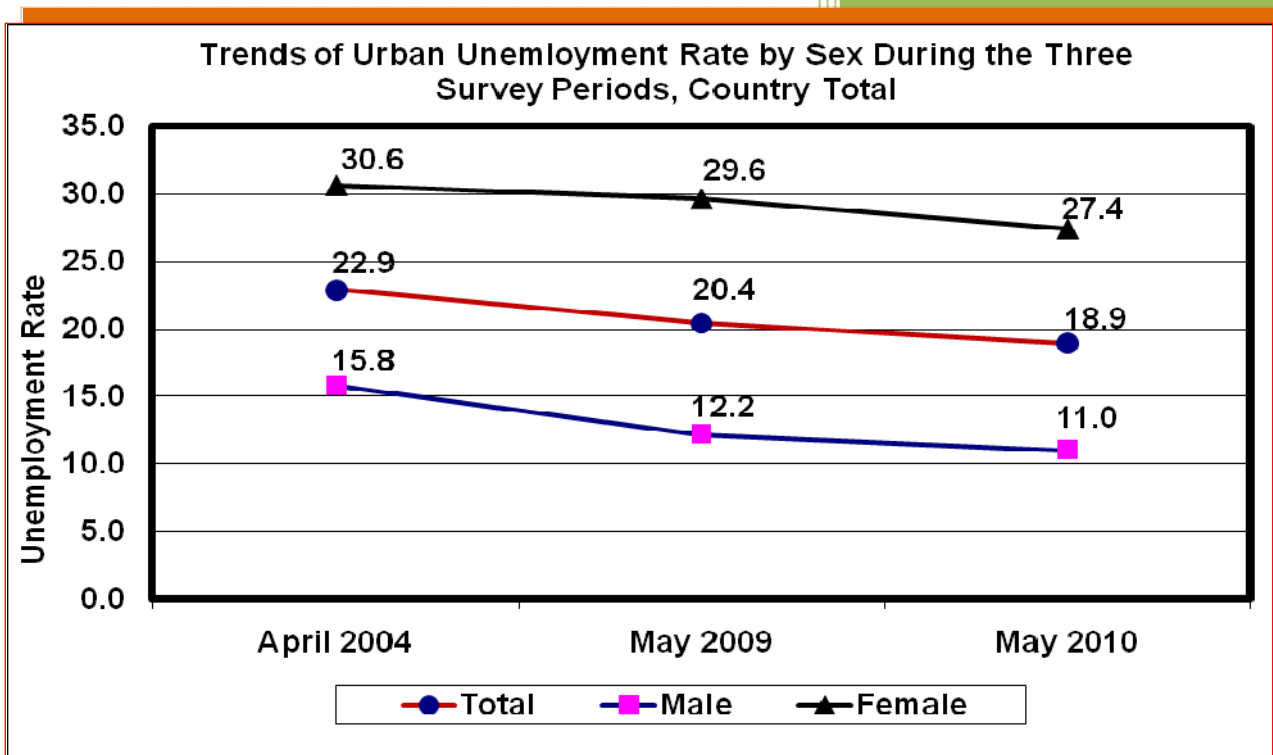


THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA CENTRAL STATISTICAL AGENCY

KEY FINDINGS ON THE 2010 URBAN EMPLOYMENT UNEMPLOYMENT SURVEY



Addis Ababa
March 2011

1. INTRODUCTION

The 2010 Urban Employment Unemployment Survey (UEUS) is designed to provide employment and unemployment data on urban areas of the country and the regions as well as for some selected major towns. The core information that was collected includes engagement in productive activities, employment and unemployment situations for those persons aged ten years and over. A total of 19,800 households in urban areas were selected from 660 enumeration areas using systematic random sampling method. The survey covered all urban parts of the country with some exception of urban areas in non-sedentary population of three zones of Affar and six zones of Somali regions.

