size

N=size of population (6282)

e=sampling error (5%)

p=0.5

q=0.5

z=confidence interval at 95% which is 1.96

(1.96)2*6282*0.5*0.5/ (0.05)2(6282-1) + (1.96)2*0.5*0.5

6033/17= 355

According to the proportional allocation rules the population size of each stratum or kebele sample size was taken from each stratum or kebeles as per proportional allocation rules and the weight as proportional were shown in the table below.

$$n = n * (\frac{Ni}{N})$$

Where

Ni= the total number of youths in each kebele

n= the total sample size for youth population

N= the total number of youth population

Table 1*: **Sample size from each kebele by using proportional allocation**

NO,ofke bele	Name of Kebeles	Total population of youth	Proportion (n*Ni/N)	Sample size from each kebele/stratun/	
1	Garmalamessa	942	355*942/6282	n1=53	
2	Warokolobo	1256	355*1256/6282	n4=71	
3	Chalte bulo	1260	355*1260/6282	n5=71	
4	Sharif	1346	355*1346/6282	n6=76	
5	Shagar	1478	355*1478/6282	n7=84	
1-5		6282		Total n=355	

Source: Dedowored youth and sport office annual report 2018 – 2019

3.5. Sources of Data and Data Collection Techniques

The study employed both primary and secondary sources of data collection method. Primary data were collected through structural and semi – structural questionnaire which is prepared to collect information on socio- economic and demographic characteristics of the respondents. A questionnaire was prepared to unemployed as well as employed youth in order to collect determinant factors of youth unemployment data from five selected kebeles. Most of the items of the questionnaire were close ended with some open-ended items. Questionnaires considered as the appropriate data collection instrument for this study. Because it limit some inconsistency and save the time as well as it is possible to access a large sample widely spread geographically. Moreover, it gives freedom for the respondent in filling it and avoids bias of the interviewer; and it is less costly.

The questionnaire was pre-tested to check its appropriateness for gathering all the required information. This was completed by the unemployed, employed youth, local elders and experts and leaders of youth concerned offices.

FGD was used to explore the magnitude of youth unemployment and to obtain additional data for the study. Moreover, key informant interviews was employed to address the information that not reached by questionnaire, expert of youth office, government officials, community and youth leaders are key informants. All the interviewees were administered by the consent

of the respondent's .Secondary data were obtained from records of administrative offices, published or unpublished government documents, journals, books and other sources relevant to this study would be used to enrich the investigation.

3.6. Data Collection Tools

Interview questionnaire / Schedule were used as the main tool of data collection in the study which includes the structural and semi - structural questionnaire. Based on the nature and extent of responses obtained, necessary modifications and further editing was made in the interview schedule to ensure its clarity and completeness for generating the required information from the respondents. The questionnaire was arranged in three parts. The first part consists of demographic factors of respondents; the second part covers the socio-economic factors of respondent that affect youth employment status. The third part consists of Likert scale, address issues of key factors that affect youth unemployment. Besides, FGD and Key informant interviews were also prepared in order to gain additional information

The processes of data collection were conducted using both qualitative and quantitative approaches. The quantitative data were collected by using questionnaire whereas the qualitative methods of data collection tools were interview guide, focus group discussion methods. FGD was used to explore the magnitude of youth unemployment and to obtain additional data for the study.

3.7. Data collection procedures

The survey instrument would be designed on the basis of the research objective. Prior to conducting the survey, the researcher prepares closed and semi-open questionnaires for the respondents and Interview for key informants. Before starting data collection the researcher provide short training for data collectors. Before starting data collection data collection form was examined for completeness and consistency .During data collection the researcher act as supervisor and follow the data collection process with providing some assistance to data collectors on the field and organize the collected data and store.

3.8. Method of Data Analysis and Presentation

The study used descriptive types of research to obtain information regarding the current status of the problem under study. Thus, data processing and analysis involves the use of both qualitative and quantitative data, which was collected through primary and secondary sources. During quantitative analyses certain statistical procedures and measures were used to

analyze the numerical data whereas the qualitative data analysis involves identification each variables, put and converted into some meaningful structure known as coding, then the coded data needs to be sorted out according to its specific measure and entered in to the computer for analysis.

Both descriptive and inferential statistics were used. The reason for using descriptive statistics was to describe, summarize or explain a given set of data. The statistical analyses were conducted using the SPSS software, percentages, mean, standard deviation, inferential statistics tools such as correlation, Chi-square. Correlation was employed to measure the relationships between dependent and independent variables; Chi-square test was employed to evaluate the significance of the association between variables and thereby to test the hypotheses; and logistic regression model was used to examine the relationship between youth unemployment and a set of predictor variables.

As Hosmer and Lemeshew (1989) pointed out that the logistic distribution (logit) has got advantage over the others in the analysis of dichotomous outcome variable in that it is extremely flexible and easily used model from mathematical point of view and results in a meaningful interpretation. Hence, the logistic model has been selected for this study.

3.9. Logistic Regression Model

Logistic regression is modeling approach used when the response variable is qualitative in nature or categorical and independent variables may be either continuous or categorical. Logistic regression allows one to predict a discrete outcome, such as group membership, from a set of predictor variables that may be continuous, discrete, dichotomous, or a mix of any of these (Gellman and Hill, 2006). The logistic regression is preferred to multiple regression and discriminate analysis as it is mathematically flexible and easily used distribution and it requires fewer assumptions (Hosmer and Lemeshow, 2000). Unlike discriminant analysis, the logistic regression does not have the requirements of the independent variables to be normally distributed, linearly related, nor equal variance with in each group (Tabachnick and Fidel, 2007). Binary logistic regression is a form of logistic regression which is used when the dependent variable is dichotomous and the independent variables are of any type (Hosmer and Lemeshow, 2000).

3.10. Specification of the Logit Model

Logistic regression is a popular modeling approach when the dependent variable is dichotomous or polytomous. *This model allows one to predict the log odds of outcomes of a dependent variable from a set of variables that may be continuous, discrete, categorical, or a mix of any of these.* Hosmer and Lemeshow (2000) have described logistic regression focusing on its theoretical and applied aspect. In this study binary logistic regression model were used to examine the relationship between the independent variables and dependent variable (determinants of youth unemployment). The justification for using binary logistic regression model is its simplicity of calculation and that its probability lies between 0 and 1(two categories). Moreover, its probability approaches zero at a slower rate as the value of explanatory variable gets smaller and smaller, and the probability approaches 1 at a slower and slower rate as the value of the explanatory variable gets larger and larger (Gujarati, 2004).Hosmer and Lemeshew (1989) pointed out that the logistic distribution (logit) has got advantage over the others in the analysis of dichotomous outcome variable in that it is extremely flexible and easily used model from mathematical point of view and results in a meaningful interpretation. Hence, the logistic model has been selected for this study. By using odd ratio formula, the significance of each explanatory variable the determinants of youth unemployment were analyzed. Therefore, the probability of youth unemployed can be stated as:

$$\mathbf{P_i = Z\ (y = \frac{1}{x_i}) = \alpha + \beta_i\ x_i} \quad\text{...}\quad (1)$$

Representation of youth un employed is given by:

$$\mathbf{P_i = F\ (Z) = \alpha + \sum_{i=1}^{n} \beta_i x_i = \frac{1}{1 + e^{-(\alpha + \sum \beta_i x_i)}}}\text{.............................}(2)$$

Where: Pi is the probability that i^{th} respondent employed

 e - Represents the base of natural logarithms (2.718).

 Xi - Represents the explanatory variables

 n- Represents the number of explanatory variables, i = 1, 2, 3 …, n. and

 α and βi- are parameters to be estimated.

For ease of exposition, it can be written as:

But $1-P_i = \dfrac{1}{1+e^{-Z_i}} = \dfrac{e^z}{1+e^z}$ where $\mathbf{z_i = \alpha + \beta_i\, x_i}$ ....(3)

This is logistic distribution function

If pi-is the probability of respondent unemployed, then: (1-Pi) is the probability of respondent employed.

