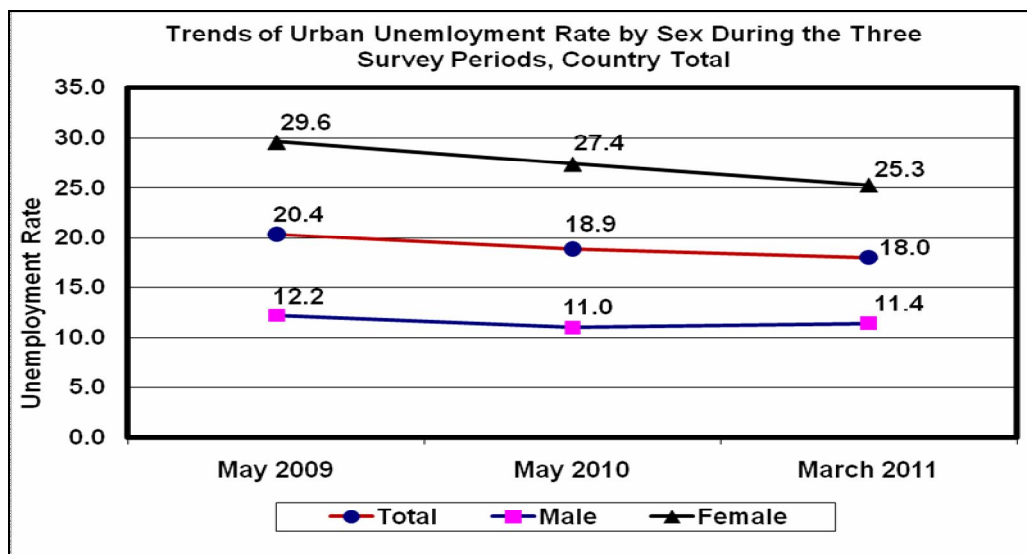


THE FEDERAL DEMOCRATIC REPUBLIC OF
ETHIOPIA
CENTRAL STATISTICAL AGENCY

**KEY FINDINGS ON
THE 2011 URBAN EMPLOYMENT UNEMPLOYMENT
SURVEY**



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 of the country.

The 2011 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 nomadic areas of three zones of Affar 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. In addition the comparisons of the three survey results are also presented in summary Table 1 and 2. The detailed results of the March 2011 survey presented with brief descriptions and statistical tables in the Statistical and Analytical reports.

2. MAJOR FINDINGS OF THE SURVEY

2.1. Economically Active, Inactive and Activity Rate of Urban Population

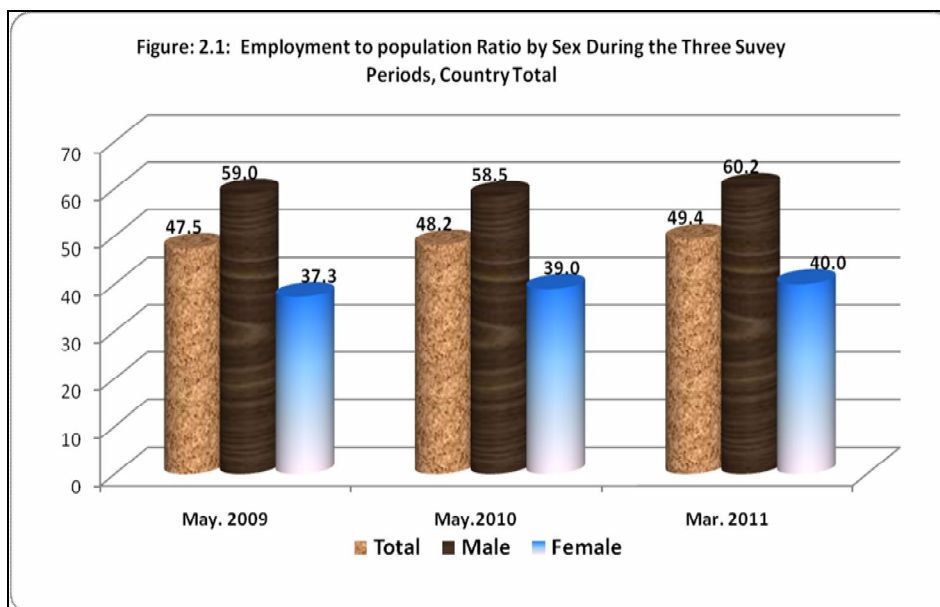
The survey reveals that the total urban population of the country was estimated 13,093,359 of which the number of persons aged ten years and above was 10,396,615 (79.4 percent) in March 2011. The size of economically active persons based on the current status approach is 6,265,367 (60.3 percent) out of the total population aged ten years and above. The economically active population comprises employed and unemployed persons aged ten years and above. Those economically inactive persons who were not engaged in productive activities nor available to furnish their labour due to homemaking activities, attending school, old aged / pensioned, illness, too young to work accounted 4,131,249 persons (39.7 percent). Among the inactive persons, the proportion of inactive females is higher (62.2 percent) than males (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 inactive population. The activity rate at national urban level is 60.3 percent. This implies 60 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 2011 is greater than the rate observed in May 2009 and May 2010. Region wise, Harari, Amhara, Oromiya, S.N.N.P., Dire Dawa Administration, Addis Ababa City Administration and Benishangul-Gumuz regions exhibit the highest activity rates of more than 60.0 percent, where as the lowest activity rate is observed in Somali Region (46.8 percent).

