

Running Head: Unemployment and Youth Livelihood



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF SOCIAL WORK

**SOCIO-ECONOMIC AND PSYCHOLOGICAL EFFECTS OF
UNEMPLOYMENT ON YOUTH'S LIVELIHOOD: THE CASE OF ADDIS
ABABA KOLEFE KERANYO SUB CITY, WOREDA 02**

BY

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ID No. SGS/0673/2012A

FEBRUARY, 2022

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**A THESIS SUBMITTED TO St. MARY'S UNIVERSITY SCHOOL OF
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WORK(MSW)**

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DECLARATION

This is to certify that the MA thesis written by Meron Dejene titled “The Socio-economic and Psychological Effects of Unemployment on Youth’s Livelihood: The case of Addis Ababa Kolfefe Keranyo Sub City, Woreda 02” in partial fulfillment of the requirements for the degree of Masters in social work. This thesis is my original work, prepared under the guidance of Habtamu Mekonnen (PHD), my thesis advisor. All sources of materials used for the thesis have been properly acknowledged.

Meron Dejene
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Signature & Date

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ACRONYMS

- ILO- International Labour Organization
- CSA- Central Statistics Agency
- GDP- Growth Domestic Product

ABSTRACT

This study explores socio-economics and psychological effects of unemployment on youth's livelihood and to achieve the objective of this study. The study focused on youth's livelihood who are affected by unemployment. The collecting method of data is interview and collecting information from participants by distributing questionnaires. the respondents are chosen from the sample of unemployment population from Kolefe Keranyo sub city in worda 02. There are 140 sampled respondents out of the total population and ten of them are key informants. Questionnaires distributed for 130 sampled respondents who were lived in Kolefe Keranyo sub city worda 02, out of 130 questionnaires, 110 (85%) questionnaires were returned. The data were presenting; background information of the respondent, cause, effect and how to solve the problem of unemployment.

Overall, unemployment is the worldwide problem and in this study unemployment affects the youth's livelihood in social, psychological and economic aspects. It is also affects the society in different aspects.

CHAPTER ONE

1. INTRODUCTION

1.1 . BACKGROUND OF THE STUDY

Unemployment is a term referring to individuals who are employable and actively seeking job yet unable to find a job. It occurs when a person, who is actively searching for employment, is unable to find a job. It is often used as a measure of the health of the economy.

Youth unemployment particularly has become a worldwide problem which is galvanized by globalization. It affects both developed and developing countries. The magnitude, number and consequence of youth unemployment is much worse for developing countries due to socio-economic and political instabilities which further affects the psychological status of the youth.

In south Africa, for example, unemployment is probably the most severe problem and has because the sources of other problems such as crime, violence and poverty (Baker, 1992).

Further Hall. (1997): describes, - one of the overlooked aspects of the unemployment crisis in south Africa is the spatial distribution of unemployment within cities.

In Ethiopia there have been significant increase educational attainment, however, there has not been as much job creation to provide employment opportunities to the newly educated job seekers. In Ethiopia unemployment is high and remains to be one of the socio-economic problems in the country. Ethiopia's ambitious five-year growth and transformation plan (2010-2015), which includes developing industrial cluster zones and constructing 10,000 miles of road networks, is expected, upon completion, to reduce unemployment considerably (National growth and transformation plan, January 2014).

Livelihood is means of securing the basic necessities (food, water, shelter and clothing) of life or it is a set of activities essential to everyday life that are conducted over one's life span. An individual's livelihood involves the capacity to acquire aforementioned necessities in order to satisfy the basic needs of themselves and their household (Oxford University, 2010).

Crime is an unlawful act punishable by a state or other authority. Donovan ponnann said that it is the unemployment that has led to crime not decreasing, saying: "unemployment leads to poverty, poverty leads to crime because the people who aren't working find a way to provide for themselves through committing crime." He suggested that if job opportunities can be created, maybe crime will decrease.

When some of the youths are unemployed, they are leading to commit a crime because unemployment leads them poor so unemployment cause poverty and also poverty cause crime (Donovan ponnann, 25 Sep 2018).

In this study youths are unemployed and how unemployment affects youth's livelihood in different aspects (social, economic and psychological aspects.) each factors have their own effects on youth's livelihoods.

Economic effect of unemployment

Effects on the individual and societal levels, unemployment also directly impacts the economy as a whole. According to the (U.S. Bureau of labor statistics, March 31, 2021) when people are unemployed, they spend less money, which ultimately contributes to less contribution to the economy in relation to services or goods sold and produced. Unemployed individuals consume much less than those who are employed, so a higher unemployment rate can leave the economy lacking in terms of products sold.

Social effect of unemployment

The effect of unemployment also reaches out to the community and society in which the unemployed person lives. Communities with high unemployment rates are more likely to have limited employment opportunities, low-quality housing, fewer available recreational activities, limited access to public transportation and public services and underfunded schools (Indeed Editorial Team, March 31,2021).

Psychological effect of unemployment

Unemployment puts mental health risk, most unemployed people show a constant decrease in overall life satisfaction, general well-being and self-esteem, and symptoms of depression, especially if they are unemployed for a long period. Other psychological effects include increased anxiety, lack of self-confidence, pessimism, fatalism, alcoholism, suicide, as well as stress-related disorders such as headaches, bronchitis and heart diseases. (Indeed Editorial Team, March 31,2021).

Youth unemployment is one of the key global Labour market challenges today. The international Labour organization (ILO) stated that: "Around one fifth of the world's young people are not in employment, education or training. (International Labour organization, 2018, p.11).

Central Statistics Agency (2013) national labor force survey data, youth unemployment rate in urban areas was 21.3 % in 2013. The rate was 26.4% for females and 16.1% for males in the same year. This means that youth unemployment rate was much higher than average country's unemployment

rate for the general population 4.5 %, average national youth unemployment rate 6.8 % and urban average unemployment rate 16.5 % (CSA, 2013).

Unemployment has become every household's phenomenon. The choice of unemployment as a research agenda was the result of familial and societal experiences. I have had the experience and witnessing of many unemployed youths who are graduated with degrees. Some of those youths have experienced lengthy period of stay at home after they graduated which has initiated me to focus on assessing the psychological, economic and social effects.

This study focused on the social, economic and psychological impact of unemployment on youth's livelihood. Each factors have their own impacts on youth's livelihood and how youth's manage the impact of unemployment.

1.2 . Statement of The Problem

Unemployment is primarily economic condition in which individuals actively seeking jobs remain un-hired. It is, in fact, also a social, political and psychological problem to the unemployed youth and the society they are living in. International Labor Organization's (ILO) stated that: "Around one fifth of the world's young people are not in employment, education or training. The ILO estimates for 2017 show that the global youth unemployment rate is about 13% and 2020 report from the International Labor Organization, a specialized agency of the United Nations, the global youth unemployment rate stands at 13.6%. That is, there are about 70.9 million unemployed youths worldwide. Another billion or more people are unemployed. There are lack of education skills or skills for employment. As the need for skilled and educated workers increase for employers, the employment opportunities for those without a college education decrease leading to higher unemployment rate (Morgan Drake Eckstein, nd Nov, 2018).

In Ethiopia relatively well educated and fresh job seekers are largely affected by the incidence of unemployment with prolonged unemployment. Similarly, with these authors, Broussar and Tekeleslassie (2012) on their studies indicated that youth with higher education were less likely to be unemployed. According to the authors, the reason why educated youth stayed unemployed is that labor demand has been unable to keep pace with the increases in educational attainment, particular with jobs which demand a highly skilled labor (as measured by education). The authors also indicated that there is a positive relationship between educational attainment and unemployment.

Studies from Ethiopia indicate that the potential causes of unemployment in urban Ethiopia include increasing number of youth labor force, the rising internal migration, literacy rate, poor to modest

macroeconomic performance, low level of job creation and low level of aggregate demand in the economy. High levels of youth unemployment which create a sense of desperation among the youth is highly related to social instability and political unrest (International Labour Organization, 2013).