Ethiopia being one of the African countries with relatively fast growing population coupled with developing economies, the proper management and efficient utilization of its work force is essential. In this respect, the capacity of the economy to absorb the potential labour force needs to be monitored regularly, and appropriate employment policy should consequently be adopted. Thus, the levels and trends of employment and unemployment rates of the country are widely used as overall indicators in evaluating the current performance of the economy. The analysis of the employment status is therefore, essential both in reflecting the current employment situations and foreseeing future changes. It is also an input for assessing the meeting of the Millennium Development Goals (MDGs). Furthermore, data on economic activity and other labour force would be used as a springboard for monitoring and evaluation of the five years growth and transformation plan of a country.

For this purpose, this finding presents some of the Key Indicators of Labour Market (KILM) for urban areas at country and regional levels. In addition, comparison of this survey results to that of the corresponding previous survey results of April 2004 and May 2009 has been made together with the presentation of some selected statistical results in summary table 1 and 2. The analysis here is obtained from the results of the current activity status approach, which measures the economic activity based on a short reference period of the seven days before the date of interview. The detailed results of the survey have already been released in a report containing brief descriptions with statistical tables, *Statistical Report Bulletin Number 499 and Analytical Report, Bulletin Number 504*.

2. MAJOR FINDINGS OF THE SURVEY

2.1. Economically Active, Non-active and Activity Rate of Urban Population

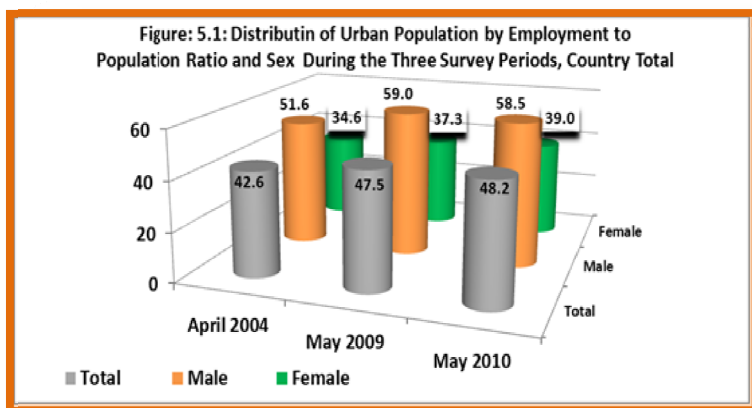
The economically active comprises the population aged ten years and above that are engaged or available to be engaged in productive activities, that is, employed and unemployed population. The survey results showed that the estimated total population of urban areas in May 2010 was 12,572,775 of these the number of population aged ten years and above were 9,961,607 or 79.2 percent. Out of the total population aged ten years and above the size of the economically active population during the last 7 days of the survey period were 5,914,979, while the size of economically non-active population who were not engaged in productive activities due to working in homemaking activities, attending school, old age/pensioned, illness, too young to work etc. found to be 4,046,628 with inactivity rate of 40.6 percent. The proportion of inactivity for females was 46.3 percent and this is higher than that of males 34.3 percent.

The economic activity rate or labour force participation rate is computed as the percentage of the economically active population over the total population of the economically active plus the non-active population. This gives an activity rate of 59.4 percent for country urban total, which is greater than the activity rate observed for the surveys conducted in April 2004 and a little less than the rate of May 2009. Region wise, Addis Ababa City Administration, Harari and Benishangul-Gumuz regions recorded the highest activity rate of more than 60.0 percent where as the activity rate for Affar Region reported the lowest (52.0 percent) as compared to other regions.

2.2. Employment to Population Ratio

The size of employed population aged ten years and over registered in May 2010 survey was 4,798,467 persons. As comparing this figure to that of 2,854,322 employed persons in April 2004, there has been a significant increase by 40.5 percent during the six years period. On the other hand, employment-to-population ratio provides information on the extent to which the population is engaged in productive activities. Employment to Population Ratio is calculated as a percentage of total employed persons to that of the total population aged ten years and above. High employment to population ratio means a large proportion of population is employed, while low employment to population ratio means a large share of the population is not involved in productive activities, because they were either unemployed or out of the labour force.

The employment to population ratio for urban areas of the country is reported to be 48.2 percent. This means about 48 percent of a total urban population of the country aged 10 years and over were working in productive



activities during May 2010 survey period. The employment to population ratio for male was 58.5 percent, and this is significantly higher than the ratio for females 39.0 percent. Engagement in productive activity has shown an increasing trend, that is, from 43.0 percent in April 2004 declined to 47.5 in May 2009 and thereafter slightly increased to 48 percent in May 2010 (See Figure 2.1).

