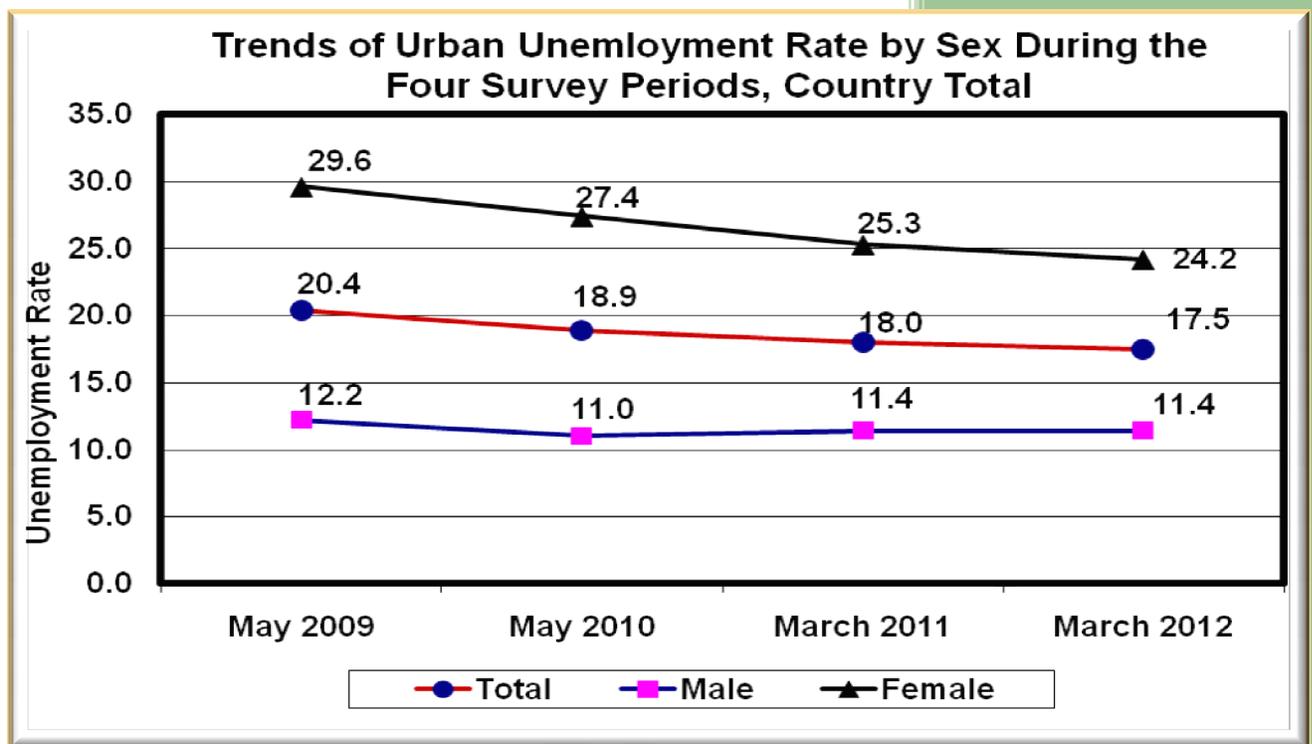


THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA CENTRAL STATISTICAL AGENCY

KEY FINDINGS ON THE 2012 URBAN EMPLOYMENT UNEMPLOYMENT SURVEY



Addis Ababa
September 2012

1. INTRODUCTION

Ethiopia being one of the African countries with relatively fast growing population coupled with developing economies, proper management and efficient utilization of its work force is essential. In this respect, the capacity of the economy in absorbing the labour force needs to be monitored regularly and appropriate employment policy should consequently be adopted. Thus, the level of employment and unemployment of the country is widely used as overall indicators in evaluating the current performance of the economy. The analysis of employment status is therefore essential both in reflecting the current employment situations and foreseeing future changes.

Labour force survey is one of the most important sources of data that provides information regarding the level of employment and unemployment as well as the potential labour force of the country. It serves as an input to assess the achievement of the Millennium Development Goals (MDGs). Furthermore, it is also important to monitor and evaluate the five years Growth and Transformation Plan (GTP) of the country.