Nebil et al. (2010) on their study, revealed that low level of education as a main cause for youth unemployment. According to the authors Education is a means for enhancing the productivity and employability of a country's labor force and 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. Similarly, with Nebil et al. Tesfaye (2015) also revealed on his study that education and unemployment have negative relationship, because if you want a good job, get a good education because the chance to have employment is high.

There are many studies about unemployment in Ethiopia example; many of the research studies on the cause and consequence of educated youth unemployment but they are not specifically study on the effect of unemployment on youth's livelihood. Therefore, this study will be aimed to study the effect, cause and consequence of unemployment on youth's livelihood in social, economic and psychological aspects, how unemployment affects the youth's livelihood in different aspects and how they make up a living without unemployment.

1.3 . Research Question

1. To what extent youth unemployment affects the economic wellbeing of unemployed youth?
2. How does youth unemployment affect the social status of unemployed youth?
3. How does the psychological status of youth is being affected by unemployment?
4. How did the unemployed youth cope with the challenges of livelihood needs?

1.4. Objectives of the study

1.4.1. General Objective

The general objective of this study is to identify the socio-economic and psychological effect of unemployment on youth's livelihood.

1.4.2. Specific objectives

1. To explain how youth unemployment affect the economic wellbeing of unemployed youth's.
2. To examine the effects of youth unemployment that affect the social status of unemployed youth.
3. To explain the psychological status of unemployed youth.

4. Identify how unemployed youth cope with the challenges of livelihood needs.

1.5. Significance of The Study

The study was benefit different concerned bodies with different respective issues. The study was bringing good insight direction about the negative effects of unemployment and create awareness about how to minimize unemployment. Government and other organization create awareness about how to get a job and the consequence of unemployment. The significance of the study or findings was specific to unemployed youth. This study can be give a lesson or implied to provide a good insight to youths who are unemployed and the study was significance that will give an insight for unemployed youths to knowing how to make or create a job and to know the effect, cause and consequence of youth unemployment. It would give or create awareness to the society about the effect of unemployment and the effect of unemployment on youth's livelihood.

1.6. Scope of The Study

The study has conduct on the socio-economic and psychological effect of unemployment on youth's livelihood in Addis Ababa and the study was focus on youths who are unemployed and the effects of unemployment on youth's livelihood. Unemployment affects the society and youth's livelihood in different perspectives (social, psychological and economic aspects).

1.7. Limitation of The Study

The main purpose of this study was to assess the socio-economic and psychological impact of unemployment on youth's livelihood. There were limitations while doing this study. It was difficult to get response from unemployed youth about the effect of unemployment on their livelihood status. challenges of the research were shortage of finance, unwillingness of some resonance to give information, and shortage of time for conduct depth investigation. Due to COVID 19 it was difficult to collect data's.

1.8. Operational Definition of Terms

Unemployment is a term referring to individuals who are employable and actively seeking job but are unable to find a job. Unemployment occurs when a person who is actively searching for employment is unable to find work and unemployment is often used as a measure of the health of the economy (Adam Hayes January 30,2022).

Youth unemployment is the situation of young people who are looking for a job but cannot find a job with the age range being that defined by Ethiopians national youth policy (2004) as 15-29 years old (Adam Hayes January 30,2022).

Poverty is a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living or the state of not having enough material possessions or income for a person's basic needs (James Chen January 24, 2022).

Livelihood is means of securing the basic necessities (food, water, shelter and clothing) of life or it is a set of activities essential to everyday life that are conducted over one's life span. An individual's livelihood involves the capacity to acquire aforementioned necessities in order to satisfy the basic needs of themselves and their household (Oxford University 2010).

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1.9. Thesis Organization

Chapter one provides background of the study, statement of the problem, research question, objective of the study, significance of the study, scope of the study, limitation of the study and operational definition of terms. Chapter two includes review literature and it explains unemployment concept, youth unemployment, theories of unemployment and the consequence or impact of unemployment. Chapter three provides research design, research method, sampling procedure, data analysis and ethical consideration. The fourth chapter consists data analysis and interpretation of findings. The fifth chapter consists of conclusion and recommendation.

CHAPTER TWO

2. REVIEW OF LITERATURE

2.1. Description of Study Area

The study area is Addis Ababa; Addis Ababa represents a heterogeneous population in many social characteristics. Addis Ababa is the capital city of Ethiopia established in 1886 and geographically located at the center of the country. Currently the population of Addis Ababa is estimate at 5,005,524. The area of the study will be Kolfe Keranio sub city it is a district of Addis Ababa around Kara Kore, the population of Kara Kore is 35,037.

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2.3. Theoretical Literature

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Youth unemployment is the situation of young people who are looking for a job but cannot find a job with the age range being that defined by Ethiopians national youth policy (2004) as 15-29 years old (Adam Hayes January 30,2022).

Unemployment affects a person psychologically; Relationship between unemployment and lack of self-esteem and confidence leading to depression. Besides, there is an increased anxiety and stress. High unemployment often results in increased marriage breakdown, division and discrimination in society, suicide rates and crime rates especially among the young (Garry Ottosen and Douglas Thompson, 1996).

High unemployment often results in increased marriage breakdown, divisions and discrimination in society, suicide rates and crime rates especially among the young (Garry Ottosen and Douglas Thompson, 1996). Unemployment also has been connected to the impaired family functioning as it affects the parent's interactions with their children and their spouse as well (Liker and Elder 1983; Barling 1990).

Unemployment is also associated with unhappiness – both for those experiencing it as well as those who are employed but fear unemployment in a time of high job insecurity and it is widely understood that unhappiness is itself linked to mental and physical ill-health (Bell and Blanch flower, 2010). There is also a substantial body of evidence which links youth unemployment (and non-employment) to crime. Not only is crime costly for society it is also costly for the individual. Moreover, any such effects are likely to have long-term consequences; once a path of marginalization and criminality has been embarked upon, one's future prospects (and expectations) are likely to adjust accordingly. Thus, unemployment is bad for young people and for society as a whole; however, equally important, the detrimental consequences of youth unemployment are largely associated with longer term unemployment rather than unemployment per se. It is here that the really harmful effects of the recession have been felt by young people. During the recession, the prevalence of long-term unemployment amongst the young is increased (Iffat Idrisv November 2016). There are different theories of unemployment such as classical theory of unemployment and Marxian theory of unemployment.

2.3.1. Neo-classical theory

According to the neoclassical theory, unemployment is voluntary. The term voluntary unemployment means, according to the neoliberal view, that the person is not willing to work in the wage offered and prefers to remain unemployed (because she/he hopes to find soon a better job –job search) or that the employer refuses to employ him because his salary cannot be reduced due to national collective agreements (Arestsis, P and Skott, P (1995) Conflict, Wage relatives.).

The confrontation of neoclassical theory with the reality of the labour market in the 1960s, with persisting unemployment, gave rise to new theories. These theories already took into consideration that the labour market is less competitive and there are market imperfections, rigid wages and imperfect and asymmetric information. *The theory of job searches* (G. Stigler, 1961) shows getting information as a costly activity of job searching. One therefore minimises opportunity costs, when staying unemployed as a rational choice and continues to search if the first employment offer is not optimal. A. Alchian (1970) described this unemployment, which is a voluntary feature of market equilibrium, as *self-employment in information collection*, D. Mortensen (1970) called it *search unemployment* and characterised it as a result of voluntary conduct on both sides of the labour market. It was shown that in the decline of demand on the labour market, the wages do not decline as is predicted by neoclassical theory, which would clean the markets, but people are dismissed from employment. The absence of the market cleaning wage was explained by C. Azariadis (1975) by *the theory of the implicit wages*, according to which risk averse employees prefer a lower and secure wage paid in a long period over a higher wage but within more uncertainty. Companies therefore offer implicit long-term contracts, granting long-term income security. This is the reason why wages cannot decrease.