Thus, $\mathbf{1\text{-} pi} = \dfrac{1}{1+e^{z_i}}$ by re-writing this formula,

$$\dfrac{P_i}{1-P_i} = \dfrac{1+e^{Z_i}}{1+e^{Z_i}} = e^{Z_i}$$ .... (4)

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

Taking natural logarithm of this equation Li-is the log of odd ratio and linear in x called logit.

$$\left(\dfrac{P_i}{1-P_i}\right) = \left(\dfrac{1+e^{Z}}{1+e^{Z}}\right)$$ .... (5)

The relationship between the predictor variables and response variable is not a linear function in logistic regression; instead, the logarithmic transformation of equation yields the linear relationship between the predictor and response variables. Therefore, to get linearity, take the natural logarithms of odds ratio equation (5), which results in the logit model as indicated below.

$$z = In\left(\dfrac{pi}{1-pi}\right) = \alpha + \beta 1 + 1 + \beta 2 x 2 + \beta n x n$$ ....(6)

As P goes from 0 to 1, the logit goes from $-\infty$ to ∞. That is, although the probabilities lie between 0 and 1, the logit are not so bounded (Gujarati, 2004). If the disturbance term ui is taken into account, the logit model becomes,

$$Z = \alpha + \sum \beta i x i + u i$$

.... (7)

his log-odds ratio is a linear function of the explanatory variables which is used to test whether an explanatory variables are significantly determine youth unemployment or employment parameters is called logit model

Model specification.

Youth Employment status-----------------YES

 Sex---Sx

Age ---Ag

Marital status------------------------------------Ms

Education -------------------------------------Ed

Work experience-------------------------------WE

Credit access ----------------------------------Cr

Household income-----------------------------HHI

Job preference----------------------------------Jop

Size of land owned ---------------------------SLH

Infrastructure access----------------------------AInf

Error term---Ei

$$lnYES = \alpha + \beta 1SX + \beta 2Ag + \beta 3Ms + \beta 4Ed + \beta 5WE + \beta 6Cr + \beta 7HHI + \beta 8JOP + +\beta 9SLH + \beta 10InfrI + {}'Ei$$

.

Where α=is a constant term β1,β2,β3,β4,β5,β6,β7,β8,β9 and,β10=are parameters

Ui= is error term

$$Log \frac{p(i)}{1 - p(i)} = In(odds) = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 \dots + \beta nxn + \in i$$

Where: Y = employment status (unemployed = 1; employed = 0). Employment status is expressed as a probability function $(\frac{pi}{1-pi})$ with **P (i)** is the probability that i^{th} respondent is unemployed and **1-P (i)** is the probability that the ith respondent is employed from the survey data, B$_i$,s are the regression coefficients and the **X$_i$'s** are the set of independent variables. From the **B$_i$'s** the odds ratio is estimated as *exp (B).* The odds ratio is the factor by which the odds of

unemployed change per unit change in the ith independent variables, controlling the effects of other variables (Johnson &Wichern, 2007).

Goodness of fit

Pearson chi-square test

The Pearson x^2 statistic is based on observed (O) and expected (e) observations.

$$x^2 {}_{=i=} \frac{1^n \sum (0-\epsilon)^2}{0} - i = 1^n \sum (yi-nipi)^2 / nipi(1-pi)$$

Where: y_i is the observed value of Y.

Piˆ is the predicted or fitted value of Y for a given of x in $_i$ is the number of observations. High values of Pearson chi-square for a given independent variables indicates that there is strong association between each of the given independent variables and the dependent variable keeping the effect of the other factors' constant. That is, testing the hypothesis:

Ho= There is no association between the variables

H1= There is association between the dependent and the particular independent variable

Wald Test (z)

A Wald test is used to test the statistical significance of each coefficient (β) in the model. If the Wald test is significant for a particular explanatory variable, then we would conclude that the parameter associated with this variable is not zero so that the variable should be included in the model otherwise it should be omitted from the model (Agresti, 1996).

Definition of Variables and Hypothesis

Dependent Variable

The dependent variable for the logit analysis is of dichotomous nature representing youth employment status. This is to distinguish or discriminate between those employed or unemployed youth in the study area.

 Y-Youth employment status during the year (YES): this is the dependent variable. It takes value of '1' for employed and '0' for unemployed youth.

Explanatory variables of the study

Review of literatures on factors influencing youth unemployment, past research findings and the author's knowledge of the youth unemployment of the study area was established working

hypotheses of this study. In other words, among a number of factors, which have been related to youth unemployment, in this study, the following demographic and socio-economic factor was hypothesized to explain the dependent variable.

Sex (Sx): this is a dummy variable that assumes a value of '1'for male and "0" otherwise. According to Hallerod and Westberg (2006), females were vulnerable both in short term and long-term unemployment than males. Hence, it is hypothesized that male youth have more access to employment than female. Therefore, it has been expected that sex of the individual determines youth unemployment negatively and positively.

Age (Ag): It is a continuous variable, defined as the youth age at the time of interview will be measured in years. A study by O'Higgins (2001) reported that youth unemployment was higher than adult unemployment in almost every country for which data was available. Therefore, it has been expected that age of the individual determines youth unemployment negatively

Marital status (Ms): It is a continuous variable (married, unmarried or divorced), according to (Dereje T, 2016 and Deribe, 2015) the marital status of youth is concerned, the unemployment was more among unmarried youth compared to those of the married youth (reference category).Youth that were either divorced or separated had higher likelihood of being unemployed as compared to those that were never married. Therefore, it has been expected that marital status of the individual determines youth unemployment negatively and positively.

Work experience (we): this is a dummy variable that assumes a value of '1' for youth have experience and '0' otherwise. According to (Dereje, 2016) Work experience has a significant effect on the likelihood of youth employment status. The likelihood of being unemployed for those respondents who had no work experience is higher as compared to those who had work experience. Therefore, it has been expected that work experience of the individual determine youth unemployment negatively and positively.

Job Preference (Jop):- is refers to the choice of a given job among various jobs available in the labor 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 labor market. In the model, preferring any available job was taken as a reference category

Household Income (HHI): -it is a constitutes variable that 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 variable, 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

Access to credit (Cr): This is a dummy variable that assumes a value of '1' for access to credit and '0' otherwise. The youth accesses to credit easily create his/her employment. As Dejene T, 2016) accessing the youth access to credit was likely to be employed as compared to those who had access credit. The likelihood of being unemployed for those who did not get the service is higher than those who got the service (reference category). Therefore, it has been expected that access to credit of the individual determine youth unemployment negatively and positively.

Infrastructure (In): This is a dummy variable that assumes a value of '1' for employed family and '0' for unemployed family, according to (Getnet, 2008 and Ali, 2013) infrastructure has a role in employment reduction. Therefore, it has been expected that infrastructure determine youth unemployment negatively.

Land ownership (Lo): it is dummy variable, which are determinants for youth un employment. Therefore, it has been expected that size of land of the individual determine youth unemployment negatively.

3.11. Validity and reliability of instrument

Validity of an instrument concerns the extent to which the research measures what it asserts to measure without bias or distortion. To test the validity of the instrument, before giving the questionnaire to the selected subjects, a pilot test will be conduct to check to revise and determine the specificity, relevance, and clarity of the items and to determine the reliability of the tests. Thus, the selected items (translated in to Oromia) were administered on 15 samples in dedo woreda at youth multipurpose center. The statement rated on a 5 point likert response scale which includes strongly agree, agree, undecided, disagree and strongly disagree. Based on this an internal consistency reliability test was conducted the Cronbach's alpha coefficient for the instrument was found as .840 which is reliable. It is possible to collect necessary data from respondents. Then, instruments are consistent with the objectives of the study

3.12. Ethical Issues/Considerations

As the nature of the study demands, the following ethical considerations were strictly taken care of throughout the research processes. The data collector's aware the importance of communicating the respondents respectfully and openly throughout the data collection process, and provides briefing on the nature and value of the research, become essential components to obtain reliable data and informed consent. Utmost effort is to make the data collectors to be culture sensitive during collecting the data in each target sites.

