

CHALLENGE  
FUND  
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YOUTH  
EMPLOYMENT

Youth  
Aspiration  
Report

Ethiopia

September 2021

This report has been produced by the Challenge Fund for Youth Employment

<https://fundforyouthemployment.nl/>

The Challenge Fund for Youth Employment (CFYE) is a 6-year programme funded by the Netherlands Ministry of Foreign Affairs, managed by Palladium, VSO Nederland and Randstad.

# 1. Executive Summary

This report presents the findings from research conducted among four youth categories across Ethiopia, between the ages of 21 and 35. The goal of this research was to get direct insights from youth on 1) their views of barriers to employment, 2) their job/career aspirations, and 3) what they would define as decent work, to answer the overall country question: 'What is an accessible and decent job to an Ethiopian young person?'. The Challenge Fund for Youth Employment (CFYE) partnered with a global network of youth champions, supporting four Ethiopian young people to design and conduct this research, using their lived experiences to encourage wider youth participation. The answers will help to shape the call for solutions of the CFYE in Ethiopia, which will launch in late 2021.

CFYE aims to create a prosperous future for 200,000 young women and men in the Middle East, North Africa, Sahel & West Africa, and the Horn of Africa. This will be achieved by supporting private sector-driven youth employment initiatives in these regions. Initiatives supported by the Fund will offer youth, and particularly young women, opportunities for decent work. Although CFYE does not specifically define decent work, we aim for work that delivers better prospects for personal development, is productive, offers a stable income, social protection, and safe working conditions.

The population of Ethiopia is rapidly growing and projected to reach 136.8 million by 2037. The youth population (below 30 years) is already at more than 70% of the overall population.<sup>1</sup> Despite Ethiopia's impressive economic growth over the last few years, it has not converted into creating job opportunities for the country's youth. This means the youth population is a huge and underutilised resource capable of adding significantly to Ethiopia's economic and social growth.

The research provided valuable insight into what Ethiopian youth consider an accessible and decent job. For Ethiopian youth, accessibility refers to removing corrupt and discriminatory hiring practices, as the prevalence of job competition and barriers to application processes have prevented youth from being formally employed. Additionally, youth stated that employers negatively perceive youth, particularly youth with disabilities, showing a lack of trust in their experience

and abilities. Moreover, young people showed a strong desire to be self-employed, stating that government and schools should support an environment of youth entrepreneurship by providing small start-up loans and ensuring youth are equipped with the right skills in school to run their own successful businesses. Although the majority showed a desire to be self-employed, when asked what a decent job would look like to them, the majority wanted financial security through an 'adequate' salary, professional development opportunities, and a job well-matched with their passion or interest.

Young Ethiopians pointed out that current school curricula did not prepare them for the changing labour market (the youth identified this fact in several countries in Africa): very few graduates emerged with the skills or experience to meet market demands in Ethiopia, and the competition is high for each position. Instead, graduates had to seek out intern or volunteer opportunities and take part in additional training. Some respondents also noted that understanding regional, national and international employment markets and some basic guidance and support in the application process would also benefit those actively seeking work. Even if youth can navigate the corrupt and discriminatory recruitment processes and secure a job, negotiating a contract and a wage that allow for security remain difficult. Moreover, the long working hours and the lack of respect within the workplace (sexual harassment, no tribalism, etc.) mean that the job is neither enjoyable nor a place where one can engage in personal skills development. Indeed, employment is just not accessible or decent to many Ethiopian youths.

1 CSA (2013). *Population projections for Ethiopia: 2007-2037* UNDP (2018). *Ethiopia national human development report 2018*

## 2. Introduction and Approach

The CFYE programme aims to ensure that the employment interventions are relevant to the lives of young people in the focus regions. CFYE has collaborated with a global network of youth champions to lead the way as an innovator in the direct inclusion of youth voices in a fund's program design, implementation, and monitoring and evaluation processes.

For the past three months, CFYE has supported 12 youth champions to design and lead their own youth action research (YAR) pilot across three CFYE countries: Nigeria, Uganda and Ethiopia, all in different stages of the challenge fund programme cycle. YAR is an essential tool to collect and amplify youth voices, helping to build employment solutions that really work for youth. YAR is also a research method used to ensure the views of youth are more representative than in traditional methods, with youth researchers using their own networks and communities to reach a larger sample size and target more youth from marginalised and vulnerable backgrounds.

