



What Work After School? Challenges of Labour Market Transitions in Ethiopia

This policy brief draws on qualitative research relating to young people and their caregivers in five communities (both rural and urban) who are part of the Young Lives longitudinal study of 3,000 children and young people in Ethiopia.

The analysis reveals the challenges young people face in their transition from education to paid work, and the differential impacts of location, economic background and gender, as well as examining the role of government and institutions.

Key research findings

- There is a clear link between **poverty and child work** – children from poor families engage in paid work at the expense of their schooling. Nineteen of the 27 young people in our sample left school before finishing their secondary education to find work.
- Children and young people often have **high aspirations**, which are not matched by available **job opportunities**. In all communities, job opportunities are too limited to accommodate the growing number of young people seeking employment. Among our sample, only six of those who left school for work made it to formal employment.
- There is a marked difference between **urban and rural** young people. In urban areas they are mainly running their own small businesses, while in rural areas they continue with family work, such as subsistence agriculture, rather than undertaking formal jobs.
- **The gender gap** is relatively narrow when children are at school but widens during the transition to the labour market. For example, among the 13 members of the cobblestone cooperative in Zeytuni, only two are women, and they are doing clerical work.
- The Government's **Technical, Vocational and Educational Training (TVET)** scheme does not meet the demands of the existing job market, nor is it seen by young people and their families as a positive route into work.
- The Government's **Job Creation Commission** and **Youth Revolving Fund** do not sufficiently address the needs of young people from poor families, nor is there enough coordination between various institutions and with the private sector.

Introduction

The context of school to work transitions in Ethiopia

In the last three decades, the Ethiopian Government has invested in, and expanded, education, although rural children still have to travel to nearby towns for secondary school and to large towns for higher education. The education system in Ethiopia involves primary school (Grades 1–8), secondary school (Grades 9–10), university preparation (Grades 11–12) and college or university. The post-secondary TVET scheme provides middle-level skills to those who do not qualify for university and is meant to help young people train in manufacturing, construction, trading and services (MOE 2008).

Every year, more than 2 million young people are estimated to enter the labour market (Job Creation Commission of Ethiopia 2020). The Government has made efforts to improve youth employment, including by setting up the Job Creation Commission, with local offices, and providing a Youth Revolving Fund to support youth cooperatives.¹ The private sector also increasingly absorbs young employees.

Young Lives

This policy brief is based on a study focusing on 27 young people (16 male and 11 female) transitioning from school to work in Ethiopia. It draws on both qualitative and longitudinal survey data produced by Young Lives. Using interviews with the young people as well as service providers and employers, the study documented the patterns of school to work transitions, the young people's aspirations, and the mismatch between education or skills and available opportunities.

Young Lives is an international study of childhood poverty and transitions to adulthood following the lives of 12,000 children in four countries (Ethiopia, India,² Peru and Vietnam) since 2001. Young Lives aims to provide high-quality data to understand childhood poverty and inform policy and programme design.

In Ethiopia, Young Lives follows 3,000 young people from two cohorts (2,000 in the Younger Cohort, born in 2000/1, and another 1,000 in the Older Cohort, born in 1994/5). The study focuses on 20 communities drawn from five regions: Addis Ababa, Amhara, Oromia, Southern Nations, Nationalities and Peoples' Region (SNNPR), and Tigray. Since 2007, there has also been a qualitative study of 100 children and their caregivers from five communities. To date, Young Lives Ethiopia has carried out five rounds of surveys and five qualitative waves.

The study communities

The current study focuses on five core qualitative study sites among the 20 Young Lives research sites in Ethiopia. Two communities were selected from each region:³ two urban sites: Bertukan (Addis Ababa) and Leku (SNPPR) and three rural communities: Tach-Meret (Amhara), Leki (Oromia) and Zeytuni (Tigray). The urban communities have full access to all levels of education including TVET colleges and universities. One of the rural sites, Tach-Meret, is very close to a town where there are public TVET colleges as well as private colleges. Children from the other two rural communities have primary schools in their areas but have to travel some distance to access secondary education. Institutions of higher education are far from their areas and young people have to move to towns to access them.

