

DETERMINANTS OF YOUTH UNEMPLOYMENT: THE CASE OF REBU GEBEYA TOWN, SINNAN WOREDA, AMHARA REGION, ETHIOPIA.

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ALMPs	Active Labor Market Policy
CD	Compact Disk
CSA	Central Statistical Agency
DSTV	Digital Satellite Television
EA	Enumeration Area
ECA	Economic Commission for Africa
FADF	Fifth African Development Forum
FDI	Foreign Direct Investment
FDRE	Federal Democratic Republic Of Ethiopia
GTP	Growth and Transformation Plan
HIV	Human Immune Virus
ILO	International Labor Organization
MDGs	Millennium Development Goals
MOE	Ministry Of Education
MOFED	Ministry Of Finance and Economic Development
MOLSA	Ministry of Labor and Social Affair
MSE	Micro and Small Enterprise

OECD	Organization, Economic, Co-operation and Development
PASDEP	a Plan for Accelerated and Sustained Development to End Poverty
Pr	Probability
SDG	Strategic Development Goal
SPSS	Statistical Package for Social Science
SSA	Sub Sahara Africa
TVET	Technical and Vocational Education and Training
UN	United Nation
UNAIDS	United Nations Programmer on HIV/AIDS
UNESCO	United Nations, Educational Scientific and Cultural Organization
UNODC	United Nations Office on Drugs and Crime
VIF	Variance Inflation Factor
WB	World Bank
WESO	World Employment and Social Outlook

TABLE OF CONTENTS

ACKNOWLEDGMENT ***i***

LIST OF ABBREVIATIONS ***iii***

TABLE OF CONTENTS ***vi***

LIST OF FIGURES ***viii***

LIST TABLES IN THE APPENDIX ***ix***

ABSTRACT ***x***

CHAPTER ONE INTRODUCTION

1.1 Back ground of the Study 1

1.2 Statement of the Problem - 2 -

1.3 Objective of the Study - 4 -

1.3.1 General Objective of the Study - 4 -

1.3.2 Specific Objectives of the Study - 4 -

1.4 Significance of the Study 5

1.5 Scope and Limitation of the Study - 5 -

CHAPTER TWO RELATED LITERATURE REVIEW

2.1 Thioretical literature 6

2.1.1 Definition of Youth - 6 -

2.1.2 Definition of youth unemployment - 6 -

2.1.3 Basic concepts of Unemployment - 7 -

2.1.4 Rate of Youth Unemployment - 7 -

2.1.5 Global perspective of Unemployment - 8 -

2.1.6 Unemployment trends in Ethiopia - 10 -

2.1.7 Theories of Unemployment - 10 -

2.1.7.1 Calsical theory of Unemployment - 10 -

2.1.7.2 Kenesian Theory of Unemployment - 11 -

2.1.7.3 Marxsian Theory of Unemployment - 12 -

2.1.7.4 Human capita Theory of Unemployment - 12 -

2.1.7.5 Job search Theory of unemployment - 13 -

2.1.7.6 Job macthing Theory of unemployment - 13 -

2.2. Causes of Youth Unemployment.....- 13 -
2.2.1 Rural-Urban Migration.....- 13 -
2.2.2 Sex.....- 14 -
2.2.3 Household Income.....- 14 -
2.2.4 Education.....- 15 -
2.2.5 Investment.....- 16 -
2.2.6 Job Opportunities/Access.....- 16 -
2.2.7 Social Networks.....- 17 -
2.2.8 Rapid population growth.....- 17 -
2.2.9 Corruption.....- 17 -
2.3 Investment performans of the study area.....- 20 -
2.4 Enterpreneuship performance of the study area.....- 20 -
2.5 Consquence of Unemployment.....- 20 -
2.6 Cost of Unemployment.....- 21 -
2.6.1 Economic Cost of youth Unemployment.....- 21 -
2.6.2 Socia cost of unemployment.....- 22 -
2.7 Trends of youth unemploymentrate in urban area.....- 20 -
2.8 Labor market policies and instruction in Ethiopia.....- 21 -
2.9 Conceptual fremwork of the study.....- 22 -
2.10 Hypothesis of the study.....- 20 -
CHAPTER THREE RESEARCH METHODOLOGY
3.1 Description of the Study Area.....26
3.2 Research design.....- 26 -
3.3 Method of data collection and source of data 26
3.4 Sampling and sampling method 27
3.5 Population.....27
3.6 Sample size determination Data.....27
3.7 Method of data analysis.....29
3.7.1 Descriptive methods.....30
3.7.2 Economics model spesification and analysis.....30
3.8 Definition of Variables.....32

3.8.1 Dependent variable.....32
3.8.2 Independent Variables.....32
CHAPTER FOUR RESULTS AND DISCUTIONS
4.1 Back ground characteristics of respondents.....35
4.2 Demographic characteristics of respondents.....35
4.2.1 Gender of respondents.....35
4.2.2. Age of respondents.....36
4.2.3. Marital status of respondents.....37
4.2.4. Migration status.....37
4.3 Socio-economic characteristics of respondents.....39
4.3.1. Educational level of respondents.....39
4.3.2. Employment status.....40
4.4 Youth unemployment.....40
4.5 Determinants of youth unemployment.....43
4.6 The Effect of Youth Unemployment.....50
4.7 Solution of Youth Unemployment.....51
4.8 Stake Holders to Solve Youth Unemployment.....53
4.9. Determinants of Youth Unemployment Analysis.....55
4.9.1 Determinants of Youth Unemployment (Bi-Variate Analysis).....55
4.9.1.1 Demografic factors associated with Youth Unemployment 55
4.9.1.2 Socio economic analysis of Youth Unemployment 57
4.9.2 Determinants of Youth Unemployment (Multivariate Analysis).....60
4.9.3. Multicollinearity Test.....60
4.9.4 Goodness of Fit.....61
4.9.5 Demographic Determinants of Youth Unemployment.....63
4.9.6 Socio-Economic Determinants of Youth Unemployment.....64
CHAPTER FIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS
5.1 Summary.....67
5.2 Conclusions.....68
5.3 Recommendations.....69
***REFFERENCES*.....71**

LIST of TABLES

Table:1 Summary of variables and respondents category or group……34

Table: 2 Respondents by Gender……35

Table: 3 Perception of Youth unemployment……41

Table: 4 Respondents by Looking For Work……..41

Table: 5 Time Spent in Finding Jobs……..42

Table: 6 Causes of unemployment in relation to education……44

Table: 7 Household Income ……45

Table:8 Related to population growth……..46

Table: 9 Related to sex…….……46

Table:10 Attitude of respondens in growth of investment…….……..48

Table: 11 Youth Unemployment with Related to Job Opportunities…….49

Table: 12 Affects Youth With Related To Unemployment……51

Table: 13 Solution to Reduce Youth Unemployment in the Study……...….52

Table: 14 Chi-Square Test for Demographic Variables……...…. 55

Table: 15 the Chi-Square Test Socio Economic Variables…….57

Table: 16 Logistic Regression Result ……...……..…62

LIST OF FIGURES

Figure: 1 Conceptual Frame Work of Unemployment……24

Figure: 2 Presentations of Sampling Procedure……..29

Figure: 3 Percentage Distributions of Respondents by Age……36

Figure: 4 Percentage Distributions of Respondents by Marital Status……37

Figure: 5 Percentage Distributions of Respondents by Level of Education……38

Figure: 6 Percentage Distributions of Respondents by Migration Status……39

Figure: 7 Percentage Distributions of Respondents by Employment Status……...40

Figure: 8 Determinants of Youth Unemployment……...43

Figure: 9 Youth Unemployment with Related to Rural-Urban Migration……..47

Figure: 10 Unemployment with Related to Social NetworkDensity……50

Figure:11 More Responsible to Solve Youth Unemployment…….54

LIST OF TABLES IN THE APPENDIX

Appendix: 1 multi collinearity test using correlation coefficient.

Appendix: 2 Multi Collinearity Test Using VIP and Tolerance.

Appendix: 3 Goodness of Fit Test

ABSTRACT

Youth unemployment in Ethiopia in general and in Rebu Gebeya town in particular is a serious problem. In light of this problem, this study is conducted on identifying the determinants of youth unemployment in the study area. The primary data source for this research was the Rebu Gebeya town youth individuals and the data were collected by survey on 221 youth households. Descriptive statistics and economic models were employed for data analysis to satisfy the stated objectives.Logistic regression model was employed to identify the determinants of youth unemployment. A total of eight explanatory variables were included in the model, of which five variables were found to be significant determinants of youth unemployment. The multivariate analysis indicated that, rural-urban migration status, household income, education, investment and job opportunity significantly determine youth unemployment in Rebu Gebeya town whereas, and social network density and growth of population were found insignificant in the study area. Based on the results of the study, empower females during employment and other participation, creating more job opportunities, expansion of investment sectors, achieving quality education for all young people, strengthen income generating activities, address the problems of migrants and give awareness on youth population not to be job seekers rather than job creators were suggested as recommendations.

CHAPTER ONE:INTRODUTIONTRODUTION

1.1 Back Ground of the Study

The number of youth population is very large as we compare with the adult population in the world. According to Global Youth Development Index (2016), the world`s youth population is at an all-time high of 1.8 billion aged 15-29. Youth unemployment is one of the problems that existed in the world today and even in the future. According to ILO (2016) report showed that the rate of unemployment is expected from 13.0 to 13.1 percent. This rate of youth unemployment is the outcomes of different social, economic and demographic factors (Hassen, 2005).

Youth populations are the important work forces for social, political and economic development in both developed and developing countries in the world. The capability of youth population to take part in production activities has its own social and economic consequences for an economy in any countries. However, the problem of youth unemployment hinders the economic development of nations especially in developing countries. Since, Ethiopia is a domain of developing countries; unemployment is also the great problem of youth population in the country who account 28.3% of the total population. Concerning to the determinants and impacts of youth unemployment, several studies have been done in various part of the world by different institutions. According to Assad and Levi son (2013), employment inadequacy for youth shows up in high rates, because of low-job creation and increasing environmental treats. If we are unable to control this situation, then, result will be more frequent eruptions of violence and civil conflict. As cited by Asalefew (2011) research paper a research conducted by Morris (2006) and Salvador and Killinger (2008) found that lack of experience, inadequate information and counseling, less access to resources and services, discrimination on the basis of age, sex, ethnicity, health, family economic status, attitudes of youth towards jobs and other factors are common barriers of youth in finding employment. The employment conditions in Sub Saharan Africa, is serious and challenges their livelihood. The growth rate of employment opportunities is insufficientto absorb the growing young population. Failure to address youth employment issues will have serious consequences for the economy and society (Odhiambo, 2006) as cited by Asalefew (2011), This show that, the growing of young population and the employment opportunities in Africans youth specially the sub-Saharan Africa is not proportional.

This implies, the number of job opportunities created is not sufficiently absorbing the growing young population.

Ethiopia is one of the most densely populated countries in Africa. The population was estimated to be about 74 million (CSA, 2008). This figure makes Ethiopia the second most populous country in Africa next to Nigeria. The young population represented about 14 percent in 1984 and 20 percent in 2001 (Guar cello and Rosati, 2007) Thus, the shortage of job access for youth population in Ethiopia is one of the critical development challenges of the country (Guarcello and Rosati, 2007). Kassa (2011) analyzed that, urban unemployment is determined by age, marital status, and education. Bacha (2014) noted that, youth employment status is associated with age, sex, marital status, education level, job preference, work experience, social network and mother's education in Jimma town.

The study attempts to identify the major determinants of youth unemployment on the basis of data to be collected from Rebu Gebeya town. The main objective of the study is to assess the main determinants that affect youth unemployment in Rebu Gebeya town administration. The output of this study will be useful for concerned authorities to take corrective actions to mitigate the problem of unemployment.

1.2 Statement of the Problem

Youth unemployment is one of the major challenges facing both developed and developing countries in the world. Youth unemployment problem is more critical in developing countries Youth unemployment is also a severe problem in Africa especially in sub Saharan regions. The rate of youth unemployment is increasing from time to time due to increasing the change of youths who are unemployed over the change of total active population. According to ILO, figures, sub-Sahara Africa region has the highest rate of youth unemployment (18.4%) after the Middle East and North Africa (21.3%). Youth unemployment has increasingly come to be recognized as one of the critical development challenges of many countries in the continent (Curtain, 2004). Youth unemployment is still a severe problem not only in sub-Saharan African countries but also in all countries in the world. To strengthen this, (Bell and Blanchfl, 2010), currently, youth unemployment is acritical concern to almost every country in the world. It is one of the most pressing economic and social problems confronting developing countries whose labor market have weakened substantially. Previously,

different studies have been done on the determinants of youth unemployment in different study areas. But the studies conducted by different researchers did not explain all the factors that affect youth unemployment. Thus, this study primarily focuses on factors that affect youth unemployment not explained by different researchers so far. Therefore, the main significance of this study is to determine the major factors that affect youth unemployment which are not identified by other researchers previously.

A high level of unemployment shows the failure of the country's economy to use its labor resources effectively. Thus, urban unemployment has been considered as one of the most challenging economic problems facing the policy makers in developing countries and it will have substantial effect on human capital, in addition it brings impact on the region's economic potential (Berhanu et.al, 2005).

The rate of unemployment is higher for females than males in the age groups ranging from 15-29. According to (CSA, 2011) general unemployment rate as a country is 18 percent and specifically for the female 25 .3 percent and for male11.4 percent.

Currently, urban unemployment is higher in youth population who graduated in higher institution. Urban Youth unemployment problem is one of the major problems of Ethiopia. Even though, there are different programs designed by the government in order to alleviate this problem, it is not sufficiently solved. Youth issues have recently gained worldwide attention as the united nation set their improvement on the youth unemployment situation as one of the targets of Millennium development goals. One of the MDGs in developing Countries ensures decent and productive work for youth.

Rebu Gebeya is one of the towns in Amhara National Regional state with a total population of 14263 and of which, 6951 are males and 7312 are females (CSA, 2007). Out of this population, 34.8 percent are youths having 18.6percent males and 16.3 percent females (CSA, 2007). But now, the number of population of the town is expected or estimated to be doubled and proportionally, the number of youth population is also increased. Youth unemployment is also the problem of Rebu Gebeya town like other towns of the region. Youth unemployment rate in the town is found 13.3 percent, having 9.6 percent males and 17.5 percent female (CSA, 2007). According to the Rebu Gebeya town small

and micro enterprise office report, 3200 youth are registered as unemployed in the office between the age15-29 in the current year (2018/19). From the above unemployment figure, youth unemployment is a great problem among the other segments of population in the town.

Most of unemployed youth populations in the town spend their work time by playing pools, watching films, and DSTV sport review, chewing chat and others. Long time unemployment in Rebu Gebeya town leads the youth population fosters drug addiction; illegal migration, civil conflict, contribute to crime and violence and commercial sex workers for youth girls. It also causes family crises, dependency, depression, poverty and inequality. Females are exposed to HIVAIDS. Based on the above discussion, youth unemployment is a serious problem in the town and it needs assessment in order to identify the causes and solve the problem.

This paper is designed to describe and identify the major determinants of youth unemployment in the town. Moreover, the result provides information for designing relevant program and strategies by the concerned body in order to reduce the problem of youth unemployment in the study area.

1.3 Objective of the Study

1.3.1 General objective of the study

The general objective of the study is to assess the major determinants of youth unemployment in Rebu Gebeya town.

1.3.2 Specific Objectives of the Study

The specific objectives of the study are

- To identify the determinantsof youthunemployment in Rebu Gebeya town.
- To describe the extent of youth unemployment in the study area.
- To evaluate the effect of each determinant on youth unemployment.
- To identify the major factors those which predominantly contributefor high youth unemployment in Rebu Gebeya town.
- To indicate direction to solve unemployment problems in the study area.

1.4 Significance of the Study

Youths are the major part of human capital which has influence on social, political and economic development of any country in the world. This study would provide empirical evidence with respect to the determinant of youth unemployment by assessing the specific situation in Rebu Gebeya town. The study also gives information about the major determinants that affect youth unemployment for stakeholders or concerned bodies for designing programs in order to reduce urban youth unemployment in Rebu Gebeya town.

1.5 Scope and Limitation of the Study

The study aims were to identified the determinants that affect youth unemployment in Rebu Gebeya town. The scope of the study was limited to Rebu Gebeya town, East Gojjam zone, Amhara regional state. The cause of the study limited in Rebu Gebeya is this one, I work in the town since 2000EC and also I know each problem occurred in the town. In addition to this I follow the progress but the youth unemployment is still the headache in the town. According to Zone micro and small enterprise evaluation report 2018, Rebu Gebeya the last town on job access increment. Also in the town there are different problems but unemployment is savior problem of the town relatively to others specially most of graduated students more expose the problems because of this and related cases is concentrated on unemployment. In addition to this the study cross-sectional study design, binary stage sampling methods and descriptive and econometric model specification was applied. This was mainly because of the shortage of resources and time to undertake the study on a wide scale and due to lack of willingness; some respondents may not give accurate information.

CHAPTER TWO:RELATED LITERATURE REVIEW

2.1 Theoretical literature

2.1.1 Definition of youth

According to the standard UN definition, youth comprises the age group between 15 and 24 years inclusive. In practice the operational definition of youth varies widely from country to country depending on cultural, institutional and political factors. In Britain, for example "youth employment policy" generally refers to policies targeted at the 16-18 years old age group where as in Italy; the term is used to describe policies for people aged b/n 14-29 years in northern Italy and 14-32 years southern Italy. According to Ethiopia definition, Youth comprises part of the society who is between age 15-29 (MOY, 2004). For the purpose of this paper, the Ethiopian definition is used.

2.1.2 Definition of Youth Unemployment

Working definition: Unemployment is defined as a situation where someone of working age is not able to get a job but would like to be in full time employment. Unemployment occurs when a person who is actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy. The most frequently cited measure of unemployment is the unemployment rate. This is the number of unemployed persons divided by the number of people in the labor force. As (ILO, 1990), unemployment can be measured using the following criteria: set without work, available for work and looking for work (O'Higgins, 1997). According to (ILO, 1990) one country economic development is positively related to employment rates.