2.3.2. Marxian Theory

of unemployment shares the Keynesian viewpoint of the relationship between economic demand and employment, but with the market system's propensity to slash wages and reduce Labour participation on an enterprise level causes a requisite decrease in aggregate demand in the economy as a whole, causing crises of unemployment and periods of low economic activity before the capital accumulation(investment) phase of economic growth can continue (Farmer, Roger E. A. (2001).

According to Karl Marx, unemployment is inherent within the unstable capitalist system and periodic crises of mass unemployment are to be expected. He theorized that unemployment was inevitable and even a necessary part of the capitalist system (Farmer, Roger E. A. (2001).

2.4. Types of Unemployment

2.4.1. Frictional Unemployment

Frictional unemployment is caused by temporary transitions in workers lives such as when a worker moves to a new city and has to find a new job. Frictional unemployment also includes people just entering the Labour force, such as freshly graduated college students. It is the most common cause of unemployment and it is always in effect in an economy (Paul Krugman, Aug 19, 2021).

2.4.2. Structural Unemployment

Structural unemployment is caused by a mismatch in the demographics of workers and the types of jobs available either when there are jobs available that workers don't have the skills for, or when there are workers available but no jobs to fill (Paul Krugman, Aug 19, 2021).

2.4.3. Cyclical Unemployment

Cyclical unemployment is caused by declining demand: when there is not enough demand in an economy for goods and services, business cannot offer jobs. Classical unemployment is also known as "real wage unemployment" or "induced unemployment". It's when wages are so high that employers can't hire all the available workers. In other words, wages are higher than the laws of supply and demand would normally dictate (Paul Krugman, Aug 19, 2021).

2.4.4. Seasonal Unemployment

Seasonal unemployment is caused by different industries or parts of the labor market being available during different seasons. Seasonal unemployment results from regular changes in the season. Seasonal unemployment occurs when people are unemployed at particular times of the year when demand for labor is lower than usual. Seasonal employees are employees hired into a position for a short term. They are mostly part time or temporary workers that help out with increased work demands (Paul Krugman, Aug 19, 2021).

2.5. Cause of Unemployment

Unemployment is one of the most common and chronic problems worldwide. It is a concern for individuals as well as global communities. The level of unemployment varies with economic conditions and other circumstances. The causes of unemployment include increased population, rapid

technological change, lack of education or skills and rising cost lead to financial, social and psychological problems (Minister of Labour Dr. Majeed Al Alawi, 2010).

The increased population which leads to higher unemployment rates. As the number of people who are looking for jobs is increasing, it is more difficult to arrange jobs for all these huge numbers of workers. In this situation the demand for work will be more than the available occupations. This will result in increased number of unemployed individuals (International Labour Office, Geneva, 1996.)

Global rapid technological change which plays a big role in the increased unemployment problem. Many jobs which were handled by hands are being done by different machines and technology nowadays. The new advanced technology replaced the low skilled or unskilled workers in different factories. This made production faster and more accurate but it resulted in more unemployed people, for example; when personal computers replaced typewriters, typewriter become unemployed (International Labour Office, Geneva, 1996).

Lack of education or skills for employment. This happens when the qualifications of a person are not sufficient to meet his job responsibilities. If the education was not directed towards the labor market, then a mismatch occurs thus leading to structural unemployment. There is also another cause of unemployment such as Recessions, Inflation, disability, Attitude towards employers, Willingness to work, Perception of employees, Employee values, discriminating factors in the place of work (may include discrimination on the basis of age, class, ethnicity, color and race) (Morgan Drake Eckstein, nd).

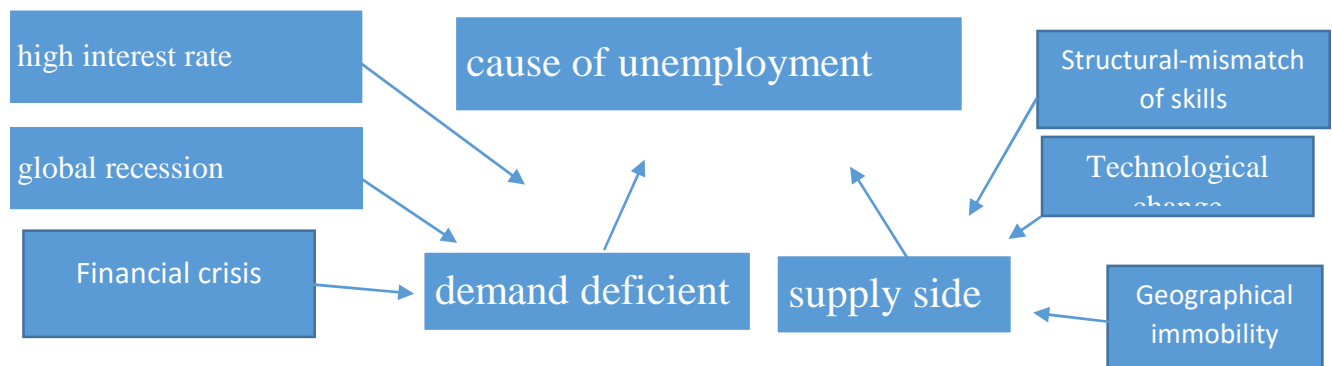


figure2.1 1: cause of unemployment (Tejvan Pettinger, 14 Dec 2021)

2.6. Causes of Urban Youth Unemployment

2.6.1. rural urban migration

This is normally explained in terms of push-pull factors. The push factors are the pressure resulting from excess labor in the rural areas. This is due to the existence of serious underemployment arising from the seasonal nature of rural activities. Also, the lack of infrastructural facilities makes rural life unattractive. This forces the unemployed youth to move to the urban centers with the hope of securing employment in industries. The pull factors consist of concentration of social amenities in the urban centers that attract the rural youth. This meant that the rural areas are neglected in the allocation of social amenities and economic opportunities (Haile, G. A. (2003).

2.6.2. Rapid population growth

Increase in the rural population, farm land is becoming scarce. The rural family suffers from the burden of dependents and from scarcity of arable land for crop production to maintain the family members. The high rural population growth rate has resulted in the rapid growth of the rural Labour force, which is far outstripping the supply of rural jobs. The effect of accelerated growth of population on Ethiopia's unemployment problem is multifaceted. It affects the supply side through a high and rapid increase in the labor force relative to the absorptive capacity of the rural sector (Haile, G. A. (2003).

2.6.3. low standard of education

It is observed that the average Ethiopian graduate does not have employable skill. He/she does not possess the skills needed by the employers in the formal sector. It is costly for employers to engage fresh graduates that will not help their firms to produce profitably. The goal of every enterprise is to make profit. Lack of proper skills required by employers is attributable to the educational system (Haile, G. A. (2003).

2.6.4. lack of entrepreneurship

Most tertiary education lacks entrepreneurial contents that would have enabled graduates to become job creators rather than job seekers. Entrepreneurs have been constrained by lack of access to capital to establish their own new businesses after graduation (Dendir, S. 2006). Low employment opportunities for young graduates create political and social problems. They tend to be violent as they are not able to play a useful role in the society.

2.7. Effects of Unemployment

Effects of unemployment on economic growth: -

- Exploitation of Labour
- Industrial disputes
- Political instability
- Social problem
- Increase in poverty
- Loss of human resources

Unemployment leads to wastage of manpower resource. People who are an asset for the economy y turn into a liability. There is a feeling of hopelessness and despair among the youth. People do not have enough money to support their family. Inability of educated people who are willing to work to find gainful employment implies a great social waste (O'Higgins, N. 1997).

Unemployment tends to increase economic overload. The dependence on unemployed on the working population increase. The quality of life of an individual as well as of society is adversely affected.

The unemployed youth may turn to anti-social activities like cheating, thefts, murders, terrorism etc. the quality of life of an individual as well as of society gets adversely affected which eventually leads to decline in health status and rising withdrawal from the school system (O'Higgins, N. 1997).