Box 1. Job prospects for young people within the study communities

- In Bertukan, vegetable and fruit markets provide income-generating activities.
- In Tach-Meret, a private haricot-processing enterprise attracts young people, especially girls, who sort dust from the beans.
- In Leki, private irrigation schemes that grow vegetables attract a large number of young people. Young boys fish in the nearby lake. Flower farms also provide paid work.
- In Zeytuni, big quarry and stone-crushing private enterprises employ young people, mainly young men. A recently built plastic chemical factory and an industrial park also provide job opportunities.
- In Leku, an industrial park, which started operating in 2016, provides work mainly for young women.

Main findings

Poverty, schooling and employment

“I am from a poor family. Schooling and work became hard for me. I decided to quit school and do wage labour.”

Bezach, 24, Tach-Meret, who dropped out of school when she was in Grade 8 to sort haricot beans. She also washes clothes for cash.

Poverty is a major obstacle to children's educational progress. Poor families find it hard to support their children's schooling. As children, many of the young people in this study had to do some paid work to support their schooling

1 Established through Proclamation No. 995/2017, by the Federal Government of Ethiopia, with an earmarked amount of 10 billion birr, to (1) help young people create their own job opportunities; (2) provide financial assistance for young people's organised income-generating activities; and (3) ensure their overall participation and benefit. The fund is managed by the Commercial Bank of Ethiopia.

2 In the states of Andhra Pradesh and Telangana.

3 Actual names of the communities and persons are replaced by pseudonyms to maintain anonymity.

and their families. They either combined work with school or left school to do paid work. Those who returned to school often fell behind and had to repeat grades.

Poor educational progress means young people are unable to get the jobs they aspire to. Only six of the 27 young people in our study were able to join formal employment. Rural young people tend to continue with family work rather than do formal jobs, while in urban areas they are more focused on running their own small businesses. Poor job opportunities mean some have questioned the purpose of continuing in school, opting to start work instead.

Box 2. Dembel's story

“I had no interest to continue after Grade 10, I was economically inferior to my classmates. I did not even have a [school] uniform, while others had. My family was incapable of meeting my needs. Getting food after school was a problem. Thus, I wanted to get employed and stop my education. So I did not prepare well for the national exam and failed eventually. I still have the chance to continue my education. But first I want to have my own wealth, earn enough income, and pull myself out of poverty.”

Dembel, 24, music shop owner, Leku

Education and skills training

“I want to get a job that is related to the field that I studied ... And I want those jobs that I can carry out sitting in offices. This is the wish I have for myself.”

Biritu, 24, unemployed graduate, Leki

With ever-growing numbers of young people attending school, college and university, the Ethiopian Government has made efforts to expand job opportunities. However, schooling does not seem to be leading to employment as expected. The majority of the 28 young people in our study left school in order to find a job. Only one, a young woman aged 24, finished university. Four of the six who moved on to college or TVET before leaving early were young men (see Box 3).

Box 3. Summary of school to work transitions

Of the 27 young people (15 young men and 12 young women) in our study, 19 dropped out of their education to find work.

- 11 left primary school to work (8 male, 3 female)
- 8 left secondary school to work (4 male, 4 female)
- 6 left college/TVET to work (3 male, 3 female)
- 2 moved from university to work (female)

For the many young women and men who do not complete school or go on to university, TVET is meant to provide them with an opportunity to develop their skills in order to move to employment. However, those who failed at Grade 11 or 12 are not allowed to join the public TVET scheme. Netsa, aged 24, from Bertukan, explains: “I tried to register at TVET to get training in hairdressing or cooking but it did not work. Government at least should arrange to accommodate these [Grade 11 and Grade 12] students.”

The mismatch between young people's aspirations and the job opportunities available to them

As children, the young people in the Young Lives study, despite living in poverty, had high educational and occupational aspirations and worked hard to achieve these. However, in reality, almost none of them achieved their dreams. By age 15, most of the Older Cohort aspired to have a university degree (88 per cent of urban young people, 64 per cent of rural; 78 per cent of boys, 69.5 per cent of girls) (Tafere 2014), but nearly all the young people in our sample were unable to go to university (see Box 3). For example, two young men left school in Grade 6 despite hoping to become professionals. Desta, 24, from Zeytuni, is working as a welder despite hoping to become an engineer, and Hassen, also 24, from Leki works as a daily labourer on a vegetable farm although his childhood aspiration was to be a doctor. Generally, there is a mismatch between childhood occupational aspirations and the opportunities available. This discourages young people from pursuing their education, and parents are increasingly concerned about the value of education for their children.