The highest employment to population ratio during the current survey was registered for Benishangul-Gumuz Region (55.3 percent) and the lowest share reported for Somali Region (38.9 percent). The ratios for the rest of other regions fall within the range of 40-53 percent (See Summary Table 1).

2.3. Occupational Group

According to May 2010 survey results, at country urban level out of 4,798,467 employed persons the highest proportion (42.1 percent) was engaged in Service, Shop Market Sales & Craft Workers. Those employed persons engaged in Elementary Occupations took the second position which constituted (22.6 percent). Professionals, Technical and Associate Professionals occupy the intermediate position and make up 13.2 percent. Skilled Agricultural and Fishery workers accounted for 8.3 percent, while the share of Clerks was 5.5 percent closely

followed by Plant Machine Operators and Assemblers 5.2 percent. Legislators, Senior Officials and Managers reported to be the lowest comprising only 3.1 percent of the total employed population. There was a decline in the percentage share of Service, Shop & Market Sales Workers as well as Elementary Occupation, while an increment was observed in the Professional, Technical and Associate Professional category during the six years from 2004 to 2010 survey periods (See Summary Table 2).

2.4. Industrial Divisions

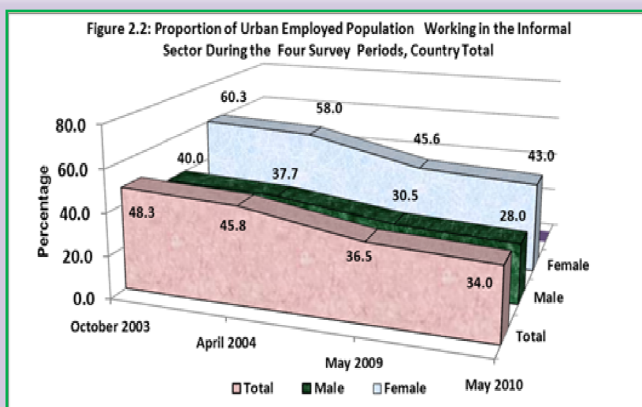
As expected, most of the urban employed population were absorbed by Wholesale and Retail Trades which constituted about 20.0 percent and Other Service Sectors which includes Public Administration, Defense, Compulsory Social Security, Education, Health and other Social activities, Hotel and Restaurant make up 48.5 percent. The service sectors including Wholesale and Retail Trades altogether constituted about 68 percent of the total urban employed population. Manufacturing, Mining, Quarrying and Construction industrial divisions for total reported to be 20.6 percent. The lowest share, about 11.0 percent, was engaged in Agriculture, Hunting, Forestry and Fishing. Those who were engaged in Whole Sale and Retail Trade as well as Manufacturing, Mining Quarrying and Construction industries declined equally by 2 percentage point, while the Agriculture Forestry and Fishing increased by 3.0 percentage point over the last six years (See Summary Table 2).

2.5. Status in Employment

During the survey period of May 2010 the significant proportion of urban employed population were self employed (own account workers) accounted for 37.6 percent followed by government employees, 21.8 percent. Private organization employees constituted 19.3 percent of the total working population. The percentages of the Unpaid Family workers and Domestic Employees were 8.6 percent and 7.0 percent, respectively. Employees in Private Organization and Civil Servants and Unpaid Family Workers showed slight increment, while Self Employment declined by 3.7 percentage point from April 2004 to that of May 2010 survey periods (See Summary Table 2).

2.6. Employment in the Informal Sector

According to May 2010 survey result, in urban areas of the country out of the total 4,236,521 working population 1,445,967 people were engaged in the informal sector, making up about 34 percent of the total urban employment. The proportion of employed persons working in the informal sector has been declining within the past six years i.e. from 48 percent in October 2003 went down to 34.0 percent in May 2010. During the four survey periods, the proportion of females participated in the informal sector were significantly higher than that of male counter parts (See Figure 2.2).