The 2012 Urban Employment Unemployment Survey is designed to provide data on employment and unemployment at national and regional urban levels. The survey follows a household approach and covers all urban areas of the country except the pastoralist areas of three zones of Afar and six zones of Somali regions. A total of 19,800 households were selected from 660 enumeration areas using systematic random sampling method of which 99.9 percent of the households are successfully covered by the survey.

This executive summary provides Key Indicators of Labour Market (KILM) such as activity rate / labour participation rate/, employment to population ratio, proportion of employed persons by occupation and industry, status in employment, employment in the informal sector, unemployment rate...etc. The comparison of the four survey results are presented in summary Table 1 and 2 at the end of this booklet. The detailed results of the March 2012 survey are also presented with brief descriptions together with statistical tables in the Statistical and Analytical reports. This booklet presents a summary of the main findings of the 2012 survey.

2. EMPLOYMENT IN URBAN AREAS

2.1. Economically Active, Not Active and Activity Rate of Urban Population

The survey reveals that the total urban population of the country was estimated to be 14,011,269 of which 11,110,653 persons (79.3 percent) were aged ten years and above in March 2012. The economically active population comprises employed and unemployed persons aged ten years and above. The size of economically active persons based on the current status approach was 6,944,691 (62.5 percent) out of the total population aged ten years and above. The economically not active persons who were neither engaged in productive activities nor available to furnish their labour due to homemaking activities, attending school, old age/pensioned, illness, too young to work...etc account 4,165,962 persons (37.5 percent). Among the population not active, the proportion of not active female is significantly higher (62.2 percent) than male (37.8 percent).

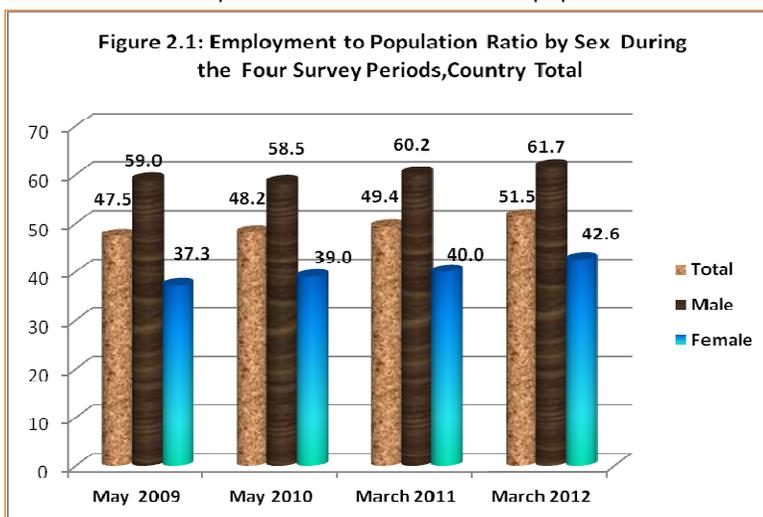
Economic activity rate or labour force participation rate is the percentage of the economically active population to the total population of economically active plus not active population. The activity rate at national urban level is about 63 percent. This implies 63 persons are active to participate in the production of goods and services out of 100 persons aged ten years and above. As shown in summary Table 1, the activity rate in March 2012 is greater than the rate observed in May 2009 and 2010 and March 2011. Region wise, Affar, Amhara, Oromia, Benishangul-Gumuz, Harari and Dire Dawa Administration reported the activity rates above the national average. The lowest activity rate is observed in Gambella Region (51.5 percent).

2.2. Employment to Population Ratio

At country urban level, the size of employed population aged ten years and above was 5,726,116 persons in March 2012. As compared to the May 2009 (4,547,266 employed persons); the March 2012 figure has shown a significant increase by 1,178,850 persons (25.9 percent).

On the other hand, employment to population ratio provides information on the extent to which the population is engaged in productive activities. It is calculated as the percentage of total employed persons to the total population aged ten years and above. A high employment to population ratio implies large proportion of the population is employed, while low employment to population ratio reflects large share of the population is not involved in productive activities due to unemployment or out of the labour force.

According to March 2012 survey, the employment to population ratio of urban population was 51.5 percent. This means 51.5 percent of the total urban population of the country aged ten years and above are



employed. The employment to population ratio shows an increasing trend from the survey periods May 2009 to March 2012. The differential by sex also depicts that the ratio of males (61.7 percent) is significantly higher than females (42.6 percent) (Figure 2.1).