Employment and job opportunities

“I aspired to finish university education and have a professional job. I have a BA degree and I am working as a cashier in a public finance institute. I am about to join a bank soon with a good salary.”

Selamnesh, young woman, 24, Tach-Meret

While a handful of young people, like Selamnesh, do achieve their dreams, in all communities, job opportunities are too limited to accommodate the growing number of young people leaving schools, TVET colleges and universities. The capacity of public institutions to absorb job-seekers is insufficient; and there are not enough private companies to employ them either.

The Young Lives Round 5 survey found that 78 per cent of the Older Cohort (then aged 22) were involved in work (68 per cent of the ones from urban areas versus 89 per cent from rural areas) (Araya, Woldehanna and Pankhurst 2020). While most rural young people were engaged in family agriculture (81 per cent), urban young people were engaged in small income-generating activities such as daily

labour or small businesses. Among the 27 young people featured in this study, only six (four female, two male) joined formal employment. The rest were running their own businesses, farming, doing casual daily labour or working in different male-dominated cooperatives.

The federal and local governments focus on organising young people into different cooperatives as micro and small enterprises (MSEs) by providing workplaces, loans and technical support such as short-term entrepreneurship training through the TVET scheme. However, the lengthy process of organising the cooperatives, the relatively high interest rate payable on the loans (8 per cent) and the expected collateral (10 per cent) are discouraging young people. They instead prefer to work individually or in groups of their own choice.

Location and gender

“ I left the job I did for five years because of marriage. Now I gave birth to my first child. I will be back to my former job after two years. ”

Meselech, 25, Tach-Meret

There are also disparities based on location and gender. Rural young people tend to become involved in family farming, commercial vegetable growing or cobblestone production in cooperatives. Young people from urban areas are more involved in formal employment and activities such as working in garages and as *bajaj* taxi drivers. Most of the latter are young men.

The study also found that the gender gap was relatively narrow when children were at school, but widened during the transition to the labour market. For example, MSE cooperatives appear male-dominated. Among the 13 members of the cobblestone cooperative in Zeytuni, only two were women, and they did clerical work.

In some contexts, female workers have to leave their jobs if they get married and have children. There is little job security, mainly because jobs are usually informal and less protected. Marriage may end their employment, although sometimes they can continue once they have children.

Policy recommendations

We have seen clearly that the majority of the young people from this study, who come from families living in poverty, are not able to find paid employment or even decent work in the informal sector that is in line with what they and their parents had hoped for – and enables them to make a living. This is true in even for those who managed to continue with their education. These recommendations are focused on what can be done to improve this situation and enable young people to achieve their dreams.

1. Poverty alleviation

Young people's poor educational levels are mainly related to poverty. Children from poor families are doing paid work at the expense of their schooling and skills training, and this affects the kinds of jobs they are able to get. The Government's poverty alleviation programme, with a focus on youth employment and social protection for young people from poorer and vulnerable households, should remain a major priority.

2. Education: quality and equity

In order to achieve UN Sustainable Development Goal (SDG),⁴ the Government should improve the *quality* of education in state-run schools so that more children who are willing and able can pass national exams and move to the next level, such as college and university education. The Government intends to make Grade 12 the formal end of secondary education, instead of Grade 10, which could result in young people being better prepared for the labour market. Extended and uniform schooling would help the transition either to university education or to TVET. This would make a transition from 'full schooling' to 'full employment' possible.

3. Technical and Vocational Education and Training (TVET)

TVET needs to be seen as a realistic and positive route to work. Options for improvement could include the following:

- Expanding the scheme to include those who fail in Grades 11 and 12 and are not currently allowed to join TVET;
- Strengthening TVET so that it prepares young people to fit the demands of the existing job market by providing high-quality and relevant training in entrepreneurship, and soft and technical skills training, as well as supporting young people to pass Levels III and IV, which the market demands;
- Providing context-focused training that takes into account the local job market. In Young Lives sites this includes skills training in vegetable growing, cobblestone production and other agricultural activities. It should also include career guidance (see below);
- Ensuring that all levels of training are available across the country so that young people get equal access to it (as promised in SDG 4), irrespective of their economic status, location or gender;
- Expanding access to the scheme, and providing the necessary equipment and resources, as well as qualified trainers;
- Enhancing coordination between TVET and employers to facilitate young people's transition into paid work.