2.1.3 Basic Concepts of Unemployment

The labor markets like any other markets, has both supply and demand sides. The supply side is labor force or the economically active population which comprises of both employed and the unemployed. The demand side on the other hand, consists of Jobs filled posts and Job vacancies/ unfilled posts (WB, 2007). The gap between the supply and demand for labor is referred to as unemployment (Olsson, 2009). The international labor organization (ILO) defines the unemployed as number of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work (WB,2007). When the

supply of labor out strips the demand for labor, it causes joblessness and unemployment. Urban youth unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of urban youth unemployed individuals by all young people currently in the labor force. Based on the discussion, unemployment is a situation where the persons who are able to work and willing to work but unable to find work.

2.1.4 Rate of Unemployment

The global rate of unemployment indicates; youths have high rate of unemployment. According to ILO's World Employment and Outlook trends; the final figure of unemployment in 2015 is estimated to stand at 197.1 million and rate of youth unemployment in 2018 is forecasted. This forecasting rate is 13.1% and increased by 0.2 % as we compare with the rate of youth unemployment in 2015 (12.9%). An additional 1.1 million jobless will likely be added to the global tally in 2018 (WESO, 2016). Based on the ILO point of view, unemployment rate refers to those who are currently not working but are willing and able to work for pay, currently available to work and have actively searched for work and gives the number of unemployed persons as a percentage of the laborforce(CSA,2016). The international labor organization estimates that global youth unemployment rate is expected to reach 13.1 percent in 2018 and remain at that level through to 2019 up from 12.9 percent in 2015 (ILO,2016). The ILO's world employment and social outlook 2016, trends for youth report shows that as result, the global number of unemployed youth is set to rise by half a million this year to reach 71 million.

2.1.5 Global Perspectives of Youth Unemployment

Most of the world's youth (almost 85percent) live in developing countries. There are four indicators of distinct measurements which represents unemployment problem. Among these, the first one is rate of youth unemployment (youth unemployment as a percentage of the youth labor force) and the second measurement is ratio of the youth unemployment rate to the adult unemployment rate which follows by youth unemployment as a proportion of total unemployment and youth unemployment as a proportion of the youth population (CSA, 2007).High unemployment is one of the macroeconomic problems that affect the society in general and especially affects youth in particular. Unemployment is an indicator for economic failure to utilize the available human resource (ILO, 2008). Unemployment has social as well as economic consequence for young people. Young people are

most eager to strike out to secure their futures and to contribute to their families, communities and societies (ILO, 2008). Rural-urban migration also creates a great impact upon urban youth unemployment in Africa. Latin America and the Caribbean, and the number of youth living in developing countries will grow to 89.5 percent by 2025.

Youth unemployment levels are certainly very serious in many countries of the world. The rate of youth unemployment is much higher than that of adults in most countries: recent ILO estimates that, at least 60 million young people are without a job and youth unemployment rates are on average, three times as high as adult'srate(ILO,1998). In countries of the organization for economic co-operation and development (OECD), unemployment rate of youth between 15-24 age groups in 1998 was 12.9 percent more; this figure is more than double for adults, whom stood at 5.7 percent: around 10 million young people are unemployed in the OCED countries. Figures are less available for developing countries, but data suggest that the gap between youth and adult unemployment rate is wider than industrialized nations (ILO, 1999). Thus, unemployment in general and youth unemployment in particular is a major problem in developed and developing countries but, the problem is severing for under developed nations.

Youths are less skilled when compared with adults this creates an obstacle to access work with less experience than adults. The youth labor force will continue to grow between 2010 and 2015. The growth will be concentrated in sub-Saharan Africa, South East Asia and the Pacific, and in the Middle East and North Africa (ILO, 2006). In addition, (ILO, 2010), predicts a continued increase in global youth unemployment to all time high with a rate of13.1 percent in 2010, followed by a moderate decline in 2011. Thus, we conclude that, youths are the number among the other segment of population and also are exposed by unemployment in the world.

2.1.6 Unemployment Trends in Ethiopia

Ethiopia is one of the countries which have fast population growth in the world. The total population of the country is estimated to be 74 million (CSA, 2008) and this huge number of population makes the country the second populous country in the sub-Saharan counties. The young population of the country is about 14percent of the total population in 1994 and 20 percent of the total population in 2001(Guracello and Rosati, 2007). In 2007 the percentage of the youth population grows to 28.3

percent. Out of the total population 39.6 percent of them are urban resident (CSA, 2008). The age ranges of youth are determined in different ways in each country, in the Ethiopian context, it is15-29 (FDRE National Youth Policy). The ages of working population in Ethiopia ranges15-64andaccounts 51.9 percent of the total population whereas the youth account for28.3percent of the total population (CSA, 2007). Ethiopia is one of the developing countries which failed to make effective use of youth population.

Urban unemployment rate is reported as 18.9 percent while urban youth unemployment is 24.5% (CSA, 2011). Changing the employment condition of youth could lead to the realization of MDGs through identifying the factors that delayed the young people in getting employment. In the same manner, (World Bank, 2011) noted that helping youth to realize their full potential by gaining access to employment is a precondition for poverty minimization, sustainable development, and enduring peace. Ethiopia approved its youth policy in 2004. The overall goal of the National Youth Policy is to bring about the active participation of youth in the building of a democratic system and good governance as them to fairly benefit from the results"(MOY, 2004).

Amhara National Regional State is one of the regions with a total population of 17.2 million, having 23.3% of the national populations. Out of the total populations of the region, 28.2% were youth in 2007. Besides, the size of urban populations of the region was estimated about 2.1 million in which 41.2% were youth (CSA, 2010). On the other hand, employment status of youth in the region showed that youth unemployment rate was estimated about 21.2%, having 14.1% of males and 26.5% of females in 2005 (CSA, 2006). This estimate includes both the rural and urban youth unemployment in the region. Moreover, youth unemployment rate in urban areas of the region also found to be 18.0%, with 15.5% of males and the corresponding female's unemployment rate was 20.4% in 2007 (CSA, 2010). Based on the above discussion, unemployment in general and youth unemployment in particular is a serious problem in Ethiopia. Even though the government approves national youth policy, the country is failed to benefit youth population by decreasing unemployment as much as it expects.

2.1.7 Theories of Unemployment

2.1.7.1 Classical Theory of Unemployment

The Classical Theory of Unemployment has nothing to do with the classical view of employment that turned up by the most relevant economists in the 18th century like Adam Smith or David Ricardo. They advocated for a full-employment labor market. The classical view of unemployment states that the economy will achieve full employment if wages and prices are flexible. This view attests that unemployment occurs when wage rises too high to maintain equilibrium. When wages go up, firms cannot afford to pay as many workers, so some may be laid off for fired; increase unemployment. When this happens, fewer people have money to buy things so demand goes down and price tend to be down. Because unemployment is high, more people are looking for work, giving firms more choice in who they hire and for how much. This results decrease wages.

The classical theory, as analyzed by Pigou (1933) and Solow (1980), argues that the labor market consists of demand and supply of labor. Demand for labor is a derived demand, obtained from the declining portion of the marginal product of labor. The demand curve is a negative function of real wage in that if wages increase the quantity demand for labor will decline and the opposite is correct. The supply of labor is derived from worker's choice whether to spend part of time working or not working (leisure). Supply of hours worked is a positive function of the real wage, because if the real wage rises, workers supply more hours of work. In equilibrium, demand and supply of labor are intersected at a clearing point that determines the equilibrium real wage rate and full employment. Full employment does not mean there is no unemployment still; fractional unemployment does exit at the going real wage rate. Unemployment problem is caused resources being in the wrong places at the wrong time and can be corrected if wages and prices are determined by equilibrium of supply and demand. Most economists have argued that unemployment increases the more the government intervenes in to the economy to improve the conditions of those with jobs.

2.1.7.2 Keynesian Theory of Unemployment

Keynesian unemployment also known as deficient-demand unemployment occurs when there is no enough aggregate demand, in the economy to provide jobs for everyone who wants to work. Demand for most goods and services falls, less production is needed and consequently fewer workers are needed. Wages are sticky and do not fall to meet the equilibrium level and mass of unemployment

result. Keynesian economists see the lack of demand for jobs as potentially resolvable by governmental intervention. One suggested interventions involve deficit spending to boost employment and demand. Another intervention involves an expansionary monetary policy that increases the demand of money which should reduce interest rates which should lead to an increase in non-governmental Spending. Keynesian recognized some unemployment on job to other (Schervish, 1983).

Keynes (1936) Formulated his history of involuntary unemployment in which workers are an ability to located job even when offering to work at the labor lags because the demand for goods and services land to behind to the capacity of economy to produce them. Keynes argues thatThe General Theory is necessary in order to explain how unemployment can arise from a lack of aggregate demand. The Classical theory is essentially a theory of self-employment in which, if prices are perfectlyflexible, involuntary unemployment can arise only from frictional delays in the physical change-over from serving one market to another. In the Classical theory, the level of (self-)employment is limited only by the supply of labor available at a given realwage, so that 'non-employment' is either voluntary or frictional.

2.1.7.3 Marxian Theory of Unemployment

According to Karl Marx, unemployment is inherent within the unstable capitalist system and periodic crises of mass unemployment are to be expected. The function of the proletariat within the capitalist system is to provide a "reserve army of labor" that creates downward pressure on wages. This is accomplished by dividing the proletariat into surplus labor (employees) and unemployed. This reserve army of labor fights among themselves for scarce jobs at lower and lower wages. At first glance, unemployment seems inefficient since unemployed workers do not increase profits. However, unemployment is profitable within the global capitalist system because unemployment lowers wages which are costs from the perspective of the owners. From this perspective low wages benefit the system by reducing economic rents. Yet, it does not benefit workers. Capitalist systems unfairly manipulate the market for labor by perpetuating unemployment which lowers laborers' demands for fair wages. Workers are pitted against one another at the service of increasing profits for owners. According to Marx, the only way to permanently eliminate unemployment would be to abolish capitalism and the system of forced competition for wages and then shift to a socialist or communist

economic system. For contemporary Marxists, the existence of persistent unemployment is proof of the inability of capitalism to ensure full employment.(D.Furth,1978)

2.1.7.4 Human Capital Theory of Unemployment

Human capital is the most important determinants of economic structure. There are some determinants of human capital like education, health, expected life and population. Education is the key factor to promote the efficiency and capability of human population. Education is one of the main determinants for youth unemployment rate. Educated workers are more efficient than uneducated people in seeking new jobs and gaining more wages. Hence, one should be able to estimate the rate return on such investment in a way similar to investment in physical capital. According to this theory, education is the most important asset foreconomic development and to create productive job. Schultz (1961) noted that education plays a great and significant role in the economy of a nation as cited by Asalefew (2011).

2.1.7.5 Job Search Theory of Unemployment

An important contribution of the job search theory is an interpretation of unemployment on a microeconomics level. The theory of job search has developed as a complement to the older theoretical frame work. Many writers found that the classical labor supply model with its emphasis on unilateral and fully informed choice could not explain important features of the typical individual's experience in the labor market. Theory of job search uses the tools of sequential statistical decision theory for the typical worker's problem of finding a job in a decentralized labor market. Information on vacancies and wages associated with them are considered as imperfect. This information has to be acquired before a worker can become employed. Viewing the process of acquiring in formation as costly is an important contribution of the economics of information and job search theory.

Bruno Vander Linden (2011) noted that, job seekers have perfect information about the different wages offered for different job before they decide where to look for work and in random job search, no information about the idiosyncratic features of the job vacancies. This implies job seekers have to invest time and money for applying jobs and meet all vacancies randomly. Hence, they conclude that, job seekers should invest time, money and should have got sufficient information and in addition to these, they should be decision makers in order to obtain employment.

2.1.7.6 Job-Matching Theory of unemployment

The job matching theory originally proposed by Jovanovich (1979) as cited by (Asalefew, 2011) quickly became the benchmark model of worker turnover in labor economics, and the inspiration for a vast body of applied microeconomic research. The worker-firm match is modelled as an experience good, whose characteristics are initially uncertain, and are gradually revealed over time by output performance. Optimal inference and the resulting selection of matches provide a natural explanation for a wide range of robust empirical correlations. According to Jovanovich (1979), the most skilled workers should occupy the most skilled positions. He also states that workers prefer the opportunity to utilize all of their skills, increasing their feelings of usefulness, which allows them to command higher salaries. Employers prefer individuals who are optimally utilizing their skill sets will maximize productivity for their firm, and will stay longer at the firm. The concept of Job-matching depends on the labor market and the idea contains different multidisciplinary professional skills with respective experience levels.

2.2 Causes of Youth Unemployment

Youth unemployment is the results of different factors. Nowadays, youth unemployment is a current issue and debates of many policy makers and leaders of every country in the world. Youth unemployment is one of the most vital social and economic troubles of facing in developing countries. This study focuses on assessing demographic and socioeconomic characteristics that influence youth employment. The detail is presented as follows.

2.2.1 Rural-Urban Migration

Urbanization is one of the issues of growing in Ethiopia. Rural –urban migration is one of the common situations performing in Ethiopia in Search of job. It is continuing to occur a high level's as people seek new opportunities in the city to escape rural poverty (Erulkar et.al, 2000). Rural urban migration is usually explained in terms of push-pull factors. The push factor includes the pressure resulting from man-land ratio in the rural areas and the existence ofserious underemploymentarising from the seasonalcycle of the lack of infrastructural facilities, whichmakes the rural life unattractive. Rural-urban migration among youth occurred primarily for work opportunities (28.6 percent of boys and 32.4 percent of girls and escaping an early marriage (22.7 percent of girls) (Erulkar et al, 2000). The migration of young population from rural to urban is one of the problems of urban youth

unemployment in sub-Saharan African countries in general and in Ethiopia in particular. ILO (2007) and MOY (2004) stated that migration of young population in their twenties is very high in Africa. In addition, they explain that movement of youth population to institution for the purpose of education and training, but also migrants migrate for employment related reasons. (Todaro, et al., 1996) emphasizes that in spite of the contributory role rural –urban migration plays in the rise in urban unemployment, this mode of migration is not to be considered undesirable. Most youth move to urban areas in search of work but they are unable to find jobs due to lack of skills and work experience. Based on the above discussion, migration of youth's people from rural to urban become joblessness due to unavailability of jobs in urban areas.

2.2.2 Sex

Sex is one of the demographic variables that affect youth unemployment. According to Halleröd and Weisberg (2006), sex reveals substantial differences between female and male with respect to employment opportunity. Females are exposed to unemployment than males. With this regard, Guracello and Rosati (2007) state that, females are more likely to be unemployed than male youthacross all ages. Because, most of the time, females spend much time in doing domestic work than males. This leads them to poor academic performance and sometimes withdrawal from education. Berhanu et al (2005) also noted that unemployment rate of young female was 38.7 % whereas young male was only 23.2% in the same age category during the same year. Based on the abovediscussion, youthunemploymentproblemismore serious on females than males.

2.2.3 Household Income

One of the socioeconomic factors that affectyouth unemployment is household income. Bacha (2014) indicated that, household income is one of the socio-economic factors that contribute youth unemployment and has been related to family economic back ground. Bach noted that unemployment rates among young people decreases as household income increases. Youths those who have educated and high household income family have good opportunity of getting employment because their family are able to invest more in creatinine jobs for their children. Morris (2006) noted that households those who have a better income earning create a better access to education, information and others as cited by Asalefew (2011). This could create more access employment opportunities available in the market. Youths having low income family have likely being unemployed than adults

having the same income status familyILO (2010). Based on the above discussion, household income is one of the factors that affect youth unemployment in both developing and developed world.

2.2.4 Education

Education is central to economic development and the improvement of the lives of young people globally. Education is the priority area in internationally agreed development goals including millennium development goals and the world program of action for youth. Education is also important in eradicating poverty and hunger and promoting sustained and equitable economic growth and development.

In Ethiopia, a large number of individuals enter the labor market below the age of 15 with little or no formal education (Guarcello et al, 2006) Illiteracy is a major factor contributing to underemployment and employment in the informal sector. Education is a means for enhancing the productivity and employability of a country's labor force as it has a positive influence on occupational type: more-educated workers are much more likely to be in wage employment and much less likely to be in unpaid work than their less educated counterparts (Guarcello et al, 2006). Education is one of the factors that determine youth unemployment. In line with this, Salvador and Killinger (2008), WB (2009), and Morris (2006) noted that unemployment rate of less educated youth tends to be higher than the unemployment rate of more educatedyouth in developing countries because their skills and competencies may not correspond to the demand of the labor market.

Youth unemployment is a serious problem for youths who had lower educational level in Africa. To strength this idea, Okojie (2003) noted that unemployment in Africa concentrated among youth who have received some education. Similarly, educated youths have a better chance of getting employment than uneducated youths in Ethiopia. In this regard, Guracello and Rosati (2007) found that among youths, the less educated youth face more difficulties in finding employment in urban areas of the country. Moreover, Guarcello, et al. (2006) used probity model with data from various labor force surveys to estimate youth employment in Ethiopia. The results indicated that probability of employment increased with both age and level of education. They further found high employment in urban than rural areas and more male youths likely to be in employment than female youths.

Based on the discussion, education is the better means of getting employment for youth population and youths who are more educated have a higher chance of employed than a less educated

2.2.5 Investment

Investment is one of the most important factors of economic growth and means of getting employment in both developed and developing countries. In recent years, most researchers are focusing on determine the relationship between unemployment and investment. The research explained that, unemployment and investment have negative relationship. Herbert son &Zoega (2002) estimate this relationship using data for a panel of OECD countries. Foreign direct investment enhances privateinvestments, encourage the creation of new jobs, transfer of knowledge and technological skills of the labor force and generally boosts economic growth in most countries. More investment fosters youths of getting employment or decreasing youth unemployment. If the society has economic contact with other societies, the effects of domestic investments on domestic unemployment are less sure. But also in this case it is likely that a large investment will reduce the domestic unemployment while it is being made. However, an investment has effects on unemployment not only in the period it is made, but also in subsequent periods (Fritz C. 1998).

