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Exploring the Root Causes of Youth Unemployment in the Gurage Zone, Ethiopia

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Abstract
Unemployment presents a major macroeconomic challenge, with youth particularly vulnerable compared to adults. This study explores the root causes of youth unemployment in the Gurage Zone, Ethiopia, using a mixed-methods approach that integrates descriptive and explanatory designs with qualitative and quantitative analyses. Data were collected through a multi-stage sampling technique from 417 selected youths, yielding 400 completed questionnaires. Descriptive and inferential statistical methods, including cross-tabulation analysis, revealed key factors influencing youth unemployment: sex, age, migration status, educational attainment, maternal education level, access to credit, and training received. Broader structural causes include inflation, declining investment, political instability, skill mismatches, inadequate education curricula, a neglected agricultural sector, and limited financial resources. The study recommends enhancing education, increasing government investment in agriculture, improving political stability, expanding access to credit, and promoting self-employment initiatives. Priority sectors identified for youth employment include poultry, cattle, and sheep farming, cobblestone production, modern farming techniques, dairy and meat production, and irrigation development. Establishing modern marketplaces and improving access to necessary inputs are also crucial. Given the Gurage Zone's limited industrial activity, targeted support from governmental and non-governmental organizations in these sectors could substantially reduce youth unemployment and drive sustainable regional development.
Keywords: *Causes, Demographics, Employment, Socio-Economic Factors, Unemployment, Youth*
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1. Introduction

Unemployment, job quality, and working poverty are pressing global challenges, especially in the context of evolving technological advancements and shifting labor market dynamics. These changes create both opportunities and uncertainties, particularly for young workers entering the labor force (ILO, 2017). Youth unemployment, defined as the lack of employment among individuals aged 15 to 29 actively seeking work, remains a critical socio-economic issue with profound implications for national development (MYPE, 2004). Economic fluctuations exacerbate youth unemployment, disproportionately affecting young people compared to older age groups and highlighting the need for targeted interventions to improve employment prospects (ILO, 2018).

Youth are vital to economic, social, and political development, particularly in countries where they form a significant portion of the population and labor force. Effectively integrating youth into the labor market is crucial for harnessing their potential and fostering national progress (Ayhan, 2016). However, youth unemployment remains a persistent challenge globally, particularly in developing countries, where poverty forces many young people to seek employment out of necessity (Kassa, 2012; ILO, 2011).

Globally, youth unemployment is often worsened by poor macroeconomic conditions, with young workers experiencing "super-cyclical" unemployment due to economic fluctuations (Ryan, 2001). Factors like high real

wage rigidities, insufficient aggregate demand, and high real interest rates further exacerbate the issue. In the Eurozone, youth unemployment exceeds 14%, with countries like Spain and Greece facing rates above 30% due to economic downturns and austerity measures (ILO, 2020).

In Sub-Saharan Africa, erratic economic growth and high unemployment rates pose significant barriers to development, with youth unemployment being especially severe. Ethiopia exemplifies these challenges, grappling with macroeconomic instability caused by political turmoil, which affects inflation, investment, and productivity. Periods of low economic growth correlate with rising youth unemployment rates (Broussara & Tekleselassie, 2012; Awogbenle & Iwuamadi, 2010). Between 2013/14 and 2019/20, Ethiopia faced increasing inflation, declining savings, reduced investment, and rising external debt, all of which exacerbated youth unemployment (NBE, 2020). Inflation surged from 8.1% to 21.5%, significantly eroding the purchasing power of youth (CSA, 2021). These economic constraints often force youth into precarious employment or financial dependence, further limiting their job prospects. Declining investment has particularly impacted sectors that traditionally employ young people, while rising external debt raises concerns about austerity measures and reduced public expenditure, potentially hindering job creation (Alemayehu, 2021).

Addressing youth unemployment in Ethiopia requires targeted government investment, especially in agriculture, which employs the majority of the population but faces significant structural challenges. The transition from an agrarian economy to industrial development, combined with political instability, has exacerbated unemployment. With over 60% of Ethiopia's population under 30, the country faces both a challenge and an opportunity for economic growth (CSA, LFS, 2021). However, fiscal and monetary constraints limit the government's ability to implement effective job creation programs, particularly in regions like the Gurage Zone, where economic expansion has not resulted in sufficient employment opportunities.

In Ethiopia, youth unemployment is influenced by a variety of economic, demographic, and structural factors. The high population growth, with the labor force expanding at an annual rate of 3.2%, outpaces job creation, contributing to high unemployment rates among youth (Denu et al., 2007). Additionally, there is a significant skill mismatch, where many young people find that their qualifications do not align with labor market needs, especially those with higher education, exacerbating unemployment (Denu et al., 2005). Weak economic performance hampers job creation, as a sluggish economy reduces labor demand, deepening youth unemployment (Brunero, 2008). The lack of a supportive entrepreneurial environment also limits sustainable job creation, as many youths are forced into entrepreneurship out of necessity rather than opportunity, negatively impacting business stability and growth (UN-Habitat, 2011).

Moreover, rural-to-urban migration, coupled with internal urban migration, has intensified youth unemployment. Migrants face challenges such as inadequate infrastructure and limited services, which further increase unemployment rates (Kuralbayeva, 2018). Power supply instability is another contributing factor, as frequent power shortages affect business operations, thereby reducing employment opportunities for young people (IFC & World Bank, 2014). The neglect of agriculture, which provides livelihoods for many rural youth, limits job opportunities in the sector and drives migration to urban areas, intensifying urban unemployment (World Bank, 2018). Lastly, political and security instability discourages investment, disrupts economic activities, and increases youth unemployment. Instability also drives internal migration, raising competition for jobs in more stable regions (Dercon & Hill, 2014; Gebreeyesus & Söderbom, 2019).