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2.8. Consequence of Unemployment

One of the bases that human life needs to fulfill its basic requirements is his/her access to work. Work is also a source of knowledge and wealth, which as a result requires man to work. Those persons that have not access to both formal and informal sector employment of the economy engage in a bad way of life. They find themselves in absolute poverty a condition of like degraded by disease, malnutrition and dying the society human rights and rules.

2.8.1. social consequences

Unemployment is the worst of all, it demoralizes the people who loss respect. Life become contempt for the society complete the unemployed to retort to evil practices like dacoit robbery pick pocketing etc... mass unemployment may even endanger political stability. (Giant, 1986).

There is social consequence of unemployment like health, crime and social relationship of the unemployed.

2.8.1.1. Health

The relationship between ill health and unemployment is likely direct relationship. When an individual becomes out of the world of work, his/her health gets disturbed. Not only the health of the unemployed individual but also the health of community was disturbed (Smith, R, 1987 Oxford University Press, London).

Unemployment could cause stress that also could lead to hopelessness and self-reporting of mental disorders. (N. Ashton (1986) support this idea he said that unemployed should more stress symptoms than those who had found job. Common outcomes of unemployment include depression, substance abuse, admission to psychiatric hospitals, death by suicide, and violence.

2.8.1.2. crime

In relation to crime: disaffected young people who lack the economic opportunities to raise themselves out of poverty are more vulnerable than adults to participation in armed violence, crime, gangs, drug trafficking and other illicit activities' (Ali, 2014).

Unemployment and crime go hand in hand (Lin, 2007; Buonanno & Montolio, 2008; Baron, 2008). The poverty risk induced by unemployment inclines unemployed individuals to seek alternative strategies for securing an income, including in some cases, criminal activities. And while poverty is a frequent consequence of becoming unemployed, unemployment also provides other motives for engaging in crime. Unemployment generates negative stimuli from social interactions, frees the individual from the social control imposed by institutions such as workplace and the moral judgment of colleagues, and promotes idleness.

2.8.2. Economic consequence

High unemployment indicates the economy is operating below full capacity and is inefficient; this will lead to lower output and incomes. The unemployed are also unable to purchase as many goods, so will contribute to lower spending and lower output. A rise in unemployment can cause a negative multiplier effect.

2.8.2.1. Economic costs of unemployment

Personal costs to unemployed (lost income, loss of sense of value, lower on the job training) cost to government (loss tax revenue and higher benefit spending) costs to society in general (social problems, alienation, lost GDP). (Tejvan Pettinger 28 June 2019).

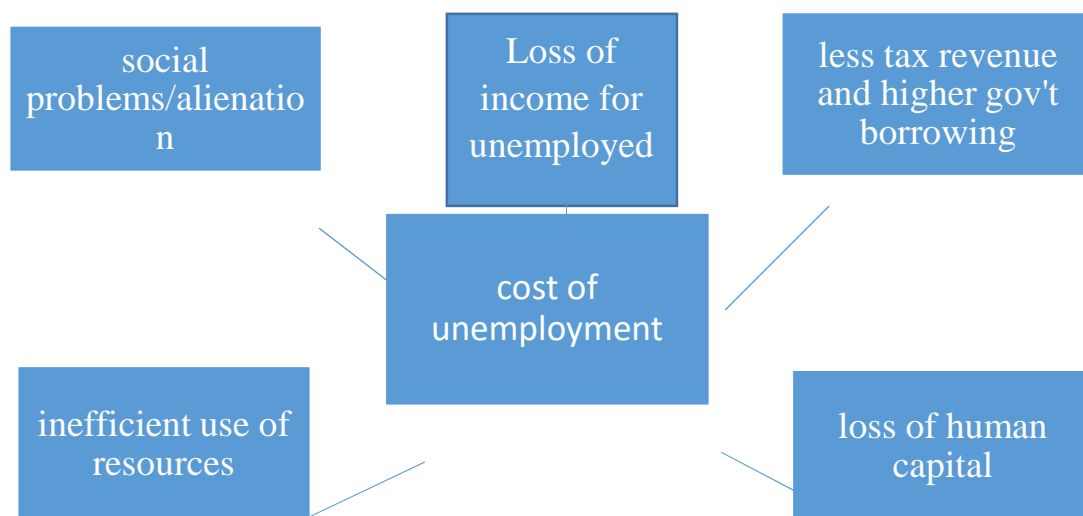


figure2.2 1: Cost of unemployment (Tejvan Pettinger 28 June 2019).

2.8.2.2. underutilization of human resource

Unemployment leads to underutilization of human resources. It educated school leavers remained unemployed, it leads to wastage of recourse invested to create human capital/educated them. Unemployed persons consume resources their sharing of resource and products diminishes/affect the saving capacity of the nation which is reflected by per capita income of individuals (Tejvan Pettinger 28 June 2019).

2.8.3. political consequence

The expansion of unemployment problem could create high violence among people, threat to the social fabric a threat that sooner or later will manifest itself as civil unrest and could lead the unemployed to take action that can cause damage to the individual or society (I. gnacio Rament (1998).

2.9. Determinants of Youth Unemployment

Youth unemployment is a pressing issue in Ethiopia where almost two-thirds of the population is younger than 25 years. Being Ethiopia among the countries with a rapidly growing population coupled with a still backward economy, the proper management and efficient utilization of its work force is essential. In this respect, the capacity of the economy in absorbing the potential Labour force needs to be monitored regularly, and appropriate employment policy should consequently be adopted. The level of unemployment of a country is widely used as an overall indicator in evaluating the current performance of its economy (Bakare A.S (2011).

The problem of unemployment is a global issue at the moment that every nation is striving to control it at its minimum level. However, in developing nations it is getting worse mainly due to the unbalanced relationship between the rate of economic development and the rapid population growth (Bhorat, H. (2008).

Ethiopia is no exception in this regard, and its recent urbanization is aggravating the problem because of the urban migration of people with scarce or nil real working prospects, which therefore often slip into some form of underemployment or remain idle for productive work (Denu, B., Tekeste A., and Deijl V (2005/07).

A high level of unemployment indicates the failure of a country's economy to use its Labour resources effectively. There can be various factors explaining unemployment, such as a low level of general economic activity, recession, inflation, rapid changes in technology, disability, willingness to work and discrimination. In the case of Ethiopia, several factors contribute to the causes of youth unemployment (Denu, B., Tekeste A., and Deijl V (2005/07).

Many young people end up facing extended periods of unemployment, or significant underemployment in jobs that fail to offer career opportunities. The analysis of occupational status and unemployment is therefore essential both in tackling present difficulties and foreseeing future changes.

some of the common Socio- economic and demographic predictors which are expected to influence the occupational status of young men and women in Ethiopia (Amanu’el D, (2016).