Chapter Four

4. Result and Discussion

Introduction

This chapter presents and discusses the results of the analysis that has been conducted to address specific objectives of the research. The chapter is divided into five major sections. The first section of this chapter presents demographic characteristics of sample respondents. Socio economic characteristics of sample respondents in the study area are presented in the second section. In the third section, the likert analysis, the fourth section presents the differentials of youth unemployment and finally determinants of youth unemployment are presented that the most important factors that determine youth unemployment in Dedo woreda.

The data were collected by distributing 355 questionnaires in five kebeles, out of which 340 were completed successfully, representing 96% response rate. The Pearson Chi-square statistics was used as a measure of association between dependent variable and independent variables at 95% confidence level. Binary logistic regression model was used to identify the most important determinants of youth unemployment.

Employment Status of Res pendants

In the study, respondents were asked about their employment status prior to the survey date. As Table .4.1 shows out of the 340 respondent 169(49.4%) youth were unemployed while 172(50.6%) were employed at the time of the survey.

Table 2 : Employment status

Category	Frequenc	Percent	Valid	Cumulative Percent
EMPLOYED	172	50.6	50.6	50.6
UNEMPLOYED	168	49.4	49.4	100.0

4.1. 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 4.2 among the respondents 46.5 %were female while the remaining 53.5 %were male. This shows that male unemployment is higher than female unemployment.

2. Age of Respondents

Among the total of 340 youth, age range from 15-19 constitutes 20.6%respondents The highest proportion of respondents were found in the age group 20-24 constitutes 45.6%and the remaining age of respondents were constituted in age range of 25-29 years were 33.8% and among the age of respondents unemployment rate is higher for those age between 20-24 that is constitutes45.6% and lowest proportion of unemployment was observed for the age range of 15-19.This shows that as age increases unemployment decrease or employment increase and vice versa.

Figure 3*: Age of respondents*
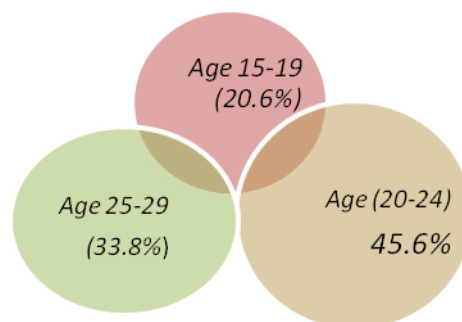
Source: Survey data (2020)

3. Marital Status of Respondents

As indicated in Table 4.2, 57.9%of the respondents were Single, 37.1%were married, divorced, and widowed were 2.9 and 2.1%respectively.this respondent data indicates the percentage of unemployment was higher for never married youths. This result indicates the relative risks of being unemployed for never married youth was higher compared to those of the ever married youth.

Table 3: Demographic Characteristics of Respondents by sex, Age and marital status

	Number	**%**
Sex		
Male	**182**	**53.5**
Female	**158**	**46.5**
Marital status		
Single	**197**	**57.9**
Married	**126**	**37.1**
Divorced	**10**	**2.9**
Widows	**7**	**2.1**

Source: Survey data (2020

4.2. Socio- Economic Characteristics of Respondents
1. Educational Level of Respondents

As shown from Fig 4.2 below, 17.6 % and 20.3 % of youths attend higher education diploma, Degree& above respectively.33.5 %of the respondents have attended up to their secondary education, 17.9 %attend primary education and 10.6%areilliterate. This data indicates the more they educated, the more they become employed and vice versa. More specifically, unemployment rate is high for those whose education level lies at primary and secondary education ladder and medium for illiterate. One basic reason behind this result may be the higher education graduate are less in number and they can easily employed in the offices and the high concentration of youths are follow their education up to primary and secondary education at this stage they never get enough skill to be employed and they also stay in school and they didn't join their own work.

Figure 4: Percentage of Socio-Economic Profile of Respondents Education
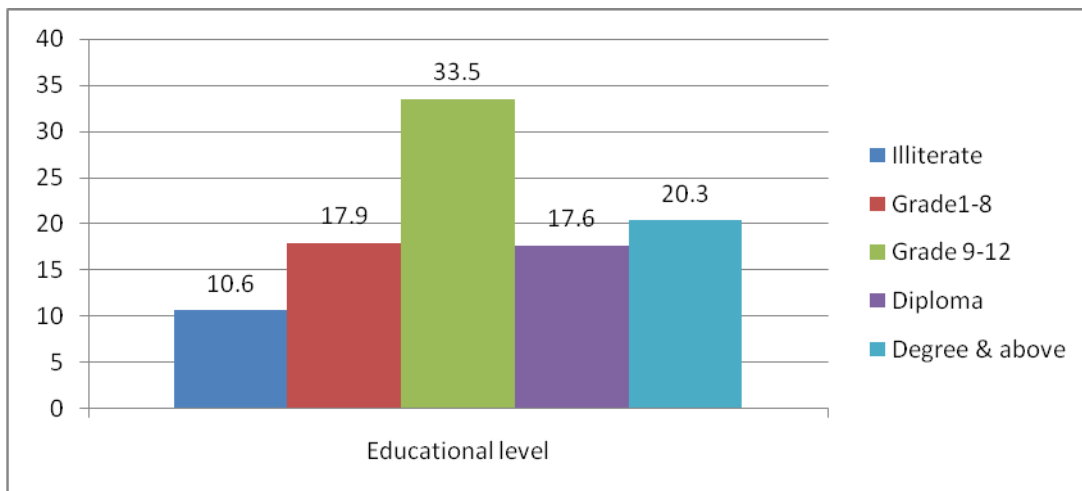
Source: Survey data (2020)

1. 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 42.6 % of the respondents had working experience or had been engaged in a productive work and57.4 % had no work experience. This implication most of respondents had no work experience at the time of the survey.

3. Household Income

The participants were asked to indicate their household income in their businesses. Fig4.3 indicate50.0% of the study respondents live in household monthly income of less than to 400 birr,21.5 %,14.1 % of the study respondents live in household monthly income equal to 401-800 birr, 801-1500 birr and 14.4 %equal to above 1501 birr, respectively.

Figure 5: Percentage of Socio-Economic Profile of Respondents household's income
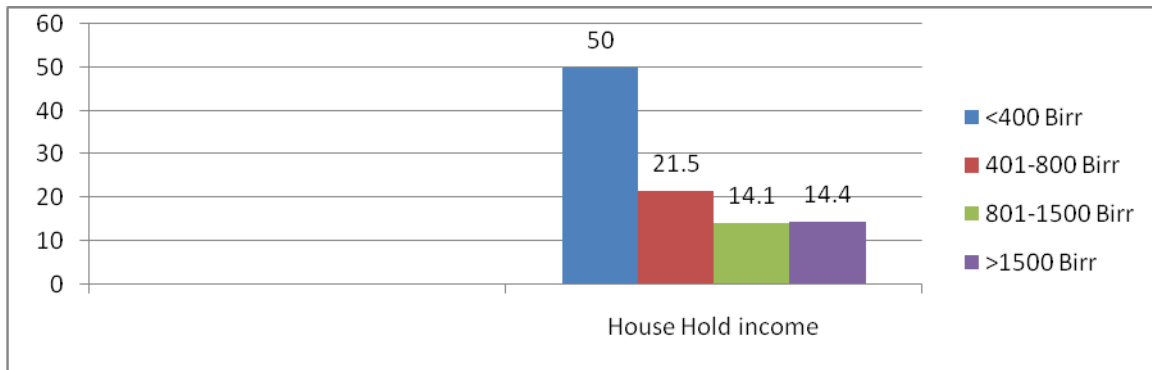
4. Land Ownership

Another important variable is land ownership. From the total respondents 70.3 % of them replied that they are landless; whereas29.7%t of them was having land to use. This implies that most of respondent had problem of land to work on.