The World Bank (2006) drawing from empirical studies on the role of small firms in economic growth noted that, SMEs together create more jobs than large firms. Large firms on the other hand account for a greater share of net employment. Pavios and NikolaosDritsakis (2014) evaluate the impact of FDI on employment and economic growth. The result of the study shows that, increases 0.27% of FDI while a decrease in unemployment by 1%. Thus, based on the discussion, if there is more investment then, more youths have a chance of getting employment.

2.2.6 Job Opportunities/Access

A lack of available jobs suited to entry level skills. In some labor markets, especially in the developing world, there is simply a demographic mismatch between the number of young people seeking work and the level local economic activity. There is a shortage of locally available jobs that are entry level but that still lead to meaningful careers. As a consequence of these factors, many young people face significant obstacles to obtain decent work and thriving in their first jobs. Consequently, many young people end up facing extended periods of unemployment or significantly

underemployment in jobs that fail to offer career opportunities.(World Bank,2006)and(Aslefew,2011)

2.2.7 Social Networks

Social networks are very important capital for finding employment. Mark Granovetter (1973) found in a survey of residents of a Massa Chusetts town that over 50% of the jobs were obtained through social contacts. Earlier work by Albert Rees (1996) found numbers of over 60% in a similar study. According to Lange and Martin (1993), social networks are key instrument to search jobs in urban areas with minimum cost and less difficulty. Asalefew (2011) cited that youths who do not utilize personal networks could miss job opportunities available. Coleman (1990) and Granovetter (1983) showed that young workers not utilizing personal networks may miss job opportunities availablethrough personal networks. Moreover, Fernandez and Kelley (1995) confirmed thatyouths with limited or deficient personal networksmay lack knowledge of employment opportunities available in the state or regions.

Toit (2003) also noted that lack of labor market information and access to the main information networks in the labor market decreases the chance of getting employment. Generally, social networks and unemployment have negatively related. This means youths who have higher social relationship, have the better chance of getting employment. Granovetter (1975) brought to light the role played by interpersonal relationships in channeling information about jobs and job applicants. Thus, individuals with weak relationship with other individuals could miss job opportunities available through social networks.

2.2.8 Rapid Growth of Population

The increasing rate of population growth is another factor affecting scarcity of job opportunities. The size of the labor force has been increasing at an average annual rate of 3.2%, reaching an estimated 32.2 million people in 2005 (Denu et al, 2007).

The demand for labor has a slower growth rate than the growing of population.

The youth labor market is particular concern in developing countries such as Ethiopia due to a high proportion of youth in the demographic profile. According to (Jensen, et al., 2012), a program giving information to young woman about good quality white-collar jobs available in nearby urban

areas, and shows that this information alone increases rates of work, not just at the specific jobs. While youth unemployment appears to have fallen marginally over the last few years, it is alarmingly high, at 28% (Broussard, 2012). There is a belief that more youth in the population create difficult pressures on the labor market and a growing youth population can have important long run implications on youth unemployment. Youth population about 20 million represent 28% of the population. In addition to this explain by (Mosel, 2010) increases in child labor have serious implications for young people's employment outcomes over the life cycle and broader human development, since children tend to work in low-paid activities, which constrain human development and their future employment prospects. In 1999, the youth labor force, those between the ages of 15 and 24 years, represented 35% of the labor force. In 2011, their share fell significantly to 28% of the labor force. This fall in the share is mostly due to decreases in labor force participation as there has been a global trend in increases in participation rates of youth in education (O'Higgins, 2003). Based on the discussion, rapid population growth is positively related on youth unemployment.

2.2.9 Corruption

Corruption is one of the problems which exist in both developed and developing countries but, more challenge on developing countries. Corruption has a negative effect on entrepreneurships, because, government officials have the authority to redistribute resource. This authority can be exploited for personal gains. According to Rose Ackerman (1999), the motivation for corruption exists whenever an official has discretion over the distribution of a good or the avoidance of a bad to the private sector. In theory, the greater the amount of discretion which is given to government officials, the more opportunities there will be for rent seekers to allocate their time from productive entrepreneurships to unproductive lobbying (Baumol, 1990).

The development of corruption practice tends to increase the unemployment rate among youth and educated job seekers which in turn contribute to sustain those unlawful practices by forcing the latter to bribe rent seeking government officials in order to secure a job. Using a system GMM approach that simultaneously account for the dynamic effects b/n perceived bribery among officials and the youth unemployment rate.

The high level of public sector corruption has beenidentified as a cause of youth unemployment in Nigeria. Awogbenle and Iwuamadi (2013) wrote that, in spite of enormous wealth that accrues to Nigeria through the sale of crude oil, the level of employment in the country has been decrease over the years. Corruption which has permeated the entire social structure of Nigeria, has robbed the country of developing a vibrant economic base. Based on the above discussion, corruption is one of the factors that affect youth unemployment in developing countries in general and in Ethiopia in particular.

2.3 Investment Performance of the study area

Since, Rebu Gebeya is found on the main road of Wabir, Digo Tsion and Woyin Wuha a number of vehicles are transited. This has own advantage the income source of the town. Trade industry is also another important income source of the study area. According to the town Administrative trade industry, market development and investment expansion process office (2018) report, the town is implemented new investment in manufacturing (18), construction (6), tourism (Hotel and Restaurants (12), and health (4) projects. The total capital paid by 40 investors is 498million birr for those investment activities listed and create employment opportunities for 669 persons in the town.

2.4 Entrepreneurship Performance of the study area

According to the town small and micro enterprise (2018) report, youth participation in socio-economic sectors play a great role in solving youth unemployment problems. Unemployed youths in the town are organized in different sectors. The main sectors are in manufacturing (129), construction (15), urban agriculture (14) municipality service (10), commercial work (449), and total (617). From those 617 enterprises, 98 of them obtained a capital of 13,543,500 birr by credit from the town micro finance and the remaining 519 enterprises are organized by their own capital and by the help of their parents. These enterprises open employment opportunities for 1435 persons.

In addition to these, Rebu Gebeya town has one government owned senior secondary and preparatory school, two elementary schools, but there is not TVET college and others that has Owen advantage to contribute the economic growth of the town.

2.5 Consequences of Youth Unemployment

Inadequate employment situation of youth has a number of socioeconomic, political and moral consequences (Berhanu et al, 2005; Toit, 2003). Some of the consequences of youth unemployment are as follows. Unemployment early in life may havepersistent negative consequences for the persons‟ subsequent career, as it may impair their productive potential and employment opportunities (O'Higgins, 2007). According to (Owen, 2009), argues that the implications of unemployment for young people may include poverty, migration to urban areas, housing problems, rising criminal rates, lack of youth participation in society and low morale values among young people. Implications that haveimpact on young women are adolescent prostitution and higher rates of teenage pregnancies. According to UN (2003) report, unemployed youth are the main drug users in Sub Sahara Africa, which accounts 34 million young people representing 7.7 percent of the continent's youth population. Similarly, Curtain (2000) noted that in the continent, crime and drug abuse are increasing among unemployed youths. Chigunta (2002) and Haji (2007) also confirmed that some of the unemployed youth have become drunkards. Unemployment increases mental stress of the youth population. Toit (2003) stated that depression is the consequence of unemployment. In addition, Berhanu et al (2005) noted that unemployment results social exclusion and a sense of hopelessness on youth. Youth unemployment also facilitates the development of street youths. Likewise, Echebiri (2005) noted that unemployment has driven many young women and girls into sex work in Africa. Okojie (2003) also explained that lack of employment opportunities has contributed to increasing feminization of poverty, and also encouraged prostitution as a means of survival in several African towns. Moreover, ILO (2005) stated that, in Ethiopia, young unemployed women are unwittingly drawn into prostitution. Based on the above discussion, unemployment has negative consequences on youth population in developing countries and it also the challenges of economic development in many countries.

2.6 Cost of youth unemployment

2.6.1 Economic Cost of Youth Unemployment

Youth unemployment has various significant costs and these costs brining social, economic and political crises of one country. In the short run, youth unemployment causes the loss of income and in

the mid to long term; it is detrimental to the formation of human capital and results of life time income.

Youth unemployment has different significant effect on individuals. Among those effects some of them are: loss of human capital; earing losses; delay on marriage; low child birth and population aging. It also has its own effect of nations on reduction in the fiscal spending power; decrease income tax revenue and increase in expenditure against unemployment. Youth unemployment has a negative effect on economic growth and development. In line with, Salvador and Kiplinger (2008) noted that unemployment among young people implies unutilized labor potential and thus has a negative impact on potential growth of the economy. Berhanuet.al (2005) also state that unemployment is the failure to make use of an important factor of production, labor, for fostering economic growth.

2.6.2 Social Cost of Youth Unemployment

Socially, youth unemployment, especially where it lasts for a long period, may seriously delay or even block family formation. This in turn may lead to various social problems. Higher level of unemployment in general and youth unemployment in particular is related to social problems such as crime, drug abuse, loss of social freedom, Psychological harm, dependency, prostitution, Skill lose, a loss of motivation, loss of social values and social unrest.

2.7 Trends of Youth Unemployment Rate in Urban Ethiopia

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

According to (USAID, 2006), many poor countries have dualistic labor markets, in which a small fraction of workers have regular formal job sector; while a majority, especially women, work in the informal sector. Like many sub Saharan Africa countries, employment in Ethiopia is also characterized by a heavily segmented labor market situation. As (EEA, 2007) reported, it can be

divided among different segments, with a considerable difference be-tween formal and in formal employment, private and public employment, wage and self-employment, urban and rural employment, and so on. (Guracello and Rosati, 2007). Although the subsistence agriculture is estimated to absorb more than 80percent of the total labor force, a significant proportion is argued to be underemployed. Furthermore, a substantial proportion of the population in urban areas, regardless of the higher unemployment and underemployment, is involved in the informal sector of the economy.

2.8 Labor Market Policies and Institutions in Ethiopia

Active labor market policies had varying degrees of success in solving youth unemployment and promoting employment. Such policies are a complement to formal education and training systems, and are generally remedial in nature, that is, they attempt to correct the failure of education and training systems to integrate young people into employment. As labor market policy directions, McQuoid and Lindsay (2005) underlines the importance of employability skills, the qualities and competences of the job seekers, and the external factors which include: the attitudes of employers towards the unemployed; the supply and quality of training and education and the supply of appropriate jobs in the local economy.

According to MOLSA (2009), employment generation has two important dimensions. These are demand and supply side of job creation. The first dimension (the demand side of job creation) refers to the capacity of the economy to create jobs for different skills. The second dimension (the supply side of job creation) deals with the availability of persons match with the types of skills that the economy needs. Besides, there is a third dimension (the labor market institutions) which relates to the governance of labor market relation labor market services.

Five-year development plan is the main important guidelines of government policy in Ethiopia. The country ‘s development plan focus on creating employment and income earning opportunities in the modern sector, the informal sector and on farms un employment is targeted with special attention given to youth and women. The 2005/6-2009/10 plan, a plan for accelerated and sustained development to end poverty (PAS DEP), explicitly acknowledged the issue of the labor market and unemployment, particularly youth unemployment. The plan focused on job creation through private

sector participation with particularly focus to micro and small enterprises (MSE) in order to create employment opportunities.

The plan also addressed progress the quality of education and targeting Technical and vocational education and training (TVET) with the job requirement of the economy, which are identified as key problems in order to raise unemployment particularly in urban areas.

Another solution effort to provide skill training to unemployed and public works employment intervention (FDRE, 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 give the students skills and competencies for engagement in wage employment or self-employment (MoE, 2006).

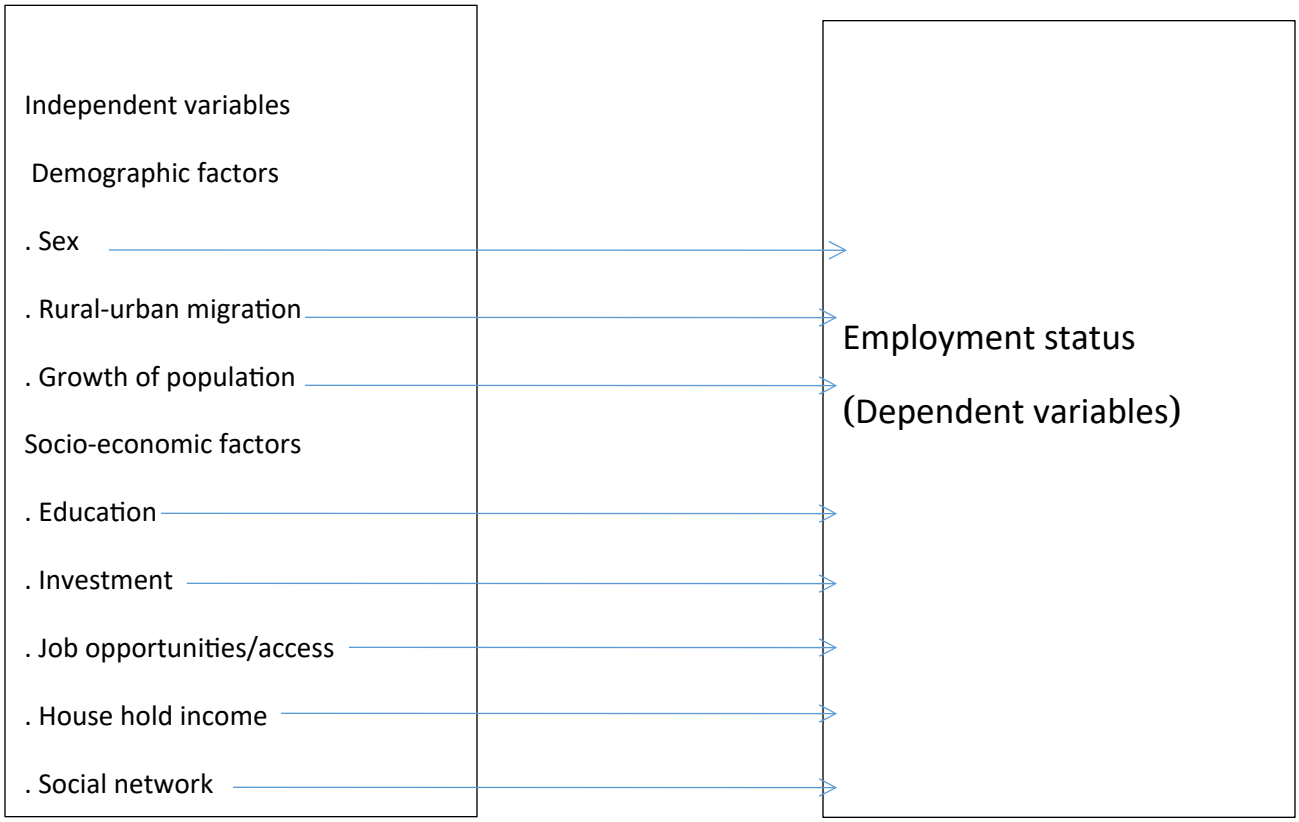
The current five-year development plan 2010/11-2014/15, the growth and transformation plan(GTP) does not directly address the issue of youth unemployment, but rather improved performance of various sectors in the economy. The plan addresses the social and economic challenges faced by youth and women. Private sector development particularly MSEs receive special attention as a potential employment and poverty reduction mechanism. The plan emphasizes tailoring TVET programs with the demand of economy and continues to scale up MSE expansion as strategies tackling unemployment in the country (MoFED, 2010). Based on the above discussion, the youth policy in Ethiopia focus on alleviating youth unemployment and youth related problems.

2.9 Conceptual Frame Work of the Study

Unemployment occupies central place in the analysis of management and economics science. It is one of the indicators of the well performance of the economy. Unemployed are those persons who are without work and immediately available to start work during the same period and who has actively looked for a job. There are different factors that are responsible for unemployment. For this study, in examining the determinants of youth unemployment, demographic and socio-economic variables namely age, sex, rural-urban migration, education, investment, household income, social network, job

access, corruption, and rapid growth of population are taken as explanatory variables: whereas youth employment status will be the dependent variable.

Figure 1: **Conceptual Framework of Unemployment**



Source:Own construction, 2019

2.10 Hypothesis of the study

On the basis of the objectives of the research, the following hypotheses will be tested.

⇛Rural to urban population has a positive significant effect on youth unemployment.

⇛Growth of population has a positive significant effect on youth unemployment.

⇛Education has a negative significant effect on youth unemployment.

⇛Investment has a negative significant relation on youth unemployment.

⇛Job opportunity /access has a negative significant effect on youth unemployment.

⇛House hold income has a negative significant effect on youth unemployment.

⇛Social network has negative significant effect on youth unemployment.

⇛Sex has a positive significant effect on unemployment.

CHAPTER THREE:RESEARCH METHODOLOGY

3.1 Description of the area

Rebu Gebeya is located in southwestern part of Amhara National regional state and it is one of the 21 woreda in East Gojjam zone. The study area Sinan Woreda Rebu Gebeya town is located 327km northwest of Addis Ababa, 292km south west of Bahir Dar and 27km north of Debre Markos.Rebo Gebeya is the town of Sinan woreda also Sinan woreda is bordered by Bibugn woreda in the north, Gozamen woreda in the south, Debay Tilat Gin woreda to the east and Machakel woreda to the west. Its absolute location extends between 10̊ 40’ 30’’25 10º-’ 13’’ N latitude and 37º 40’ 00’’ - 37º 50’ 20’’ E longitude. According to Sinan woreda Finance and Economy office (2018).

3.2 Research Design

The research design was a plan that specifies the source of data and the types of information relevant to the study. To achieve the stated objective, the researcher used a cross-sectional study design. Because, this method of research design is used in a single point in time and it also simple and less cost approach. Totally cross-sectional study design is used to collected data at one-time period only and also it allows to comparing many different variables at the same time. The study used mainly primary data source obtained from youth household’s survey. Because of time limitation; the researcher employed only quantitative method.