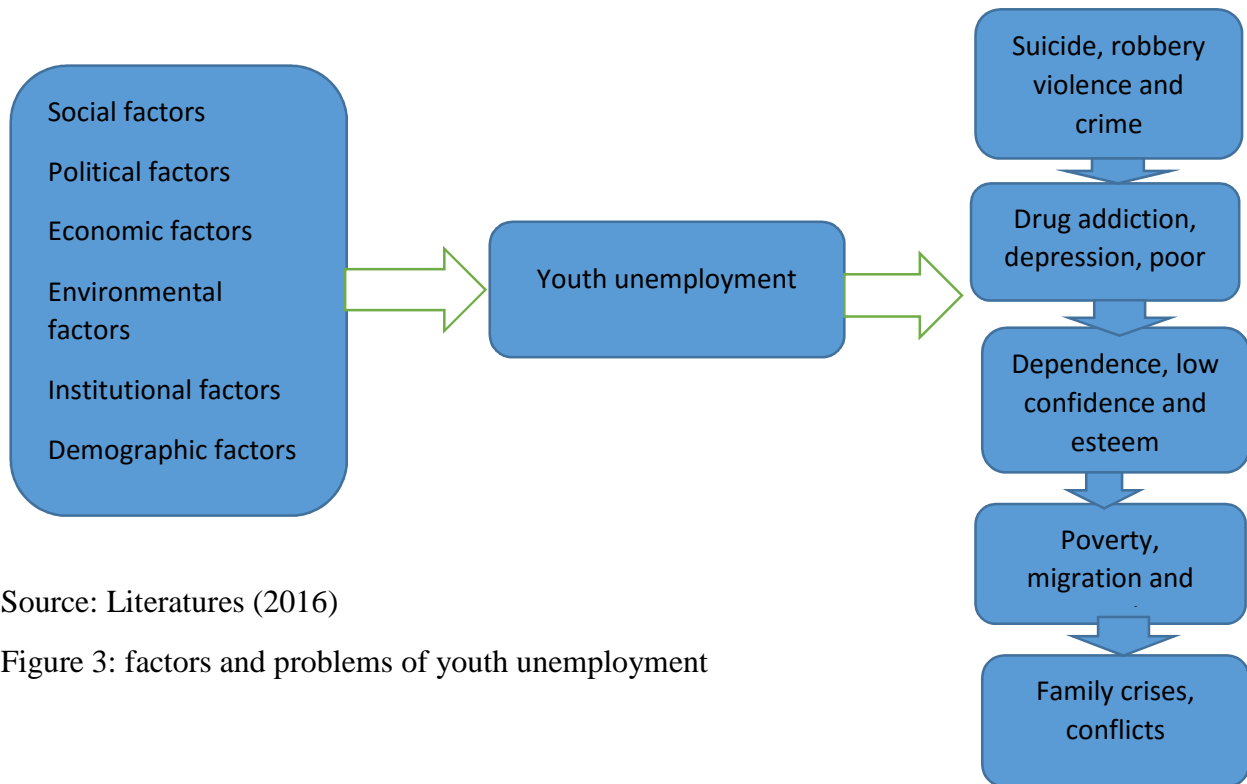
place of residence

age and sex of the youth

educational status of the youth etc.

2.10. conceptual framework

There are different factors and problems of youth unemployment. The factors are Social factors, Political factors, Economic factors, Environmental factors, Institutional factors, Demographic factors and the problems of youth unemployment is suicide, robbery, violence, crime, depression, poor mental health, low confidence, poverty, migration and family crisis.



Source: Literatures (2016)

Figure 3: factors and problems of youth unemployment

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes different topics like what are the methods that are used in the research and what are the technique to analysis the data. In this chapter there is also a selection process of the unemployed youth who participated in this study.

3.2. Research Design

The study was use both Qualitative and Quantitative research design. This is because the study will assess the consequence of unemployment on youth's livelihood in Addis Ababa Kolefe Keranyo sub city.

Devin Pickell (2019) qualitative data is non-statistical and typically unstructured or semi structured. Qualitative research is used for theorizations, interpretations and developing hypotheses. Qualitative analysis uses open-ended questionnaires. Qualitative data can be generated through texts, documents, recording, interview, focus groups and observations. Quantitative data is statistical and typically structured in nature and it uses closed-ended questionnaires. Quantitative data can be generated through tests, experiments and surveys.

purposive sampling and snowball sampling methods are used in this study. Purposive sampling and snowball sampling method are used in both qualitative and quantitative study. The questionnaire will select because; it helps to gather data with minimum cost and it is faster than any other tool. In addition to this, interview will select because this helps to get some facts related to the issue under the study and it is unstructured interview to ask any flexible questions and to ask for any confused information. descriptive and thematic analysis will be selected to analyze the data.

3.3. Research site

The research site of this study is in Kolefe Keranyo sub city around Kara kore. When we select a research sites, we have to consider the time, financial and personal costs involved in conducting the research.

3.4. Research population

The study area was in Addis Ababa. Addis Ababa represents a heterogeneous population in many social characteristics. Addis Ababa is the capital city of Ethiopia established in 1886 and geographically located at the center of the country. The area of the study will be Kolfe Keranio sub city it is a district of Addis Ababa around Kara Kore, the population of Kara Kore is 35,037.

Sampling is the process of selecting a representative group from the population under study. The target population is the total group of individuals from which the sample might be drawn. The target population of this study will be youths who are unemployed.

3.5. Sampling procedures

The sampling selection of this study will be purposive sampling and snowball sampling method. Purposive sampling and snowball sampling method are used in this study.

3.5.1. sample size

Sample size refers to the number of participants or observations included in a study. In this study there will be participants; the participants of this study will be youths that represent the population. The participants are unemployed and unemployment causes different problems on youths. The sample size calculated by using Yamane Taro (1967) is presented below:

$$n = \frac{N}{1 + N(e)^2}$$

Where, n = sample size

N = Total population

e = error of margin

1 = constant

$$n = \frac{N}{1 + N(e)^2}$$

$$\begin{aligned} \text{Thus, } &= \frac{224}{1 + 224(0.05)^2} \\ &= \frac{224}{1 + 0.56} \\ &= \frac{224}{1.6} = 140 \end{aligned}$$

3.6. Data Collection Tools

3.6.1. primary data collection

Primary data is data that is collected by a researcher from first-hand sources, using methods like: letters, experiments, surveys and census, questionnaires and interviews. Primary source is collected directly from the original source. Primary data will be collected in terms of questionnaires and interviews. Primary data collected at the time of field survey.

In this study the questionnaires contain both open-ended and close-ended type of questionnaires. Questionnaires offer a quick way to get results and questioners don't have time constraints. The Questionnaires are administered to the selected respondents of unemployed youth and questionnaires can cover every aspect of a topic. The questionnaires contain items of the participants age, country of origin, marital status and educational level.

Interviews will be used to collect qualitative data and it is a qualitative research technique which involves asking open-ended question to converse with respondents and it is unstructured interview so in this research the researcher will be interview the respondents or participants to collect data.

3.6.2. secondary data collection

Secondary data is data gathered from studies, surveys or experiments that have been run by other people, using methods like: newspaper, books, internet sources, journals, articles etc...., in this study secondary source of data also used.

3.7. Data Analysis

Data analysis is the process of collecting and analyzing data or it describes, illustrate and evaluate data. The data will be analyzed using both qualitative and quantitative data analysis. qualitative data analysis is using through interviews and analyzed in thematically and presented in descriptive way. Thematic analysis is a qualitative data analysis method that involves reading through a data set and identifying patterns in meaning across the data. It also helps the researchers understand those aspects of a phenomenon that participants talk about frequently or in depth. According to Jack Caulfield (September 7, 2021) thematic analysis helps the researcher closely examines the data to identify common themes, topics, ideas and patterns of meaning that come up repeatedly.

Quantitative data analysis is all about analyzing number-based data (which includes categorical and numerical data) using various statistical techniques. In this study descriptive statistical analysis will use, it describes the sample based on the findings within the sample.

3.8. Trustworthiness

Trustworthiness is the ability to be relied on as honest or truthful or it is the ability to keep promises, to be honest, reliable and principled. Trustworthiness relies on the integrity and character of the person (October 29, 2012 Malakoff's Blog).

Qualitative researchers, the methods used to establish trustworthiness include credibility, transferability, dependability and confirmability. For quantitative researchers, the methods used to establish trustworthiness include internal validity, external validity, reliability and objectivity (October 29, 2012 Malakoff's Blog).

Credibility is one method used by qualitative researchers to establish trustworthiness by examining the data, data analysis and conclusions. Credibility methods, quantitative researchers use internal validity methods to establish trustworthiness (October 29, 2012 Malakoff's Blog).

Transferability is another method used by qualitative researchers to establish trustworthiness. In qualitative studies, transferability means applying research results to other contexts and settings in order to get at generalization. This method to provide a detailed description of the study's site, participants and procedures used to collect data. Transferability, quantitative researchers use the method of external validity to establish trustworthiness. External validity is used to generalize from the research sample to the larger population (October 29, 2012 Malakoff's Blog).

Dependability is a method qualitative researchers used to show consistency of findings. Qualitative researchers describe in detail the exact methods of data collection, analysis and interpretation. There can be no validity without reliability, and no credibility without dependability (October 29, 2012 Malakoff's Blog).