On top of this, YAR focuses on the lived experiences of the young researchers. Ultimately, the goal of this YAR research pilot was to increase accessibility and encourage higher participation levels through peer-led activities based on previous learning, which would eventually lead to capturing and amplifying more diverse youth voices. Each country team made up of four youth researchers designed their research questions and developed their own data gathering methods, which were relevant and accessible to the youth in their countries.

This report focuses on how Ethiopian youth relate to employment in Ethiopia. The findings will help shape the CFYE Call for Solutions in Ethiopia.

Youth unemployment in Ethiopia currently stands at 25.7%, with low incomes, unemployment, underemployment, and poor working conditions highest amongst young people (15-29).<sup>2</sup> The country-specific research question 'What does an accessible and decent job look like for a young person in Ethiopia?' was broken down into key sub-questions focusing on youth aspirations for employment, their views on what decent work looks like, and the barriers to recruitment and employment that they face:

1. What kind of job do you want to work in?
2. What does a 'decent' job look like for you? (describe)
3. To what extent are you comfortable (interested in) working in a job unrelated to your area of study or skills? And why?
4. In your opinion, what factors make it difficult for young people to be hired?
5. Unemployment rate is high, particularly for young people with disabilities and young women. Why do you think this is?
6. In what ways can the government enable an environment for decent jobs for young people? (for example, creating and improving youth employment policies and investing in job creation interventions)

The youth researchers interviewed a total of 112 youth, 48% male, 52% female, in Addis (urban) and Hawassa (peri-urban) regions, where the youth researchers were based and where CFYE is focusing their call for solutions.

The researchers used various online and offline methods and platforms, including social media (Telegram & Facebook), to reach their own networks, and community radio and face-to-face to reach more marginalised youth from marginalised and vulnerable background in their immediate communities.

The researchers focused on qualitative data gathering because they wanted to gather personal stories, attitudes and experiences rather than statistics.

1. **Physical Interviews:** The youth researchers met one-on-one with respondents to ask them a series of questions. They were instructed to use the language the respondent felt most at ease with. This method provided a more personable, more direct, detailed and exploratory engagement.
2. **Online Interviews:** Youth researchers used social media such as Facebook and telegram to pose questions to youth in their networks, encouraging discussion between youth. The participants replied

<sup>2</sup> CSA (2020). *Key findings of the 2020 urban employment unemployment survey: A Comparative Analysis with 2014-2016 and 2018 Survey Results*. This is also the definition provided by the National Youth Policy of Ethiopia (2004)



through voice notes or instant messaging. This also made the data gathering process quicker and more accessible for youth and allowed researchers to capture responses from much larger numbers.

3. **Story gathering through community radio:** The researchers were encouraged to consider their existing networks before designing their research methods. One researcher had access to community

radio to reach more groups from vulnerable and marginalised background without access to the internet and social media. Questions were posed, and calls for personal stories were sent out over the radio over a two-week period that encouraged youth to call in and share.

	Physical Interview	Online Interviews	Community Radio
<b>Benefits in Research Method</b>	<ul style="list-style-type: none"> <li>▶ Timely responses</li> <li>▶ Guaranteed participation</li> <li>▶ Clear answers to questions</li> <li>▶ Ability to clarify with the respondent what exactly is being asked</li> <li>▶ More accessible for marginalised youth</li> </ul>	<ul style="list-style-type: none"> <li>▶ Timely responses</li> <li>▶ Reach a large number of people</li> <li>▶ Youth-friendly method</li> <li>▶ Youths from a variety of situations and backgrounds were reached</li> </ul>	<ul style="list-style-type: none"> <li>▶ Access more diverse youth groups</li> <li>▶ Gathered responses in real-time</li> <li>▶ Created opportunity for dialogue between youth and the community</li> <li>▶ Raise awareness in the community</li> </ul>
<b>Constraints in Research Method</b>	<ul style="list-style-type: none"> <li>▶ Time-intensive for the researcher and respondent</li> <li>▶ Higher cost per interview</li> <li>▶ Reach fewer youth, which has implications for representation</li> <li>▶ Expectation to receive an incentive to take part</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of access to technology prevented some marginalized youths from accessing this method</li> <li>▶ Some responses were very undetailed</li> <li>▶ Understanding the questions asked</li> </ul>	<ul style="list-style-type: none"> <li>▶ Some strong political views were broadcast</li> <li>▶ Difficult to record responses &amp; the profiles of youth who took part</li> </ul>