3.3 Method of Data Collection and Source of Data

The primary data was collected using structured questionnaire from the selected sample youths in the study area. In order to collect the primary data efficiently, the researcher prepared structured questionnaires and administered to the selected youth household samples to obtain the data.

Secondary data was collected from different data sources such as records of Administrative office, publications, Journals, books and other relevant sources to this study.

The researcher collected quantitative primary data from samples of youth individuals. In addition to primary data source, the researcher also used secondary data in order to obtain sufficient information from records of Administrative office, publications, Journals, and other relevant sources to the study.

3.4 Sample and Sampling Method

. In order to select the respondents those who live in the study area, the researcher used binary stage sampling methods. Since, Rebu Gebeya has two Kebeles and the number of youth populations living in the study area is not so large, the researcher included all Kebeles in sample selection.

First ,four enumerations were selected from two kebeles using simple random sampling techniques (two enumeration area from each Keeble).

Second, the samples of households selected from the selected enumeration areas using systematic random sampling. To select the representative samples, fresh list of households was prepared from the selected enumeration area in all kebeles at the beginning of the survey.

3.5 Population

According to the 2007 population and housing census of Ethiopia (CSA, 2007), the town has a total population 0f 14263; of which 6951 are males and 7312 are females. Out of this population, 34.8 percent are youths having 18.6 percent males and 16.3 percent females (CSA, 2007). But now, the total population of the town is expected or projected to be doubled. The town has 2 Kebeles.

3.6 Sample Size Determination

To determine the sample size required for the study, the researcher was employed the formula proposed by Kothari (1990). The formula used to identify the required sample size at 95%confidence interval and 5% level of precision.

$$n = z^2 \frac{pxq}{(\varepsilon)^2}$$ Where, n = sample size

p =the proportion of youth who are unemployed

q = the proportion of youth who are employed

ε = the marginal error (level of precision) normally set as 0.05

z = linked to the 95% confidence interval (use 1.96) as an assumption.

According to CSA (2015), the proportion of unemployed youth in 2015 is 16.8% in national level. Based on this data,

The sample size will be: $n = z^2 \frac{pxq}{(\varepsilon)^2}$

$$N = (1.96)^2 \frac{(0.17\,x\,0.83)}{(0.05)^2} = 217$$

The overall sample size of the survey was increased by 5% for non-response. 217 x 5% = 11

The total sample size of the study was: 217+11=228

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

$$n(A) = \frac{N(A)\,x\,n}{N}$$

Where, n(A) = sample size allocates for enumeration area "A"

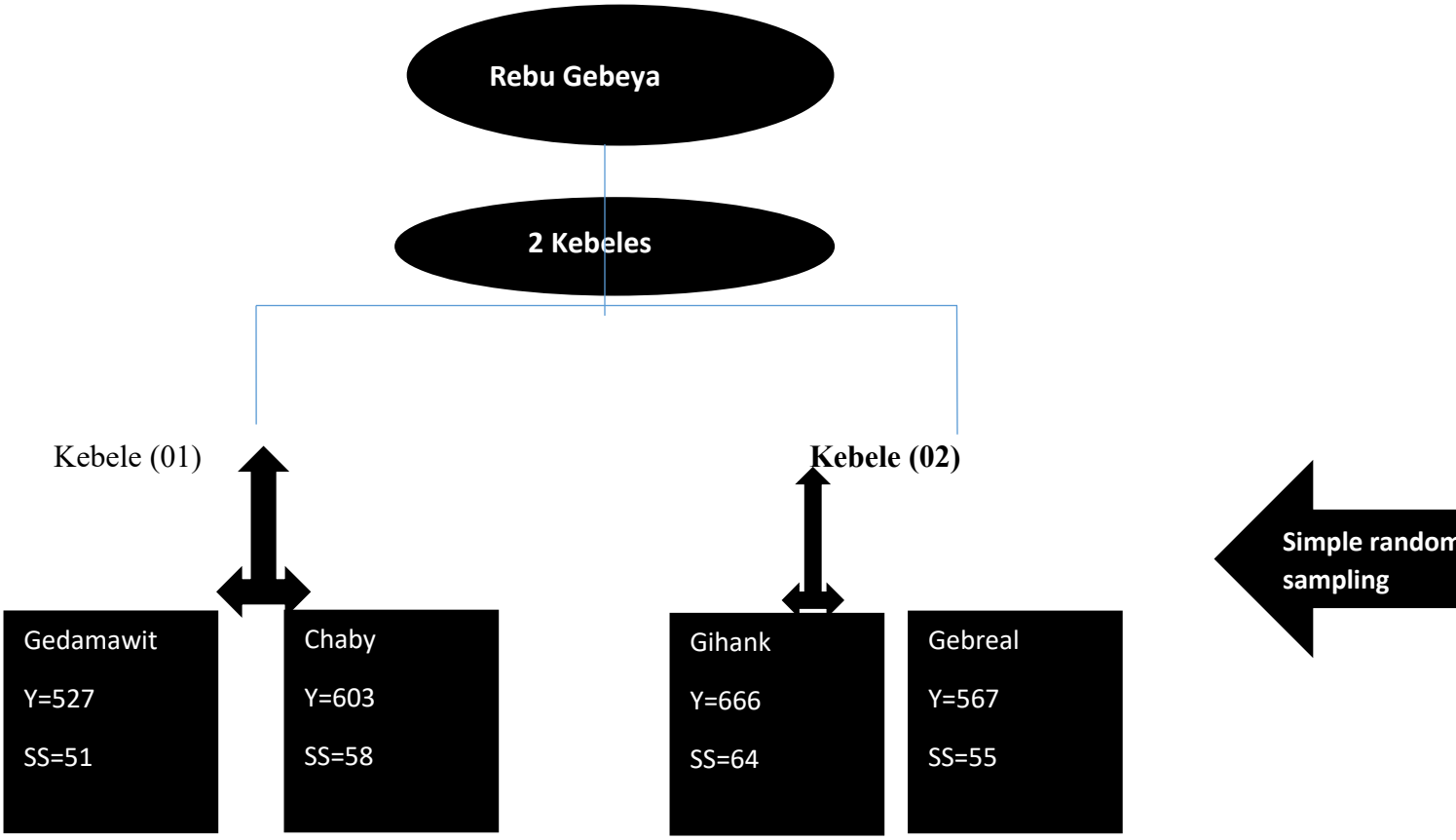
N (A) = the number of listed youths' households in enumeration area "A"

n = the total sample size (228), and

N = the sum of all youth households listed in the eight enumeration areas.

These 228 sample youth households selected from both 2 kebeles of the town. The number of youth households that allocated in the selected enumeration area wasbased on the percentage share or proportional process of each youth households from the totaltargeted youth households.

Figure 2: **Presentation of sampling procedure**



Source: Own construction, 2019

The total samples were 228. Out of these samples, the respondents covered during data collection were96.9% (221). The prepared questionnaire was administered to the 221 respondents and gathered the relevant information about youth unemployment. The remaining 3.1% (7) of them were not participated in data gathering because of different reasons.

3.7 Methods of Data Analysis

The methods of data analysis employed in the study include descriptive and econometric models. First, the households' demographic, socio-economic and other quantitative characteristics obtained by

the survey were analyzed by using percentage, chi-square and other descriptive statistics. Second, to identify the main determinants of youth unemployment, binary logistic econometric model was applied. Binary logit model was used for empirical analysis and conducted by SPSS Version-21 statistical software.

3.7.1 Descriptive Methods

The data analysis was involved a number of closely related operations such as edited and coded the raw data, summarized and tabulation of the data to obtain solution for the research problem. The data was analyzed using descriptive statistics such as tables, percentages, graphs and other relevant types of data analysis in order to compare and contrast the major determinants of youth unemployment on status of employment.

3.7.2 Economics Model Specification and Analysis

In multi variant analysis, since the dependent variable is dichotomous, the researcher used binary logistic regression model in order to describe the relationship between explanatory variables with dependent variables on youth employment status. Hosmer and Lemeshow (1989) pointed out that a logistic distribution has got advantage over the others in the analysis of dichotomous outcome variable. It is extremely flexible and easily used model from mathematical point of view and results in a meaningful interpretation. Because of this, logistic regression model was selected for this study. Since, logistic regression model was used to calculate the probability of success over the probability of failure, the result of the analysis was expressed in the form of an odd ratio.

The form of binary logit model is derived from a logistic function and the probability of household being unemployed was given by:

$$\Pr(\text{unemployed}) = \frac{e^{xi\beta i+\varepsilon}}{1+e^{xi\beta i+\varepsilon}} (1)$$

Which, βia vector of coefficient to be estimated

X_i = a vector of explanatory variable

Pr(employed) =1-(unemployed)=1-$\frac{e^{xi\beta i+\varepsilon}}{1+e^{xi\beta i+\varepsilon}}$(2)

It is usual to write the above probability function in the form of adds in favor of the households being unemployed as shown below:

$y_i = \frac{pr(unemployed)}{pr(employed)} = \frac{(\frac{e^{xi\beta i+\varepsilon}}{1+e^{xi\beta i+\varepsilon}})}{(1-\frac{e^{xi\beta i+\varepsilon}}{1+e^{xi\beta i+\varepsilon}})} = e^{xi\beta i+\varepsilon}$ (3)

Hosmer and Lemeshew (1989) pointed out that the logistic model could be written in terms of the odds and log of odds, which enables one to understand the interpretation of the coefficients. The odds ratio implies the ratio of the probability (unemployed) that an individual would choose an alternative to the probability (employed).

Taking the natural logarithm of equation (3), gives

$\ln y_i = \ln(\frac{p_i}{1-p_i}) = B + B_1 X_1 + B_2 X_2 + B_3 X_3 + \ldots B_n X_n + \varepsilon$ (4)

This is the last equation of an estimable logistic econometric model specification

Where, Pi = probability that i^{th} respondent is unemployed and

e = denotes the base of natural logarithms, which is approximately equal to 2.718;

X·s represent a covariant of unemployment that is those demographic and socio-economic characteristics of the households in town.

Band β_i are parameters to be estimated

$1-p(i)$= the probability that i^{th} respondent is employed at the time of the survey

y_i = dependent variables (employment status)

The error term (ε) of the equation is assumed to have zero mean with logistic distribution.

3.8 Definition of Variables

3.8.1 Dependent Variable

The dependent variable was youth employment status (employed+ unemployed). In the regression analysis, it was denoted by 1 if the respondent was unemployed and0 if the respondent was employed at the time of the survey.

3.8.2 Independent Variables

Sex: One of the independent variables in this study was sex of respondents and it was categorized as (0) male, (1) female and in the model, male was taken as a reference category.

Rural- Urban Migration Status (RUMS): One of the independent variables which were expected to determine employment status of the respondents was migration status. It was grouped as (0) non-migrant (1) migrant and non-migrant was the reference category in this regression analysis.

Household Income (HHI): household income is also an other determinants of employment status of respondents. Youths those who have educated and better life status family have good opportunity of creating employment since their family capable to invest more in the education of their children's and in another way of getting employment. i.e. higher income can enable youth to have greater access to education, information and connections. This could create more access to employment opportunities available in the market. It was categorized in to four (1): < 1000, (2) 1001-2000, (3) 2001-3000 and (4) > 3000birr.For this study the reference category was > 3000 birr in the model.

Education (Edu.): Education is one of the factors that determine youth unemployment status of respondents. Higher education level of respondents is expected to be higher employment status and low level of education in respondents are expected to be low employment status or challenged to find job easily. In this study, the level of education can be categorized in to (1) Illiterate, (2) primary school, (3) secondary school, (4) technical and vocational training, (5) college diploma and (6) first degree and above. In the regression model, first degree and above was taken as a reference category.

Investment (Invt.): investment is one of the factors that determine employment status of respondents. If there is more investment, there is more employment status of respondents and vice versa. Investment growth foster economic growth and economic growth create more job opportunity for youth population. In this study investment can be categorized in to (1) foreign direct investment, (2) private investment, (3), public investment and (4) otherwise. In the regression model, private investment was taken as a reference category**.**

Job Opportunity/Access (JBOPP): Job access is one of the problems facing the youth's population in getting job. Employment status of respondents depends on job accesses. More job access creates more employment opportunity of youth population. In this model, job opportunity was categorized as (1) more job opportunity and (0) otherwise. Hence, in the regression analysis, the reference category was more job opportunity.

Social Net Work (SONTWK): Social network density is one of the factors which determine the employment status of youth population. It refers the number of an individual would have in exchanging information about jobs available in the labor market using any types communication channels. In this model, social network density can be classified as (1) social network and (0) otherwise. Hence, the reference category was having social network.

Population Growth(PG): population growth is one of the determinants of youth unemployment in the study area. Population is increased in different cases in a given area but this study focusing on growth of population by the cases of fertility rate in the study area. In this study it categorized in to (1) population growth and (0) otherwise. The reference category is having population growth.

Table 1. Summary of variables and the respondents catagories

No	Variables	Catagories/Groups
1	Sex	0,Mail and 1,Femail
2	Rural-Urban migration(RUMS)	0,non migrant and 1,migrant
3	Household income(HHOI)	1,≤1000,2,1001-2000,3,2001-3000 and 4,above3000
4	Educational level(Edul)	1,illiterate,2,P.school,3,S.school,4,TVT,5,college deploma and 6,degree and above
5	Investment(Invt)	1,foreign direct investment,2,private investment 3,public unvestment and 4,otherwise
6	Jobopprtunity/Access(JOBPP)	1,more job opportunity and 0,otherwise
7	Social netwok(SONTWK)	1,social network and 0,otherwise
8	Population growth(PG)	1,population growth and otherwise

Source,own arrangement,2019

CHAPTER FOUR: RESULTS AND DISCUSSIONS

This part is mainly concerned with the description and interpretation of the findings. As already noted, a structured questionnaire was prepared and administered to 221 sample youth households to collect the relevant information which satisfy the objective of the study. The main objective of this study was investigating the determinants of youth unemployment in the study area. The questionnaire also designed to collect information on demographic and socio-economic characteristics of youth households.

4.1 Back Ground Characteristics of Respondents

The survey has collected wide information from the respondents, which is important for the interpretation of the findings and understanding the results of the investigation on determinants of youth unemployment in Rebu Gebeya town. The back ground of the respondents includes the demographic and socio-economic profiles such as sex, age, marital status, education level and employment status are presented as follows in tables and figures.

4.2 Demographic Characteristics of Respondents

4.2.1 Gender of Respondents

Table: 2 Percentage Distributions of Respondents by Gender

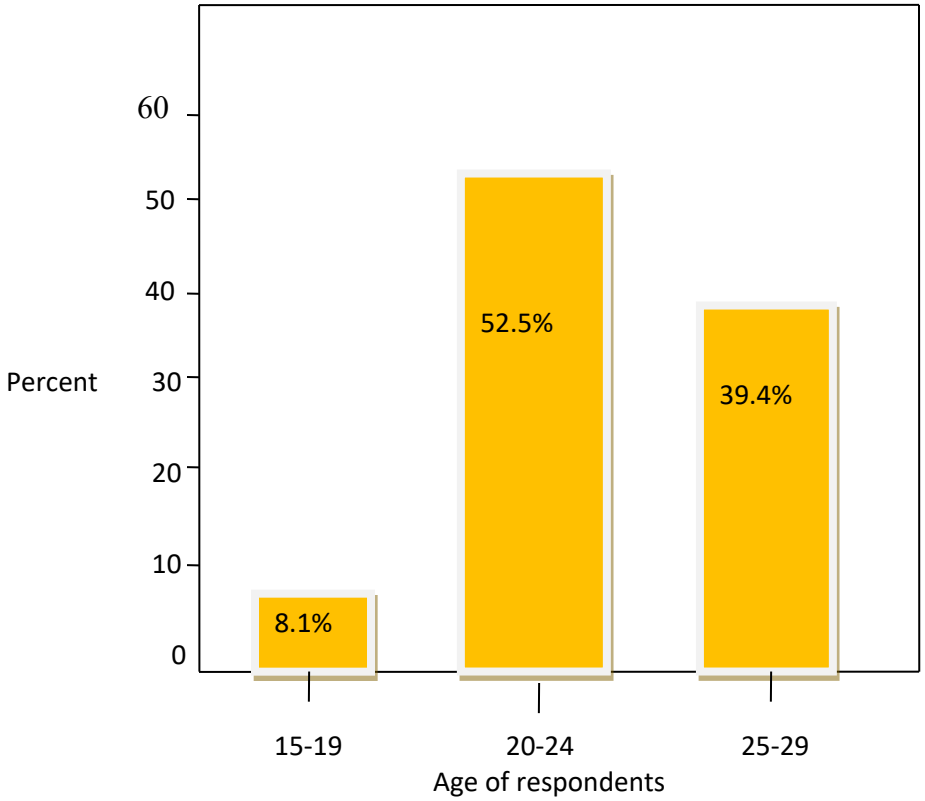
Gender	Number	Percent
Male	117	52.9
Female	104	47.1
Total	221	100

Source:Own survey, 2019

One of the variables used to describe the demographic characteristics of respondents is gender. As indicated in the above table 4.1, among the total respondents, 52.9 %(117), were males and the remaining 47.1 %(104) were females. These indicate that, there were more male than female respondents in this study.