With regard to regions, Benishangul-Gumuz region exhibits the highest employment to population ratio (64.9 percent), while Somali region demonstrates the lowest ratio (46.7 percent) in March 2012 (Summary Table 1).

2.3. Employment by Occupational Groups

The majorities of employed persons (44.8 percent) were Service, Shop, Market sales, Craft and related Trade workers out of 5,726,116 employed persons at country urban level. Those employed persons who were in the Elementary Occupations occupy the second position (22.6 percent). Professionals, Technical and Associate Professionals together constituted 12.9 percent. The lowest percentage share is observed for Skilled Agricultural and Fishery workers accounted 6.0 percent, Clerks 5.5 percent and Plant Machine Operators and Assemblers 5.3 percent. Legislators, Senior Officials and Managers share 2.9 percent of the total employed population in March 2012.

The percentage share of Service, Shop, Market and Sales workers shows an increasing trend, while Legislators, Senior Officials and Managers, Professional together with Technical and Associate Professionals and Skilled Agricultural and Fishery workers illustrate a declining trend during the four consecutive survey periods (Summary Table 2).

2.4. Employment by Industrial Divisions

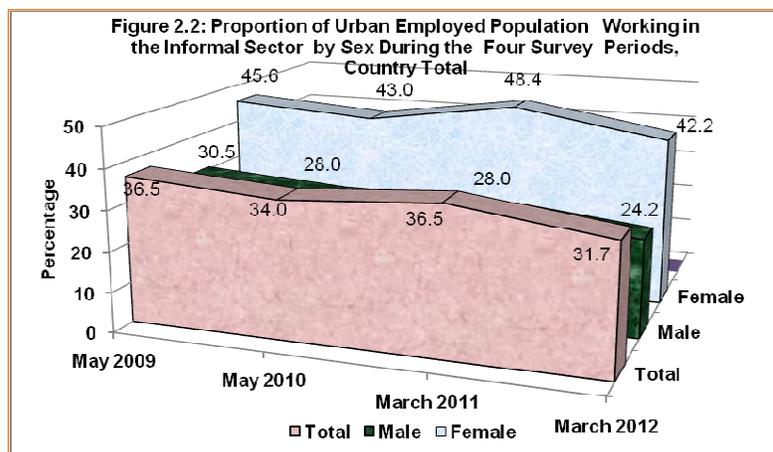
The highest proportion about half of the employed persons are absorbed by the Service sectors, which include Public Administration, Defense, Compulsory Social Security, Education, Health and other Social activities, Hotel and Restaurant followed by Wholesale and Retail Trades (21.6 percent). Manufacturing, Mining, Quarrying and Construction industrial divisions constituted (20.5 percent). Agriculture, Hunting, Forestry and Fishing sectors share only 8.2 percent in March 2012.

Periodical analysis of employment by industrial sectors shows an increasing pattern among the employed persons in other Service Sectors, while the Agriculture Forestry and Fishing declined from May 2009 to March 2012 (Summary Table 2).

2.5. Employment in the Informal Sector

According to March 2012 survey, 1,634,069 persons were engaged in the informal sector out of the total 5,152,260 urban employed population. This make up 31.7 percent of the total employment in urban areas. The proportion of employed persons who have been working in the informal sector declined from 36.5 percent in May 2009 to 31.7 percent in March 2012. Females who work in this sector is significantly higher than males during the four survey periods (Figure 2.2).

Summary Table 1 also shows that the highest proportion of employed persons who work in the informal sector found in Somali and Affar regions 54.4 percent and 51.1 percent, respectively. The lowest proportion is found in Addis Ababa City Administration (12.8 percent) in March 2012. The percentage of employment in the informal sector in Addis Ababa City Administration and Tigray Region declines, while the shares in Affar region demonstrate an increasing trend during the four survey periods.



Note:The aforementioned figure for urban employed population excludes subsistence farmers and domestic paid workers.

2.6. Mean Hours Worked Per Week

Summary Table 2 illustrate that the mean hours worked per week was 43.8 hours in March 2012. The mean hours of work fluctuate from May 2009 to March 2012. Male hour of work is higher than female during the four survey periods.