The COVID-19 pandemic and internal conflicts have worsened these challenges, increasing rural-to-urban migration and deepening urban poverty (UNDP, 2022). High inflation, which reached 37.2% in May 2022, has strained sectors like agriculture and manufacturing (Quarterly Economic Profile, 2022).

Existing literature on youth unemployment in Ethiopia reveals critical gaps. Many studies focus narrowly on urban areas, neglecting semi-urban areas. The youth population is often treated as homogeneous, without differentiation by age, gender, or education level. Many studies also rely on small, non-representative samples and basic descriptive statistics, lacking advanced econometric methods and integrated mixed-methods approaches. There is limited evaluation of policy impacts at the zonal level and minimal attention to the informal sector and institutional and cultural barriers. Addressing these gaps is crucial for developing effective interventions and gaining a comprehensive understanding of youth unemployment in Ethiopia.

This study seeks to address these gaps by analyzing the root causes of youth unemployment in the Gurage Zone, Ethiopia. By integrating demographic and socio-economic factors, it aims to provide a holistic understanding of youth causes unemployment, offering valuable insights for policymakers and stakeholders.

Conceptual Framework

Figure 1: Causes of Youth Unemployment in the Gurage Zone

Youth unemployment is a complex issue influenced by various **socio-economic and political factors**. In the context of the Gurage Zone and similar regions, several key causes contribute to the rising rates of youth unemployment. These include **population growth, rural-urban migration, economic downturns, and neglect of the agricultural sector, skill mismatches**, and **political instability.**

The figure visually represents these factors as direct causes of **Youth Unemployment Status (YUS),** emphasizing how each plays a significant role in limiting employment opportunities for young people. The interaction of these variables suggests the need for **multifaceted policy interventions** to address both structural and immediate challenges in the labor market.

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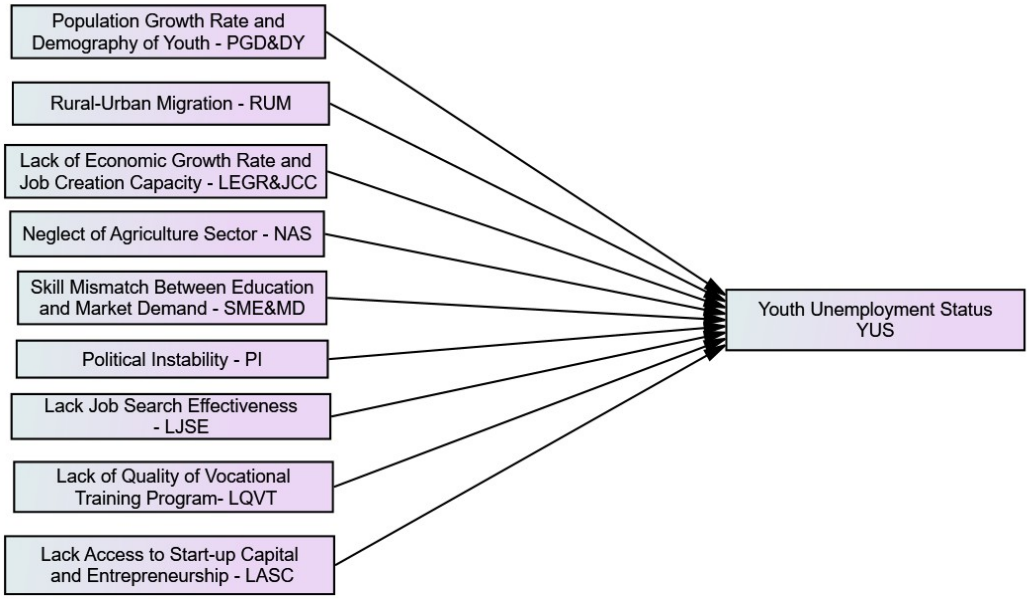


Figure 1: Causes of Youth Unemployment

2. Methods

Description of the Study Area and Setting

This study focuses on the Gurage Zone in Central Ethiopia, a region characterized by significant socio-economic challenges, including high poverty rates, elevated youth unemployment, and limited access to essential social services and financial resources. Unemployment rates vary markedly across towns within the zone; for instance, Wolkithe has a relatively low unemployment figure of 1,188, while Butajira faces a much higher rate of 9,359 unemployed individuals, indicating stark differences in job availability across the zone. Other towns, such as Sodo-Gurage and Meskan, report unemployment figures of 2,242 and 188, respectively. These disparities underscore the localized nature of economic challenges, with factors such as industry concentration and regional policies influencing employment opportunities. The Gurage Zone borders the Hadiya and Yem Zones to the southeast, Kebena Special Woreda to the northwest, the Oromia Region to the north and east, and Silt'e to the southeast. Welkite serves as the administrative center, while Butajira is the largest city (see figure 2).