# 3. Characteristics of Respondents

## Who are the youth?

The four main categories of youth involved in the research were the following:

**Category 1: Employed youth who have attended university level or vocational training schools based in urban (Addis) and peri-urban (Hawassa) areas.** These youth are in both paid (contractual) employment and (unpaid/stipend) internships. These youth, although employed, face a lack of adequate jobs that match their skills sets, education levels and wage aspirations.

**Category 2: Unemployed youth who have attended university level or Vocational training schools based in urban (Addis) and peri-urban (Hawassa) areas.** With over 150,000 graduates entering the labour market every year, the market is extremely competitive. Covid has also impacted youth employment in Ethiopia, with many graduates having to retrain due to the reduction of their sector.

**Category 3: Young entrepreneurs, both with and without active businesses, based in urban (Addis) and peri-urban (Hawassa) areas.** These are youth who have technical skills in areas such as hairdressing, IT, electrics or plumbing. Some are running their own businesses, and others have not been able to finance their businesses due to the conditions of the economy.

**Category 4: Youth from marginalised or vulnerable backgrounds with distance to the labour market,** particularly youth with little to no formal education, young mothers and some persons living with disabilities.

Out of the 112 young people who participated in the survey, 48.2% were female, 51.8% male. Out of these respondents, 69.6% were from urban areas and 30.4% from peri-urban. 5.4% of the respondents identified as having a physical or cognitive disability. Just 32.1% of the respondents were in either formal or informal employment, self-employed, or employed part-time (underemployed). The remaining respondents, 67.9%, were either unemployed and currently seeking employment, still in school or some form of education, or volunteering their time in order to upskill.

Figure 1. Gender of Respondents

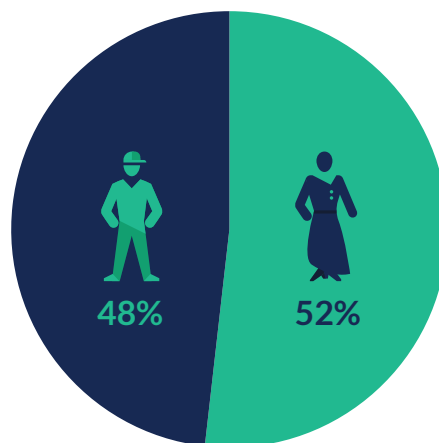


Figure 2. Geographical Location

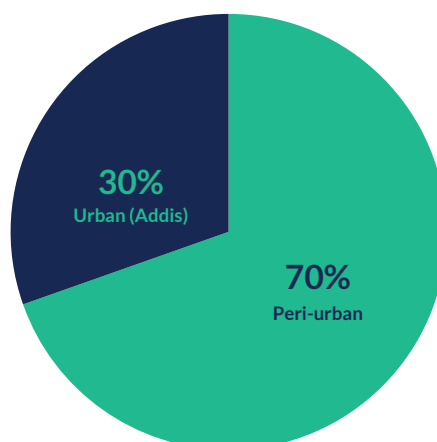


Figure 3. Employment status

Categories	Total
Employed Full time	14.6%
Self-Employed (entrepreneur)	13.2%
Student	6.4%
Underemployed	4.3%
Unemployed	58.9%
Volunteer	2.7%



## 4. Youth Aspirations

The participants were asked a series of questions to better understand their employment ambitions, their views on what defines decent work, and their willingness to work in sectors unrelated to their skill set, adapting to the market demand:

### ***What kind of job do you want to work in?***

An overwhelming majority of respondents, mainly from categories 2-4, (unemployed youth, entrepreneurs and youth from marginalised or vulnerable backgrounds) showed a desire to be or continue being self-employed, freelance, and pursue careers as youth entrepreneurs that would allow them to run their own businesses, be self-sustainable and generate their own income. Respondents showed they already had business ideas and the motivation to set up their own business but lacked the funding, skills and knowledge. They also raised the challenges of job competition, wage levels, and hiring practices in the formal market, reinforcing their desire to be agents of their own future and in charge of their own income to avoid these challenges.