3. Unemployment in Urban Areas

Unemployment is measured using the following three criteria: i) without work ii) available for work and iii) seeking work (ILO, 1990). However, this definition varies in the context of developing and developed countries. In the developed countries where the labour market is largely organized and labour absorption is adequate, unemployment is measured based on the standard definition of the seeking work criteria that is having taken active steps to search for work during specified reference period.

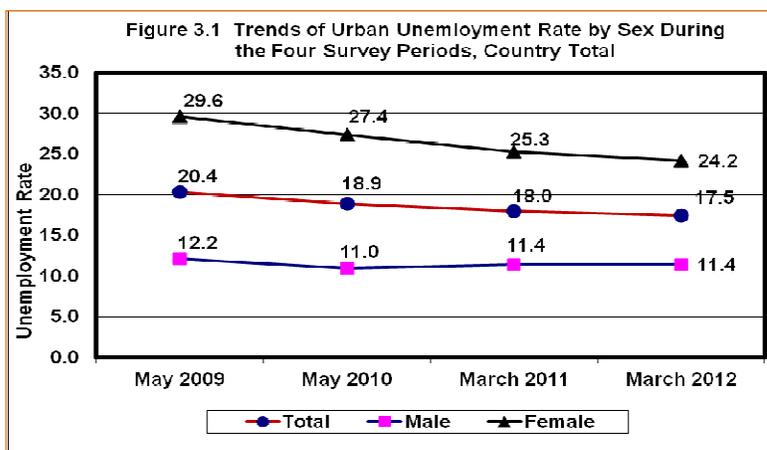
On the other hand, in developing countries like Ethiopia, where there is no strong labour market information, labour absorption is inadequate and where the labour force is predominantly self employed, the standard definition with its emphasis on seeking work criteria is somewhat restrictive and might not fully capture the prevailing employment situation. In order to measure unemployment depending on the existing labour market situations special provisions are made to relax the definitions. These are partially and completely relaxed definition of unemployment. Thus, the completely relaxed definition which measures unemployment in relation to "without work" and "availability for work" criterion is found to be more plausible in most developing countries.

The completely relaxed definition of unemployment, which best suits the Ethiopian labour market situations, includes persons who had no work but available for work. They may either seeking work or not seeking /discouraged job seekers/. Discouraged job seekers are those unemployed who want a job but not taking any active steps to search for work because they thought that job is not available in the labour market.

3.1. Unemployment Rate at National Urban level

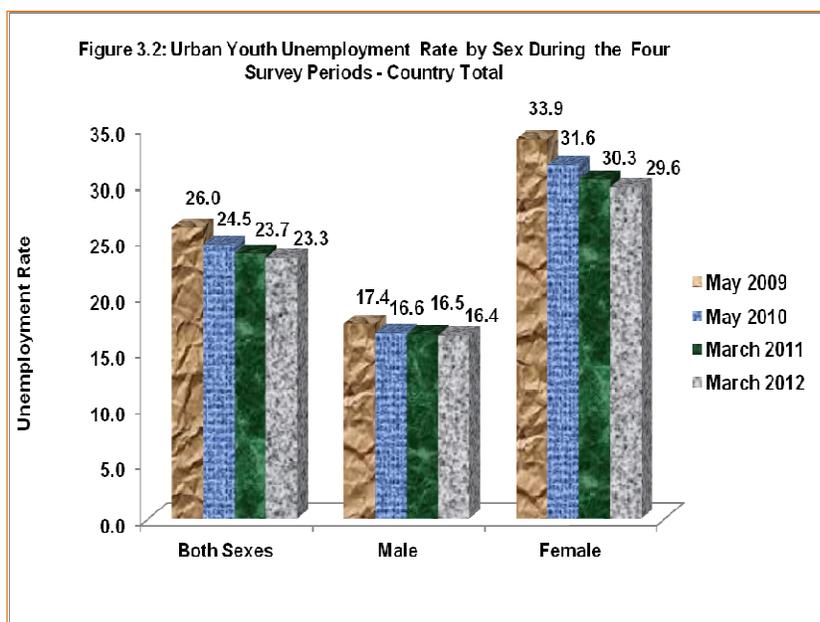
Unemployment rate is computed as the proportion of the unemployed persons to the total economically active population. The March 2012 survey result reveals that unemployed population in urban areas of the country was 1,218,574 with unemployment rate of 17.5 percent. This means that nearly 18 persons are unemployed out of 100 economically active persons aged ten years and above. The differentials of unemployment rate by sex show that female unemployment rate (24.2 percent) is more than double as compared to male (11.4 percent).