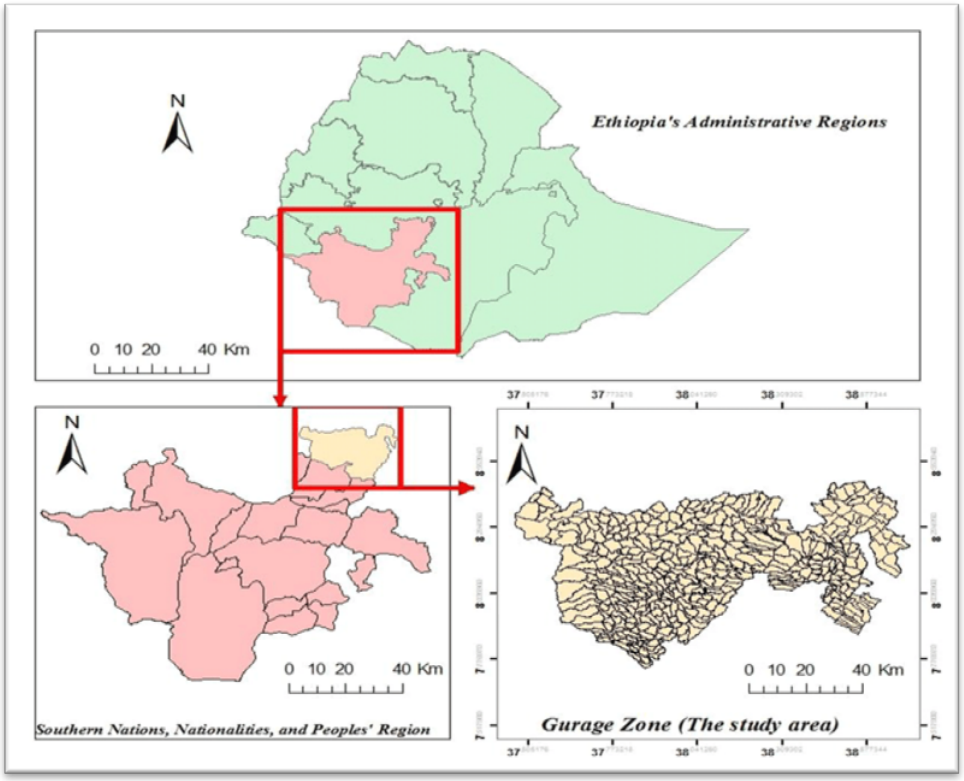


Figure 2: Study Area – Gurage Zone, Ethiopia and Its Administrative Boundaries within Central Ethiopia
Source: Google map

Research Philosophy

The study selects pragmatism as its research philosophy because it integrates both positivist and interpretivism perspectives. This pragmatism is ideal for addressing the multifaceted and complex issue of youth unemployment in the Gurage Zone as it emphasizes practical solutions and real-world applications of knowledge. By combining quantitative and qualitative methods, the pragmatist approach allows for flexibility in addressing diverse research questions and enables a deeper understanding of the problem. This philosophy bridges theory and practice, facilitating actionable insights into the cause of youth unemployment.

This study adopted a mixed-methods approach, using both quantitative and qualitative data collection and analysis techniques. The concurrent triangulation design enabled simultaneous data gathering, which facilitated cross-validation and enhanced the reliability and validity of the findings. This approach was selected to offer a comprehensive view of the causes of youth unemployment in the Gurage Zone, addressing its socio-economic and political dimensions. The quantitative component focused on statistical relationships, while the qualitative component explored deeper causes and personal experiences. The integration of both data types strengthened the study's findings by combining numerical breadth with contextual depth. Quantitative data were prioritized for statistical analysis, whereas qualitative data provided valuable insights into observed patterns. Data collection was conducted separately for both methods, and during analysis, the results were compared and integrated to offer a well-rounded interpretation of the factors driving youth unemployment in the Gurage Zone (Creswell & Plano Clark, 2018).

Study Design

The study utilized a descriptive research design to examine youth unemployment, focusing on the socio-economic and demographic factors associated with the issue. A cross-sectional method was employed to collect data at a specific point in time, offering a snapshot of the current state of youth unemployment in the Gurage Zone. This approach allowed for a thorough analysis of the prevailing conditions and provided a detailed understanding of the factors influencing youth unemployment.

Data Types and Sources

A mixed-methods approach utilized both primary and secondary data. Primary data were gathered through structured questionnaires, key and informant interviews, and FGDs. Secondary data were obtained from government reports, published studies, and academic journals, offering statistical and contextual support to primary findings.

Data Collection Methods

Survey Design

A structured questionnaire was used to collect primary data from a sample of 400 respondents. This tool enabled the efficient gathering of both quantitative and qualitative data and was designed for remote administration, allowing participants to engage without the researcher's physical presence. The questionnaire included both closed-ended questions for easy quantification and open-ended questions to capture subjective insights. Additionally, a Likert scale was included to assess respondents' perceptions, attitudes, and experiences regarding the causes and solutions to youth unemployment. The scales ranged from strongly disagree to strongly agree, providing a detailed understanding of the key factors.

Interview

Key informant interviews targeted individuals with detailed knowledge of youth unemployment. These **unstructured interviews** provided flexibility, allowing questions to evolve based on the interviewee's responses. This method enabled deeper exploration of socio-economic, political, and educational factors affecting youth unemployment. By adapting to each interview, the researcher could delve into specific issues, enriching the qualitative data. Interviewees were purposively selected, including graduate students, kebele leaders, parents, civil servants, town experts, microfinance representatives, and small-scale entrepreneurs, to gather a wide range of perspectives. Table 1: Key Informants and Sampling Techniques for Data Collection on Youth Unemployment in the Gurage Zone