2.2. Employment to Population Ratio

Employment-to-population ratio provides information on the extent to which the population is engaged in productive activities. It is 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 /Inactivity/.

According to March 2011 survey, the employment to population ratio of urban population was 49.4 percent. This means 49.4 percent of the total urban population of the country aged ten years and above are employed. The differential of employment to population ratio by sex shows that the ratio of males (60.2 percent) is significantly higher than females (40.0 percent). The ratio of employed persons shows an increasing trend from 47.5 percent in May 2009 to 48.2 percent in May 2010 and further reaches to 49.4 in March 2011 (Figure 2.1). With regard to regions, Harari region exhibits the highest employment to population ratio (58.8 percent), while Somali region demonstrates the lowest ratio (38.8 percent). The ratios of other regions fall within the range of 45-56 percent (Summary Table 1).



2.3. Employment by Occupational Group

The majority of employed persons (43.5 percent) are Service, Shop Market sales; Craft and related Trade workers out of 5,139,831 employed persons at country urban level. Those employed persons who are in Elementary Occupations occupy the second position (22.0 percent). Professionals, Technical and Associate Professionals together constitute 13.0 percent. Skilled Agricultural and Fishery workers account 7.7 percent, Clerks 5.6 percent and Plant Machine Operators and Assemblers 5.2 percent. Legislators, Senior Officials and Managers share only 3.0 percent of the total employed population.

The percentage share of Service, Shop & Market Sales Workers and Clerks show an increasing trend, while Legislators, Senior Officials and Managers, Professional, Technical and Associate Professionals, Skilled Agricultural and Fishery workers and those who perform Elementary Occupation illustrate a declining trend during the three survey periods (Summary Table 2).

2.4. Employment by Industrial Divisions

The highest proportion of employed persons are absorbed by the service sectors about (70 percent), of the total employed population, which include Public Administration, Defense, Compulsory Social Security, Education, Health and other Social activities, Hotel and Restaurant (48.2 percent) and Wholesale and Retail Trades (21.4 percent). Those employed persons who work in the Manufacturing, Mining, Quarrying and Construction industrial sectors accounts 20.9 percent, while Agriculture, Hunting, Forestry and Fishing sectors share 9.5 percent.

Periodical analysis of employment by sectors shows that the percentage of employees in the Manufacturing, Mining, Quarrying and Construction and Whole Sale and Retail Trade sectors increases, while employed persons in the Agriculture Forestry and Fishing and other service sectors declined from 2010 to 2011 (Summary Table 2).