5. Access to Credit service

Access to credit service status is another socio-economic characteristic of respondents. According to the collected data, 36.2 % of respondents can have access to credit services while 63.8 % of them do not. Table 4.3 indicates that respondents were also asked to identify the reasons for the inaccessibility of interest free credit and they responded that the major obstacle is prohibited by Muslim religion followers (25 %) and lack of collateral to get credit (23.2%). This indicates that youth unemployment rate was higher for those respondents who did not receive or get credit service due to no interest free credit service and lack of collateral to get credit.

6. Infrastructure

As indicated in Table 4.3. Respondent asked to infrastructure access in study area, out of total respondents 51.8 % respondents have no infrastructure and 48.2 % have infrastructure access, and unemployment rate of those have no infrastructure access is 67.2 %.

Table 4: Percentage of Socio-Economic Profile of Respondents work experience, land ownership, Credit access and infrastructure access

	Number	Percent
No experience	195	57.4
Has experience	145	42.6
Land ownership		
Landless	239	70.3
Land holders	**101**	29.7
Credit access		
No access to credit	217	63.8
Access to credit use	123	36.2
Infrastructure		
No infrastructure	176	51.8
Access of infrastructure	164	48.2

Source: Survey data2020

7. Job Preferences of Respondents

Information was also collected about the type of job a respondent preferred to engage in the labor market. The data concerning job preference of respondents shows that about 42.9 %of the respondents preferred paid employment in the formal sectors (private or government institutions), 26.8 %preferredself-employmentand30.3 %preferred any available job (Table 4.3).

Figure 6: Percentage of Socio-Economic Profile of Respondents Job Preferences
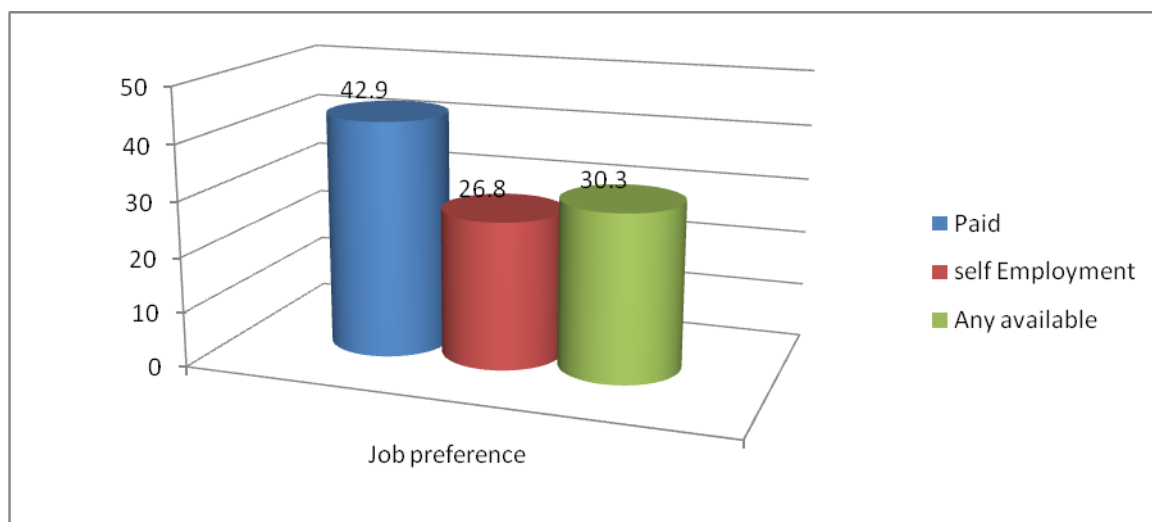
Source: Survey data (2020)

4.3. The major cause of youth unemployment

Respondent asked to what extent you would agree with the following statements as they relate to the major cause of youth unemployment in Dedoworeda / district. Their responses are organized in the following manner.

Table 5: Answers of respondents asked to the major cause of youth unemployment

SN	Statements	SD	D	N	A	SA	Total
1	Inability of the economy to generate adequate jobs has a significant contribution to youth unemployment.	3.2	3.2	12.1	29.4	52.1	340
2	Lack of experience has a significant contribution to youth unemployment	15.3	25.0	30.6	20.9	8.2	340
3	Discrimination of gender has a significant ion to youth unemployment.	0	.6	4.7	45.9	45.9	340
4	Irrelevant education system has a significant contribution to youth unemployment.	1.5	3.2	16.2	29.1	50	340
5	Shortage of land access to work on has a significant contribution to youth unemployment.	6.5	5.0	13.2	33.5	41.8	340
6	Inadequate infrastructures availability is	4.4	3.5	13.2	29.7	49.1	340

	significant contribution to youth unemployment.					
7	Lack of skills for job activity	20.0	22.6	29.4	19.7	8.2	340
8	Unwillingness to work has a significant contribution to youth unemployment	32.9	33.8	27.4	2.9	2.9	340

Strongly disagree (SD), disagree (D), neutral (N), agree (A) and strongly agree (SA).

Source: Survey data (2020)

As it has been clearly indicated in the above table the major cause of youth unemployment in study area out of total respondent, 52.1% of respondents pointed out, the inability of the economy to generate adequate jobs, the respondents were asked to what extent they consider the existing education system is relevant, and the majority of the respondents 50.0% have agreed that the education system blamed for its failure to impart them with relevant skills. They suggest that searching for solutions to the problems facing the youth demands professionals to review the existing gaps within the current education system. In particular, the contents of the curriculum and its relevance should also be reviewed periodically with to enable youth to best fit in the world ofwork,49.1% , 45.9% and 41.8% of respondents agree with, inadequate infrastructures availability , discrimination of gender and Shortage of land access to work respectively while 33.8% of respondents are disagree with Unwillingness to work as the cause of youth unemployment and 30.6% and 29.4% of respondents are neither agree nor disagree with Lack of experience and Lack of skills for job activity are reported as the cause of youth unemployment in the study area.

Generally Poor economy, irrelevant education system marketing system inadequate infrastructures availability and shortage of land access to work was mentioned by respondents as the serious cause of unemployment and this result confirms to the finding by Mulugeta Sefinew(2013).which states that lack of financial resources/ loan facilities weakened self-employment initiatives on the youth. Moreover; illiteracy, social discrimination, lack of access to information and marginalization of rural areas in economic activities aggravate the challenge**.**

Table 6: Answers of respondents the ways to tackle youth unemployment problem,

SN	Statements	SD%	D%	N%	A%	SA%	Total
1	Government incentives to encourage entrepreneurship	4.7	3.5	9.1	9.1	56.2	340
2	Employment opportunity.	2.9	3.5	3.5	29.7	57.	340
3	Access to credit facilities/financial assistance	4.1	3.8	11.2	30.9	50.0	340
4	Facilitation of infrastructure	3.5	4.1	11.2	30.3	50.9	340
5	Training and education.	2.6	1.8	15.6	32.6	47.4	340
6	access to vocational training	4.4	5.3	14.1	37.4	38.8	340
7	Access to entrepreneurship training.	4.7	3.5	18.5	35.3	37.9	340

Source: Survey data (2020)

This section of the report focused on the ways to tackle youth unemployment problem, respondent asked what type of solution   needed to tackle youth unemployment problem, the above table 4.6 indicated that all respondents agree with the predict solution.57.1%of respondent replied that they need better employment opportunity, 56.2%government incentives to encourage entrepreneurship, 50.9 % facilitation of infrastructure,50.0%needs access to financial credit to increase self-employment, 47.4 %training and education. 38.8 %access to vocational training and 37.9%t access to entrepreneurship training.