4.2.2. Age of Respondents

Figure 3 Percent distribution of respondents by age

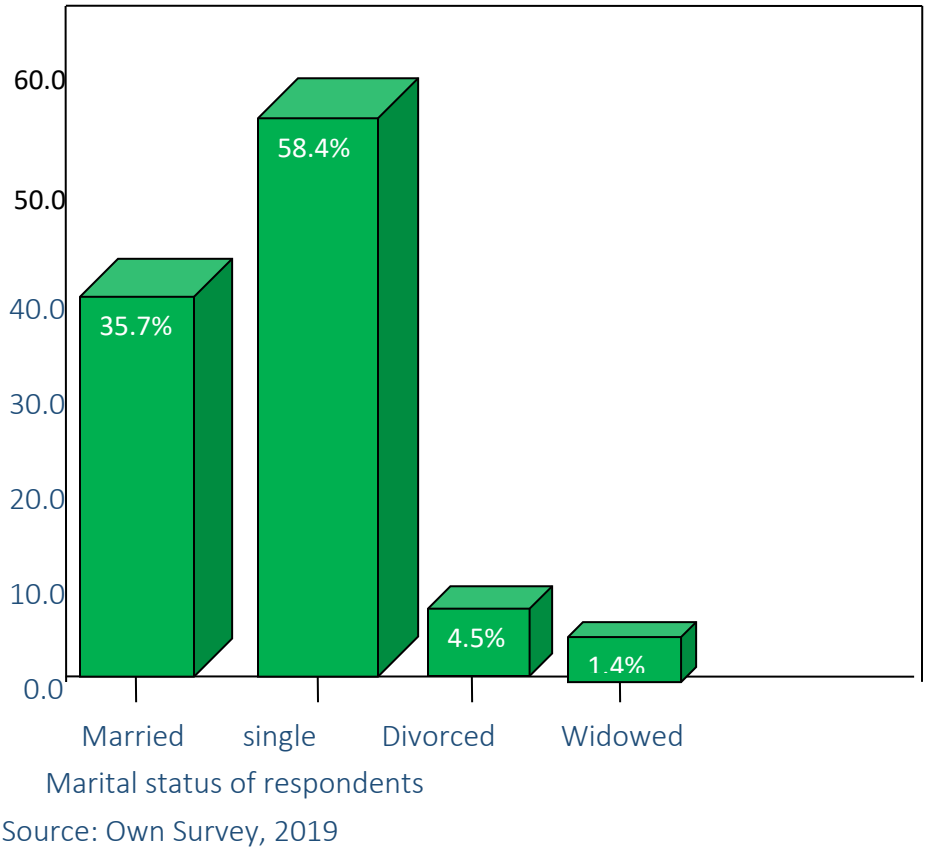


Source: Own Survey ,2019

As shown in the above figure:3, 8.1 %(18) of the total respondents were the age group 15-19 years while 52.5% (116) of the respondents were the age group 20-24 years and the remaining 39.4%. (87) 0f them was the age group 25-29 years. Out of the total respondents, most of them were the age group 20-24yearsin this study

4..2.3. Marital Status of Respondents

Figure;4 Percentage distributions of respondents by marital status



Source: Own Survey, 2019

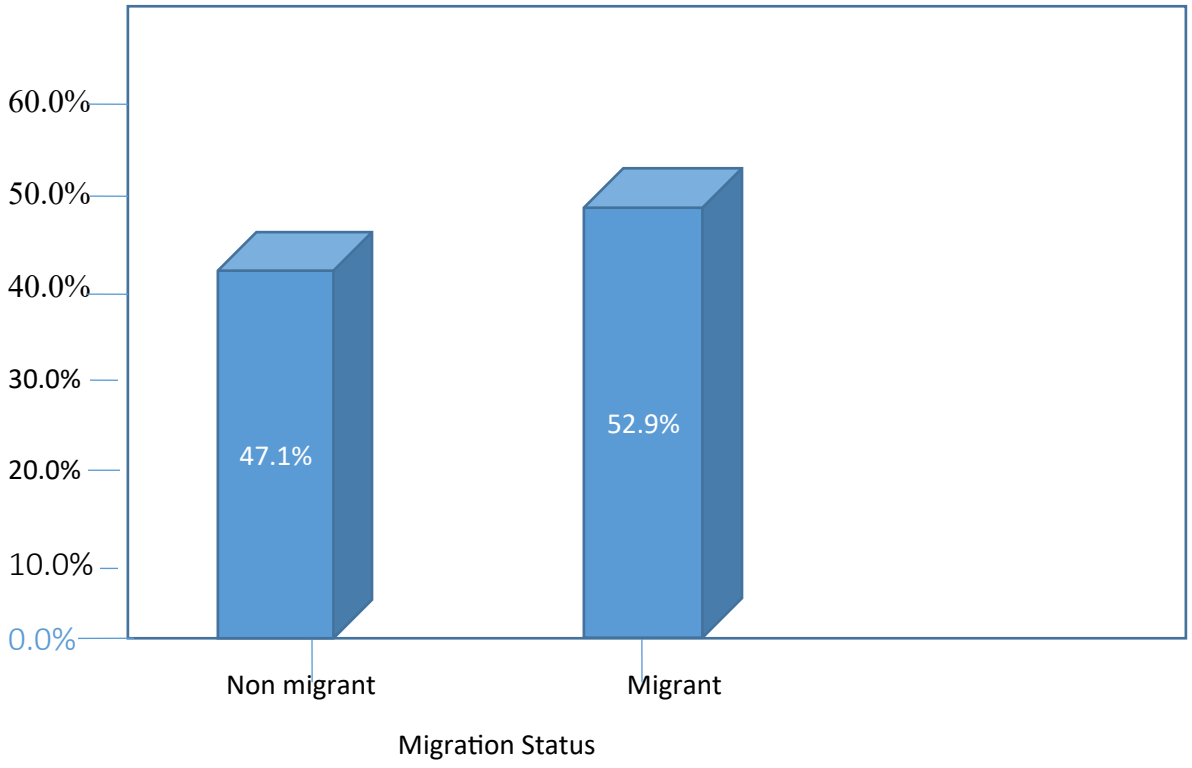
As the above figure:4, shows that, out of the total respondents, 35.7% (79) of them were married; 58.4% (129) of them were single while 4.5% (10) of them were divorced and the remaining 1.4 % (3) were widowed. The majority of the respondents in this study were single.

4.2.4. Migration Status

Migration refers to the movement of people from rural areas into the cities or towns, often the metropolitan cities of a country. There are different reasons that cause rural-urban migration in developing countries - they are the so-called push and pull factors. They can be seen as a simultaneous analysis of factors that force migrants out of rural areas (push-factors) and factors that attract migrants to urban areas. Factors and determinants of migration are rather diverse and they can be split up in economic and non-economic reasons: economic push factors include unemployment or underemployment in rural areas, low wages and no assets as well as lack of

land, which is sometimes due to inheritance systems that split the land among a large number of people, making it less productive. Non-economic push factors play an additional role and mainly include a poor rural infrastructure in general, i.e. poor living conditions referring to housing, education possibilities and healthcare. Since many young people migrate from different part of the rural area into the Rebu Gebeya town specially, from rural kebeles of Sinnan woreda. This movement of young population makes the town highly populated and creates more challenge for the youth in getting employment.

Figure:5 Percentage Distribution of Respondents by Migration Status



Source: own Survey, 2019

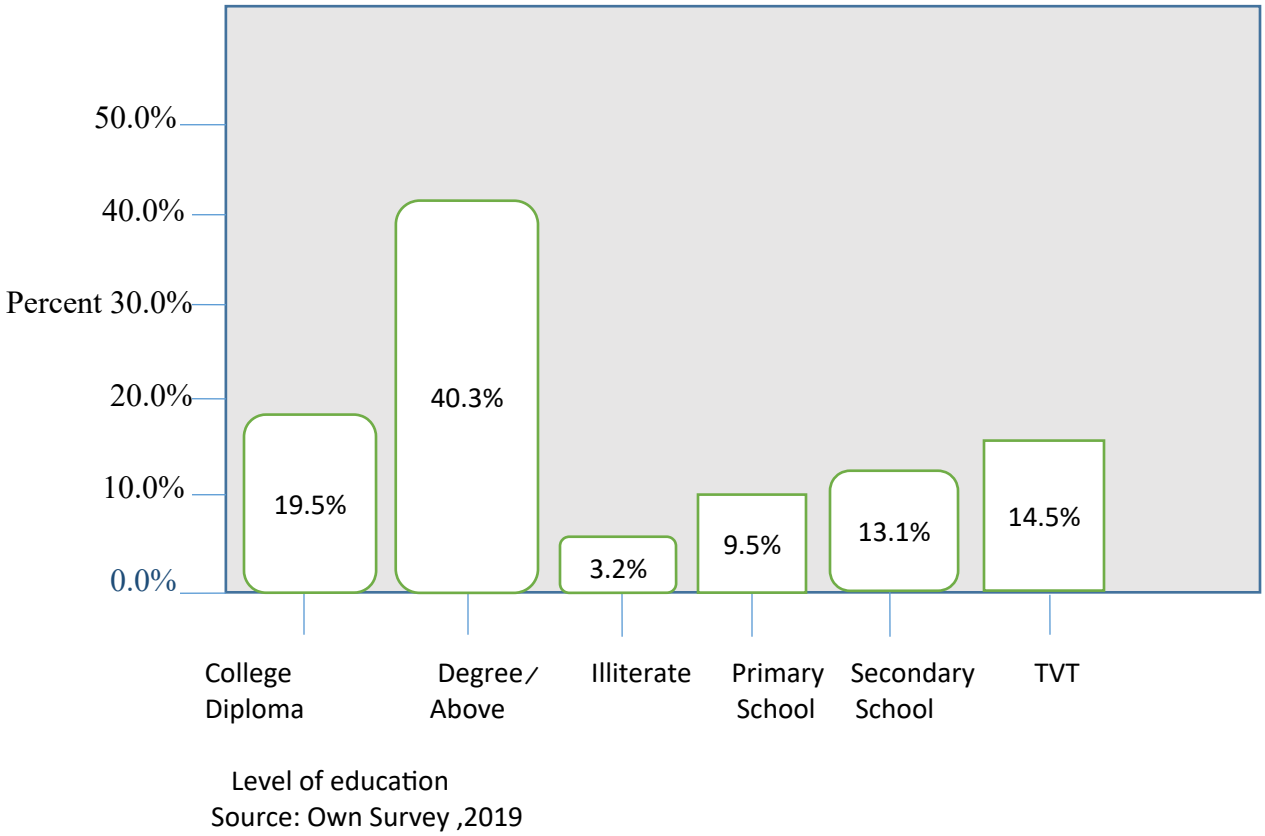
As shown in the above figure, 52.9 % of the total respondents were migrants while 47.1% of them were non migrants. This data shows, most of the respondents were migrants in this study.

4.3 Socio-Economic Characteristics of Respondents

4.3.1. Educational Level of Respondents

Human capital is one of the major factors that affect the growth of one's country. Lucas (1989) considers human capital as a separate input in the production function formed predominantly by workers through education or on-job training.

Figure:6 Percentage distribution of respondents by level of education



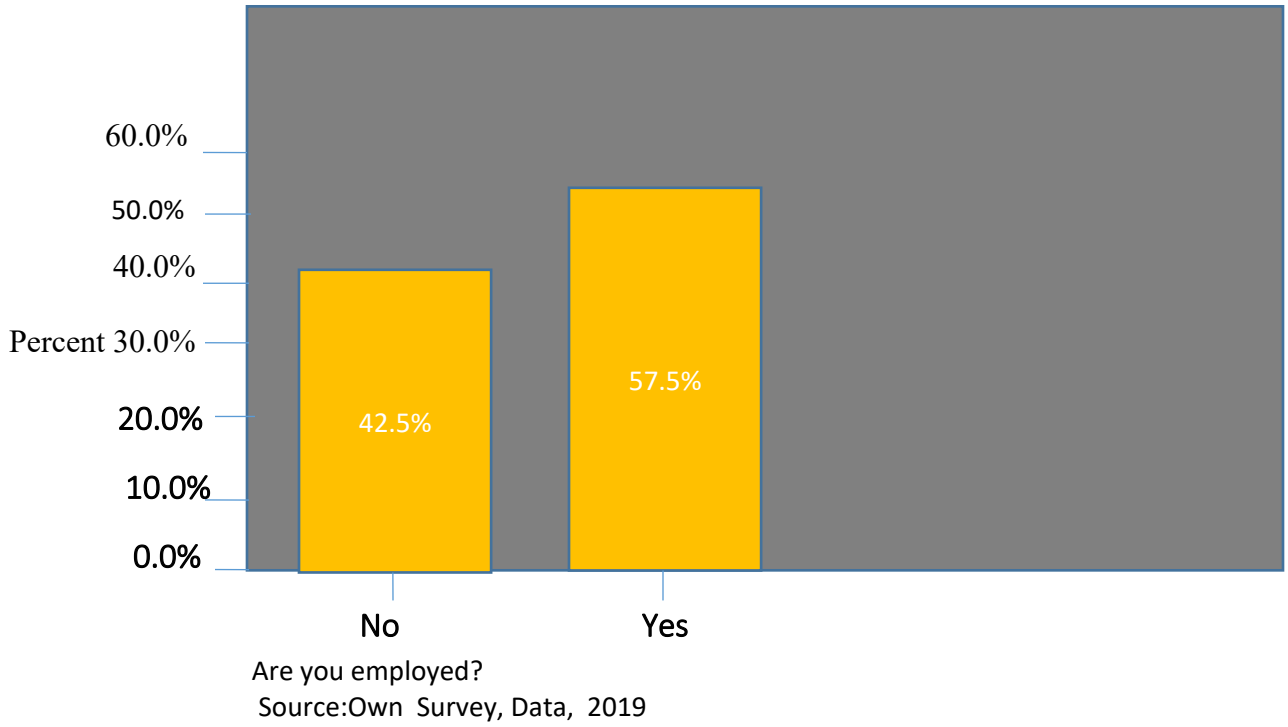
Source: Own Survey ,2019

The distribution of respondents based on their educational level is presented as follows:3.2 % (7) of the respondents were illiterate; 9.5% (21) of them were primary school (1-8) educated; 13.1% (29) of them were secondary school (9-12) educated; 14.5% (32) of them were taken vocational training while 19.5% (43) of them were college diploma graduates and the remaining 40.3 % (89) of the total respondents were first degree holders and above. Among the total number respondents, the majority were first degree holders and above.

4.3.2. Employment Status

Employment status refers to the status of an economically active person with respect to his or her employment or the type of explicit or implicit contract of employment with other persons or organizations that the person has in his or her job.

Figure :7 Percentage distribution for respondent by employment status



Source:Own Survey, Data, 2019

As figure:7, presented, out of the total respondents, 57.5% (127) of them were employed where as 42.5% (94) were unemployed. This data shows, most of the respondents are employed in different field of work.

4.4 Youth Unemployment

Youth unemployment is the young population who doesn't have a job but actively seeking a job. It is a problem that affects majorly developing countries. The capacity of youth involvement in productivity has both social and economic consequences on one`s country economy. ILO, 1992) describes as those people without work but looking for work or available and ready to work during the reference work. The respondents in this research also share the above idea.

Table:3 Perception of Youth Unemployment in Rebu Gebeya town.					
Does youth unemployment exist in Rebu Gebeya town?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	4.5	4.5	4.5
	Yes	211	95.5	95.5	100.0
	Total	221	100.0	100.0	

Source:Own survey, 2019

As table 3, presented, 95.5% (211) of the respondents said that, there is youth unemployment in the study area where as 4.5% (10) of them replied, no youth unemployment exists in Rebu Gebeya town. Based on the survey data, there is youth unemployment in the study area.

Table:4 Percentage Distributions of Respondents by Looking for Work.					
Are you looking for work?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	89	40.3	40.3	40.3
	Yes	132	59.7	59.7	100.0
	Total	221	100.0	100.0	

Source: Own survey,2019

The above table shows, 59.7 %(132) of the total respondents were job finders while the remaining 40.3% (89) of them were not looking for Work. This show that, most of the respondents were job finders' weather, they are unemployed or employed.

Table:5 Percentage Distribution of Respondents by Time spent in Finding Jobs.

How long you have spent your working time in seeking job?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than one month	39	17.6	17.6	17.6
	One to six month	28	12.7	12.7	30.3
	7 to 12 months	38	17.2	17.2	47.5
	Above one year	116	52.5	52.5	100.0
	Total	221	100.0	100.0	

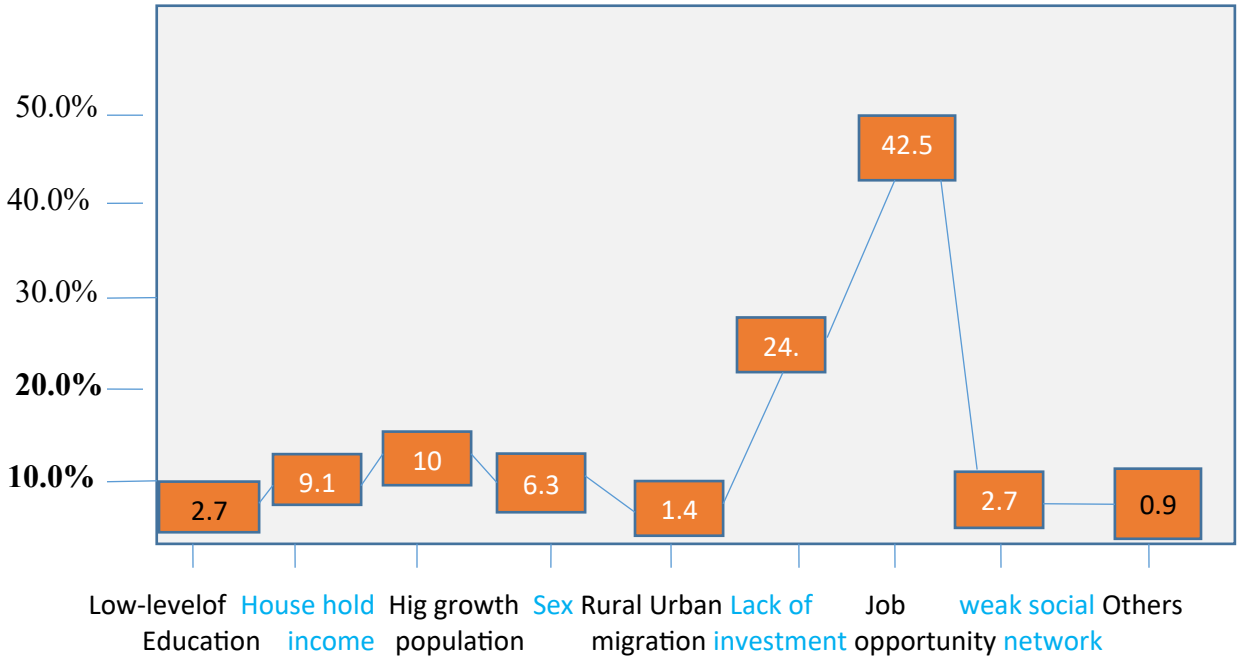
Source: Own survey, 2019

Table:5 shows that, 17.6% of the total respondents were spent less than one year in searching of job; 12.7% of them werespent one to six month in finding job while 17.2% of them spent seven to 12 month and the remaining 52.5% of the total respondents were spent more than one year in seeking job. According to the survey data, most of the respondents spent their time in finding job.