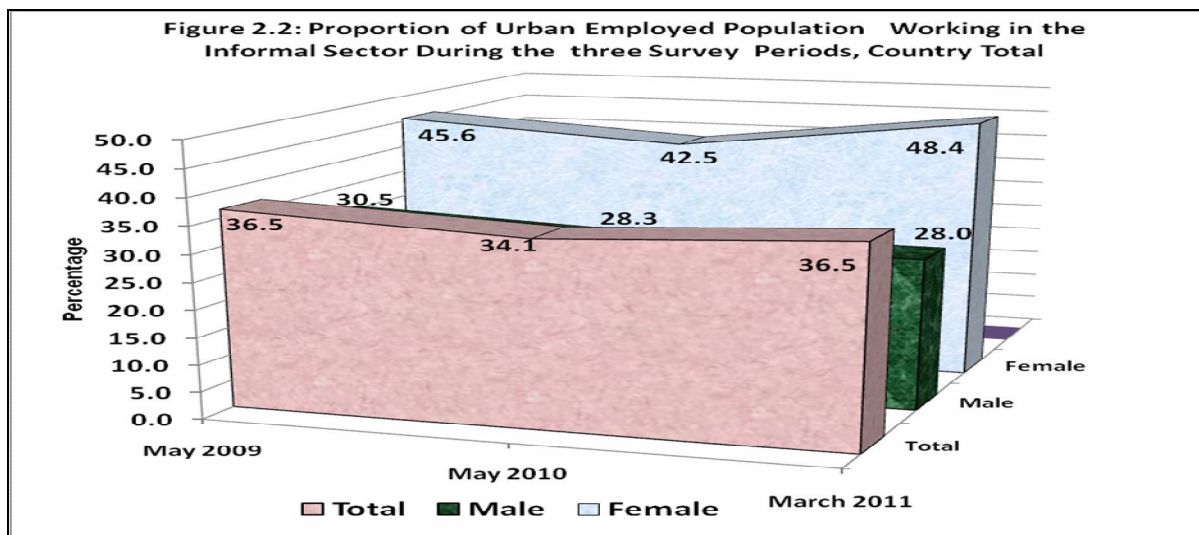
2.5. Status in Employment

The significant proportion of urban employed population are self employed (own account workers) account for 38.9 percent followed by Government employees 21.2 percent. Private Organization employees constitute 19.4 percent of the total working population. The rest of the employed workers are Unpaid Family workers 8.4 percent and Domestic employees 6.3 percent. Employees in Private Organization, Employers and Self employed show slight increment, while Government, NGOs, Member of Cooperatives and Domestic employees and unpaid family workers decline from May 2010 to March 2011 (Summary Table 2).

2.6. Employment in the Informal Sector

According to March 2011 survey, 1,673,473 persons were engaged in the informal sector out of the total 4,586,774 urban working population. This make up 36.5 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 34.1 percent in May 2010, but slightly rose to 36.5 percent in March 2011. Females who were in the informal sector is significantly higher than males during the three 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 Gambella regions 53.5 percent and 51.1 percent, respectively. The lowest proportion is found in Addis Ababa City Administration (16.6 percent). The percentage of employment in the informal sector in Addis Ababa City Administration and Tigray regions declines, while the share in S.N.N.P., Gambella and Benishangul-Gumuz regions demonstrate an increasing trend during the three survey periods.



2.7. Mean Number of Hours Worked Per Week

Summary Table 2 illustrate that the average number hours worked per week was 45 hours in March 2011. The mean number of hours worked increases from 43 hours in May 2009 to 45 hours in May 2010 and remain the same up to March 2011. The mean number of hours worked by male is higher than female during the three survey periods.