Note M= male F= female

Table 1: Key Informants and Sampling Techniques

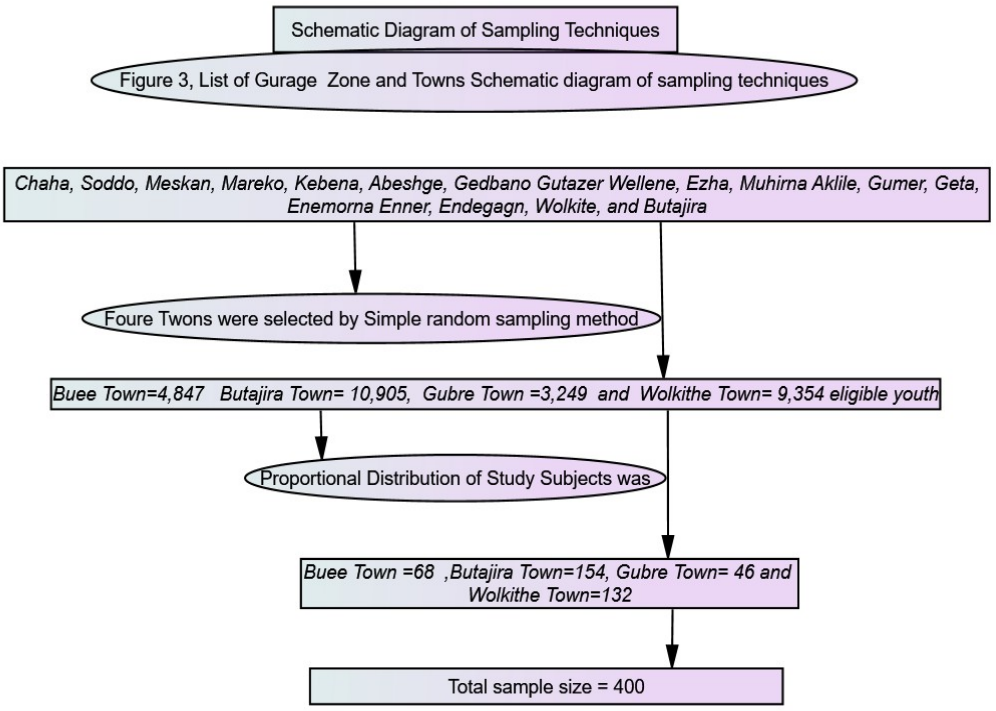
Name of the areas	**Key information**						**Sample technique**	
	Gut. students	Kebele leader	Parents	Civil servants	town expert$ university	Micro-finance	Small-scale entrepreneur	Purposely, because more information about youth unemployment
	M$F	M	M =4 F =4	M =2 F=2	M=2 F=2	M =2 F=2	M =2 F =2	
Buee	4	1	2	1	2	1	1	
Gubra	4	1	2	1	2	1	1	
Butajira	4	1	2	1	2	1	1	
Wolkithe	4	1	2	1	2	1	1	
Total	16	4	8	4	8	4	4	48

Focus Group Discussions (FGDs)

The study conducted four focus group discussions (FGDs), each lasting 45 minutes to 1 hour, with six participants per session, to complement the surveys and interviews. Participants were purposefully selected to represent diverse perspectives based on age, gender, education, and socio-economic status, ensuring a total of 24 participants. The group dynamics of the FGDs encouraged the emergence of various viewpoints, providing rich qualitative data that enhanced the quantitative findings. This approach offered deeper insights into community perceptions and the socio-economic and political dynamics influencing youth unemployment.

Sampling Techniques

The study used a combination of non-probability and probability sampling methods, employing a multi-stage design to select respondents from the Gurage Zone in Central Ethiopia. Non-probability sampling was first applied to choose the Gurage Zone due to its socio-economic challenges and relevance to the study. In the first stage, probability sampling selected four woredas (Sodo, Meskan, Wolkite, and Gubre) from the thirteen woredas in the zone. In the second stage, cluster sampling identified four major towns (Buee, Butajira, Wolkite, and Gubre) based on urban population size and logistical feasibility. The third stage involved stratified sampling to ensure gender-based representation, followed by simple random sampling in the fourth stage to select respondents within each gender stratum. This combination of sampling techniques ensured a diverse and representative sample, effectively addressing the research objectives.



Sample Size Determination

The sample size was determined using Kothari's (2004) formula for finite populations, which calculates the sample size based on a specified confidence level and margin of error. The study adopted a 95% confidence level with a 5% margin of error, widely accepted benchmarks for robust social science research. The target population comprised economically active youth in the Gurage Zone, totaling 28,355 individuals

The formula used to calculate the sample size is:

The formula is: $n = \frac{Z^2}{e^2} \frac{p.q.N}{(N-1)+Z^2.P.Q}$

Where:

- n = required sample size
- Z = z-value (1.96 for 95% confidence)
- p = estimated proportion (0.5)
- q = 1 - p (0.5)
- e = margin of error (0.05)
- N = population size (28,355)

Plugging in the values: $n = \frac{1.96^2}{0.5^2} \frac{0.5.0.5.28355}{(28355-1)+1.96^2.0.5.0.5}$

$$n = \frac{27,232.1426}{71.8454}$$

n≈379

To account for potential response error, 10% was added to the initial sample size of 379, resulting in a target of 417. However, 400 respondents were collected, slightly below the target. This minor shortfall increases the margin of error slightly but remains acceptable, ensuring reliable insights for the study.

Pre-Testing of Survey Questions

The survey questions were pre-tested to enhance clarity and reduce potential bias prior to full-scale data collection. A small sample of respondents was selected to complete the questionnaire, allowing the researcher to identify ambiguities and biases in the wording. Feedback from this process was analyzed to make necessary revisions, ensuring that the questions were clearing, unbiased, and effectively captured the intended data on the causes of youth unemployment in the Gurage Zone. This pre-testing phase was essential in refining the instrument to improve its validity and reliability.