4.5 Determinants of Youth Unemployment

The determinants of youth unemployment can be classified in to demographic and socio-economic characteristics.

Figure:8 percentage distribution of respondents by the determinants of youth unemployment



Which of the following can be the causes of youth unemployment in Rebu Gebeya town?
Source:Own survey, 2019

As figure :8 indicates that among the respondents 2.7 % (6) of them said that , low level of education is the main factors of youth unemployment, where as 9.1% (20) of them answers low household income is the main cause of youths to be unemployed; 10% (22) of the respondents gave the answer, high population growth is the main challenge of youths in finding jobs while 6.3% (14) of the total youth house hold respondents replied that sex is the critical challenges in searching of jobs by youth population in the study area; 1.4% (3) and 24.4% (54) of them said that, rural-urban migration and lack of investment are the main causes of youth population to be unemployed in Rebu Gebeya town respectively where as 42.5% (94) and 2.7% (6) of the total respondents answers the shortage of job access and weak social network are the main challenges of youth unemployment in the study area respectively and the remaining 0.9%(2) of them replied others. The table shows, even though all of the above are the determinants of youth

unemployment in Rebu Gebeyatown, most of the respondents replied that, the main factor that affects youth unemployment in the study area is the shortage of job access.

1.Level of Education

Education is one of the factors that affect youth unemployment in the study area. Education is one of the determinant of youth population being unemployed. Education and training need the youth population to enhance level of production as well as chance of being employed. ILO (2010) noted that, if people with no education, always have higher rate of unemployment as compared with people with education.

Education and unemployment have indirect in proportion. As youth population change their knowledge, skill and attitude by education and training to a high level, their ability to produce, to create (invent) new things increase, as a result their employability increases and vice versa. 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 educatedyouth in developing countries because their skills and competencies may not correspond to the demand of the labor market. Based on the analysis, low level of education is one of the factors that determine youth unemployment in Rebu Gebeya town.

Table : 6 Percentage Distribution of Respondents by the Cause of Youth Unemployment

Related to education.

Does education reduce youth unemployed?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	15	6.8	6.8	6.8
	Yes	206	93.2	93.2	100.0
	Total	221	100.0	100.0	

Source:Own Survey,2019 Table 6 shows 6.8% of respondents said that education is not reduced youth unemployment and the remains respondents 93.2% also agreed with the question of education is reduced youth unemployment in the study area.

2.House Hold Income

Table:7 Percentage Distribution of Respondents by their House Holds Income.

The amount of your house hold income per month is?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1000 birr	95	43.0	43.0	43.0
	1001-2000 birr	64	29.0	29.0	71.9
	2001-3000 birr	34	15.4	15.4	87.3
	Above 3000 birr	28	12.7	12.7	100.0
	Total	221	100.0	100.0	

Source: Survey Data, Rebu Gebeya,2019

Household income is also another factor that affects youth unemployment in the study area. As table.7 shows, 43% of the total respondents answered that; the amount of their household income per month is below1000birr whereas; 29% of the respondents have their household income per month is b/n 1001-2000birr while 15.4% of them responded that their household income per month is ranged b/n 2001-3000birr and the remaining 12.7% of the total respondents have their household income is above 3000birr per month. Youth unemployment and household income have indirectly proportional. As household income increase, parents invest more in education for their children. As a result, youths get employment as they educated more. This means that, youths who have a better family income get better employment. According to ILO, 2004, unemployment rates among young people have a tendency to decline as household income rises. The data indicates, household income is one of the determinants of youth unemployment in the study area.

3.Population growth

Table :8 Percentage Distribution of Respondents by the Cause of Youth Unemployment **Related to population growth.**					
Do you agree high population growth the cause of unemployment?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	28	12.7	12.7	12.7
	Yes	193	87.3	87.3	100.0
	Total	221	100.0	100.0	

Source:Own Survey, 2019

Population growth is one of the challenges of youth unemployment in Ethiopia in general and in Rebu Gebeya in. As we see in table 8, below, 87.3% of the sample respondents said population growth is a serious problem in finding jobs for the young people while 12.7% of them responded, population growth is not the challenge of youth unemployment in the study area. Based on the survey data, high population growth related.

4.Sex

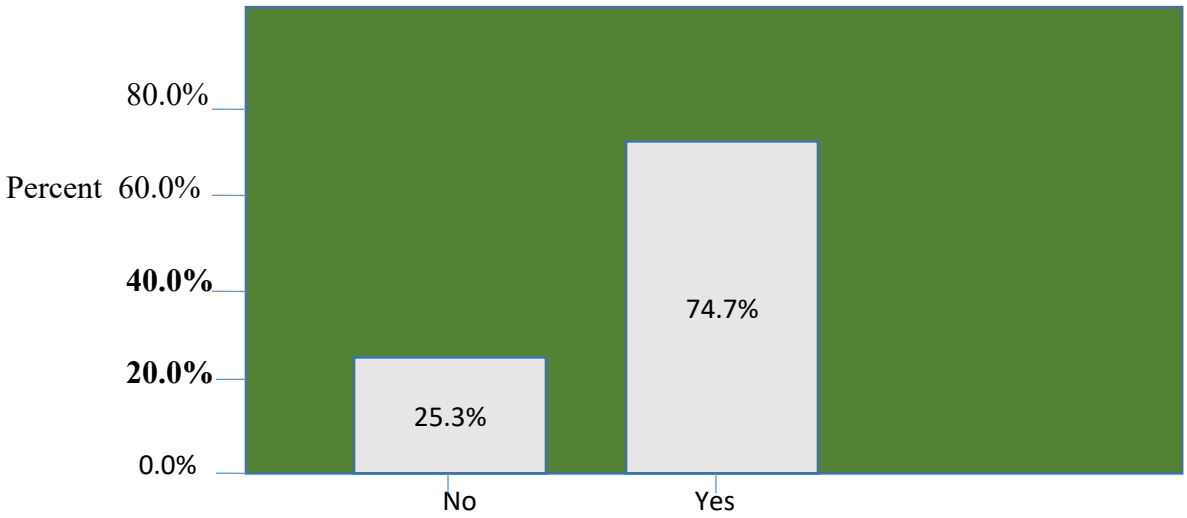
Table :9 Percentage Distribution of Respondents by the Cause of Youth Unemployment **Related to Sex.**					
Do you agree that, sex challenges youth people being unemployed?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	18	8.1	8.1	8.1
	Yes	203	91.9	91.9	100.0
	Total	221	100.0	100.0	

Source:Own Survey, 2019

Sex is one of the challenges of youth unemployment in Ethiopia in general and in Rebu Gebeya in particular. As we see in table 9, below, 91.9% of the sample respondents said that sex is a serious problem in finding jobs for the young people while 8.1% of them responded, sex is not the challenge of youth unemployment in the study area. Based on the survey data, sex challenges the young people being unemployed.

5.Rural – urban migration

Figure :9 Percentage distribution of respondents by the cause of youth unemployment with related to rural urban migration.



Do you think rural urban migration contribute to youth unemployment in Rebu Gebeya town?
Source,Own survey, 2019

Rural-urban migration means movement of people from rural-area to urban area. Rural-urban migration is one of the challenges of youth population being unemployed. (Todaro, et al., 1996) emphasizes that in spite of the contributory role, rural –urban migration plays in the rise in urban unemployment, this mode of migration is not to be considered undesirable. In the survey data the above figure, 74.7 % of the total respondents said that, rural-urban migration is one of the causes of youth unemployment whereas, 25.3 % of them replied that, rural-urban migration is not the cause of youth unemployment in the study area. Based on the survey data, most of the respondents agreed that, rural-urban migration is the cause of youth unemployment.

6.Investment

Investment is one of the most important factor of economic growth and means of getting employment in any country of the world. More investment fosters youth employment and decrease youth unemployment. There is no sufficient investment in creating job opportunity for youths who are unemployed in Rebu Gebeya town.

Table**:10 The Attitude of Respondents in Growth of Investment Which Creates Job Opportunities**

Is there any investment which creates job opportunities for the youth population in the town?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	184	83.3	83.3	83.3
	Yes	37	16.7	16.7	100.0
	Total	221	100.0	100.0	

Source:Own Survey, 2019

As the above table shows, 83.3. % of the respondents replied that, no sufficient investment exists to create jobs for the youth population while 16.7% of them answered, there is sufficient investment which creates job opportunities for the youth population in the town. Based on the survey data, there is no sufficient investment to alleviate youth unemployment problem in the study area.

7.Job opportunities /Access

The shortage of job access is one of the problems facing the youth's population in getting job. In Rebu Gebeya town; there are no sufficient job accesses to absorb unemployed youth people.

Table:11 Percentage Distribution of Respondents about Causes of Youth Unemployment with Related to Job Opportunity/Access

Does job opportunity/access affect youth unemployment?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	4.5	4.5	4.5
	Yes	211	95.5	95.5	100.0
	Total	221	100.0	100.0	

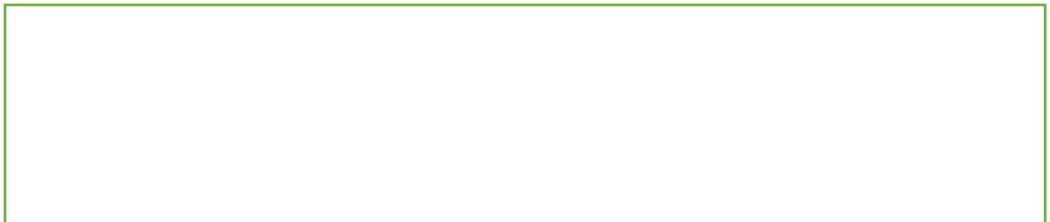
Source: Own Survey, 2019

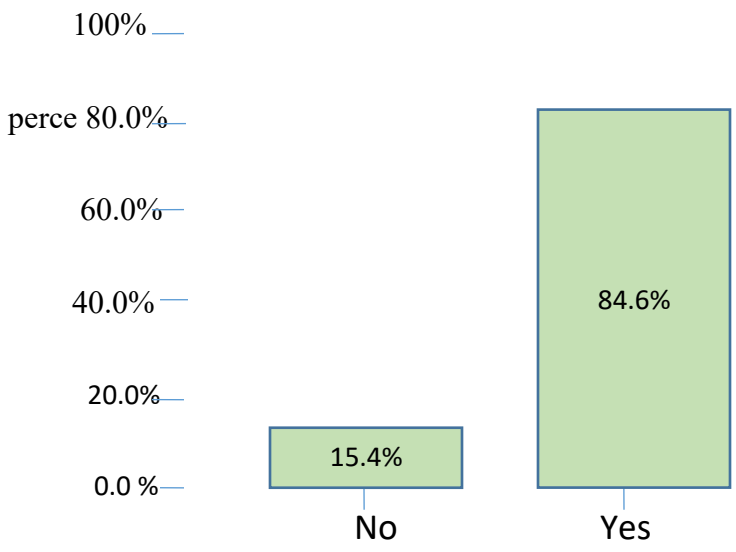
The survey data in the above table 11, below shows, 95.5% of the respondents said that, job opportunity/access affects youth unemployment whereas the remaining 4.5% of them agreed that, job opportunity does not affect youths to be unemployed. According to the survey data, job opportunity/access causes youth unemployment in the study area.

8. Social Net Work

Social networks are very important capital for finding employment. According to Lange and Martin (1993), social networks are key instrument to search jobs in urban areas with minimum cost and less difficulty.

Figure; 10 Percentage distribution of respondents causes of youth unemployment with related to social network density.





Do you think that, social network density causes youth unemployment?
Source, Own Survey,2019

Based on the survey data, (figure: 10) shows,84.6% of the total respondents answered,social network density affects youth unemployment in the study area while 15.4% of them replied that, social network density does not affect the employment of youth population. Based on the survey data, social network density causes youth unemployment in the study area.

4.6 The Effect of Youth Unemployment

Unemployment has different effects such as social, political, economic as well as cultural effects on the whole population in general and the youth population in particular. Inadequate employment situation of youth has a number of social, economic, political and moral consequences (Berhanu et al, 2005; Toit, 2003). Youths who are unemployed become drug addictive, dependent on their family, causes of violence and others. Sex workers for girls, delay marriage, psychological lose, motivational lose etc. also the effect of unemployment. Youth unemployment also leads to migration, poverty, rising criminal rate and decrease production capacity.

Table:12 Percentage Distributions of Respondents Which Mainly Affects

Youth with Related to Unemployment.

Which of the following mainly affect youth with related to unemployment?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Drug addictive	77	34.8	34.8	34.8
	Dependency	32	14.5	14.5	49.3
	Sex worker for girls	15	6.8	6.8	56.1
	delay marriage	8	3.6	3.6	59.7
	loss of motivation	42	19.0	19.0	78.7
	psychological loss	41	18.6	18.6	97.3
	Other	6	2.7	2.7	100.0
	Total	221	100.0	100.0	

Source:Own Survey, 2019

As table 4.12 presented, 34.8% of the respondents said that, drug addictive is mainly affected youth related to unemployment; 14.5% of them agreed that, youth unemployment make the youth people dependent on their family; 6.8% of the total respondents replied that, unemployment forced sex workers for girls; 3.6% of them answered, unemployment is delayed marriage; 19% and 18.6% of them responded that, loss of motivation and psychological lose are effects of youth unemployment respectively and 2.7% of them said that the effects of youth unemployment is other than listed down in table 4.10. The survey data shows, unemployment in general and youth unemployment in particular have so many effects in the study area.

4.7 Solution of Youth Unemployment

Since, youth unemployment is a serious problem, finding solution of it is very crucial in Rebu Gebeya town. Although the town municipality and SME office implemented certain activities in

order to reduce the youth unemployment, they are not sufficiently absorbing unemployed labor. Therefore, additional activities should be practiced to alleviate this serious problem. The supply side labor market and the demand labor in the economy are not matched in the study area.

Table:13 Percentage Distribution of Respondents Which of Them Are the Most Appropriate Solution to Reduce Youth Unemployment in the Study Area.

Which of the following is the most appropriate solution to reduce youth unemployment in Rebu Gebeya town?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Investment growth	85	38.5	38.5	38.5
	Eliminate corruption	58	26.2	26.2	64.7
	Create more job access	39	17.6	17.6	82.4
	Quality education	7	3.2	3.2	85.5
	Control high population growth	6	2.7	2.7	88.2
	Strong social network density	9	4.1	4.1	92.3
	Effective entrepreneurship training	16	7.2	7.2	99.5
	control rural-urban migration	1	.5	.5	100.0
	Total	221	100.0	100.0	

Source: Survey Data, Rebu Gebeya, 2019

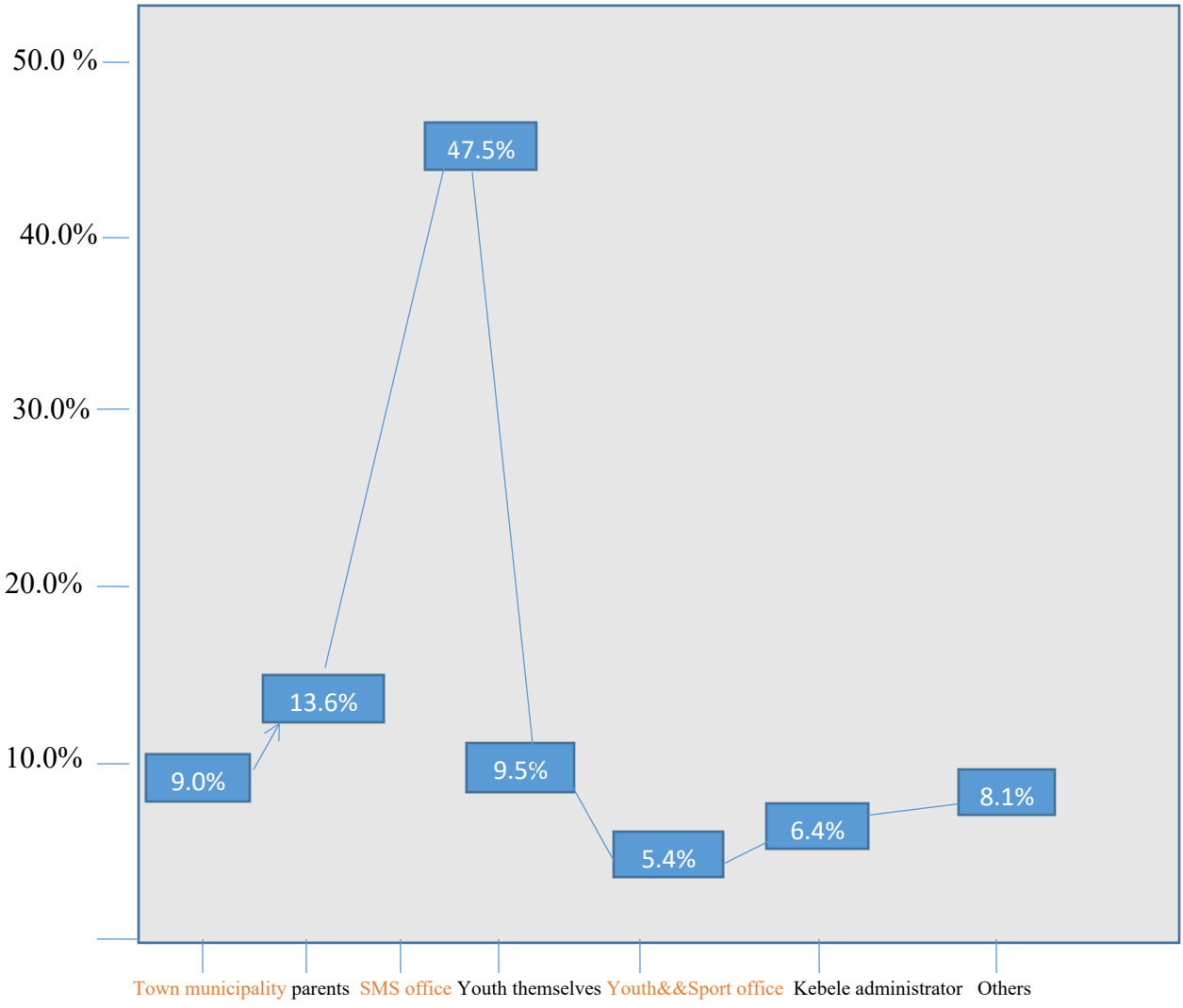
The above survey data shows, 38.5% of the respondents replied, the appropriate solution to reduce youth unemployment is the growth of investment in the study area. This means more investment creates more job opportunities and more job opportunities absorb more labor that are unemployed. 26.2% of the total respondents answered, straggle to decrease corruption is the

appropriate solution to minimize unemployed youth. 17.6 % of them agreed, creating more job access to solve unemployment of youth. 3.2%, 2.7%, 4.1%, 7.2, 0.5% of the respondents replied, implementing quality education, controlling high population growth, strong social network, Effective entrepreneurship training and control rural-urban migration are the appropriate solution of youth unemployment in the study area respectively. Based on the survey data, although, all of the above can be the solution, investment growth, straggle to and creating more job access are the most appropriate solution of youth unemployment in the study area.