3. Unemployment in Urban Areas

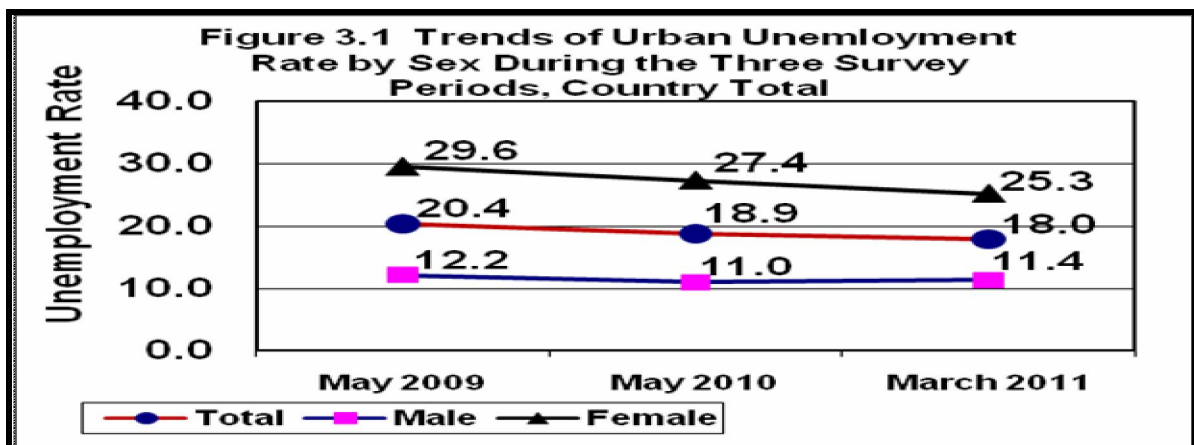
Unemployment is measured using the following criteria: i) without work ii) available for work and iii) seeking work (ILO, 1990). However, this definition varies in the context of developing and developed countries. In the developed countries where the labour market is largely organized, labour absorption is adequate; unemployment is measured based on the standard definition of the seeking work criteria or active steps taken to search work during the survey 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 two provisions are introduced. These are partially relaxed 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 plausible in most developing countries.

The 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/discouraged job seekers/. Discouraged job seekers are unemployed persons 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. Therefore, unemployment rate presented in this section is based on the completely relaxed definition.

3.1. Rate and Size of Unemployment at National Urban level

Unemployment rate is computed as the proportion of the unemployed persons to the total economically active population. The March 2011 survey result reveals that unemployed population in urban areas of the country was 1,125,536 with unemployment rate of 18.0 percent. This means 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 (25.3 percent) is more than double as compared to male (11.4 percent) (Figure 3.1).



As shown in Figure 3.1, unemployment rate shows a declining trend from 20.4 percent in May 2009 to 18.9 percent in May 2010 and further declined to 18.0 percent in March 2011. The comparison of the current unemployment rate to May 2009 and May 2010 exhibits a decline of 2.4 and 0.9 percentage point, respectively. During the three survey periods, females are more affected by the incidence of unemployment than males.

3.2. Urban Youth Unemployment Rate

According to the national definition, youth comprises those persons aged 15-29 years. The rate of youth unemployment in urban areas is 23.7 percent in March 2011. Female and male unemployment rate are 30.3 percent and 16.5 percent, respectively. Youth unemployment rates show a declining trend from 26.0 percent in May 2009 to 24.5 percent in May 2010 and reached 23.7 percent in March 2011. The change of male and female unemployment also shows a marked decline during the three survey periods. However, females are more affected by the incidence of unemployment than their counterpart (Figure 3.2).