As observed from Summary Table 2, the proportion of employed population who were working in the informal sector recorded the highest percentage share for Somali Region (46.5 percent) followed by Gambella Region (42.1 percent). The lowest proportion was found in Addis Ababa City Administration (20.5 percent). The proportion of persons working in the informal sector has been declining in all regions except in Benishangul-Gumuz and SNNP regions as compared to the previous survey periods.

2.7. Mean Number of Hours Worked Per Week

As can be seen from Summary Table 2, slight fluctuation is observed during the three survey periods i.e. the mean number hours worked reported to be 43 hours in April 2004 has declined to 41 hours in April 2006 and thereafter increased to 45 hours of work in May 2010. The mean number of hours worked for male is higher than that of females.

3. Urban Unemployed Population and Unemployment Rate

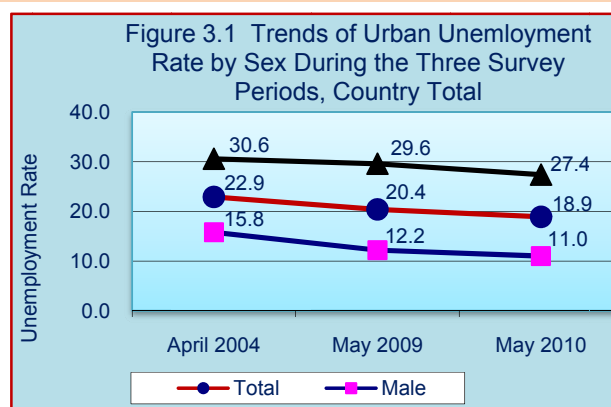
Unemployment is measured based on the following three criteria: i) without work ii) available for work and iii) seeking work (ILO, 1990). However, this definition varies in the context of developing and developed countries. In the developed countries where the labour market is largely organized, the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

On the contrary, in developing countries like Ethiopia, where there is no strong labour market information, labour absorption is inadequate, and where the labour force is dominantly self employed, the above standard definition with its emphasis on seeking work criteria is somewhat restrictive and might not fully capture the prevailing employment situation. Thus, the completely relaxed definition that measures unemployment in relation to the “without work” and “availability” criteria is found to be plausible.

In the Ethiopian context, where completely relaxed definition suits best, unemployed includes persons without work and those who are available for work, including those who were or were not seeking work or discouraged job seekers. The discouraged job seekers refers to those unemployed persons who want a job but not taking any active step to search for work because they thought that job was not available in the market.

3.1. Size and Rate of Urban Unemployment

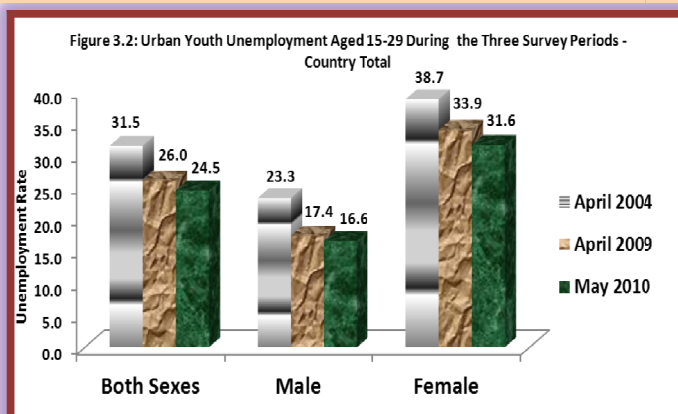
Unemployment rate is computed as the proportion of the unemployed persons to that of the total economically active population. The May 2010 survey result revealed that unemployed population in urban areas of the country was registered 1,116,512 with unemployment rate 18.9 percent. The corresponding unemployment rates for females which was 27.4 percent is more than double as compared to that of males, 11.0 percent.



As it has been observed from Figure 3.1, the unemployment rate showed a declining trend during the six years period, that is, in April 2004 the reported rate 22.9 percent went down to 20.4 percent in the year of May 2009. The rate had further declined to 18.9 percent in May 2010. The comparison of this current unemployment rate to that of April 2004 exhibits a decline of 4.0 percentage point over the six years period, while comparing to that of the immediate previous year of May 2009 survey results has declined by 1.5 percentage point. During the three survey periods, females were more affected with the incidence of unemployment than males. Decline in unemployment rate could occur either due to the better creation of job opportunity which is a shift from unemployment to employment or economically non-active category.