As shown in Figure 3.1, the total unemployment rate shows a declining trend from 20.4 percent in May 2009 to 17.5 percent in March 2012. The comparison of this recent unemployment rate exhibits a decline of 2.9 percentage point. As regards by sex, females are more affected by the incidence of unemployment than males. However, the pattern for unemployment trend for female shows a straight down ward than their counterparts.



3.2. Youth Unemployment Rate in Urban Areas

According to the national context, youth comprises those persons aged 15-29 years. The rate of youth unemployment in urban areas was 23.3 percent in March 2012. Female and male youth unemployment rate were 29.6 percent and 16.4 percent, respectively. The overall youth unemployment rates show a declining trend from May 2009 to March 2012. The change of male and female unemployment also shows a decline during the four survey periods. However, female youths are more affected by the problem of unemployment than their male counterparts (Figure3.2).

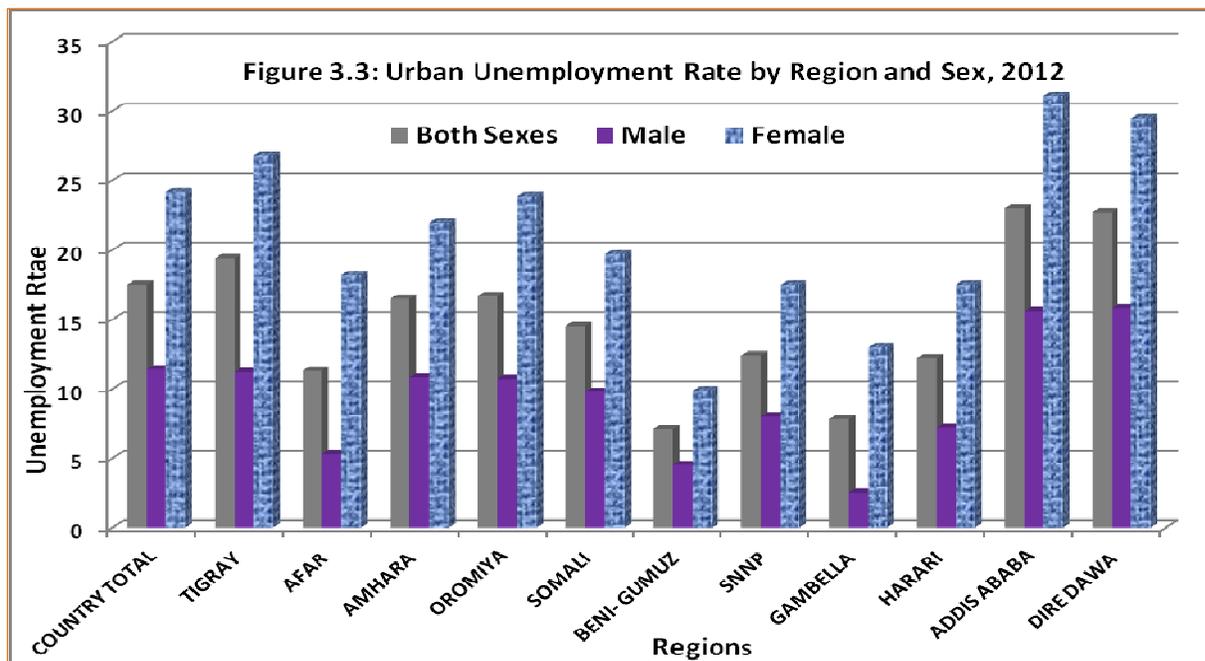


3.3. Unemployment and Literacy Status

Throughout the four survey periods, the overall unemployment rate of literate persons is higher than illiterate persons. Summary Table 2 shows that the unemployment rate of literates as well as illiterate depict a declining pattern during the four survey periods. Female unemployment rate is significantly higher than male in both literate and illiterate categories.