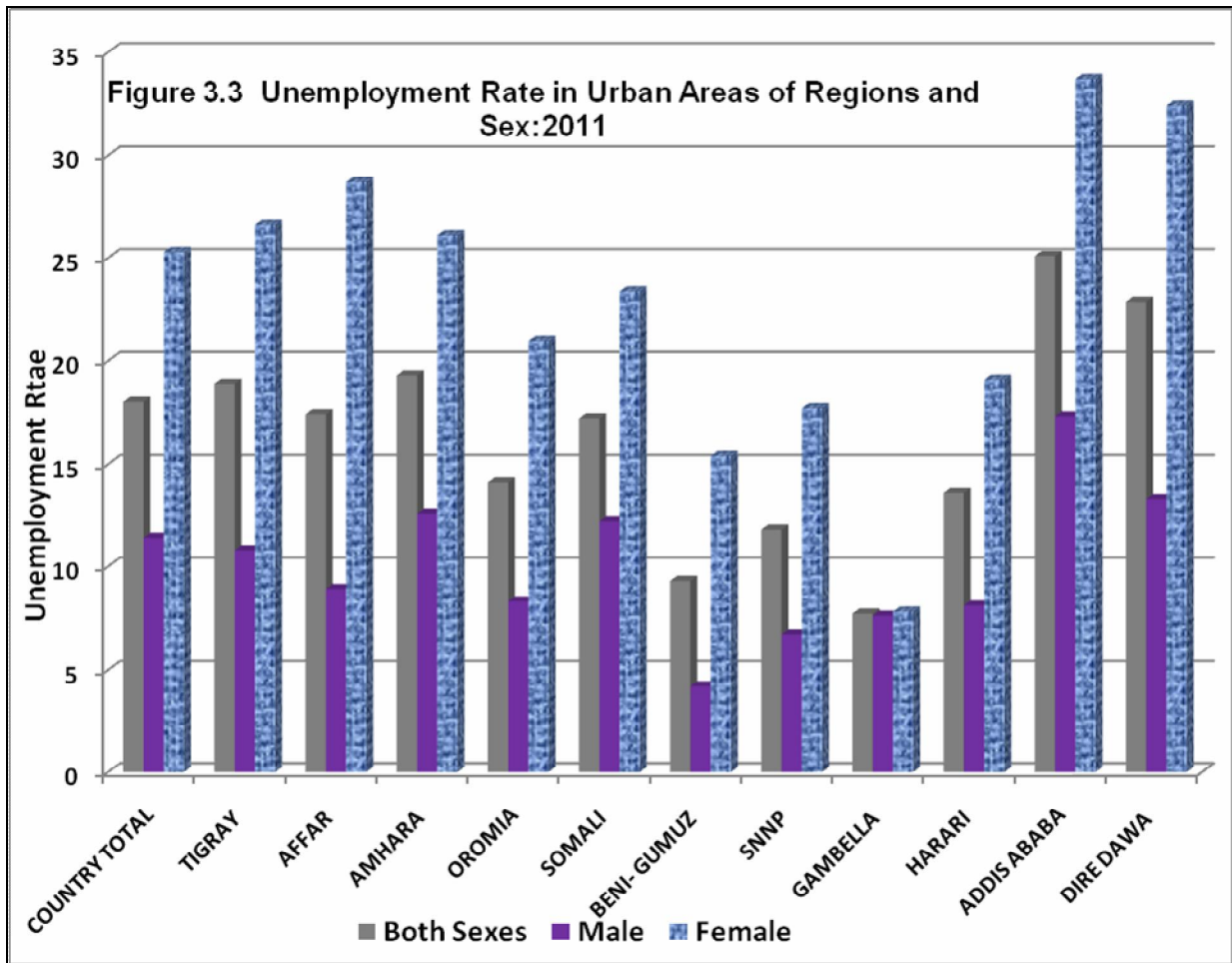


3.3. Unemployment and Literacy Status

Throughout the three survey periods, the overall unemployment rate of literates is higher than illiterate persons. Summary Table 2 shows that the unemployment rate of literates declined from 20.5 percent in May 2009 to 18.3 percent in March 2011. The rate of unemployment for illiterates turns down from 20.2 percent in May 2009 to 16.1 percent in March 2011. Female unemployment rate is significantly higher than male in the literate and illiterate categories.

3.4. Unemployment Rate in Urban Areas of the Regions

Regarding unemployment rate by region, the highest rate is observed in Addis Ababa City Administration (25.1 percent) followed by Dire Dawa Administration (22.9 percent), while the lowest unemployment rate was recorded in Gambella Region (7.7 percent) in March 2011. The unemployment rate among female is higher than male in all regions (Figure 3.3).



3.5. Status of Work Experience and Duration of Unemployment

Out of the total urban unemployed persons in the country, 51.7 percent had no work experience and 48.3 percent have had previous work experience prior to the survey date. Among those unemployed persons who had prior work experience, females are slightly higher than males, whereas male unemployed are more dominant than females among those in first time job seekers. Summary Table 2 also depicts that 61.2 percent of the unemployed persons are jobless for less than 13 months. Unemployed persons who stay without jobs for 96 months and above account 13.8 percent, and those who stay for 13-24 months and 25 - 95 months accounts and 12.5 percent, each.