Method of Data Analysis

Quantitative Data Analysis

Quantitative data analysis in this study relied on both descriptive and inferential statistical methods to provide a comprehensive understanding of youth unemployment in the Gurage Zone. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize key socio-economic variables, offering an overview of the study population's characteristics and the scope of youth unemployment. Inferential statistics, particularly p-values, were applied to test the significance of relationships between variables, such as employment status and socio-economic factors. This combination of methods allowed for the identification of significant patterns and a deeper understanding of the determinants of youth unemployment.

Qualitative Data Analysis

The qualitative data analysis method was essential for exploring the contextual and experiential aspects of youth unemployment that quantitative methods alone could not capture. Thematic analysis of interviews and Focus Group Discussions (FGDs) helped identify recurring themes, enhancing the understanding of the socio-economic, political, and personal causes of youth unemployment. This systematic coding process ensured rigorous organization and analysis of the data, providing rich insights into the challenges faced by unemployed youth in the Gurage Zone. These qualitative findings were key to complementing the quantitative results and offering a more comprehensive view of the social and psychological impacts of unemployment.

Research Ethics

The study adhered to strict ethical standards throughout the research process. Permissions and consent were obtained from relevant authorities and all participants prior to data collection. Confidentiality was maintained by securely storing the data and limiting access to authorized personnel only. The research followed key ethical principles of respect, beneficence, justice, and integrity. Approval was granted by an ethics committee, and the findings will be responsibly disseminated while ensuring the privacy and anonymity of participants.

3. Results and Discussion

Demographic Characteristics of Respondents

This section provides an analysis of the demographic characteristics of the respondents in the study. The characteristics include gender, age, marital status, educational level, and household size, among others. The following table 2 summarizes these characteristics in detail.

Table 2: Relationship between Youth Employment Status and Demographic Variables

No	Variables	Category	Employed	Unemployed	Total (%)	p-value
	EMPST	Employment status	160	240	400 (100%)	
1	Sex	Male	61 (38.1%)	124 (51.7%)	185 (46.3%)	0.008
		Female	99 (61.9%)	116 (48.3%)	215 (53.8%)	
2	Migration status	Migrate	73 (45.6%)	154 (64.2%)	227 (56.8%)	0.000
		Non-migrant	87 (54.4%)	86 (35.8%)	173 (43.3%)	
3	Marital status	Never Married	115 (71.9%)	178 (74.2%)	293 (73.3%)	0.753
		Currently Married	33 (20.6%)	42 (17.5%)	75 (18.8%)	
		Divorced	5 (3.1%)	7 (2.9%)	12 (3.0%)	
		Widowed	2 (1.3%)	7 (2.9%)	9 (2.3%)	
		Separated	5 (3.1%)	6 (2.5%)	11 (2.8%)	
4	Age	15-19 years	23 (14.4%)	58 (24.2%)	81 (20.3%)	0.002
		20-24 years	49 (30.6%)	91 (37.9%)	140 (35.0%)	
		25-29 years	88 (55.0%)	91 (37.9%)	179 (44.8%)	
5	Household size	Less than 4	68 (42.5%)	57 (23.8%)	125 (31.3%)	0.000
		Five-seven	59 (36.9%)	115 (47.9%)	174 (43.5%)	
		Greater than 8	33 (20.6%)	68 (28.3%)	101 (25.3%)	

Table 2: **Association between Youth Employment Status and Demographic Variables**
Source: SPSS output-based Field Survey, 2024

Socio-economic Characteristics of Respondents

The association between youth employment status and socio-economic predictors plays a critical role in understanding the factors that influence employment outcomes. By examining variables such as household income, access to credit, and training received, this analysis highlights key socio-economic conditions that affect youth employment in the Gurage Zone.

Table 3; Association between Youth Employment Status and Socio-Economic Predictors