Confirmability is a method used by qualitative researchers to establish trustworthiness. Confirmability includes raw data, such as documents, written field notes and records (October 29, 2012 Malakoff's Blog).

Quantitative researchers, reliability is a method used to established trustworthiness. Qualitative researchers use reliability by examining the consistency of a group of measurements or measuring instruments used in a study (October 29, 2012 Malakoff's Blog).

Quantitative researchers use the method of objectivity. Objectivity is used through the methodology of measurements, data collection, and data analysis through which reliability and validity are established (October 29, 2012 Malakoff's Blog).

Therefore, in this study credibility concerning on data collection and data analysis procedure. transferability applying research results to other contexts and settings in order to get at generalization so this study the research result transfer the concept or context to the institution or government that decrease or solve the problem of unemployment.

Dependability used to show consistency of findings so this research show consistency of findings by using questionnaires for participants to get information. Confirmability preference to objectivity, there is confirmability based on the data on this study and achieving objectivity (October 29, 2012 Malakoff's Blog).

3.9. Ethical Consideration

According to Jupp (2006), "An informed consent refers to an ethical principle implying a responsibility on the part of the social researcher to strive to ensure that those involved as participants in research not only agree and consent to participating in the research.

The researcher will be protecting the identity of participants. The researcher will provide clear and precise information to participants so that they can understand the role they are playing in the research and become willing to participate.

CHAPTER FOUR

4. FINDINGS

4.1. Introduction

This chapter presents the major finding of the study. The main purpose of the study was assessing the socio-economic and psychological effects of unemployment on youth's livelihood. To address this, purpose a qualitative and quantitative design was followed. Participants were selected using purposive sampling and data collected through interview and questionnaires and analyze the data through narrations. It also assesses the socio-economic and psychological effects of unemployment on youth's livelihood.

Questionnaires distributed for 130 sampled respondents who were lived in Kolefe Keranyo sub city worda 02, out of 130 questionnaires, 110 (85%) questionnaires were returned. The data were presented in the following manner; First the demographic characteristics of participants was presented, and then the cause, and its related effect of unemployment on youth's livelihood was presented.

4.2 Demographic Characteristics of participants

The respondents are chosen from the sample of unemployment population from Kolefe Keranyo sub city in worda 02. There are 140 sampled respondents out of the total population and 10 of them are key informants Questionnaires distributed for 130 sampled respondents who were lived in Kolefe Keranyo sub city worda 02, out of 130 questionnaires, 110 (85%) questionnaires were returned. The data presents in this section answering the research question on the effects of unemployment on youth's livelihoods and how to coup the problems of unemployment. Most of the respondents have degree and masters while the rest are certificate and diploma. The data presented in the table below describes the demographic characteristics of the participants.

table4.1 1 Background information of key informants

Name	Sex	Age	Marital status	Educational level
P1	Female	29	Married	Masters
P2	Female	27	Single	Degree
P3	Male	26	Single	Masters
P4	Female	28	Married	Masters
P5	Male	25	Single	Degree
P6	Male	22	Single	Degree
P7	Female	24	Married	Degree
P8	Female	21	Single	Degree
P9	Male	26	single	Masters
P10	Female	27	single	Masters

Source: Gathered from study participants July,2021

The above table is the background information of key informants; all are graduated from universities and they are affected by prolonged unemployment. Their support of economy is their family, husband and relatives.

One of the interviewee indicated that; unemployment affects the social, economic, psychological political aspects and it also affect the society in different ways and lack of work experience also one of the cause of unemployment.

table4.2 1 Background information of respondents

Gender	Frequency	Percentage
Male	45	41%
Female	65	59%
Total	110	100%
Age	Frequency	Percentage
15-19	18	16%
20-24	47	43%
25-29	45	41%
Total	110	100%
Resident of Addis Ababa	Frequency	Percentage
Yes	110	100%
No	-	-
Total	110	100%

Marital status	Frequency	Percentage
Married	37	34%
Single	73	66%
Divorced	-	-
Widow	-	-
Total	110	100%
Educational level	Frequency	Percentage
Certificate	18	16%
Diploma	26	24%
Degree	61	55%
Masters	5	5%
Total	110	100%

Source: Gathered from study participants July,2021

Based on the above table the sex of respondents presented in; among the respondents 41% were male and 59% of the respondents were female so in this study there is more female respondents than male.

The age distribution of respondents presented in; the highest age of respondents was found in the age group 20-24 years (43%), 25-29 years had response of (45%), whereas age group between 15-19 years had response of (16%) so in this study the highest age group was 20-24 years. All of the respondents lived in Addis Ababa.

Marital status of respondents; out of the total respondents 66% of the respondents are single and 34% were married. There is no divorced and widowed. Unemployment affects marital life, it delays couple formation, changes the division of Labour within the couple, and increases the risk of couple dissolution. The effect of unemployment is more marked for men than women. In this study majority of the respondents were single.

Educational level of respondents; 55% of the respondents were hold degree, 24% of the respondents have diploma, 16% of the respondents have certificate and the rest 5% of the respondents have masters.

table4.3 1 Analyzing and percentage distribution of respondent on the cause and effect of unemployment on youth's livelihood

Cause and effect of unemployment on Youth's livelihood	Frequency			Percentage%		
	Yes	No	Total	Yes	No	Total
Mismatch between the profession and the work make the person unemployed	57	53	110	52%	48%	100%
Do you think that poor entrepreneurship skill makes the person unemployed.	75	35	110	68%	32%	100%
Do you think that the economic situation of the country makes the person unemployed.	60	50	110	55%	45%	100%
Do you think that family network or relative network is a cause for unemployment?	65	45	110	59%	41%	100%

Source: Gathered from study participants July,2021

Mismatch(difference) between a worker's education and job requirements influence an individual's earnings may provide valuable information to policymakers, allowing them to design policies that could diminish the existence of such a mismatch. 52% of the respondents agree that a Mismatch between the profession and the work makes a person unemployed and the rest 48% disagree with this statement. 59% of the respondents think that lack of family Network is a cause for unemployment the rest 41% disagree with the statement.

The economic cost of unemployment is probably more obvious when viewed through the lens of the national checkbook. Unemployment leads to higher payments from states and federal governments for unemployment benefits, food assistance and Medicaid. Governments to borrow money, which defers the costs and impacts of unemployment into the future, or cut back on other spending. Unemployment results in a waste of economic resources such as the productive Labour force and there by affect the long run growth potential of the economy (Rafik et al., and Eita et al, 2010).

When unemployment rates are high and steady, there are negative impacts on the long-run economic growth. Unemployment wastes resources, generates redistributive pressures and distortions, increases poverty, limits labor mobility, and promotes social unrest and conflict.

55% of the respondents believe that the economic situation of a country is a cause for unemployment. The rest 45% of the respondents disagree with the statement so most of the respondents agree that unemployment affects the country's economy.

The worlds youth are living in countries where they can hardly access sufficient education, capital, paid employments and health services. Encouraging the integration of young people at work and improving their situation in the labor market are the main priorities of the government of Ethiopian (talent youth association (TaYa)2014).

68% agree that poor Entrepreneurship skills lead to unemployment. The rest of the respondent 32% disagree with the statement so most of the respondent agree with poor entrepreneurship skills lead to unemployment.