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

Region	Activity Rate /Labour Force Participation Rate/			Employment to Population Ratio			Proportion of persons who Work in the Informal Sector			Unemployment Rate		
	May 2009	May 2010	March 2011	May 2009	May 2010	March 2011	May 2009	May 2010	March 2011	May 2009	May 2010	March 2011
	Country Total											
Total	59.7	59.4	60.3	47.5	48.2	49.4	36.5	34.1	36.5	20.4	18.9	18.0
Male	67.2	65.7	67.9	59.0	58.5	60.2	30.5	28.3	28.0	12.2	11.0	11.4
Female	53.1	53.7	53.5	37.3	39.0	40.0	45.6	42.5	48.4	29.6	27.4	25.3
Tigray												
Total	58.9	56.5	55.5	46.5	46.2	45.0	34.9	32.2	30.2	21.1	18.2	18.9
Male	66.3	62.7	61.9	57.3	56.0	55.2	25.7	21.5	21.9	13.6	10.6	10.8
Female	53.2	51.5	50.5	38.1	38.3	37.1	46.1	45.2	39.5	28.3	25.7	26.6
Afar												
Total	54.1	52.0	59.6	46.2	45.1	49.2	45.1	40.0	41.1	14.6	13.4	17.4
Male	66.3	62.4	68.3	60.7	59.0	62.2	39.7	33.4	32.5	8.4	5.5	8.9
Female	41.9	42.7	50.9	31.7	32.5	36.3	55.4	50.8	56.3	24.4	23.8	28.7
Amhara												
Total	59.9	57.9	61.0	50.6	48.9	49.2	42.0	34.0	40.0	15.5	15.7	19.3
Male	67.3	64.4	68.0	62.0	58.6	59.4	34.8	27.8	30.3	8.0	8.9	12.6
Female	53.6	52.5	55.1	41.0	40.5	40.7	52.0	42.2	52.3	23.4	22.8	26.1
Oromia												
Total	58.5	58.9	61.2	47.3	49.5	52.5	41.8	41.3	43.5	19.2	16	14.1
Male	66.5	65.2	69.3	59.1	59.6	63.6	34.2	33.3	33.2	11	8.5	8.3
Female	51.4	53.2	53.7	36.7	40.2	42.4	53.2	52.6	58.0	28.7	24.4	21.0
Somali												
Total	51.5	45.0	46.8	41.1	38.9	38.8	54.6	46.5	53.5	20.2	13.5	17.2
Male	56.8	53.3	51.3	50.0	49.5	45.0	46.1	40.4	40.7	11.8	7.1	12.2
Female	46.0	36.5	42.2	31.7	28.1	32.3	68.9	56.1	71.8	31.1	22.9	23.4
Benishangul-Gumuz						55.5						
Total	64.0	61.5	61.2	55.3	55.3	67.3	39.9	41.9	44.0	13.6	10.1	9.3
Male	69.1	68.8	70.2	64.2	66.7	45.0	33.0	33.5	33.3	7.1	3.0	4.2
Female	59.3	54.5	53.2	47.1	44.3		48.9	53.6	58.0	20.6	18.7	15.4
S.N.N.P.												
Total	60.2	59.5	62.2	50.9	51.0	54.8	39.1	39.5	43.8	15.5	14.2	11.8
Male	66.5	66.3	68.9	61.2	61.8	64.3	30.3	30.8	34.3	7.9	6.8	6.7
Female	54.2	53.1	55.8	41.1	41.0	45.9	51.6	52.3	56.6	24.2	22.8	17.7
Gambella												
Total	55.6	54.1	54.4	46.0	47.3	50.2	41.2	42.1	51.1	17.3	12.7	7.7
Male	62.2	58.9	56.8	57.8	54.1	52.5	26.8	23.7	31.2	7.1	8.1	7.6
Female	49.6	50.2	52.2	35.3	41.6	48.1	61.0	61.7	68.6	28.7	17.1	7.8
Harari												
Total	61.4	62.0	68.1	52.5	52.5	58.8	38.4	34.3	37.3	14.4	15.3	13.6
Male	67.8	67.5	71.1	62.3	62.7	65.4	28.7	27.6	27.3	8.1	7.2	8.1
Female	55.8	57.1	65.3	44	43.7	52.8	50.6	43.1	49.3	21.1	23.6	19.1
Addis Ababa City Administration												
Total	62.3	64.5	61.2	44.9	47.2	45.9	20.6	20.5	16.6	27.9	26.9	25.1
Male	70.5	70.4	70.7	57.6	57.9	58.5	21.4	21.6	14.7	18.4	17.9	17.3
Female	55.1	59.4	53.3	34.0	38.0	35.3	19.2	18.9	19.8	38.3	36.1	33.7
Dire Dawa Administration												
Total	60.0	58.3	60.7	43.2	40.7	46.8	36.9	36.4	41.5	28.0	30.2	22.9
Male	64.2	63.2	64.2	51.2	49.6	55.6	29.5	25.9	31.7	20.3	21.5	13.3
Female	56.1	53.7	57.7	35.8	32.5	39.0	47.7	52.6	55.5	36.2	39.6	32.4