Generally, the youth responded to the above item that the major factors for unemployment challenges of youth include poor economic system that unable to generate adequate jobs skills mismatch and experience, shortage of land access to work on, inadequate infrastructures availability, gender-based discrimination and irrelevant education systemic. Constitute to the cause. Thus, the key actors should work to a maximum effort to curb their challenge. The need supports include government incentives to encourage entrepreneurship, access to credit facilities/financial assistance, labor market information, vocational training, entrepreneurship and assistance in training. This result is also consistent with the finding by Ali Nurye (2017) they argued that government policies and support such as   provision of incentives, availability of credit service, training and education, and facilitation of infrastructure .contradict with the idea entrepreneurship education promote self employment, but it prepares. However, several

researches highly recognize the strong positive relationship between entrepreneurship education and self employment (Schoof, 2012; Zwan et al., 2013).

Respondent also asked to who should be involved in tackling this major problem and to what extent are the different actors to improve their future prospects? According to the respondents, the key actors spearhead efforts to tackle their problems were: the Government has 53.2 %, youth themselves 22.9 %, Parents 14.7% and NGOs/CSOs 7.1% and as it has been identified by many of the respondents, the government has been viewed as the leading actor to tackle their challenges (See Appendix III).

Both Focus Group Discussions (FGD's) and key informants' interview were also support the idea discussed above. The issues discussed focus on major causes that triggered the youth unemployment problem, the role of the main actors to curb the problem and the existing gaps among the stakeholders. Most participants of the study areas have been asked about the causes of their unemployment regardless of their social grouping, living place and/or gender. They responded that poverty, lack of quality education/skill upgrading training and high population growth were the major causes of unemployment problem in the study areas. Another important point causes the problem was the discriminatory practices such as social discrimination. Lack of financial resources/ loan facilities weakened self-employment initiatives on the youth. Moreover; illiteracy, social discrimination, lack of access to information and marginalization of rural areas in economic activities aggravate the challenge. Despite government's meticulous commitment, there still low supply of economically viable entrepreneurial skills training and resources for youth limited opportunities for youth. Vocational training often not connected to emerging labor market demand, nor built in the assumption that youth have to create their own businesses because the formal sector is not yet robust enough to absorb them.

The main actors mentioned the existence of major limitations to effectively exercise their expected role while addressing youth challenges in their localities. The points include: - limited fund to address the need, underdeveloped entrepreneurship and misuse of microcredit services consequently led the youth into a debt trap. Moreover, lack of none interest free credit service in study areas and loan cooperatives are not strong.

The other important issue forwarded from the participants was lack of skilled workers and low demand for training/consultancy services as major challenges to support the youth.

Generally, loose communication amongst government bodies and the local NGOs partners become a bottleneck in their endeavor to curb the problem.

4.4. 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, age, marital status, education, work experience, household income, job preference, infrastructure access, and size of lad holder, a test of association was carried out using the chi -square test. The results of the bivariate analyses are provided in Tables following the explanation.

4.4.1 Bi-Variatc Analysis (Differentials of Youth Unemployment)
1. Demographic Factors Associated with Youth Unemployment

Sex of a respondent is one of the demographic variables that were found to be related to employment status. The relationships between sex and youth employment status illustrates in Table 4.7 among the respondents 46.5 %were female while the remaining 53.5 % were male. The unemployment rate for males and females respectively was 41 percent and 58.9 %.This shows that female unemployment is higher than male unemployment. The chi-square test indicates a statistically significant association between sex and employment status (P =0.017).

Age is another socio-economic characteristic related to youth employment status. In this regard, as shown in Table 4.8 among the total of 168 unemployed youth, age range from 15-19 constitutes 29.7% were unemployed. The highest proportion unemployed youth were found in the age group 20-24 constitutes54.1 % and the remaining age were constituted in age range of 25-29 years were 16 %and statistically significant association between age and employment status (P =0.021).

The relationship between marital status and youth employment status as indicated in Table 4.7, 57.9 % of the respondents were Single, 37.1percent were married, divorced, and widowed were 2.9 and 2.1 % respectively. The percentage of unemployment was higher for never married youths 76.7%than ever married youth (includes currently married, divorced, widowed and separated) 17.2%, 2.9%and zero percent respectively at significance level (p= 003).

Table 7: The association between Youth Employment status and Demographic variable

No	Variables	Category	Unemployed		Employed		Total		P-value	X2- test
			Frequency	%	Frequency	%	Frequency	%		
	EMPST	Employment status	168	49.4	172	50.6	340	100.0		
1	Sex	Male	69	41	113	65.6	182	53.5	0.017	29.5
		Female	99	58.9	59	34.3	158	46.5		
2	Marital status	Single	129	76.7	68	39.5	197	57.9	.003	56.8
		Married	29	17.2	97	56.3	126	37.1		
		Divorced	5	2.9	5	2.9	10	2.9		
		Widows	2	0.0	5	2.9	7	2.1		
3	Age	15-19	50	29.7	20	11.6	70	20.6	0.021	49,8
		21-25	91	54.1	64	37.2	155	45.6		
		26-29	27	16	88	49.1	115	33.8		

Source: SPSS output-based Field Survey, 2020

2. Socio-Economic Factors Associated with Youth Unemployment

Education plays an important role for employment. As shown in Table 4.8 below, the relationship between educational level of youth and employment status illustrates that unemployment was higher among those respondents who are attended up to their secondary education 51.7%, attend primary education21.4 % and11.9%are illiterate but it was lower among those respondents having diploma, degree & above 6.5 % and 8.3% respectively. In general, as the educational level of youth increased, youth unemployment decreased. The Pearson chi-square test confirmed that the association was statistically significant (P =.003).

It is known that work experience plays a major role in any activity. Hence the respondents work experience of youth employment status was examined. Based on the survey 57.4%of them replied that they have no work experience while 42.6percenthas work experience and unemployed. The Chi-square test found that there is no statistically significance difference in terms of their unemployment status (p= .989).

Regarding household income and youth employment status, statistically significant association was found between the two. Of the total respondents, Table 4.8 indicate 50.0 percent of the study respondents live in household monthly income of less than to 400 birr, 21.5 %, 14.1 %of the study respondents live in household monthly income equal to 401-800 birr, 801-1500 birr monthly income and 14.4 % above 1501 birr respectively. Unemployment rate is high for those whose household monthly income is less than 400 birr. In genera as the income of the household increases, the risks of being unemployed would decrease. The chi-square test exhibited significant association between household income and youth employment status at (P=.001).

Another important variable is land ownership. From the total respondents 70.3 %of them replied that they are landless; whereas 29.7%of them were have land to use. The unemployment rate of landless individuals was 83.9 %statistically at significant difference among the   individual's in terms of their unemployment status (p=.007).

The relationship between youth employment status and access to have credit services was found to be statistically significant. Table 4.8 also presents the differentials in youth employment status with credit services status. It indicates that youth unemployment rate was higher83.9 %among those respondents who did not receive or get credit service prior to the survey date than those respondents who had received once and above 16%.

As indicated in Table 4.8 out of total respondents 51.8 %respondents have no infrastructure and 48.2 %t have infrastructure access, and unemployment rate of those have no infrastructure access is 67.2 %. This result contradicts with (Getnet, 2008 and Ali, 2013) infrastructure has a role in employment reduction, and statistically insignificance difference at significance level (p=.139).

Job preference is another socio-economic characteristic related to youth employment status. In this regard, as shown in Table 4.8, 42.9 %of the unemployed respondents preferred to work in the formal sectors (government and private institutions) as paid workers, 30.3 %who prefer to engage in self-employment and26.8 %preferred any available job. Statistically unemployment rate is high for those who prefer to engage in self-employment were 45.2%.This result shows that the respondents and families of unemployed and employed youth are prefer to start their own business than employed in paid job to generate better income and for their freedom (P=.028).