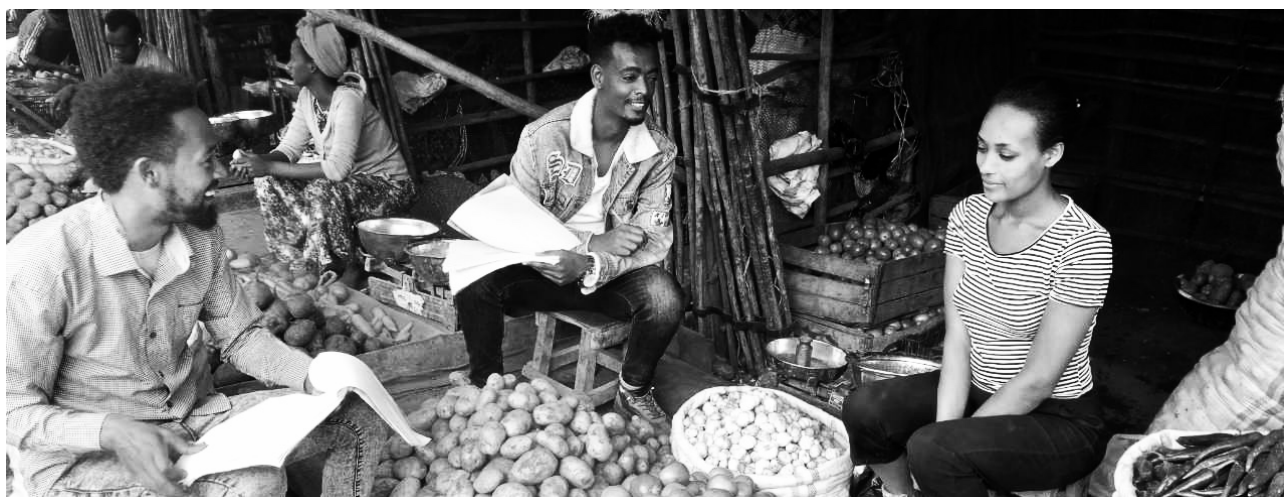
Other respondents showed they were very willing to take on any employment; they were motivated by gaining a 'good' income and had little interest in a particular employment sector. A small number of respondents from category 1, who were already employed in their field of study, aspired to continue in their area. The main sectors that these youth were employed in were engineering and accounting.

*"I want to work in my own printing business if I get a loan to help me set up my printing business."*

*"I'm not interested in any kind of job; instead, I'm interested in running my own business."*

*"I would like to do a freelance kind of job. Like tourist guiding and operating."*

*"I will choose any kind of job which generates income for me and a job which helps me use my knowledge and skills."*



# 5. Defining ‘Decent’ Work

## What does a ‘decent’ job look like for you? (describe)

Respondents were asked to give their views on what constitutes a ‘decent’ job for them. Respondents differentiated between three types of employment: government jobs, private-sector jobs, e.g., banks, and privately run businesses, e.g., entrepreneurs. These are the six main factors mentioned across all categories of youth. Top factors mentioned by respondents in all categories was a desire to have a job that aligned with their interests and provided an adequate salary:

- ▶ Well-matched with your interest and passion;
- ▶ Provides financial security through an ‘adequate’ salary;
- ▶ Fair recruitment practices devoid of corruption and discrimination;
- ▶ Safe working environment, e.g., free from harassment;
- ▶ Reliable employment referring to a formal contract and set hours;
- ▶ Provides opportunities for personal and professional development through training for social mobility.

When answering this question, the respondents did not differentiate between employment or running their own business as a preferred way to gain fair, better, or adequate income.

*“Equal opportunities for everyone, starting from recruitment to hiring, doing work that is fruitful and provides a fair income, working in the (related) field of profession, security in the workplace, such as contract agreement, clearly specifying the job terms and better options for personal development and social integration.”*

*“A job which gives me full responsibility and helps me to develop my knowledge, soft and hard skills.”*

*“The quality of job I look for is stable, secure, reliable, and brings opportunities.”*

*“I need a job with a better salary.”*

*“Passion is the main thing, but money also matters. Having work based on passion with a good income that will support my growth.”*

*“There is no good or bad job. I respect every job. I want to work based on my interests for that job.”*