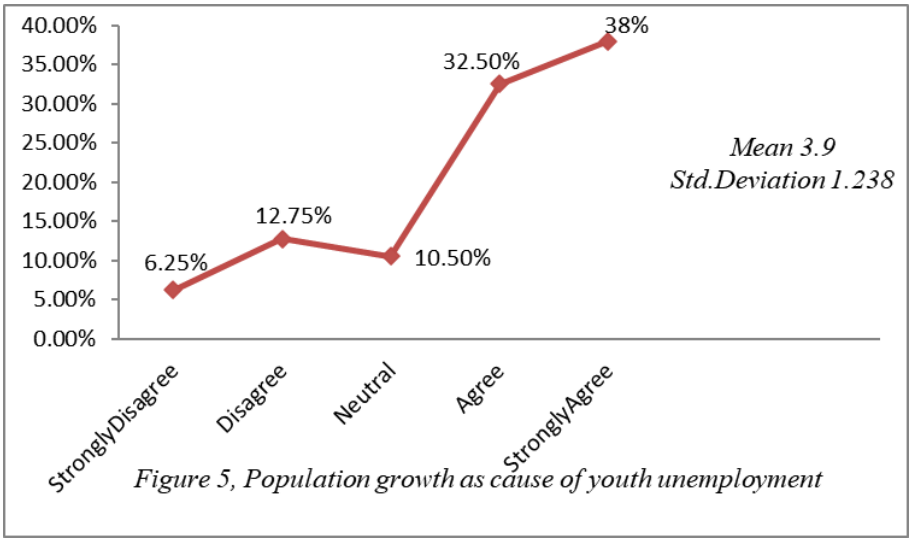
No	Variables	Category	Employed (%)	Unemployed(%	Total (%)	p-value
1	Education level	Can't read and write	11 (6.9%)	13 (5.4%)	24 (6.0%)	0.000
		Can read but not write	1 (0.6%)	9 (3.8%)	10 (2.5%)	
		Primary (1-8)	9 (5.6%)	25 (10.4%)	34 (8.5%)	
		Secondary (9-12)	26 (16.3%)	79 (32.9%)	105 (26.3%)	
		TVET	15 (9.4%)	24 (10.0%)	39 (9.8%)	
		First Degree and above	98 (61.3%)	90 (37.5%)	188 (47.0%)	
2	Mother's Education Level	Can't read and write	70 (43.8%)	115 (47.9%)	185 (46.3%)	0.001
		Can read but not write	13 (8.1%)	42 (17.5%)	55 (13.8%)	
		Primary (1-8)	56 (35.0%)	56 (23.3%)	112 (28.0%)	
		Secondary (9-12)	4 (2.5%)	12 (5.0%)	16 (4.0%)	
		TVET	7 (4.4%)	12 (5.0%)	19 (4.8%)	
		First Degree and above	10 (6.3%)	3 (1.3%)	13 (3.3%)	
3	Father's Education Level	Can't read and write	43 (26.9%)	63 (26.3%)	106 (26.5%)	0.139
		Can read but not write	28 (17.5%)	41 (17.1%)	69 (17.3%)	
		Primary (1-8)	61 (38.1%)	120 (50.0%)	181 (45.3%)	
		Secondary (9-12)	12 (7.5%)	12 (5.0%)	24 (6.0%)	
		TVET	2 (1.3%)	2 (0.8%)	4 (1.0%)	
		First Degree and above	11 (6.9%)	5 (2.1%)	16 (4.0%)	
4	Credit access	Access to credit use	54 (33.8%)	116 (48.3%)	170 (42.5%)	0.004
		No access to credit	106 (66.3%)	124 (51.7%)	230 (57.5%)	
5	Receive training	Receive training	62 (38.8%)	56 (23.3%)	118 (30.0%)	0.001
		No receive training	98 (61.3%)	184 (76.7%)	282 (70.0%)	
6	Household income	Less than 500	88 (55.0%)	107 (44.6%)	195 (48.8%)	0.003
		501-1000 birr	38 (23.8%)	81 (33.8%)	119 (29.8%)	
		1001-1500 birr	22 (13.8%)	17 (7.1%)	39 (9.8%)	
		More than 1501 birr	12 (7.5%)	35 (14.6%)	47 (11.8%)	

Table 3: Association between Youth Employment Status and Socio-Economic Predictors
Source: SPSS Output, Based on Field Survey, 2024

Major Causes of Youth Unemployment

In the Gurage Zone, respondents were asked to rate their agreement with various statements regarding the primary factors contributing to youth unemployment. The findings reveal that rapid population growth is perceived as a major contributor to the high levels of unemployment among the youth.

Figure 4; Perceptions of Rapid Population Growth as a Factor in Youth Unemployment



Source: survey data 2024

Figure 4: presents participants' perceptions regarding the relationship between rapid population growth and youth unemployment. The results show a significant consensus among respondents, with 32.5% agreeing and 38.0% strongly agreeing that rapid population growth increases job competition and contributes to higher youth unemployment. This suggests that a majority of respondents believe that population growth is a major factor influencing youth unemployment.

However, there is some disagreement, as 12.8% disagreed, 6.3% strongly disagreed, and 10.5% were neutral, indicating that not all respondents share the same perspective.

The mean score of 3.9 indicates that, on average, participants tend to agree with the statement, suggesting a general consensus that population growth has a negative impact on youth employment. The standard deviation of 1.23 reflects moderate variability in responses, meaning there is some divergence in opinions, but the overall trend leans towards agreement.

These findings align with previous studies, such as those by Mekonnen (2021) and Kumar (2021), which link population growth to challenges in employment. The widespread agreement in this study supports the argument that demographic changes, such as rapid population growth, play a significant role in exacerbating youth unemployment.

The Malthusian theory, which suggests that unchecked population growth can lead to severe socio-economic issues such as high unemployment, underpins these perceptions (Malthus, 1798). Empirical studies support this view, highlighting the effects of population dynamics on unemployment rates (Lee & Mason, 2011; Bloom et al., 2013). However, it is also important to consider alternative perspectives that argue population growth can stimulate economic development and job creation (Sachs, 2005; Bloom & Canning, 2008). Thus, the relationship between population growth and unemployment is complex and context-specific, requiring a nuanced analysis to understand fully the implications for youth employment.

A qualitative study in the Gurage Zone identified several key factors contributing to youth unemployment: corruption, infrastructural decay, and neglect of the agricultural sector were noted as major barriers to job creation. Additional factors include unfavorable government policies, the impact of globalization, poor job recruitment practices, and a deficient educational system. Insecurity and negative attitudes towards employment, along with poor leadership and governance, further complicate the issue. These findings highlight the need for comprehensive strategies to address the multifaceted challenges of youth unemployment in the region.

(See, Figure 5) shows that 67.5% of respondents believe rural-urban migration contributes to higher youth unemployment, with 35.5% agreeing and 32.0% strongly agreeing. A smaller portion, 17.6% disagreed, and 15.0% remained neutral, indicating some differing views.

The mean score of 3.76 suggests that most participants agree that migration impacts youth unemployment, though with some variability as indicated by the standard deviation of 1.17.

These results align with previous studies (Imuetinyan, 2018; Ongbali & Afolalu, 2019; Mekonnen, 2021; Mohammed Shuker & Hashim Sadik, 2024), which highlight how migration increases job competition in cities, worsening unemployment for youth. Despite seeking better opportunities, migrants often face limited job prospects, contributing to urban overpopulation, poverty, and inequality. Current government policies have only partially addressed these challenges (seen figure 5).