3.2. Urban Youth Unemployment Rate

Youth unemployment rate in urban areas of the country found to be higher for those aged 15-29 years, the rate found to be nearly one-third of the total urban unemployed population in the year 2004. However, the decline was observed after five years to 26.0 percent in 2009 and further declined to 24.5 percent in the year 2010. In this age group younger females were more affected by the incidence of unemployment than male counterparts (See Figure 3.2).

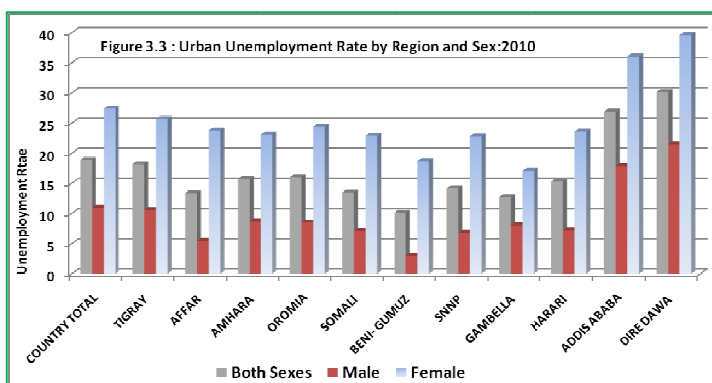


3.3. Unemployment Rate and Literacy Status

Throughout the three survey periods, the overall unemployment rate for literate is higher than illiterate persons. However, the data showed a continuous decline of unemployment rate for literate during the six years period, while the decline for illiterate showed some fluctuations. As observed from *Summary Table 2*, in the literate and illiterate categories unemployment rate for females is significantly higher than that of male counterpart (See *Summary Table 2*).

3.4. Urban Unemployment Rate of Regions

Regarding unemployment rate by region, the highest rate was registered for Dire Dawa City Administration (30.2 percent) followed by Addis Ababa City Administration (26.9 percent), while the lowest unemployment rate reported for Benishangul Gumuz Region (10.1 percent). This holds true for the previous corresponding surveys. In all Urban Employment and Unemployment Surveys conducted so far the unemployment rates among females were much higher than that of males in all regions (See Figure 3.3).



3.5. Previous Work Experience and Duration of Unemployment

Out of the total urban unemployed persons in the country, 50.2 percent had no previous work experience and 49.4 percent have had previous work experience prior to the survey date. Among those unemployed who had prior work experience, more than half of them were females and two-fifth were males. On the other hand, 57.6 percent of male unemployed and 47.0 percent of female unemployed were first time job seekers. Those unemployed remained jobless for less than 13 months accounted for 70 percent where as 10.1 percent of those unemployed reported to be jobless for 13-24 months and 8.4 percent for 96 months and above and 11.3 percent has been jobless for 25 - 95 months.

Summary Table 1: Distribution of Key Indicators of Urban Employment and Unemployment by Region and Sex during the Three Survey periods (Current Status Approach).