*“I want to work a job that brings my family and me enough income.”*

*“To the extent I can get an uninterrupted basic salary and to the extent where my dignity isn’t violated in my workplace.”*

*“To have a stable normal life like being able to pay rent or have my own house. To be free to work on what I love and am passionate about.”*

*“Job satisfaction and economic survival are what I consider decent work.”*

*“I am tired of being employed with a small salary, and I want to do my own business.”*

*“For me, what a decent job looks like is divided into three groups: government work, private work, and privately owned businesses. For example, some government offices pay very high, and they hire based on people’s interests. Some private companies like banks pay higher salaries even for young graduates, which is good for youth. But for me, a decent job is owning my own business.”*





## 6. Youth Perception of Sectors

***To what extent are you comfortable (interested in) working in a job unrelated to your area of study or skills? And why?***

Categories 2-4 of respondents showed they are willing to work in any sector as long as it provides them with a good income. However, employed youth (category 1) stated they would rather gain employment in their area of study that aligns with their skills; this could be linked to the fact that they currently have some level of financial security so don't feel the urgency or immediate need to take up any type of employment. In category 3, youth entrepreneurs always referred back to running their own business rather than being employed. Unemployed and youth from marginalised and vulnerable backgrounds (category 2 and 4) lacked ideas for what employment they wanted and showed low motivation to apply for jobs due to the lack of adequate jobs and high competition in Ethiopia. Respondents also noted that while they would work in a job unrelated to their study or skill area, many employers lack trust in young people's abilities.

*"I graduated in engineering, but I am not finding a job in my profession, so I will work any type of job, including shoe shining."*

*"I want to work any kind of job that brings profit. I will collect money to then start my own business."*

*"I will work in any job if I can get a good salary."*

*"There is corruption, and people do not trust that young people can do any type of work."*

*"Working based on interest and passion makes us productive, but that is not the case in Ethiopia. If you want to work based on your passion, you don't make enough money. But if you work without your passion, you can have a good salary that helps you survive and support your family. So it is necessary to work without interest or passion to survive."*

# 7. Barriers to employment

All respondents identified challenges that fell into the following four themes; job competition, wage levels/lack of access to assets, discrimination and corruption in hiring practices, and mismatch between skills and market demands.

Nearly all respondents stated they faced the most challenges in hiring practices with high levels of discrimination, racism and corruption in the application and interview process in both the formal and informal sectors. For example respondents stating that they had experienced discrimination against the region they are from, their family name being associated with a certain ethnicity or the particular dialect they speak, making it impossible for them to progress in the interview process.

Mainly respondents in categories 1 and 2, employed and unemployed graduates, shared that the skills they received from their education did not equip them for the workplace, forcing them to learn additional skills through training and internships to meet the job market demands. Categories 1 and 2 also stated that the job competition is too high due to the number of young people graduating in the same sector and applying for a limited number of positions.

## Job competition

*"The job seeker and job market do not match. There are many graduates from the university, but there are not enough jobs for them. There is also a lack of awareness of the job market and what is available, so young people's motivation is decreasing when trying to find a job."*

*"Everybody is learning to cooperate, but there are no jobs. There are not many government offices for jobs opportunities."*

*"We are a growing country, so it is very difficult for the government to support everyone. I don't think they are."*

## Wage levels/lack of access to funding

*"If I want to work in a job based on my interest, I will lose the income I am generating. I don't like my job, but I need the income. I am only staying there because of the good money."*

## Hiring practices

*"When applying for a job, there is discrimination based on race and gender. The hiring manager hires their relatives and family members. These are the reasons why the youth face unemployment."*

*"Do you think there is a vacancy? No, they just post it to satisfy the employment rules, but someone is hired before the vacancy opened"*

*"People think that youth with disabilities and young women are not efficient at work, so the problem is people's attitude towards these groups."*

*"The challenge is corruption and racism in hiring practices. And a lot of job positions require a lot of experience, which graduates don't have."*

*"The weakness of the government labor authorities in auditing the labor recruitment process."*

## A mismatch between skills and market demands

*"Graduates struggle in their job search. Personal reasons aside, many recent graduates face great causes such as high competition, little work experience or few or no skills for the jobs available."*