Entrepreneurship is a solution; entrepreneur's open doors to new ventures, new business and also new alliances. As the number of entrepreneurs, increasing in an economy the growth rate is high, reduction of employment and it also helps in the economic growth of the country.

table4.4 1 Percentage distribution of respondent on the cause and effect of unemployment on youth's livelihood

what things make the youth's unemployed?		Frequency	Percentage%
Lack of education		48	44%
Mismatch of skill		35	32%
lack of entrepreneurship		27	24%
Total		110	100%
Why do unemployed youths migrate?		Frequency	Percentage%
Lack of infrastructural facilities		55	50%
Economic opportunities		40	36%
Looking for better job		15	14%
Total		110	100%
which do you think influences your unemployment most?		Frequency	Percentage%
Place of residence		20	18%
Age		15	14%
Sex		30	27%
Educational level		45	41%
Total		110	100%
what are the solution to reduce unemployment?		Frequency	Percentage%
Giving training of entrepreneur skill		-	-
Reducing corruption		-	-
Increase the economic sector		-	-
All		110	100%
Total		110	100%

Source: Gathered from study participants July,2021

In particular, in Ethiopia, in adequate business skills, sustained administrative support as well as lack of access to finance are reasons for high unemployment. Things that make the youths unemployed; most of the respondents answered lack of education and mismatch of skill makes the person unemployed, the rests are answered lack of entrepreneurship so this indicates that; things that make the youths unemployed is lack of education and mismatch of skill.

Migration is a global phenomenon caused not only by economic factors, but also by social, political, cultural, environmental, health, education and transportation factors. Migration is the movement of people from one location to another and widely associated with change of permanent place of residence. Reasons of migration are lack of employment opportunities resulting low standard of living conditions among different socio-economic groups.

There are different factors of migration; economic factors, demographic factors, socio-cultural factors and political factors. Factors that migrate unemployed youth are lack of infrastructural facilities, economic opportunities and looking for better job etc....

Many of the respondents indicates that economic opportunities and lack of infrastructure is the reason that unemployed youths migrate. Economic opportunities like prospect of higher wages, better employment opportunities and desire to escape the domestic social and political situation of their home country is the reason that why unemployed youth's migrate.

There are factors that influence or challenge youth unemployment; Sex is the difference between female and male. Female are vulnerable both in short term and long term unemployment than males (Hallerod,2006); the reasons behind female's unemployment is that girls spend much time in doing domestic work than boys (Asalfew 2011). Age also negatively affect youth unemployment. Most of the respondent answer educational level is more influence unemployment the other respondents answered the rest so educational level is more influence on unemployment.

Education; young people with some education are vulnerable to unemployment due to the lack of knowledge and skills required by the Labour market, there is also mismatch between the demand and supply of education. Less educated youth has also been faced the challenge of being unemployed in Ethiopia so unemployment is higher for youth who had limited education than better educated ones. In this study the result indicated that the above factors are negatively affect youth unemployment and place of residence also negatively affect youth unemployment; youth

unemployment problem is different from country to country, in developing country there is high rate of unemployment and in other there is low rate of unemployment so unemployed person migrate or move to urban areas or other countries to improve their status and learn new skills.

4.3. cause and effect of unemployment on youth's livelihood

There are many cause and effect like Social, Psychological and economical effects of unemployed youth. (Ballesteros et al. 2018) over education is to assess the potential effect of young workers accepting jobs with the requirements below their educational attainment at the initial stages of their working career. Mismatch between a worker's education and job requirements influence an individual's earnings may provide valuable information to policymakers, allowing them to design policies that could diminish the existence of such a mismatch. Unemployment affects the social, economic and psychological aspects of youths.

4.4. Explain how youth unemployment affects the economic wellbeing of unemployed youth

4.4.1. Economic effects

Economic effects of unemployment on youth's; the financial problems which are rising from prolonged unemployment. It is known that we cannot buy anything without money.

One of the participants indicated that *due to the loss of income, unemployed individuals will be unable to earn money to meet financial obligations; unemployed individuals are unable to maintain the minimum standard of living.* most of the respondents living with their family and the rests are with their husband and relatives. The respondents source of economy is there family and the rests are there husband and relatives.

Unemployment affects the livelihood of youth's economically; one of the interviewer indicates that; *unemployment affects the youths in terms of career paths and future earnings.*

4.5. examine the effects of youth unemployment that affects the social status of unemployed youth

4.5.1. Social effects

Effects of unemployment on youth's social livelihoods. Discouragement and alienation from society; the longer that youth people are without employment, the more difficult it becomes to reintegrate into the Labour force and discouraged youth are in danger of feeling useless and alienated from society. Family members of an unemployed person are also at risk of the negative impact of unemployment. According to the society for the psychological study of social issues, individuals who are unemployed have less family and marital satisfaction and increased family challenges compared to unemployed people.

Communities with high unemployment rates are more likely to have limited employment opportunities, low quality housing, fewer available recreational activities, limited access to public transportation and public services and underfunded schools.

In this study most of the respondents indicates that; *the social interaction and communication with different people is low because of unemployment; without money the social interaction is not become better.* Others indicates that; *unemployed people can't interact much because of economic and psychological problems and unemployment affects social interaction and it leads to discrimination because of money scarcity.* The respondents also say *unemployed people make a crime to meet their economic needs.*

4.6. explain the psychological status of youth is being affected by unemployment

4.6.1. Psychological effects

Psychological effects of unemployment on youth's livelihood; unemployment affects a person psychologically. Numerous studies have revealed a relationship between unemployment and lack of self-esteem and confidence leading to depression. Besides, there is an increased anxiety and stress levels which lead to psychosomatic disease, personal worthless and powerlessness. One of the participants indicate that *when a person is unemployed it's going to lead anxiety and stress. The rests are indicating unemployed person loss his or her confidence and they are not self-esteemed.* Unemployed individuals not only lose income but also face challenges to their physical and mental health.

4.7. Effects of youth unemployment on the society

Unemployment affects not just the person himself but also his/ her family and in the long run the society where they live. The respondents indicated that unemployment brings with unhappiness and despair.

Life expectancy is the way which people living in a time/place are able to satisfy their needs/wants. The respondents indicated that unemployment leads to mental health problems like: low self-confidence, feeling unworthy, depression and hopelessness. Unemployment may bring a decrease in social outings and interactions with other people, including friends. Unemployment decreases the living standard of people with the salaries packages and income reduced. one of the interviewer indicates that; *“I am 27 years old I live with my family in Kolefe Keranyo sub city and I am graduated from Gonder university in Hydraulics engineering; now a day I have no job this thing affects my social interaction with my friends, relatives and it also affect psychologically; it leads me stress because of unemployment and still am depend on my family”*.

Job loss might bring a certain stigma as well as feelings of shame and worthlessness. This loss of social prestige may be reflected in the subjective perception of occupying a lower social status. There are many social evils like dishonesty, immorality, drinking, gambling, robbery etc. are the outcome of unemployment; it causes social disruption in the society.

4.8. How unemployed youth cope with the challenges of livelihood needs

Youth unemployment face many challenges and youth unemployment results in malnutrition, mental illness and loss of self-confidence resulting in depression. It also associated with high stress leading to persons committing suicide and poor physical health.

One of the participants indicated that; the challenge of unemployment solution is by encouraging and supporting the youths by working in different sector and by giving them training about how to get a job. The other participants indicate that; *“I challenge the livelihood needs by the support of my family because I live with my family with no job so they support me in each and every part of my life”*.

4.9. Mechanisms to cope up the problem of youth unemployment

There are solutions to reduce youth unemployment; policy suggestions to reduce structural unemployment include providing government training programs to the structurally unemployed, paying subsidies to firms that provide training to displaced workers, helping the structurally

unemployed to relocate to areas where jobs exist, and including prospective workers. Respondents indicated that government make a policy that reduce unemployment, giving training to the youths about how to get job or how to create a job and change in the education system. The youths challenge the unemployment by the support of their family, relatives and friends.

4.9.1. Education and training programs

Initiatives or extracurricular instruction that target the skills gap can focus on anything from employability skills to job. This kind of education will be embedded into national curricula, tackling the skills gap. The training programs include our work the change initiative and be the change academies, which provide young people with the skills they need to succeed in their careers (September 9, 2015 In News).

One of the participant indicates that; the private sector government and education systems need to start collaborating to determine what knowledge and skills young people should be taught in order to find rewarding work. They need to take a more active role in promoting appropriate education and skill-building for young people from an early age.