Region and sex	Activity Rate /Labour Force Participation Rate/			Employment to Population Ratio			Proportion Working Population in the Informal Sector			Unemployment Rate		
	April 2004	May 2009	May 2010	April 2004	May 2009	May 2010	April 2004	May 2009	May 2010	April 2004	May 2009	May 2010
Country Total												
Total	55.2	59.7	59.4	42.6	47.5	48.2	45.8	36.5	34.1	22.9	20.4	18.9
Male	61.2	67.2	65.7	51.6	59.0	58.5	37.7	30.5	28.3	15.8	12.2	11.0
Female	49.9	53.1	53.7	34.6	37.3	39.0	58.0	45.6	42.5	30.6	29.6	27.4
Tigray												
Total	46.6	58.9	56.5	36.3	46.5	46.2	47.9	34.9	32.2	22.1	21.1	18.2
Male	50.1	66.3	62.7	43.6	57.3	56.0	36.6	25.7	21.5	12.9	13.6	10.6
Female	43.7	53.2	51.5	30.1	38.1	38.3	62.4	46.1	45.2	31.1	28.3	25.7
Afar												
Total	56.9	54.1	52.0	46.5	46.2	45.1	39.6	45.1	40.0	18.4	14.6	13.4
Male	66.4	66.3	62.4	62.0	60.7	59.0	30.0	39.7	33.4	6.6	8.4	5.5
Female	47.8	41.9	42.7	31.5	31.7	32.5	59.4	55.4	50.8	34.1	24.4	23.8
Amhara												
Total	52.4	59.9	57.9	42.6	50.6	48.9	51.5	42.0	34.0	18.7	15.5	15.7
Male	54.6	67.3	64.4	47.8	62.0	58.6	37.7	34.8	27.8	12.4	8.0	8.9
Female	50.6	53.6	52.5	38.4	41.0	40.5	66.5	52.0	42.2	24.1	23.4	22.8
Oromia												
Total	53.5	58.5	58.9	42.0	47.3	49.5	50.7	41.8	41.3	21.5	19.2	16.0
Male	59.3	66.5	65.2	51.1	59.1	59.6	41.1	34.2	33.3	13.8	11.0	8.5
Female	48.0	51.4	53.2	33.4	36.7	40.2	65.1	53.2	52.6	30.4	28.7	24.4
Somali												
Total	53.2	51.5	45.0	43.7	41.1	38.9	54.5	54.6	46.5	17.9	20.2	13.5
Male	57.4	56.8	53.3	49.1	50.0	49.5	39.3	46.1	40.4	14.6	11.8	7.1
Female	49.2	46.0	36.5	38.5	31.7	28.1	73.2	68.9	56.1	21.7	31.1	22.9
Benishangul-Gumuz												
Total	49.7	64.0	61.5	43.7	55.3	55.3	37.8	39.9	41.9	12.1	13.6	10.1
Male	57.9	69.1	68.8	53.5	64.2	66.7	26.2	33.0	33.5	7.6	7.1	3.0
Female	41.7	59.3	54.5	34.2	47.1	44.3	54.6	48.9	53.6	18.1	20.6	18.7
S.N.N.P.												
Total	55.5	60.2	59.5	47.7	50.9	51.0	53.7	39.1	39.5	14.1	15.5	14.2
Male	62.2	66.5	66.3	57.2	61.2	61.8	42.5	30.3	30.8	8.1	7.9	6.8
Female	49.2	54.2	53.1	38.8	41.1	41.0	69.9	51.6	52.3	21.2	24.2	22.8
Gambella												
Total	-	55.6	54.1	-	46.0	47.3	-	41.2	42.1	-	17.3	12.7
Male	-	62.2	58.9	-	57.8	54.1	-	26.8	23.7	-	7.1	8.1
Female	-	49.6	50.2	-	35.3	41.6	-	61.0	61.7	-	28.7	17.1
Harari												
Total	57.4	61.4	62.0	44.8	52.5	52.5	49.4	38.4	34.3	22.1	14.4	15.3
Male	60.6	67.8	67.5	51.6	62.3	62.7	41.1	28.7	27.6	15.0	8.1	7.2
Female	54.6	55.8	57.1	38.7	44.0	43.7	59.9	50.6	43.1	29.2	21.1	23.6
Addis Ababa City Administration												
Total	60.5	62.3	64.5	42.9	44.9	47.2	33.7	20.6	20.5	29.1	27.9	26.9
Male	69.5	70.5	70.4	54.0	57.6	57.9	33.1	21.4	21.6	22.3	18.4	17.9
Female	52.7	55.1	59.4	33.3	34.0	38.0	35.0	19.2	18.9	36.8	38.3	36.1
Dire Dawa Administration												
Total	56.9	60.0	58.3	37.8	43.2	40.7	48.5	36.9	36.4	33.5	28.0	30.2
Male	59.7	64.2	63.2	47.9	51.2	49.6	41.8	29.5	25.9	19.8	20.3	21.5
Female	54.4	56.1	53.7	29.0	35.8	32.5	58.6	47.7	52.6	46.6	36.2	39.6

Note: The survey was not conducted in urban areas of Gambella Region the year 2004.