Table 8: The association between Youth Employment Status and socio-economic predictors

No	Variables	Category	Unemployed		Employed		Total		P-value	X2-test
			Frequency	%	Frequency	%	Frequency	%		
1	Education level	Illiterate	20	11.9	16	9.3	36	10.6	.003	80.4
		1-8	36	21.4	25	14.5	61	17.9		
		9-12	87	51.7	27	15.6	114	33.5		
		Diploma/BLTO	11	6.5	49	28.4	60	17.6		
		Degree & above	14	8.3	55	31.9	69	20.3		
2	Work experience	No experience	168	100	27	15.6	195	57.4	.989	24.6
		Has experience	0	0	145	84.3	145	42.6		
3	Household income	Less than 400 birr	113	67.2	57	33.1	170	50.0	.001	52.3
		40 1-800 birr	33	19.6	40	23.2	73	21.5		
		801-1500 birr	16	9.5	32	18.6	48	14.1		
		More than 1501 bir	6	3.5	43	25	49	14.4		
4	Land ownership	Landless	141	83.9	98	56.9	**239**	70.3	.007	29.5
		Land holders	27	16	74	43	101	29.7		
5	Credit access	No access to credit	141	83.9	76	44.1	217	63.8	.002	58.1
		Access to credit use	27	16	96	55.8	123	36.2		
6	Infrastructure	No infrastructure	113	67.2	63	36.6	176	51.8	.139	31.9
		Access of infra	55	32.7	109	63.3	164	48.2		
7	Job preference	Paid	51	30.3	95	52.2	146	42.9	.028	37.4
		Self-employment	76	45.2	27	15	103	30.3		
		Any available	41	24.4	50	29	91	26.8		

4.5. Determinants of Youth Unemployment (Multivariate Analysis)

Besides Bi-Variate analysis, the demographic and socio-economic determinants of youth unemployment were examined using logistic 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, age, marital status, educational level, work experience, household income, credit access, land ownership, infrastructure access and job preference.

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

$$\log\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \dots \dots \dots + \beta_K X_K$$

Where, p' is the predicted probability of the event unemployed coded with 1and 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 (Bi) 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 were made.

1. Multicollinearity Effects

Multicollinearity in logistic rcgrcssion is a result of strong inter-correlation among the predictor variables (Montgomcry and peckd(, 1992; Ga rson, 2009). To assess multicollinearity effect in the model bi-variatc correlation matrix was conducted 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. Accordingly, it is found that there is multicollinearity problem among the explanatory variables (see Appendix III).

2. Goodness of Fit

Lemeshow Goodness of Fit Test

The hypothesis test

H0: The model is a good fit, vs

HA: The model is not a good 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 .21 (see Appendix III).). A large p-value (greater than 0.05) suggests that the fitted model is an adequate model. Since the p-value .21 is greater than 0.05, we do not reject the null hypothesis that the model is a good fit. Therefore, binary logistic regression fit the data well.

In the model a total of 10 variables that may affect youth unemployment were considered. 8 of the variables were found significant variables which affects youth unemployment. However, it found that 2 of them (work experience and Infrastructure accesses) are statistically insignificant. Hence, the relationship and the magnitude of influence of the significant variables are analyzed below.

Table 4.9 shows the effect of explanatory variables on dependent variable. Before applying final model, bivariate analysis was applied to identify the candidate variables for the final model. Variables with p-value less than 0.05 were taken to the final model to see their independent effect on the dependent variable, the significance of individual parameter estimates was tested using Wald test. The result of logistic regression is presented in Table 4.9 blow.

Sex (sx)

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 was35.6 (OR) times higher than that of males (Table 4.9). The multivariate analysis and the regression coefficient between sex and youth unemployment were significant at p <0.01.This is consistent with the prior expectation. This study is also consistent with ILO (2004)in South Africa, Hallerod and Westberg (2006),Asalfew (2011), Qayyum (2007) contradict with Deribe Assefa (2015),which is the risk of unemployment was higher for male.

In addition, information that obtained from the focus group discussions also confirmed the findings obtained from survey data. FGD participants stated that:

> *Here in Dedo worda , 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 Dedo worda is higher than males

Age

Age was significantly related with youth employment status. Table 4.9 shows that youth whose age was between 15-19 years were less likely to be unemployed than those youth whose age was between 20-24 years. And those youth whose age was older 25-29 years were less likely to be unemployed than those youth whose age was between 15 -19 years. This implies that youth aged between 15-19 years were more likely to be unemployed than older youth

Marital status (Ms)

There is a positive association between unmarried and being unemployed. The Logit model predicts that if youths are unmarried their unemployment status increases by the odds ratio of 69 higher compared to those of the married youth. This is true if unmarried youth not it give more attention for work to improve his livelihood as compared to married youth**.** When people get married, they have better likelihood of getting employed. Instead, it may be that they strive to find a job before getting married as marriage is believed to come up with responsibilities and most people get married after securing some source of income for future

life or looking for one after getting married this result indicates The percentage of unemployment was higher for those unmarried youths in study area. The relationship between marital status and youth employment was statistically significant. The result is confirmed with the fining by Quyyum (2007),contradicts with the finding by (Krishnan 1996: cited in Aynalem Sh. and Mulugeta D. (2018) and Gebre (2011),which states that the relative risks of being unemployed forever married youth was higher compared to those of the never married youth

Educational Level (ED)

The table4.9 indicates that the Education level**s** are statistically significant at the 0.05 level. This shows that Education level play a significant role in predicting the probability of being unemployed. From the results, education level has a negative coefficient and is statistically significant ($p < 0.05$). This result is in agreement with the prior expectation and indicates that the high level of youth unemployment in Dedo woreda or district arose as a result of a low of Education level**.** The sample odds of educated youth being unemployed were .101 times lower than those of an uneducated youth. This implies that education level was less likely to affect youth employment status in the study area. Confirming this statement, FGD discussants also noted the following:

> *Currently, higher numbers of unemployed youth have been observed among primary education and secondary school students, including us. Some of us completed grade 8,*
>
> *grade 10 and grade 12, but we did not get any employment opportunity in various socio- economic sectors. At this level of education, we don't 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.

Access to credit (cr)

It is believed that those who have better access to credit may participate in small businesses. Individuals who did not have access to credit at all were 272.2(OR=272.2) more likely to be

unemployed compared to individuals who had the credit access at 5% significance level. This implies that youth who have no initial capital access are never to start their own small business, due to this they are more affected by unemployment. This result consistent with Dejene etal, 2016 and Asalfew, 2011.

Accordingly, all of the FGD participants noted that:

> *Initial capital to start business is serious problem of youth unemployment due to non-Interest free credit prohibited by Muslim religion and all of us lack of collateral to get credit , bureaucracy to get credit and the requirement of saving which accounts due to such factors, accessing credit service is difficult.*

Thus, the risks of unemployed are being higher for young who had no credit access than others who had access the service.

Household Income (HHI)

Household income is expected to influence the employment status of youth in the study area. The result shows that, household income had significant effect on youth unemployment in Dedo woreda or district. The likelihood of unemployment for those youth who lived in a household earning monthly income birr less than 400 birr, 401-800 birr, and 801-1500 birr per months is higher than those who lived in a household earning monthly income above 1501 birr and this results consistent with Dejene Terefe Fila et al.(2016).The regression coefficient between household monthly income and youth unemployment is significant at (P<0.05) .

. Job Preference (JoP)

Job preference has a significant effect on the likelihood of youth employment status. Respondents those who preferred self-employment remain unemployed than those preferred paid employment and any available job. This study shows that the risk of unemployment would increases for those preferred self-employment. The likelihood of being unemployed for those respondents who preferred self-employment was 6.5 times higher as compared to those who preferred paid employment and any available job in the labor market. The relationship was statistically significant (P<0.1).