4.8 Stake Holders to Solve Youth Unemployment

Stalk holders are responsible people who solve youth unemployment problems. Every person has his own responsibility to solve problems created by the society. Since, youth unemployment is one the challenges of the society, everybody should contribute anything which help to solve the problem of youth unemployment.

Figure:11 percentage distribution of respondnts bywhich stake holders are more responsible to solve the problem of youth unemployment.



.

Which stakeholders more responsible to solve youth unemployment?

Source: Own Survey,2019

As figure:11 presented, 9.0 % of the respondents replied that the town municipality has a responsible agent to reduce youth unemployment in the study area. 13.6 %, 47.5%, 9.5%, 5.4%, 6.8% of the total respondents said that, parents, SME office, youth themselves, youth and sport office and Kebele Administrator have high responsible to alleviate youth unemployment

problems respectively and the remaining 8.1% of the respondents answered, they are other agents to solve youth unemployment in the study area.

4.9. Determinants of Youth Unemployment Analysis

There are various approaches to assess the relation between two variables. Pearson Chi-square test is one method for investigating a bi-variate association. It Measures the degree of association between a given independent variable and the dependent variable keeping the effect of the other variable constant (Montgomery & Peck A, 1992). For all demographic and socio-economic predictor variables such as sex, migration status, marital status, education, social network density, rapid population growth, household income and job opportunity taking one at a time, a test of association was employed using the chi-square test.

4.9.1 Determinants of Youth Unemployment (Bi-Variants Analysis)

4.9.1.1. Demographic Factors Associated with Youth Unemployment

Table:14 Chi-Square Test Result of Association between Youth Employment Status and Demographic Variables.

Variable	Employment status		Total	chi^2–test	Df	P-value
	Employed	Unemployed				
Sex				2.03	1	0.15
Male	53.0 %(62)	47% (55)	117			
Female	62.5 % (65)	37.5 % (39)	104			
Migration status				2.889	1	0.089
Migrant	52.1% (61)	47.9% (56)	117			
Non-migrant	63.5 % (66)	36.5 % (38)	104			
Marital status				26.94	3	0.000
Married	78.5% (62)	21.5 (17)	79			
Single	43.4% (56)	56.6%(73)	129			
Divorced	60% (6)	40% (4)	10			
Widowed	100% (3)	-	3			

Growth of Population				1.633	1	0.201
Yes	40.6 %(41)	59.4% (60)	101			
No	25.8 % (31)	74.2 % (89)	120			

Source: Own survey computation based, 2019

Sex: it is the demographic variable that used to investigate the association between employment status of youth and respondents sex in the study site. Hence, the respondents sex has no relationship with youth un employment in our study area. The above Table 14,demonstrated that, of the total 104 females that drawn in the sample, 37.5% (39) were female unemployed whereas 47% (55) of males from 117 total were male unemployed. This shows that male unemployment is higher than female unemployment. Hence, in our study site, the chi-square test specifies no statistical significant association between sex and employment status (Chi^2 = 2.03, P =0.15, df = 1).based on this result the study is not similar with the study of Hallerod and Westberg,2006,Ilo,2004,Mlatsheni,2002,Guracello and Rosati,2007,Berhanu,2005 and Genene,2001.

Growth of population: it is the demographic that used to investigate employment status and growth of population in the study area. Hence, the growth of population no relationship with unemployment in our study site. Table 14, described that from sample respondents 101 are 59.4%(60) unemployed,40.6%(41) employed and agree with growth of population has positive effect on unemployment also from 120 respondents74.2% unemployed, 25.8% employed and they said that growth of population is an effect on unemployment. the chi-square test specifies statistical significant association between growth of population and employment status (Chi^2 = 1.633, P =0.201, df = 1).

Migration Status; we have been asked the respondent about migration status at the time of the investigation. Based on their reply, the variances in youth employment status were examined. In connection with this (Table 14), migrant youths depicted a higher percentage of unemployment

in the town compared with non- migrant which were 47.9 % and 36.5 % respectively. It was statistically significant at 10 %. (chi^2 = 2.889, P< 0.1, df = 1). Hence, there are an association between migration status and youth's unemployment status.The result of the study is similar to the finding of Erulkar et,al,2006,ILO,2007 and Todaro et.al,1996.

Marital Status; we have been investigated the relationship between marital status and youth employment status by using the respondent survey. The percentage of unemployment was higher for Single youths (56.6 %) than those married youth, divorced youth and widowed youths (21.5 %), (40 %) and (0 %) respectively (Table 14). The test was strongly statically significant at 1% (Chi^2 = 26.94, P < 0.1, df = 3). Hence, the chi square test result showed that, there are associations between marital status and youth employment.This results highly related to the study of Stefansson C.G, 1980,and Platt.S,1984

4.9.1.2. Socio-Economic Analysis of Youth Unemployment

Table:15 Chi-Square Test Result of Youth Employment Status and Socioeconomic Variables.

Variable	Employment status		Total	chi^2–test	Df	P-value
	Employed	Unemployed				
Educational level						
Illiterate	85.7%(6)	14.3 (1)	7			
Primary school	47.6%(10)	52.4%(11)	21	18.21	5	0.04
Secondary school	44.8% (13)	55.2 % (16)	29			
Technical and Vocational training	46.9 %(15)	53.1% (17)	32			
College diploma	60.5% (26)	39.5 %(17)	43			
Degree and above	60% (57)	39.5%(43)	89			
Income				6.57	**3**	0.087
Below 1000 birr	58.9% (56)	41.1 %(39)	95			
1001-2000 birr	46.9 % (30)	53.1% (34)	64			
2001-3000 birr	58.8% (20)	41.2% (14)	34			
Above 3000 birr	75 %(21)	25% (7)	28			
Social network density				10.42	1	0.005
Yes	57.2% (107)	42.8 %(80)	187			
No	58.8 % (20)	41.2% (14)	34			
Job opportunity				20.440	1	0.004
Yes	58.1% (118)	41.9% (85)	203			

No	50% (9)	50% (9)	18			
Investment types				25.277	3	0.007
FDI	52.4 % (22)	47.6% (20)	42			
Private investment	59.6 % (87)	40.4% (59)	146			
Public investment	51.9 % (14)	48.1% (13)	27			
Other investment	66.7 % (4)	33.3 % (2)	6			

Source: Own Survey computation based, 2019

Education; it plays an important role for employment. The relationship between educational level of youth and employment status is depicted in (table, 15) by using Chi square test result. Based on the test result, unemployment was higher among those respondents who are completed in Secondary School, those who trained in Technical and Vocational Trainings, Primary school completed, College Diploma, degree and illiterate of 55.2 %, 53.1 %, and 52.4 %,39.5, 39.5 % and 14.3% respectively. The Pearson chi-square test confirmed that the association was statistically significant (Chi^2 = 18.21, P < 0.05, df = 5) this findings also line with Guarcello,2006,Salvador and Killinger,2008,WB,2009,Morris,2006,Lucas,1983,Okojie,2003 and Rosati.2007.

Income; house hold income is an important for determining unemployment status of the youth. Of the total respondents, 41.1%, 53.1 %, 41.2% and 25 % of the unemployed youth lived in a household earning less than or equal to 1000 birr, 1001-2000 birr, 2001-3000 birr and above 3000, respectively. But, if we examined the income of unemployed youth who lived in a household earning above 3000 birr per month are 25%. As the income of the household increases, the risks of being unemployed would decrease since families could afford or invest on further education and training of their sons or daughters. The chi-square test result showed a significant association between household income and youth employment status at 10% (chi^2 = 6.57, P < 0.1, df=3) this finding also line with Henderson and Pool,1991,ILO,2004/2010, and Morris,2006

Social network density; it is one of the social capitals of a respondent related to youth employment status. As shown in Table 15, among the unemployed youth, 41.2 % had no social networks where as 42.8 % of the respondents had social network as compared with those that

had no social networks. Social capital is an important for social value.in our survey, the chi square test result revealed that the presence of an association between social network density and youth employment status ($chi^2 = 10.42$, $P < 0.05$, $df = 1$).This finding is similar to study of Mark Granvetter,1973/1983,AlbertRees,1996,LangandMartin,1993Coleman,1990FernandezandKelley, 1995, Holzer,1996 and Toit,2003.

Job opportunity; Job access is one of the problems facing the youth's population in getting job. Employment status of respondents depends on job accesses. More job access creates more employment opportunity of youth population. The (table ,15) by using chi square test result 203 said job opportunity has negative effect on unemployment from those respondents58.1%(118) and 41.9%(85) employed and unemployed the remains 18 respondents disagree with the effect of job opportunity on unemployment. From those 50%(9) employed and 50%99) employed. This study confirmed that, the existence of the relationship between job opportunity and employment status in our study area based on survey findings. It is statically significant at 10 %($Chi^2 = 20.440$, P .004, df = 1).

Investment; it is one socio economic characteristics related to youth employment status. As shown in Table 15, 48.1% of the unemployed respondents preferred Public Investment, 47.6% Foreign Direct Investment, 40.4% Private Investment and 33.3% others investment helps in solving the problems of unemployment of youth. The test of association result showed the existence of a statistically significant association between job investment and youth employment status at 1 % significant level ($Chi^2 = 15.01$, $P < 0.01$, $df = 3$). Also the result of this is similar to the study ofHerbert Son and Zoega,2002,Fritz C.,1998,World Bank.2006,Albaladejo,2006 and Nikol

4.9.2 Determinants of Youth Unemployment (Multivariate Analysis)

In addition to, bi-variate analysis, the demographic and socio-economic determinants of youth unemployment were investigated by using logistics regression model. Since, the employment status (dependent variable) is dichotomous, Binary logistic regression model is the multivariate statistical tool applied to analyze the relationship between the dependent variable and the

predictor variables. The predictor variables are sex, rural urban migration, education level, rapid population growth, household income, social network density, job opportunity, and investment. The logistic regression model estimates the log odds of the dependent variable (employment status). The model is expressed by: -

$$y_i = \ln\left(\frac{p_i}{1-p_i}\right) = \beta + B_1 X_1 + B_2 X_2 + B_3 X_3 + \ldots B_n X_n + \varepsilon \qquad (4)$$

Where, p is the predicted probability of the event unemployed coded with 1 and 0 otherwise? The regression coefficient accompany with their sign shows the magnitude and direction of the effect in the log odds. The expression ofexp (βi) is the estimated multiplicative change in the odds for a unit of increase in the predictors, controlling the effects of others (Johnson & Wichern, 2007). A positive predicative coefficient (β>1) means the predicted odds increases as the predictor value increases, and a negative coefficient (β<1) indicates that the predicted odds decrease as the predictor value increases. If the value of the odds ratio expression (β) is >1, then, the probability of unemployment is higher for an element of the group in relation to the reference category. An odd ratio of less than 1 shows lower probability of unemployment in relation to the reference category. In order to estimate the probability of the event using binary logistic regression model, first goodness of fit of the model and multicollinearity checking were made.

4.9.3. Multicollinearity Test

To investigate multi-collinearity effect, bi-variate correlation analysis, Variance Inflation Factor (VIF) and Tolerance were employed in the model. Kendall's tau bi-variate correlation is one of the techniques used to detect inter-relationships between explanatory variables. Multicollinearity in logistic regression is a result of strong inter-correlation among the predictor variables (Montgomery and Peck, 1992). Depends on the values of r, the presence of multi-collinearity can be determined. Hence, if the correlation coefficient is near to 1, the explanatory variables are correlated and it has an effect on analysis part to reach the conclusion. Whereas, if it near to zero we can reject the null hypothesis and go further. Based on this fact, the result of bi-variate correlation analysis shows that there is no strong association between the explanatory variables (See Appendix 1).

In addition to this, the effect of multi-collinearity can also be tested by using Variance Inflation Factor (VIF) and Tolerance. Tolerance is 1-R^2 (coefficient of determination) for the regression variable on all other independent variable, ignoring the dependent variable (Garson, 2009). The higher the inter correlation of predictor variables, the Tolerance estimate approach to 0; when the inter correlation gets lower, the estimate approach to 1. So by considering this fact we have been detected the tolerance by using the survey data. Hence in our case the tolerance lies between (0.838-0.981, this show almost approaches to 1 (See appendix 2).

Variance Inflation Factor (VIF) is the reciprocal of Tolerance (1/ 1- R^2). The VIF >=10 is an arbitrary but common cutoff criteria for deciding a given independent variable display multi-collinearity effect. When the VIF value of a given independent variable exceeds 10, the variable reflects multi-collinearity problem.

In this study, the estimate of Tolerance and VIF was conducted using multiple linear regression analysis for all explanatory variables. The values of VIF were found less than 10. But in this study, VIF is Less than 2 (see Appendix 2. Hence, multi-collinearity is not a threat for the estimation of the results of the dependent variable based on the explanatory variable.

4.9.4 Goodness of Fit

Hosmer and Lemeshow test is one of the techniques used to assess the goodness of fit of a model. The test is used to reject or accept the alternative hypothesis; the model adequately describes the data. If the significance level of the test is less than 0.05, it shows that the alternative hypothesis is rejected and the null hypothesis is accepted. In the case of this study, the significance level of the test was found to be 0.447 (see Appendix 3). Thus, the alternative hypothesis states that the model is adequate to state the data. Hence the alternative hypothesis is accepted. The investigation of binary logistic regression in this study is based on the dependent variable (employment status) is coded as 1 if the respondent is unemployed and a value of 0 if e

Table 16: Logistic Regression Results of the Effects of Predictor Variables

Category	B	S.E	Wald	Df	Sig	E
Female	-0.620	0.326	3.627	1	0.06*	0.538
Male (RC)						
Migration	-1.196	0.380	9.912	1	0.002***	0.302
No-Migration (RC)						
<1000	-0.716	0.526	1.849	1	0.174	0.489
1001-2000	-1.100	0.557	3.900	1	0.048**	0.33
2001-3000	-0.607	0.612	0.984	1	0.0321**	0.545
>3000 (RC)						
Illiterate	.745	1.186	.395	1	0.035**	2.107
Primary	-1.213	.568	4.57	1	0.095*	0.297
Secondary	-1.049	.478	4.826	1	0.0780*	0.350
Technical and Vocational Training	-0.925	0.455	4.139	1	0.074*	0.377
College diploma	-0.026	0.425	0.004	1	0.080*	.975
First Degree and Above (RC)						
FDI	-0.801	1.070	0.560	1	0.046**	0.449
Public Investment	-0.709	1.047	0.459	1	0.035**	0.492
No Investment	-0.834	1.096	0.579	1	0.447	0.434
Private Investment (RC)						
No Opportunity	1.617	0.931	3.018	1	0.047	5.038
Opportunity (RC)						
No Social network	0.512	0.422	1.473	1	0.225	1.668
Social network (RC)						
High Grow of population	-0.664	0.574	1.337	1	0.248	0.515
Low growth of population						

***, ** and * indicates level of significance at 1%, 5% and 10 respectively and RC= ReferenceCategory

Source: Own Computation Using SPSS 2019 Survey

4.9.5 Demographic Determinants of Youth Unemployment

1.Sex

At table: 16 below shows, Sex is one of the variables that affect youth employment status. (Halleröd & Westberg, 2006) found that sex was significantly related with youth employment status. In the regression analysis, it was found that, the odds of female youth being unemployed is less likely than that of male youth (or females are less likely being unemployed as compared to males The regression coefficient between sex and youth unemployment was significant at 10% significant level.).based on this result the study is similar with the study of Hallerod and Westberg,2006,Ilo,2004,Mlatsheni,2002,Guracello and Rosati,2007,Berhanu,2005 and Genene,2001.

2.**Rural Urban Migration Status**

Rural-urban migration status was another demographic factor that influenced youth employment status in the study area. As indicated in Table 16, the chance of being unemployed for migrants was 0.325 times higher than non-migrants. The regression coefficient between migration and youth unemployment was significant at 1% significant level. The result of the study is similar to the finding of Erulkar et,al,2006,ILO,2007 and Todaro et.al,1996.

3.**Growth of population**

Growth of population was another demographic factor that affect youth employment status in the study area. As indicated in Table 16 the respondents said that the chance of being unemployment for high growth of population was 0.52 times higher than low growth of population. The regression coefficient between population growth and youth unemployment was significant at5%significant.According to this analysis the finding is similar to the study of Denu,2007,Jensen,2012.Broussard,2012,Mosel2010 and O.Higgins,2003.