4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4. Career guidance

The young people in this study did not receive any career guidance during their school and work lives. Career guidance should be included in the curriculum and integrated into the TVET scheme. In the context of slow school progression and limited job opportunities, professional guidance can play a crucial role in career choices.

5. Gender

TVET colleges and cooperatives favour young men over young women. This calls for serious consideration in school to work transition programmes, which should provide equal access to males and females. Young women should be encouraged to train in traditionally male-dominated skill fields (e.g. auto mechanics or machine operating). Job training and apprenticeships in the informal sector, which involve more young women, should also be part of TVET.

6. Social norms and community attitudes

Many adults expect the Government to take on the entire responsibility for youth employment. They are also reluctant to share their resources to support youth enterprises. The Job Creation Commission and local authorities should create programmes to raise awareness of the importance of youth employment so that communities can be a part of the solution.

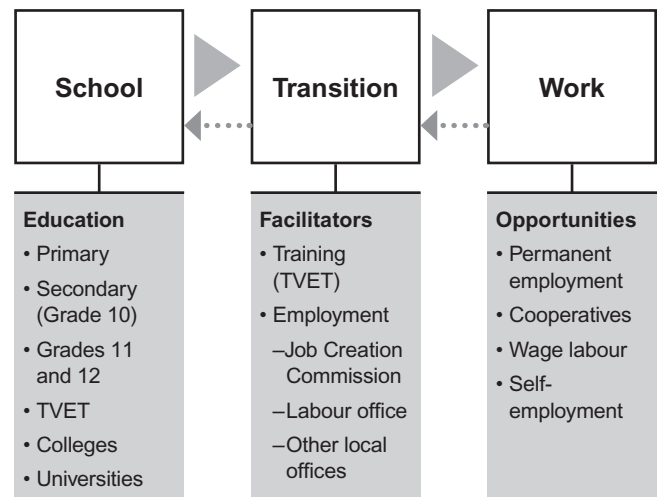
7. Encouraging private investors and supporting decent work

Growing private investment and public projects in the study communities have directly benefited young people. All the respondents considered the expansion of job opportunities to be a national priority to reduce youth unemployment. The Government should encourage private investors, and local authorities need to coordinate with local communities to share resources for youth self-employment. Job opportunities, as much as possible, need to reflect the skills and aspirations of young people. They also need to be in line with the International Labour Organization's definition of decent work so that young people are paid adequately and working conditions are improved. This would enhance human capital development by encouraging families and young people to invest in education and thereby contribute to national economic growth.

8. Coordination of youth employment institutions

For a better process of transition from school to work, it is important to improve the coordination of the institutions and bodies involved, namely schools, TVET colleges, private colleges, universities and employers (see Figure 1). The process entails schooling, training, career guidance, job allocation and the promotion of equity. The Job Creation Commission should play a greater role in facilitating communication.

Figure 1. School to work transition in Ethiopia



Source: Author's depiction

9. Capacity of the Job Creation Commission

The Job Creation Commission and other local agencies are playing a vital role in facilitating youth employment. However, this study found many issues that need attention. The offices are poorly funded and staffed, which means they are unable to carry out their plans. In some areas, local institutions were able to cover less than 50 per cent of planned tasks. Their resources need to be increased and their coordination capacity should be strengthened so that they can respond to the growing employment demands of young people.

10. Resources for youth employment

The Government's Youth Revolving Fund is helping young people start their own businesses. However, both young people and officials agree that the collateral of 10 per cent and interest of 8 per cent were too high particularly for poor young people and their families. This discourages young people from taking out loans to start work. The collateral requirement should be removed and the interest rate lowered.

Young people want go to school and find decent work, but they often face many challenges in doing so. While the Government has improved education and set up a number of schemes to support young people to make the move from school to work, the specific improvements suggested in this policy brief would go a long way towards achieving gender equality and supporting young women and young men, particularly those from poorer families, to be able to fulfil their childhood aspirations and improve their livelihoods.



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