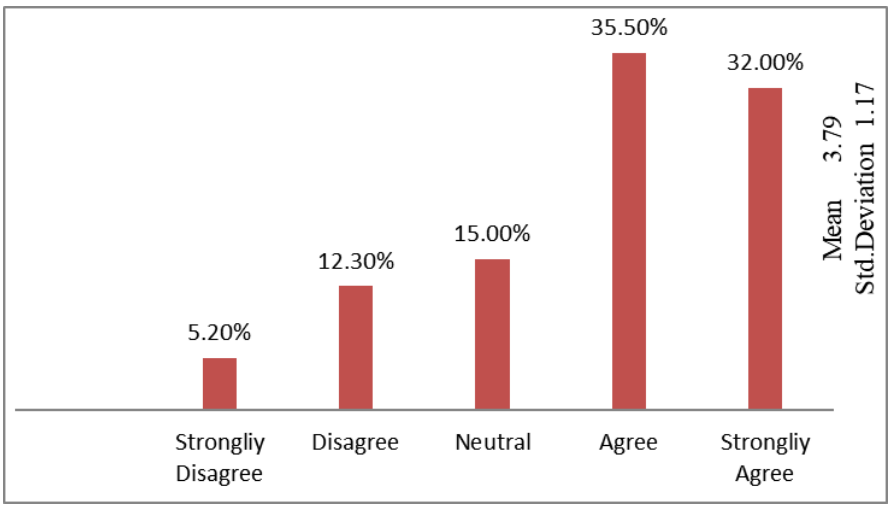


Figure 5. Rural-Urban Migration as causes of youth unemployment

Source: Survey data Gurage Zone, 2024

Figure 6 presents respondents' perceptions of the quality of education policy and its impact on youth unemployment, specifically evaluating how well educational policies equip youth with essential job skills. Among the 400 respondents, 10.3% (41 individuals) strongly disagreed and 17.3% (69 individuals) disagreed with the view that current educational policies are ineffective. Additionally, 18.3% (73 respondents) took a neutral stance, suggesting uncertainty or insufficient information on the matter (seen figure 5).

In contrast, 27.3% (109 respondents) agreed, and 27.0% (108 respondents) strongly agreed that ineffective educational policies significantly contribute to the lack of job skills among youth. Overall, 54.3% of respondents perceive these policies as a major factor in youth unemployment. The mean score of 3.21 and standard deviation of 1.156 indicate a moderate agreement, with some variability in responses.

These findings align with research by Refrigeri and Aleandri (2013), Mekonnen (2021), and Nwogbo and Ishola (2020), which emphasize the importance of improving educational policies to better match job skills with market demands and reduce youth unemployment.

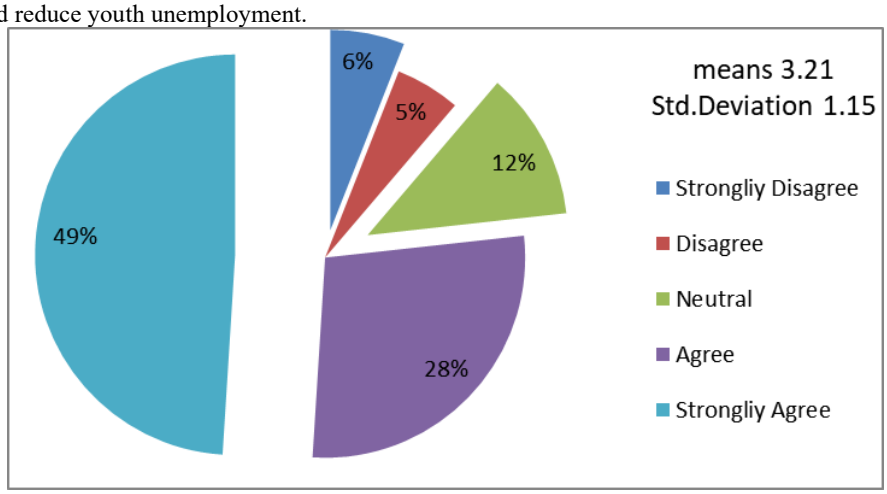


Figure 6: Quality of Education Policy and Its Impact on Youth Unemployment

Source: Survey data Gurage Zone, 2024

Figure 7; illustrates respondents' perceptions regarding the relationship between skill mismatch and youth unemployment. Of the 400 participants, 6.5% (26 individuals) strongly disagreed with the notion that skill mismatch is a significant issue, suggesting that they are satisfied with the alignment between educational policies and job market needs. In contrast, a substantial majority of 35.0% (140 respondents) agreed, and 31.5% (126 respondents) strongly agreed that discrepancies between educational training and market demands significantly contribute to high youth unemployment rates. Overall, 66.5% (266 respondents) acknowledge that current educational frameworks inadequately prepare youth for the workforce, pointing to a critical need for educational reform. The mean score of 3.21 suggests that, on average, participants lean toward agreeing that skill mismatch is a key factor in youth unemployment, while the standard deviation of 1.156 indicates moderate variability in responses, showing some divergence in opinions about the extent of the issue (see figure 7).

These findings are consistent with the recommendations of Refrigeri and Aleandri (2013) and Mekonnen (2021), who advocate for integrating vocational training and work placement programs to improve youth employability. Additionally, Sharaf (2023) highlights the need for equitable access to quality education and vocational training as essential strategies to reduce youth unemployment.