4.9.6 Socio-Economic Determinants of Youth Unemployment

1. Education

Educational level of an individual also affected employment status. People with the most human capital are said to be the most productive, and thus secure the best jobs and the highest salaries

(Schultz, 1961) . On the other hand, when the necessary skills and knowledge lack, the chance of being unemployed is high. The results of this study support this idea, having lower level of education enhances the probability of unemployed. The chance of being unemployed was 2 times higher for those respondents who are an illiterates compared with those who had first degree and above and the association was significant at 5 % level of significance, Table 16 shows that, the probability being unemployed is less likely than those respondents who had primary level of education as compared with those who had first degree and above. And the result was statistically significant at 10 %. Consequently, the probability of unemployment for secondary education is less likely than those who had first degree and above in the reference category, while it is statically significant at 10%. In addition to this, the probability of being unemployed is less likely than for those respondents who had technical and vocational trainings and college diploma as compared with those who had first degree and above respectively., the level of association for both were statistically significant at 10% respectively. this findings also line with Guarcello,2006,Salvador and Killinger,2008,WB,2009,Morris,2006,Lucas,1983,Okojie,2003 and Rosati.2007.

2.**Household Income**

Household income is also an other determinants of employment status of respondents Youths those who have educated and better life status family have good opportunity of creating employment since their family capable to invest more in the education of their children's and in another way of getting employment, higher income can enable youth to have greater access to education, information and connection. Surprisingly, household income had no significant effect on youth unemployment in Rebu Gebeya town, those youths who lived in a household earning monthly income birr < = 1000 and their chance of unemployment were less likely than those who lived in a house hold earning monthly above birr 3000. Conversely, the relationship was significant for those unemployment youth who lived in a household earning monthly income birr 1001-2000, and 2001-3000 per months at $P<0.05$. Whereas, their probability of unemployment were 0.33 and 0.55 times less than those who lived in a household earning monthly income above 3000 birr respectively (Table 16). this finding also line with Henderson and Pool,1991,ILO,2004/2010, and Morris,2006

3.**Social networks density**

Social network density is one of the factors which determine the employment status of youth population. It refers the number of an individual would have in exchanging information about jobs available in the labor market using any types communication channels. It is a key to find a job in urban areas (Lange and Martin, 1993). Youth who do not utilize personal networks could miss job opportunities available through personal networks. The lack of social network could increase the risk of unemployment. This study was confirmed that, the lack of social network increases the odds of unemployment. It indicates the probability of unemployment for youth who had no social network with other people were 1.7 times higher than those who had social networks. The association was not statistically in significant. This finding is similar to study of MarkGranvetter,1973/1983,AlbertRees,1996,LangandMartin,1993Coleman,1990FernandezandKelley,1995, Holzer,1996 and Toit,2003.

4.**Job opportunity**

Job access is one of the problems facing the youth's population in getting job. Employment status of respondents depends on job accesses. More job access creates more employment opportunity of youth population. It has a significant effect on the likelihood of youth employment status. This study also shows that job opportunity in private or in the government institutions would increases the odds of unemployment. The likelihood of being unemployed for those respondents who had not accessed job employment were 5.0 times higher as compared to those who had accessed job opportunity. The relationship was statistically significant at 5% significance level ($p < 0.05$ which is 0.046). This finding is more related to the study of .(World Bank,2006)and(Aslefew,2011)

5.Investment

Investment is one of the factors that determine employment status of youth. If there is more investment, there is more employment status of youth. Investment growth foster economic growth and economic growth create more job opportunity for youth population. This study shows that foreign direct investment would increase the probability of unemployment. Hence the

likelihood of being unemployed for those respondents who preferred foreign direct investment were0.45 times less likely as compared to those who preferred any private investment. The association ship was statically significant at 5% significant level (P<0.05 which is 0.0456). In on the other hand, those respondents who preferred public investment would increase the relative risk by 74.7 % than those who preferred any private investment. The association ship was statically significant at 5 % significance level, whereas, the likelihood of being unemployed those who preferred no investment were 0.4 times less likely than as compared to those preferred private investment even though it had no statistically significant and no association ship with youth unemployment.). Also the result of this is similar to the study ofHerbert Son and Zoega,2002,Fritz C.,1998,World Bank.2006,Albaladejo,2006 and Nikol

CHAPTER FIVE; SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary or major finding

This study was focused on identifying the determinants of youth unemployment in Rebu Gebeya town. To achieve the objectives of this study, primary data were collected from 221 sample youth individuals drawn from four enumerations using simple random sampling in 2 kebeles. In selecting sample respondents systematic random sampling was employed. The survey used cross sectional study design, the samples were selected by using binary stage sampling procedures and the data were collected, organized, analyzed using both descriptive and econometrics method and interpreted to come with possible results.

The distribution of sample respondents by sex 52.9 was male whereas 47.1 were females. In addition to this, age distribution shows that, 8.1%, 52.5% and 39.4% werefound between 15-19, 20-24 and 25 -29 respectively. Among the total number of respondents, migrants constituted the higher percentage which is 52.9%. With regarding to, educational level, more than 80% of the respondents had been completed their secondary and above education. The social network density of respondents demonstrated that almost 85% of the respondents had replied that social network density causes unemployment. Data on job opportunity depicted which is 95 % the respondents replied that no job opportunity in the study area and this causes unemployment of youth population. Out of total respondents, 71.9 % lived in a household earning a monthly income below 2000-birr and. 34.8%, 14.5% and 6.8% of the total respondents replied that youth people is affected by drug active, dependency and sex workers for girls respectively. Of the total respondents, two third of replied private investment is the only solution to solve youth unemployment. Concerning the employment status of survey participants, 42.5percent of the respondents were found unemployed and 57.5 percent were employed at the time of the survey.

The change of youth unemployment was also analyzed in relation to demographic and socio-economic variables using bi-variate analysis. As far as sex is concerned, male was at disadvantage in their employment. When compared with female, the percentage of unemployed male was higher. Unemployment also affects youth who has come from other areas to Rebu Gebeya town. High unemployment was observed among migrant's respondents (47.9 percent) than non-migrant respondents. With regard to youth educational level, respondents who had primary, secondary, technical and vocational, college diploma and first degree and above level of education were not employed in jobs available in the labor market of the study area. In relation to social networks, unemployment was higher among those youths who replied yes causes compared to others who no cause social networks. The sample respondents who lived in a household earning monthly income of less than 2000 birr were not employed.

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

From the socio-economic variables included in the model, education, House hold income, investment and job opportunity were found to be significantly related to youth unemployment. The relative risk of unemployment was high for those illiterate respondents and those who had got college diploma; similarly, the relative risk of unemployment was to be higherfor no job accessed as compared to job accessed youth. Migration status, investment, and job opportunity were significant at 5% level whereas sex and educations were significant 10 % level. They are the major factors those which predominantly contribute for higher youth unemployment. In general, most of the predictor variables included in the regression analysis indicated significant effect on youth unemployment in the expected direction of the study area.

5.2 Conclusions

Unemployment is one of the social, economic, and political challenges of the Ethiopian people in general and the youth population in particular. This problem also included the study area. The existence of high youth unemployment indicates of failure in utilizing human capital, which is an important asset for economic growth. Though, the youths are the important asset for economic development and social security; they have been separated from the labor market, and as a result their energy and talent have been wasted. Youth unemployment is the outcomes of both demographic and socio-economic factors in the study area. As the findings of this research indicated, sex, rural-urban migration and Growth of population are demographic whereas, investment, job opportunity/access, household income, and education are socio-economic determinants that affect youth unemployment in the study area.

The possession of low human and social capitals reduces the employment of respondents. This can be inferred from the findings that lower educational level and illiteracy and limited investment significantly increases the likelihood of youth unemployment. That is, unless the youth increase their education and make education relevant to the labor market, increase their social networks, unemployment continues to affect them.

The availability of inadequate business job opportunity to the young people significantly influences the employment status of youth. Based on the findings, it is possible to conclude that the relative risk of unemployment is higher for youth who have no job access or opportunity. Besides, preferring jobs in the formal sector also affects the employment status of youth.

Moreover, youths who had earned low monthly income have significantly affected higher likelihood of unemployment.

Generally,education, Growth of population, job opportunity, household income, investment and rural-urban migrations are the determinants of youth population being unemployed in the study area. Hence, government in general and stake holders in particular should pay social and economic costs of youth unemployment in the country.

5.3 Recommendations

Based on the findings of the study, the following recommendations are forwarded to the stake holders to reduce the problems of youth unemployment in the study area. To reduce youth unemployment, the following could be applied:

- The government should encourage the investment sectors to invest more in industries those which are labor intensive such as manufacturing, construction, tourism in order to create more jobs. The expansion of investment is an important factor for reducing unemployment situation. Hence, the government should provide more emphasis on infrastructural development, peace and security to attract foreign direct investment and private domestic investors in the country. By doing so, the investors have an inspiration and interest to invest their capital in the country. Hence as the result, unemployment of youth would be reduced.
- Improving the awareness of youth towards jobs opportunity. Jobs opportunity or access only in any government offices and other organizations increases the probability of being unemployed. Thus, by enhancing the consciousness of youth entrepreneur capability, importance of self-employment and success story who had; enabling youth to bring attitudinal change through continues training and education programs is necessary.

- Government should expand quality education for all populationin general and youth in particular.

- Working more on rural development is very essential to reduce rural-urban migration of youth population by adopting new agricultural technology. More migration of young people from rural to urban areas is very danger for unemployment situation in urban areas. To stop rural-urban

migration, first identify the pushing factors and then solve the problem by taking corrective measures.

- Strengthen the income generating activities. Addressing the problem of those youth who had earned lower monthly income is an important issue. The lower monthly income makes the youth more unemployed. Hence to solve problem, the government institution, non – governmental organization, stake holders and respective organization should set minimum urban social safety-net and social protection program.

  Generally, a variables of social network density and sex at all analysis were not found significant in determining youth unemployment in our study area. Hence, conducting related research is going to help additional understandings of youth unemployment in Rebu Gebeya town.

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APPENDIXES

Model Summary

Appendix 1: multi collinearity test using Correlation coefficient

Correlations									
		sex	Edu	RUM	JOB	I	HHI	CORP	SND
Kendall's tau_b	Sex	1							
	Edu	-0.052	1						
	RUM	-0.123	-0.106	1					
	JOB	0.074	0.137	-.074	1				

I	-0.012	-0.041	0.058	0.016	1				
HHI	-0.052	-0.018	0.052	0.115	0.076	1			
CORP	-0.018	0.032	-.056	0.094	-.025	-0.02	1		
SND	-0.126	0.04	-.071	0.028	-.031	0.093	-.035	0.246	1

Appendix 2: Multi-collinearity Test using VIF and Tolerance

coefficients [a]		
Variables	Collinearity Statistics	
	Tolerance	VIF
Sex	.946	1.057
Edu	.935	1.069
RUM	.838	1.194
SND	.878	1.139
CORP	.981	1.019
HHI	.945	1.058
I	.976	1.025
JOBOPP	.936	1.068

a. Dependent Variable: Employment status

Appendix 3; Goodness and fit test

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	7.866	8	.447

DEBRE MARKOS UNIVERSITY

SCHOOL OF MANAGEMENT

I am a student of Debremarkos University and investigating a study on determinants of youth unemployment in the case of Rebu Gebeya town. This survey intends to determine the determinants of youth unemployment in the study area and solution that can be recommended to address the problems. Your genuine response to the survey contributes the success of the study. You are

kindlyrequested to fill this questionnaire exhaustively and honestly toachieve the objectives of this study.

Note: it is not allowed to write your name in any part of the questionnaire.

Part-I personal information

.

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) Widow ☐
4. Educational level: 1) Illiterates ☐ 2) primary (1-8) ☐ 3) secondary (9-12) ☐

4) Vocational training ☐ 5) College diploma ☐

6)University degree and above ☐

5) Rural-urban migration status: 1) Migrant ☐ 2) Non migrant ☐

Part-II causes of youth unemployment

6). Are you employed? 1) Yes ☐ 2) No ☐

7. Are you looking for work? 1) Yes ☐ 2) No ☐

8.How long you have spent your working time in seeking job?

1)below one month ☐ 2)1-6 month ☐ 3) 7-12 month ☐

4) more than one year ☐

9. Does youth unemployment exist in Rebu Gebeya town? 1) Yes ☐ 2) NO ☐

10.**Do you agree that, sex challenges youth people being unemployed?**

1) Yes ☐ 2) No ☐

11.Do you think; rural- urban migration contributes to youth unemployment in Rebu Gebeya?

☐ ☐

1) Yes 2) No

12.Is there any sufficient investment which creates job opportunities for the youth population in the town?

1) Yes ☐ 2) No ☐

13.Do you agree high population growth is the cause of youth unemployment in the study area?

1) Yes ☐ 2) No ☐

14.Do you think that, social network is the causes of youth unemployment?

1) Yes ☐ 2) No ☐

15.Do you think, the training you have received before is important in gaining a job?

1) Yes ☐ 2) No ☐

16. Does the house hold income the causes of youth unemployment?

1) Yes ☐ 2) No ☐

17.The amount of your house hold income per month is?

1) Below 1000 birr ☐ 3) 2001-3000 birr ☐

2) 1001-2000 birr ☐ 4) Above 3000 birr ☐

18.Does education reduce youth unemployment? 1) Yes ☐ 2) No ☐

19.Does job opportunity/access affect youth unemployment?

1) Yes ☐
2) No ☐

20. Which of the following can be the cause of youth unemployment in Rebu gebeya town?

1) Shortage of job access ☐ 6) Low level of education ☐

2) Lack of investment ☐ 7) Weak social network ☐

3) Low household income ☐ 8) Rural to urban migration ☐

4) High population growth ☐ 9) Others ☐

5) Sex ☐

21. What is the major determinant of youth unemployment in Rebu Gebeya town?

1) Shortage of job access 6) Low level of education ☐

2) Lack of investment ☐ 7) Weak social network ☐

3) Low household income ☐ 8) Rural to urban migration

4) High population growth ☐ 9) Others ☐

5) Sex ☐

Part –III Questionnaires on the effect of youth unemployment in the town

22. Which one of the following is the most challenged problem facing today's youth in the Rebu Gebeya town?

1) Youth unemployment ☐ 3) Youth violence ☐

2) Drug addiction of youth ☐ 4) Others ☐

23.Do you think youth unemployment foster drug addictive, violence and crime?

1) Yes ☐ 2) No ☐

24.Do you think, the problems caused by youth are the result of unemployment?

1)Yes ☐ 2) No ☐

25. The problem which occurred by the cause of unemployed in the town are difference based on their educational level?

1)Yes ☐ 2) No ☐

26. Do you agree rural area unemployed migrate to Rebu Gebeya town to search job?

1)Yes ☐ 2) No ☐

27.Which of the following mainly affect youth with related to unemployment?

1) Drug addictive ☐ 4) delay marriage ☐

2) Dependency ☐ 5) loss of motivation ☐

☐

3) Sex worker for girls ☐ 6) psychological loss ☐ other

Part –IV Questionnaires that are related to the solution of youth unemployment

28.Which of the following is the most appropriate solution to reduce youth unemployment in Rebu Gebeya town?

1) Investment growth ☐ 5) Control high population growth ☐

2) Strong social network density ☐) Effective entrepreneurship training ☐

3) Create more job access ☐ 7) control rural-urban migration ☐

4) Quality education ☐ 8) Increase house hold income ☐

29.Do you think, reducing youth unemployment is the responsibility of youths themselves?

1) Yes ☐ 2) No ☐

30.Which stake holder is more responsible to solve youth unemployment?

1) Town municipality
2) Parents
3) SME office
4) youth themselves
5) youths and sport office
6) Kebele administrator
7) Others

31.What types of investment growth can solve the problem of youth unemployment in Rebu Gebeya town?

1) Foreign direct investment
2) Private investment
3) Public investment
4) Others

Thanks for your co-operation!!

Questionnaires for focus group discussion

1. Are you employed? If no, why?
2. What are the main causes of youth unemployment in Rebu Gebeya town?
3. What types of job opportunities will be created by the government in order to solve youth unemployment in Rebu Gebeya town?
4. What are the main consequences of youth unemployment in the town?

5. What is your suggestion about youth unemployment?

Table 4.14: Logistic Regression Results of the Effects of Predictor Variables

***, ** and * indicates level of significance at 1%, 5% and 10 respectively and RC= Reference Category

Source: Own Computation Using SPSS 2017 Survey

Variables	Category	B	S.E	Wald	df	Sig	Exp(B)
Sex	Female	-0.620	0.326	3.627	1	0.06*	0.538
	Male **(RC)**						
RUMS	Migration	-1.196	0.380	9.912	1	0.002***	0.302
	No-Migration **(RC)**						
HHI	<1000	-0.716	0.526	1.849	1	0.174	0.489
	1001-2000	-1.100	0.557	3.900	1	0.048**	0.33
	2001-3000	-0.607	0.612	0.984	1	0.0321**	0.545
	>3000 **(RC)**						
Education	Illiterate	.745	1.186	.395	1	0.035**	2.107
	Primary	-1.213	.568	4.57	1	0.095*	0.297
	Secondary	-1.049	.478	4.826	1	0.0780*	0.350
	Technical and Vocational Training	-0.925	0.455	4.139	1	0.074*	0.377
	College diploma	-0.026	0.425	0.004	1	0.080*	.975
	First Degree and Above **(RC)**						
Investment	FDI	-0.801	1.070	0.560	1	0.046**	0.449
	Public Investment	-0.709	1.047	0.459	1	0.035**	0.492
	No Investment	-0.834	1.096	0.579	1	0.447	0.434
	Private Investment **(RC)**						
JOBOPP	No Opportunity	1.617	0.931	3.018	1	0.047	5.038
	Opportunity **(RC)**						
SONTWK	No Social network	0.512	0.422	1.473	1	0.225	1.668
	Social network **(RC)**						
CORP	Corruption	-0.664	0.574	1.337	1	0.248	0.515
	No Corruption **(RC)**						
	Constant	0.671	0.138	0.63	1	0.01	0.805