*"There are problems with the curriculum in universities and schools."*

## Shared Challenges Across the Formal and Informal Employment Sectors

- ✦ Sexual harassment
- ✦ Long hours of work with no negotiating power
- ✦ Limited personal growth opportunities
- ✦ Unfair and delayed wages
- ✦ Job insecurity
- ✦ Unsafe working environments



### Challenges Across the Formal Employment Sector

- ▶ Nepotism
- ▶ Corruption (Money requests to be recruited)
- ▶ Poor working conditions such as sexual harassment
- ▶ Job discrimination based on disability status, gender, language, or race
- ▶ Low minimum wage
- ▶ Positions already filled with too many applications compared to the number of positions
- ▶ Education and skills don't match the jobs available
- ▶ Lack of contract and set working hours

### Challenges Across the Informal Employment Sector

- ▶ Nepotism with family members hired
- ▶ Lack of start-up capital
- ▶ Limited support from government to the small start-up initiatives set up by the youth more especially those with no academic qualification background

Figure 4. Table with breakdown of barriers by personal, structural, gender and other

Personal Barriers	Structural Barriers	Gender-Related Barriers	Other Barriers
<ul style="list-style-type: none"> <li>▶ Graduating school or college without the qualifications required in the job market</li> <li>▶ More work experience needed</li> <li>▶ Lack of start-up capital</li> </ul>	<ul style="list-style-type: none"> <li>▶ Disabilities</li> <li>▶ Being a young person</li> <li>▶ Hiring regulations</li> <li>▶ The structure and the system of employment and disability services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sexual harassment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Unrealistic expectations of the job market</li> <li>▶ Attitudes towards employment</li> <li>▶ High job competition</li> <li>▶ Low wages</li> </ul>

## 8. Stories

Abel Meseret is a 27-year-old man based in the capital, Addis Ababa. Abel has a university degree in engineering, and after graduating, he worked for Ethiopian Airlines for three years. He has both paid work and voluntary experience. Abel has been seeking employment but has been unsuccessful for a while now. He feels this is because of too much competition among youth applying for jobs in the capital and the impact of Covid on his industry.

Liya Tesfaye (23) is from Addis Ababa. She works in a government office, but she doesn't like the job; she does not feel interested or passionate about it. However, Liya feels she has no choice because of her need for financial security. She would like to set up and run her own business, but she doesn't have the money to do this. She already has her own ideas for a good business but needs financial support to get it started.



## 9. Conclusions and Recommendations

The main theme of this report was to identify how young people in Ethiopia experience and relate to employment and what they consider as accessible and decent work. Findings showed respondents' frustrations with high job competition, sexual harassment, corruption and nepotism, as well as with the government's inability to match the educational system with the workforce demands that would enable youth to graduate with more

marketable skills. Respondents showed motivation for gaining an adequate income over any other elements they saw as part of decent work. Many youths also demonstrated a desire for capital to set up a business. Our proposed recommendations fall into two main categories:



## Social

- ▶ Empower young people to start up their own income-generating activities and provide them with access to start-up loans.
- ▶ More focus on schools educating the youth on market demands in Ethiopia and preparing them with the right skills for employment in collaboration with the government.
- ▶ More awareness and advocacy sensitization at workplaces to shift the perceptions of employers and recruiters towards young people and young people living with disabilities.



## Policy Changes

- ▶ There is a need to revise policies and regulations surrounding hiring practices, contracts, and salaries to avoid exploitation.
- ▶ Informal jobs have a lack of support/protection from authorities - need of protective policies.

The research shows three overarching recommendations that respondents have put forward:

- ▶ **Proving start-up capital to youth to encourage a culture of entrepreneurship:** Youth are extremely motivated to solve the issue of youth unemployment by setting up their own businesses and generating income. Still, the government needs to provide start-up capital to youth, and schools need to ensure they are equipped with the right skills to set up and run a successful business.
- ▶ **Overhauling of school curricula to ensure graduates come out with skills that match the market demands:** the government and schools should work together to provide young graduates with skills that will make them employable for the Ethiopian job market. This will ensure youth don't have to keep retraining, interning, and volunteering to build new skills that align with the market demands.
- ▶ **Implementation of stricter regulations surrounding hiring practices:** employers and the government need to work together to change the corrupt and discriminatory hiring practices prevalent in Ethiopia. There needs to be more transparency and accountability around hiring practises as well as better monitoring processes to hold those not following guidelines to account.