The findings of this survey indicate that one third of the respondents preferred prefer to start their own business. Thus; youth who preferred prefer to start their own business 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 prefer to start their own business because to generate better income and for their freedom also the reason for most us didn't join higher education; due to this the only option they have is to start their own business opportunity exist in their environment

Land ownership

As it was hypothesized, land ownership of individuals affects their unemployment status positively at 1% significant level. The Logit model predicts that landless youth 88. Unemployment increases by the odds ratio of compared to those youth who have land. This implies that when respondents' size of land holding increases, their farming production also increases. The probable reason might be that, more land enables youths to increase production, which provides more income that can be used to get inputs that improve their life. Therefore, youth who have relatively large size of land will be more initiated to improve their life. This also implies that respondents with landless (small size of land) more unemployed than those who have landholding. This finding confirm to the results of Hiruy (2012) he argues that in the absence of land justice we cannot imagine the rural youth to be [self] employed.

The results of likert scale question analysis finding also confirm to logistic regression: Entrepreneurship trainings being helpful and valuable for starting and running one's own business. Accordingly, 73.77 %of respondent are agree with access to Entrepreneurship training and 18.5 % moderate. While 8.2% rated as disagree with access to entrepreneurship. Type of solution needed to tackle youth unemployment problem. This implies that business related training and education is tremendously valuable and helpful in fundamental business knowledge and skills. This result is also consistent with the finding by Ali Nurye, (2017). With regard to facilitation of infrastructure , 81.2 % majority of respondent agree with in terms of facilitating infrastructure, but 7.6 % of them rated as disagree and the remaining 11.2 % of them rated it as moderate .Moreover the mean score of facilitation of infrastructure response 3.20 this signifies that there is advantageous government policy and support in facilitation of infrastructure. Thus, this also needs the additional focus from the concerned bodies for working on infrastructure facility in the area for creating conducive and attractive environment.

Employment opportunities regarding to this many researchers recognized the role of absence of formal employment opportunities as the major triggering factor for emergence of self-employment (Mora & Vila, 2013; Akbar & Bashir, 2009; Bay& Ramussen, 2010; Ellis & Williams, 2011; Kgagara, 2011) found that lack of employment in the formal sector forced into self-employment in the informal sector. To see this issues from our context all group were asked about importance of employment opportunities in the formal sector. The result is summarized as follows in table 4.6. 86.8 percent of respondent agree with they need better employment opportunity,   6.4 percent and 3.3 percent of respondent are disagree and moderate respectively. Almost majority of respondents believe that being employment opportunities is the crucial means of tackling the problem of unemployment.

Table 9**: Binary Logistic Regression Result**

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1[a]	SEX(1)	3.574	1.501	5.670	1	.017	35.659	1.882	675.761
	AGE	-2.304	.998	5.329	1	.021	.100	.014	.706
	MRST	4.234	1.426	8.814	1	.003	69.027	4.216	1130.021
	EDC	-2.294	.764	9.010	1	.003	.101	.023	.451
	JOBP	1.883	.857	4.822	1	.028	6.572	1.224	35.277
	ACCRs(1)	5.607	1.797	9.729	1	.002	272.239	8.034	9225.356
	HHI	-2.568	.740	12.040	1	.001	.077	.018	.327
	LSHIP(1)	4.479	1.658	7.294	1	.007	88.164	3.416	2275.125
	WEXP(1)	28.966	2161.609	.000	1	.989	3.79	.000	.
	ACINF(1)	1.788	1.210	2.185	1	.139	5.979	.558	64.021
	Constant	-29.12	2161.610	.000	1	.989	.000		

a. Variable(s) entered on step 1: SEX, AGE, MRST, EDC, JOBP, ACCRs, HHI, LSHIP, WEXP,ACINF.

CHAPTER FIVE

5.   SUMMARY OF THE MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This part of the thesis deals with the summary, conclusions and recommendations regarding the problem area. It summarizes and concludes the essence of the whole research and draws some

recommendations for local consideration. Hence, the summary of the major findings of the study, conclusions and recommendations have been elaborated in the following manner: -

5.1. Summary of the Findings

In this study, an attempt has been made to assess the demographic and socioeconomic determinants of youth unemployment in Dedo woreda/district of Jimma Zone, Oromia National Regional State. The survey is cross sectional by design, and largely used primary data obtained through conducting cross sectional data in order to assess the determinant factors of youth unemployment, data on the demographic and socioeconomic characteristics of youth were collected from 340 respondents. The samples were selected by using multistage sampling design and the data were analyzed by using descriptive statistics and binary logistic regression model.

.

The youth unemployment was 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. Educational level, respondents who had primary and secondary level of education were not employed in jobs available in the labor market of the study area. Youth who had no access to credit services were unemployed than others who had access the service. In relation to infrastructure access and work experience are statically insignificant differences to youth unemployment. The sample respondents who lived in a household less monthly income were not employed. Unemployment rate is high for those who prefer job to engage in self-employment, this shows that the respondents and families of unemployed and employed youth prefer to start their own business than employed in paid job to generate better income and for their freedom. Concerning the marital status of respondents, unmarried youth were unemployed as compared to married youth. Another important point is land access, the unemployment rate high for these landless individuals.

The multivariate analysis shows that sex, marital status and, age of respondent 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 unmarried the likelihood of being unemployed was higher for unmarried. From the socio-economic variables included in the model, educational level, credit access, house hold income, job preference and size of land access 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 credit access; respondents who had less monthly income; no land access and participants who prefer to engage self employment. At 5% level of confidence, respondents work experience and infrastructure accessibility were found to be insignificant reacted to youth unemployment in the study area. 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.

Lastly in likert question the youth responded to the major factors of unemployment and the solution (intervention) to curb problem of youth include poor economic system that unable to generate adequate jobs, skills mismatch and experience, shortage of land access to work on, inadequate infrastructures availability, gender-based discrimination and irrelevant education systemic. Constitute to the cause. Thus, the key actors should work to a maximum effort to curb their challenge. The need supports include government incentives to encourage entrepreneurship, access to credit facilities/financial assistance, create infrastructure facility in the area, labor market information and vocational training .

5.2. Conclusions

Based on summary of the findings of this study, the researcher derived the following conclusions in order to address the research question that this study sought to answer.

From demographic variables sex, marital status and, age of respondent were significantly related to youth unemployment. And From the socio-economic variables included in the model, educational level, credit access, house hold income, job preference and size of land access were found to be significantly related to youth unemployment. However, infrastructure access and work experience are insignificant variable which related with youth employment status.

Lastly the youth responded to the major factors of unemployment and the solution to curb problem of youth include poor economic system that unable to generate adequate jobs, skills mismatch and experience, shortage of land access to work on, inadequate infrastructures availability, gender-based discrimination and irrelevant education systemic are constitute to the cause. Then the key actors should work to a maximum effort to curb their challenge and the need supports include government incentives to encourage entrepreneurship, access to credit facilities/financial assistance, and create infrastructure facility in the area.

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.

5.3. Recommendations

Based on the findings and conclusions of the study, the following recommendations made:-
The government and youth office should strengthen the laws and policies which will enable the youth to acquire work experience and more training. Improve problems of land to work on (especially on the way land used efficiently) and bringing other job opportunity option to reduce youth unemployment and developing social attitude or bringing behavioral changes.

Micro finance institutes should change the practice of lending system. Micro-finances should also minimize the interest rates to young jobless and strengthen their entrepreneurial spirit. Incorporate *interest free credit services to unemployed young Muslims* because this is one of the problems to get credit TVET institutions/colleges should provide both technical and business trainings to youth job seekers and develop entrepreneurial sprits, continuous trainings and experience sharing.

The government should give special attention to female youngsters by providing them different job opportunities or capacitate them. 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. Youth who lived in a household earning less monthly income are more likely to be unemployed. So empowering poor family by different program also decrease unemployment problem of their children. Initial capital to start business is serious problem of youth unemployment due to *non-Interest free credit prohibited by Muslim religion,* so the efforts should be made by the government to provide interest free credit to youth and reduce barriers (bureaucracies) to access credit.