3.4. Unemployment Rate in Urban Areas of Regions

Regarding unemployment rate by region, the highest rate was observed in Addis Ababa City Administration (23.0 percent) followed by Dire Dawa Administration (22.7 percent), while the lowest unemployment rate was recorded in Gamebella Region (7.8 percent) and Benishangul-Gumuz Region (7.1 percent) in March 2012. The unemployment rate among female is higher than male in all regions. Unemployment shows a declining trend in Benishangul–Gumuz, Addis Ababa City Administration and Harari regions during the four survey periods (Summary Table 1 and Figure 3.3).



3.5. Status of Previous Work Experience and Duration of Unemployment

Out of the total urban unemployed persons in the country, 53.4 percent had no work experience and 46.4 percent have had previous work experience prior to the survey date. Among those unemployed persons who had prior work experience, females are higher than males, whereas male unemployed are more dominant than female among those without previous work experience. Summary Table 2 also depicts that 63.7 percent of the unemployed persons are jobless for less than 13 months. The unemployed persons who stay without jobs for 96 months and above, accounts 7.5 percent in March 2012.

Summary Table 1: Key Indicators of Urban Employment and Unemployment by Region and Sex during the Four Survey Periods

Region and Sex	Activity Rate / Labour Force Participation Rate				Employment to Population Ratio				Proportion of persons Who Work in the Informal Sector				Unemployment Rate			
	May	May	March	March	May	May	March	March	May	May	March	March	May	May	March	March
	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
COUNTRY TOTAL																
Total	59.7	59.4	60.3	62.5	47.5	48.2	49.4	51.5	36.5	34.1	36.5	31.7	20.4	18.9	18.0	17.5
Male	67.2	65.7	67.9	69.7	59.0	58.5	60.2	61.7	30.5	28.3	28.0	24.2	12.2	11.0	11.4	11.4
Female	53.1	53.7	53.5	56.2	37.3	39.0	40.0	42.6	45.6	42.5	48.4	42.2	29.6	27.4	25.3	24.2
TIGRAY																
Total	58.9	56.5	55.5	61.2	46.5	46.2	45.0	49.3	34.9	32.2	30.2	29.7	21.1	18.2	18.9	19.4
Male	66.3	62.7	61.9	67.0	57.3	56.0	55.2	59.4	25.7	21.5	21.9	23.1	13.6	10.6	10.8	11.2
Female	53.2	51.5	50.5	56.9	38.1	38.3	37.1	41.6	46.1	45.2	39.5	37.2	28.3	25.7	26.6	26.8
AFFAR																
Total	54.1	52.0	59.6	68.1	46.2	45.1	49.2	60.4	45.1	40.0	41.1	51.1	14.6	13.4	17.4	11.3
Male	66.3	62.4	68.3	75.4	60.7	59.0	62.2	71.4	39.7	33.4	32.5	40.4	8.4	5.5	8.9	5.3
Female	41.9	42.7	50.9	61.3	31.7	32.5	36.3	50.2	55.4	50.8	56.3	64.3	24.4	23.8	28.7	18.3
AMHARA																
Total	59.9	57.9	61.0	64.4	50.6	48.9	49.2	53.8	42.0	34.0	40.0	35.8	15.5	15.7	19.3	16.5