Summary Table 2: Distribution of Key Indicators of Urban Employment and Unemployment by Sex during the three Survey Periods, Country Total

Indicators	Survey Periods								
	May 2009			May 2010			March 2011		
	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
Professional, Technical and Associate Professionals	12.5	8.6	3.9	13.2	8.6	4.5	13.0	8.7	4.3
Clerks	5.8	2.5	3.3	5.5	2.2	3.3	5.6	2.3	3.3
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
Skilled Agricultural and Fishery	7.4	5.2	2.2	8.3	5.4	2.9	7.7	5.0	2.6
Plant ,Machine Operators & Assemblers	5.2	4.7	0.5	5.2	4.8	0.5	5.2	4.8	0.4
Elementary Occupation	21.9	11.8	10.0	22.6	11.8	10.8	22.0	11.3	10.7
Not Stated	0.4	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Percentage Distribution of Employed Population by Industrial Division / Sectors/									
Manufacturing ,Mining, Quarrying and Construction	21.7	14.0	7.7	20.6	13.6	6.9	20.9	13.7	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
Other Service Sectors *	46.3	25.6	20.7	48.5	25.0	21.5	48.2	25.9	22.3
Agriculture, Hunting, Forestry and Fishing	9.5	6.6	2.9	11.1	7.1	4.0	9.5	6.1	3.4
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
Self employed /Own account Workers/	38.7	22.0	16.7	37.6	21.5	16.1	38.9	21.6	17.4
Unpaid Family Workers	7.6	3.4	4.1	8.6	3.7	4.9	8.4	3.4	5.0
Private Organization Employee	19.3	13.0	6.3	19.3	12.5	6.8	19.4	12.8	6.6
NGO'S Employee	2.7	1.7	1.0	1.8	1.1	0.6	1.7	1.1	0.6
Domestic Employee	6.7	1.5	5.1	7.0	1.6	5.4	6.3	1.7	4.6
Employer	0.5	0.4	0.1	0.5	0.4	0.1	0.8	0.7	0.1
Members of Cooperative	0.9	0.5	0.3	1.4	0.9	0.5	0.8	0.5	0.3
Other	1.9	1.4	0.5	2.1	1.5	0.6	2.5	1.6	0.9
Mean number of Hours Worked Per Week	43	45	41	45	47	43	45	47	42
Unemployment Rate by Literacy Status									
Literate	20.5	12.7	31.6	19.2	11.5	29.6	18.3	11.9	27.3
Illiterate	20.2	9.2	25.3	17.5	7.7	22.2	16.1	7.6	20.1
Youth Unemployment Rate aged 15-29	26.0	17.4	33.9	24.5	16.0	31.6	23.7	16.5	30.3
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
Without Previous Work Experience	51.9	55.5	50.2	50.2	57.6	47.0	51.7	57.6	48.8
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
13-24 months	13.4	12.2	14.0	10.1	10.2	10.0	12.5	12.7	12.5
25-95 months	15.8	13.7	16.8	11.3	10.1	11.8	12.5	11.4	13.1
96 and above months	15.2	13.1	16.2	8.4	6.9	9.1	13.8	9.3	16.1

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

Addis Ababa
October 2011