The very first solution for the unemployment is to control the rising population of our country. Government should motivate people to have small families. One of the participants indicated that *“give or promote employment opportunities and income generating activities for the unemployed and other vulnerable”*. Expand public works programmes and other employment generation interventions. There are also ways to solve unemployment problems like ensuring political stability, enhancing the educational standards, control of population growth in the nation, launch new empowerment programmes, encouraging self- empowerment/entrepreneurship, reducing the age of retirement and avoid laziness.

4.9.2. Policy to reduce unemployment

National policy on unemployment the main government aims for the economy are full employment, price stability, economic growth, redistribution of income and stability of balance of payments. Policies to reduce supply –side unemployment like employment subsidies; firms could be subsidies for taking on long-term unemployed, this helps give them new confidence and on the job training.

Improved geographical mobility; unemployed is more concentrated in certain regions. To overcome this geographical unemployment, the government could give tax breaks to firms who set up in depressed areas. Maximum working week would lead to firms needing to hire more workers and reduce unemployment.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

This study to explore the socio-economic and psychological effect of unemployment on youth's livelihoods and How unemployed youth cope with the challenges of livelihood needs. There are effects of unemployment like economic, social and psychological.

Economic effects of unemployment on youth's livelihoods; affects the disposable income of families, erodes purchasing power, diminishes employee morale and reduces an economy's output. Because of unemployment unemployed youths face fewer career development opportunities, lower wage level, poorer prospects for better jobs.

There are also social effects of unemployment on youth's livelihoods; unemployment affects the society in different ways like when there are high unemployment rates in communities there is limited employment opportunities, low quality housing, fewer available recreational activities and underfunded schools. Some of the results indicated that when someone is unemployed the communication of that person is low, his or her relationship with their friends, relatives and other peoples is low because of unemployment.

Unemployment also affects the society; when someone lost his/her Job it might bring a certain stigma as well as feelings of shame and worthlessness. This loss of social prestige may be reflected in the subjective perception of occupying a lower social status. There are many social evils like dishonesty, immorality, drinking, gambling, robbery etc. are the outcome of unemployment; it causes social disruption in the society.

Psychological effects of unemployment affect the unemployed youth (how psychological effects of unemployment affects the unemployed youth. Unemployment among young people has been associated with higher mortality rates due to suicide and alcohol related mortality.

Unemployment among youths may increases the risk of psychological crises such as low self-esteem, depression and loss of confidence. Unemployment has been linked with a number of psychological disorders, anxiety, depression and substance abuse; dangerous behaviors including suicide and violence toward family members.

This study to assess the social, psychological and economic effects of unemployment on youth's livelihood and to assess the cause and consequence of unemployment.

Overall, unemployment affects youth's livelihood in social, psychological and economic aspects. The participants indicated that unemployment affects their livelihoods in economic, social and psychological aspects. Unemployment is the overall problem in the world so it needs to solve to create a good social, psychological and economic way of life.

5.2. Recommendation

This study identified multiple of factors for unemployment and unemployment is a savior problem in the world so unemployment needs a solution or to solve the problem of unemployment. Therefore, there are recommendation based on the findings.

- To reduce unemployment, the education system should be changed so the government give attention to the education system.
- The government or other concerned sector should give entrepreneurship skill and other training to solve the problem of unemployment.
- Reduce mismatch between the job and skill so the sectors or the companies consider these things to solve the problem of unemployment.
- The government or concerned sector give attention to the national employment policy and strategy of Ethiopia.
- The Ethiopian government encouraging young people to start small businesses in order to reduce the rate of youth unemployment.
- To create jobs to involves raising the incentive for companies to employ people and giving technical training to help them in securing suitable jobs in appropriate lines of education.

5.3. Implication for Policy

The Ethiopian government should work more on the national policy of unemployment to solve the problem of unemployment. The government should give attention and follow up the policy to get a good result on creating job and solving the problem of unemployment.

5.4. Implication for Social Work On Unemployment

Social work is dedicated to improving practice and advancing knowledge in social work and social welfare. Social workers can help their clients with each of the action items.

Guiding them through the process of applying for unemployment benefits, providing emotional and mental health support, helping them develop a sound self-care plan. Connecting them to unemployment and job search resources in their community, providing advice on career and life transitions, helping them set personal and professional goals, developing a daily, weekly and monthly schedule to achieve these goals.

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APPENDIX

St. Mary's University

School of Graduate Studies

Socio-economic and Psychological impact of unemployment on youth's livelihood

I am Meron Dejene a Student of St. Mary's university. This is a master's study a requirement for masters of social work entitled the "Socio-economic and Psychological Effects of unemployment on youth's livelihood" in Addis Ababa. This questionnaire is for youths who are unemployed. Your response to this questionnaire items is highly contributing to the success of this study. You are kindly requested to fill this questionnaire honestly as possible.; your response enable the study to achieve the objectives. All the data will be kept confidential. No need of writing your name.

Part One: personal information

Background information of the respondents

1. sex A. Male B. Female
2. Age A. 15-19 B. 20-24
 C. 25-29
3. Resident of Addis Ababa yes B. No
4. Marital status
- A. Married C. Divorced
- B. Single D. Widow
5. Education level
- A. Certificate C. Degree
- B. Diploma D. Other

Part Two: question on the cause of unemployment on youth's livelihood

1. Mismatch between the profession and the work make the person unemployed

Yes

No

2. what things make the youth's unemployed

A. Lack of education

C. lack of entrepreneurship

B. Mismatch of skill

3, Do you think that family network or relative network is a cause for unemployment?

Yes

No

4. Why do unemployed youths migrate?

A. Lack of infrastructural facilities

B. Economic opportunities

C. Looking for better job

D. If other specify

Part Three: question on the effect of unemployment on youth's livelihood.

1. How do you make up a living and with whom are you living?

.....
.....

2. who supports you economically?

.....

3. Do you work? If not, Why?

.....
.....

4. If you are not working what is the source of your living?

.....

5. which do you think influences your unemployment most?

- A. Place of residence
- B. Age
- C. Sex
- D. Educational level

6. How your educational status affects your employment opportunities?

.....

7. Do you think your sex affects employment? How?

.....

8. which social factors affects your employment opportunities?

.....

.....

9. which economic factors affects your livelihood because of unemployment?

.....

.....

10. what are the psychological factors that affects your livelihood because of unemployment?

.....

11. Do you think that poor entrepreneurship skill makes the person unemployed.

Yes No

12. Do you think that the economic situation of the country makes the person unemployed.

Yes No

13. If your answer for question No 5 is yes. How?.....

Part four: question on how unemployment affects livelihood of the youth.

1. How unemployment affects your livelihood?

.....

2. How unemployment affects your economical aspect?

.....

3. How unemployment affects your social interaction?

.....

4. How unemployment affects your psychological status?

Part Five: question on how unemployed youth cope with the challenge of livelihood needs.

1. How do you cope with the challenges of livelihood needs?

2. what are the mechanisms to solve the problem of unemployment?

3. what are the solution to reduce unemployment

A. Create job opportunities

B. Giving training of entrepreneur skill

C. Reducing corruption

D. Increase the economic sector

E. All

4. which stake holders are responsible for reducing unemployment rate.

A. Government

C. Formal sector

B. private sector

D. All

5. What is the responsibility of Government in reducing unemployment.?

Part Five

Interview Guide

Socio-economic and Psychological impact of unemployment on youth's livelihood

I am Meron Dejene a student of St. Mary's university. This is a masters study a requirement for masters of social work entitled the "consequences of unemployment on youth's livelihood" in Addis Ababa. This interview guide is for youths who are unemployed. Your response to this interview items is highly contributing to the success of this study. You are kindly requested to give information for the interview items honestly as possible.; your response enable the study to achieve the objectives. All the data will be kept confidential. No need of writing your name.

1. what are the cause of unemployment on youth's livelihood?
2. what are the effect of unemployment on youth's livelihood?
3. what are the socio-economic effects of unemployment on youth's livelihood?
4. what are the Psychological effects of unemployment on youth's livelihood?
5. what are the strategies of government to cope up the problem of unemployment?