Male	67.3	64.4	68.0	70.9	62.0	58.6	59.4	63.2	34.8	27.8	30.3	26.0	8.0	8.9	12.6	10.8
Female	53.6	52.5	55.1	59.2	41.0	40.5	40.7	46.1	52.0	42.2	52.3	47.5	23.4	22.8	26.1	22.0
OROMIYA																
Total	58.5	58.9	61.2	63.0	47.3	49.5	52.5	52.5	41.8	41.3	43.5	35.2	19.2	16.0	14.1	16.7
Male	66.5	65.2	69.3	70.9	59.1	59.6	63.6	63.3	34.2	33.3	33.2	26.9	11.0	8.5	8.3	10.7
Female	51.4	53.2	53.7	55.6	36.7	40.2	42.4	42.2	53.2	52.6	58.0	47.5	28.7	24.4	21.0	23.9
SOMALI																
Total	51.5	45.0	46.8	54.6	41.1	38.9	38.8	46.7	54.6	46.5	53.5	54.4	20.2	13.5	17.2	14.5
Male	56.8	53.3	51.3	57.7	50.0	49.5	45.0	52.0	46.1	40.4	40.7	42.2	11.8	7.1	12.2	9.8
Female	46.0	36.5	42.2	51.6	31.7	28.1	32.3	41.4	68.9	56.1	71.8	68.5	31.1	22.9	23.4	19.7
BENI. GUMUZ																
Total	64.0	61.5	61.2	69.8	55.3	55.3	55.5	64.9	39.9	41.9	44.0	37.1	13.6	10.1	9.3	7.1
Male	69.1	68.8	70.2	75.8	64.2	66.7	67.3	72.3	33.0	33.5	33.3	24.0	7.1	3.0	4.2	4.5
Female	59.3	54.5	53.2	64.0	47.1	44.3	45.0	57.6	48.9	53.6	58.0	54.1	20.6	18.7	15.4	9.9
S.N.N.P.																
Total	60.2	59.5	62.2	62.5	50.9	51.0	54.8	54.7	39.1	39.5	43.8	39.5	15.5	14.2	11.8	12.4
Male	66.5	66.3	68.9	68.2	61.2	61.8	64.3	62.7	30.3	30.8	34.3	29.0	7.9	6.8	6.7	8.0
Female	54.2	53.1	55.8	57.1	41.1	41.0	45.9	47.1	51.6	52.3	56.6	53.6	24.2	22.8	17.7	17.5
GAMBELLA																
Total	55.6	54.1	54.4	51.5	46.0	47.3	50.2	47.4	41.2	42.1	51.1	38.7	17.3	12.7	7.7	7.8
Male	62.2	58.9	56.8	56.1	57.8	54.1	52.5	54.7	26.8	23.7	31.2	22.6	7.1	8.1	7.6	2.5
Female	49.6	50.2	52.2	47.5	35.3	41.6	48.1	41.3	61.0	61.7	68.6	55.7	28.7	17.1	7.8	13.0
HARARI																
Total	61.4	62.0	68.1	65.0	52.5	52.5	58.8	57.0	38.4	34.3	37.3	35.3	14.4	15.3	13.6	12.2
Male	67.8	67.5	71.1	70.5	62.3	62.7	65.4	65.5	28.7	27.6	27.3	27.3	8.1	7.2	8.1	7.2
Female	55.8	57.1	65.3	60.0	44.0	43.7	52.8	49.5	50.6	43.1	49.3	45.2	21.1	23.6	19.1	17.5
ADDIS ABABA CITY ADMINISTRATION																
Total	62.3	64.5	61.2	61.7	44.9	47.2	45.9	47.5	20.6	20.5	16.6	12.8	27.9	26.9	25.1	23.0
Male	70.5	70.4	70.7	71.0	57.6	57.9	58.5	59.9	21.4	21.6	14.7	12.6	18.4	17.9	17.3	15.6
Female	55.1	59.4	53.3	54.1	34.0	38.0	35.3	37.3	19.2	18.9	19.8	12.9	38.3	36.1	33.7	31.1
DIRE DAWA ADMINISTRATION																
Total	60.0	58.3	60.7	64.1	43.2	40.7	46.8	49.5	36.9	36.4	41.5	37.4	28.0	30.2	22.9	22.7
Male	64.2	63.2	64.2	67.4	51.2	49.6	55.6	56.7	29.5	25.9	31.7	28.4	20.3	21.5	13.3	15.8
Female	56.1	53.7	57.7	61.2	35.8	32.5	39.0	43.0	47.7	52.6	55.5	49.3	36.2	39.6	32.4	29.5

Summary Table 2: Key Indicators of Urban Employment and Unemployment by Sex during the Four Survey Periods, COUNTRY TOTAL