Summary Table 2: Distribution of Key Indicators of Urban Employment and Unemployment During the Three Survey Periods by Sex (Current Status Approach). Country Total

Key Indicators	Survey Periods								
	April 2004			May 2009			May 2010		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Percentage Distribution of Employed Population by Occupational Groups									
Service, Shop Market sales& craft workers	45.9	22.7	23.1	43.6	22.6	21	42.1	21.8	20.3
Skilled Agricultural and fishery workers	4.6	3.7	0.9	7.4	5.2	2.2	8.3	5.4	2.9
Elementary occupation	26.1	14.0	12.2	21.9	11.8	10.0	22.6	11.8	10.8
Legislators, Senior Officials &Managers	3.8	2.9	0.9	3.2	2.5	0.7	3.1	2.5	0.6
Professionals, Technical and associate Professionals	10.6	7.6	3.0	12.5	8.6	3.9	13.2	8.6	4.5
Plant machine Operators & Assemblers	4.0	3.7	0.3	5.2	4.7	0.5	5.2	4.8	0.5
Clerk	4.8	2.1	2.7	5.8	2.5	3.3	5.5	2.2	3.3
Others	0.2	0.2	-	0.4	0.1	0.2	-	-	-
Percentage Distribution of Employed Population by Industrial Division									
Manufacturing ,mining, Quarrying and Construction	21.5	13.6	7.9	21.7	14.0	7.7	20.6	13.6	6.9
Whole sale and Retail trade	21.8	11.4	10.4	22.5	11.9	10.6	19.8	10.0	9.8
Other Service Sectors *	48.8	26.1	22.7	46.3	25.6	20.7	48.5	25.0	21.5
Agriculture, hunting, Forestry and fishing	7.9	5.9	2.0	9.5	6.6	2.9	11.1	7.1	4.0
Percentage Distribution of Employed Population by Status in Employment									
Government Employees	21.4	14.4	7.0	21.8	14.2	7.6	21.8	14.0	7.8
Self employed /own account workers/	41.3	22.7	18.6	38.7	22.0	16.7	37.6	21.5	16.1
Unpaid Family Workers	7.2	2.9	4.3	7.6	3.4	4.1	8.6	3.7	4.9
Private Organization Employee	16.5	11.7	4.8	19.3	13.0	6.3	19.3	12.5	6.8
NGO'S Employee	2.0	1.4	0.6	2.7	1.7	1.0	1.8	1.1	0.6
Domestic Employee	9.5	2.1	7.4	6.7	1.5	5.1	7.0	1.6	5.4
Employer	0.6	0.4	0.2	0.5	0.4	0.1	0.5	0.4	0.1
Members of cooperative	0.2	0.2	0.1	0.9	0.5	0.3	1.4	0.9	0.5
Other	1.3	1.1	0.2	1.9	1.4	0.5	2.1	1.5	0.6
Mean number of Hours Worked Per Week	43	44	41	43	45	41	45	47	43
Unemployment Rate by Literacy Status									
Literate	25.0	16.6	37.1	20.5	12.7	31.6	19.2	11.5	29.6
Illiterate	16.7	11.2	19.2	20.2	9.2	25.3	17.5	7.7	22.2
Youth Unemployment Rate aged 15-29	31.5	23.3	38.7	26.0	17.4	33.9	24.5	16.0	31.6
Percentage Distribution of Unemployed Population by Previous work Experience									
With Previous Work Experience	53.7	62.9	48.5	43.9	39.3	46.0	49.4	42.2	52.6
Without Previous Work Experience	45.6	36.3	50.9	51.9	55.5	50.2	50.2	57.6	47.0
Percentage Distribution of Unemployed Population by Duration of Unemployment									
<=12 months	50.4	56.2	47.0	54.1	60.8	51.0	70.1	72.6	68.9
13-245 months	16.1	15.3	16.6	13.4	12.2	14.0	10.1	10.2	10.0
25-95 months	21.4	19.4	22.6	15.8	13.7	16.8	11.3	10.1	11.8
96 and above months	10.5	7.1	12.4	15.2	13.1	16.2	8.4	6.9	9.1

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