Entrepreneurial activities can help governments solve poverty and improve unemployment conditions by encouraging self-reliance through self- employment. Government policies and support such as low tax burden, provision of incentives and working premise, availability of credit service, training and education, and facilitation of infrastructure have contribution to a healthy and stable entrepreneurial environment. Government incentive and supports is the

economic and political environment which includes various factors that affect the likelihood of self-employment. Hence, government economic policies and supports which encourage employment opportunity may include provision of credit services, facilitation of infrastructure, and education and training**.** Besides the government should work to create suitable conditions; the youths also create their own jobs.

5.4. Further Research Direction

Because of the limited resource, this study was only applied to Dedo woreda, but a valuable finding may come up by taking data from different areas. Moreover, in this study some findings regarding some determinants are different from previous study. This entails further research in order to further identify and examine the determinants of youth unemployment.

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Appendix I

JIMMA UNIVERSITY

COLLEGE OF BUSINESS & ECONOMICS

DEPARTMENT OF MANAGEMENT (MPM)

The purpose of this study is to assess the determinants of unemployment status of youth in Dedo woreda With the view to have comprehensive understanding and making possible suggestions about it. This questionnaire constitutes four major sections. The first section of questionnaire demographic information of the respondent**,** question for socio- economic variables respondents the second section. In the third section, the Likert scale, the fourth section interview guiding questions of respondent and finally discussion guiding questions for FGD. The objective of this questionnaire is to gather background information and socioeconomic factors which determine youth unemployment statues.

General Instruction

The first of all you should be carefully read and give correct response based on this questionnaire and also for your answer should use tick right sign on space provide, writing name and address is not necessary.

*Note***:**   I am kindly requesting you to fill all the questions below, please fill, encircle or tick the labeled respondent's background provided below.

Thank you for your willingness!

 I. Demographic information of the respondent

Respondent ID No ------------ *District/woreda* -----------------*Kebele* ------------

1. **Sex**   1) Male   2) Female

2. **Age**   1) 15-19   2)20-24   3) 25-29

3. **Marital status**

1) Married   2) single   3 divorced   4) widows

II   Question for socio- economic variables respondents

4. Education   level

1) Illiterate   2) Primary education (1-8)3) Secondary education (9-12),   4) Certificate&
Above

 5. What is your current employment status? 1. Employed 2. Unemployed

6. If the answer is employed so in what kind of job are you engaged?

    1, Government   2, NGOs   3, own business

Job preference

7. What is your job preference? 1, paid employment 2, self-employment 3, any available

Access to Credit Service

8. Do you have access to credit services? 1, yes 2, NO

 9. What is your reasoning to inaccessibility to   credit Service?

1) Fear of inability to repay 2) High interest rate   3) Lack of collateral

4) No need of credit organization 5) No interest free Credit Service.

 6) If Others Specify -------------------------------------

House hold income

10. How much is your family's monthly income?

 1) Less than 250 2) 251 to 500   3) 501 to 1000   4) 1001 to 1500   5) more than 1501

12, Does your family encourage you to be start your own business?   1. Yes 2. No

13, do you depend on your family for your livelihood?   1, Yes   2, No

Access to land

14, do you have Land? 1, Yes 2.NO, if your answer is yes express in hektar. ___?

Work experience

15. Do you have work experiences? 1. Yes 2. NO,

16. How do you get experience? 1, through Training   2, Through Experience 3, Through Education   4, naturally gifted 5, if others specify -----------------

Infrastructural

17. Do you have access to infrastructural services in your residence?   1, yes   2, NO

18. What is your reasoning to inaccessibility to infrastructural services?

 1) Power interruptions 2) Insufficient and interrupted water supply 3) Lack of access to sufficient telecom service 4) Lack of sufficient and quick transportation service   5, if others specify --

19. Who do you think to curb the major youth challenges of unemployment in the study area?

1) Government 2) CSO's and NGO's 3) Youth themselves 4) Parents

5)   If others reasons please specify   --

20. What are the responsibilities of youth to solve their problems?   -------------------------------
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III, Question for the prevalence of youth unemployment respondent

21. To what extent would you agree with the following statements as they relate to the major cause (prevalence) of youth unemployment in Dedo woreda/ district? Using the Measurement Scale   given below then put a tick mark **(√)** under the choices below.1, strongly disagree 2, disagree3, neutral 4, agree 5, and strongly agree

SN	Statements	1	2	3	4	5
1	Inability of the economy to generate adequate jobs has a significant contribution to youth unemployment.					
2	Lack of experience has a significant contribution to youth unemployment					
3	Discrimination of gender has a significant contribution to youth unemployment.					
4	Irrelevant education system has a significant contribution to youth unemployment.					
5	Shortage of land access to work on has a significant contribution to youth unemployment.					
6	Inadequate infrastructures availability is significant contribution to youth unemployment.					
7	Lack of skills for job activity					
8	Unwillingness to work has a significant contribution to youth unemployment					

21. To what extent would you agree with the following statements the ways to tackle youth unemployment problem? Using the Measurement Scale given below then put a tick mark (√) under the choices below. 1, strongly disagree 2, disagree3, neutral 4, agree 5, and strongly agree

SN	Statements	1	2	3	4	5
1	Government incentives to encourage entrepreneurship					
2	Employment opportunity.					
3	Access to credit facilities/financial assistance					
4	Facilitation of infrastructure					
5	Training and education.					
6	access to vocational training					
7	Access to entrepreneurship training.					

Appendix II

Interview Guiding Questions For Government Representatives, Expert of Youth Office, Community and Youth Leaders

Name of the organization

Position of the respondent

Date of Interview

1. How is youth unemployment understood by the district government representatives?

2. What are the major causes of youth unemployment as perceived by the district government representatives?

3. What are the common efforts made to change the problem of youth unemployment?

4. Are there any area specific or localized approaches to tackle the problem of youth redundancy?

5. Any particular challenges faced in an effort to solve the problem?

6. How do you describe the motivation and courage as well as skill requirements of the young and unemployed?

7. Is there anything you would like to add?

Appendix III

Discussion Guiding Questions for FGD

1, what are the common youth problems in the district?

2, how is youth unemployment perceived by the community?

3, Comparing to the other group of population, how much the degree of unemployment affect youth in the district?

4. How is the risk of youth unemployment in the district?

5, Are there any job opportunities available for youth in the district?

6, what are the factors that are responsible for the youth unemployment?

7, is there any measure taken to reduce the problem of youth unemployment in the district by the concerned body?

9, what measures do you think successful to minimize the risk of youth unemployment in study area?

Appendix III

Reliability Statistics

Cronbach's Alpha	N of Items
.840	7

Table4.4: Respondent asked to who you think to curb youth unemployment.

Response	Freq	%ge
Government	181	53.2
CSO's and NGO's	24	7.1
Youth themselves	78	22.9
Parents	50	14.7
If others reasons please specify	7	2.1

Source: Survey data (2020)

Correlation Matrix

		Constant	SEX	AGE	MRST	EDC	JOBP	ACCRs	HHI	LSHIP	WEXP	ACINF
Step 1	Constant	1.000			.							
	SEX(1)	-.001	1.000									
	AGE	.001	-.259	1.000								
	MRST	-.001	.369	-.585	1.000							
	EDC	.001	-.696	.350	-.636	1.000						
	JOBP	-.001	.296	.060	.173	-.451	1.000					
	ACCRs(1)	-.001	.379	-.602	.760	-.552	.360	1.000				
	HHI	.001	-.520	.495	-.664	.646	-.267	-.629	1.000			
	LSHIP(1)	-.001	.299	-.644	.443	-.555	.220	.476	-.368	1.000		
	WEXP(1)	-1.000	.001	-.001	.001	-.001	.001	.001	-.001	.001	1.000	
	ACINF(1)	.000	.351	-.401	.256	-.214	-.231	.188	-.355	.201	.000	1.000

Chi-square	Df	Sig.
19.864	8	.21

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	28.719[a]	.728	.971

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 0	Constant	-.024	.108	.047	1	.828	.977

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	442.574	10	.000
	Block	442.574	10	.000
	Model	442.574	10	.000