Key Indicators	Survey Periods											
	May 2009			May 2010			March 2011			March 2012		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Percentage Distribution of Employed Population by Occupational Groups												
Legislator Senior Officials & Managers	3.2	2.5	0.7	3.1	2.5	0.6	3.0	2.4	0.6	2.9	4.0	1.4
Professional, Technical and Associate Professionals	12.5	8.6	3.9	13.2	8.6	4.5	13.0	8.7	4.3	12.9	15.1	10.0
Clerks	5.8	2.5	3.3	5.5	2.2	3.3	5.6	2.3	3.3	5.5	3.8	7.7
Service, Shop & Market sales and Crafts Workers	43.6	22.6	21.0	42.1	21.8	20.3	43.5	22.4	21.0	44.8	39.4	51.6
Skilled Agricultural and Fishery	7.4	5.2	2.2	8.3	5.4	2.9	7.7	5.0	2.6	6.0	7.7	3.9
Plant ,Machine Operators & Assemblers	5.2	4.7	0.5	5.2	4.8	0.5	5.2	4.8	0.4	5.3	9.0	0.7
Elementary Occupation	21.9	11.8	10.0	22.6	11.8	10.8	22.0	11.3	10.7	22.6	20.9	24.7
Percentage Distribution of Employed Population by Industrial Divisions / Sectors/												
Manufacturing ,Mining, Quarrying and Construction	21.7	14.0	7.7	20.6	13.6	6.9	20.9	13.7	7.2	20.5	13.3	7.2
Whole sale and Retail Trade	22.5	11.9	10.6	19.8	10.0	9.8	21.4	11.3	10.1	21.6	10.9	10.6
Other Service Sectors *	46.3	25.6	20.7	48.5	25.0	21.5	48.2	25.9	22.3	49.7	26.2	23.6
Agriculture, Hunting, Forestry and Fishing	9.5	6.6	2.9	11.1	7.1	4.0	9.5	6.1	3.4	8.2	5.5	2.7
Percentage Distribution of Employed Population by Status in Employment												
Government Employees	21.8	14.2	7.6	21.8	14.0	7.8	21.2	13.7	7.6	20.5	23.4	16.9
Self employed /Own account Workers/	38.7	22.0	16.7	37.6	21.5	16.1	38.9	21.6	17.4	38.7	38.0	39.5
Unpaid Family Workers	7.6	3.4	4.1	8.6	3.7	4.9	8.4	3.4	5.0	8.6	6.5	11.4
Private Organization Employee	19.3	13.0	6.3	19.3	12.5	6.8	19.4	12.8	6.6	22.7	25.7	18.8
NGO'S Employee	2.7	1.7	1.0	1.8	1.1	0.6	1.7	1.1	0.6	1.1	1.2	1.0
Domestic Employee	6.7	1.5	5.1	7.0	1.6	5.4	6.3	1.7	4.6	4.7	0.6	9.8
Employer	0.5	0.4	0.1	0.5	0.4	0.1	0.8	0.7	0.1	0.7	0.9	0.4
Members of Cooperative	0.9	0.5	0.3	1.4	0.9	0.5	0.8	0.5	0.3	0.9	0.9	0.9
Others	1.9	1.4	0.5	2.1	1.5	0.6	2.5	1.6	0.9	2.1	2.8	1.3
Mean number of Hours Worked Per Week	43	45	41	45	47	43	45	47	42	44	46	41
Unemployment Rate by Literacy Status												
Literate	20.5	12.7	31.6	19.2	11.5	29.6	18.3	11.9	27.3	18.1	11.8	26.3
Illiterate	20.2	9.2	25.3	17.5	7.7	22.2	16.1	7.6	20.1	15.2	7.7	18.5
Youth Unemployment Rate age 15-29 years	26.0	17.4	33.9	24.5	16.6	31.6	23.7	16.5	30.3	23.3	16.4	29.6
Percentage Distribution of Unemployed Population by Previous Work Experience												
With Previous Work Experience	43.9	39.3	46.0	49.4	42.2	52.6	48.3	42.4	51.2	46.4	42.6	48.3
Without Previous Work Experience	51.9	55.5	50.2	50.2	57.6	47.0	51.7	57.6	48.8	53.4	57.3	51.4
Percentage Distribution of Unemployed Population by Duration of Unemployment												
<=12 months	54.1	60.8	51.0	70.1	72.6	68.9	61.2	66.7	58.2	63.7	69.0	60.9
13-24 months	13.4	12.2	14.0	10.1	10.2	10.0	12.5	12.7	12.5	13.7	12.4	14.3
25-95 months	15.8	13.7	16.8	11.3	10.1	11.8	12.5	11.4	13.1	13.8	12.0	14.8
96 and above months	15.2	13.1	16.2	8.4	6.9	9.1	13.8	9.3	16.1	7.5	5.2	8.6

*Other Service sectors: includes Public Administration, Defense, Compulsory Social Security, Education, Health and other Social activities, Hotel and Restaurantetc).