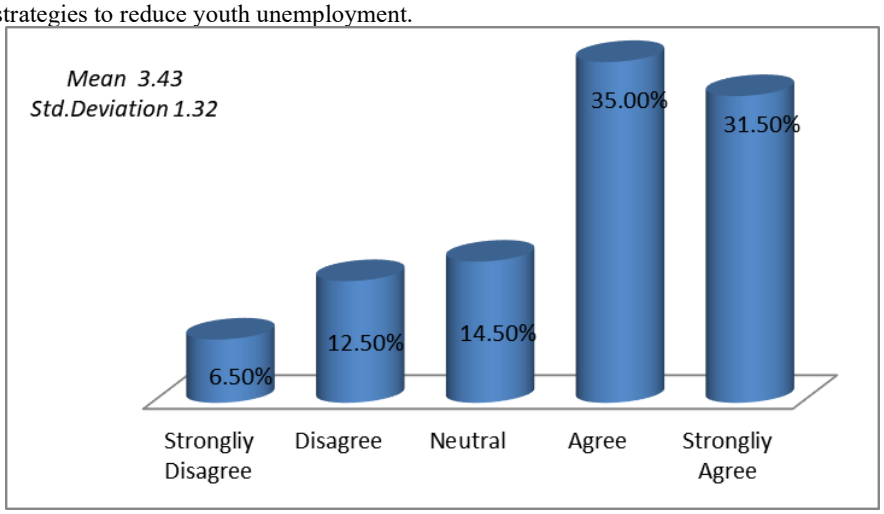


Figure 7: Skill Mismatch and Its Impact on Youth Unemployment
Source: Survey data Gurage Zone, 2024

Figure 8 presents respondents' views on the impact of political instability and conflict on youth unemployment. Among the 400 respondents, a small minority—6.0% (24 individuals) who strongly disagreed and 5.3% (21 individuals) who disagreed—believes that political instability and conflict do not significantly disrupt economic conditions. 12.0% (48 respondents) remained neutral, suggesting some uncertainty about the extent of these factors' impact. In contrast, a significant majority—27.8% (111 respondents) who agreed and 49.0% (196 respondents) who strongly agreed—recognize that political instability and conflict significantly exacerbate youth unemployment. Overall, 76.8% (307 respondents) agree that these issues have a profound influence on youth unemployment, indicating widespread acknowledgment of the negative effects of political instability on youth employment prospects (see figure 8).

The mean score of 4.08 suggests strong agreement with the statement, while the standard deviation of 1.16 indicates moderate variability in responses, meaning that while the majority agree on the impact of political instability, there is some variation in how strongly respondents feel about it.

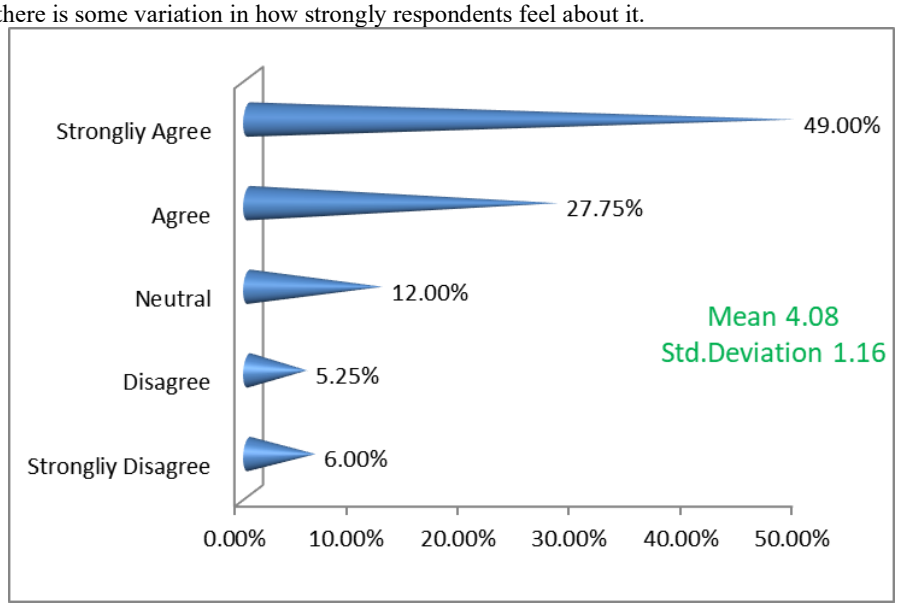


Figure 8. Political Instability and Conflict vs. Youth Unemployment
Source: Survey data Gurage Zone, 2024

Table 4: Other Perceptions of causes contributing to Youth Unemployment

No	Statements	SD	D	N	A	SA	Mean	Std.

								Deviation
1	Neglect of the agricultural sector decreases job opportunities for rural youth, increasing unemployment	29 (7.3%)	52 (13.0%)	54 (13.5%)	145 (36.2%)	120 (30.0%)	3.687	1.23030
2	Lack of support for small and medium enterprises (SMEs) limits job creation, increasing youth unemployment.	30 (7.5%)	41 (10.3%)	58 (14.5%)	161 (40.3%)	110 (27.4%)	3.700	1.19103
3	During economic downturns, companies reduce hiring and cut jobs, leading to higher youth unemployment.	30 (7.5%)	41 (10.3%)	55 (13.8%)	150 (37.5%)	124 (31.0%)	3.742	1.21238
4	Unreliable electricity supply affects businesses, reducing job opportunities for youth.	52 (13.0%)	78 (19.4%)	55 (13.8%)	123 (30.8%)	92 (23.0%)	3.312	1.359
5	Absence of programs supporting youth employment increases unemployment rates.	16 (4.0%)	45 (11.3%)	16 (4.0%)	186 (46.5%)	137 (34.2%)	3.957	1.0925

Table 4: Percent of respondents asked to the cause of youth unemployment
Source: Survey data Gurage Zone, 2024

Table 4 presents respondents' perceptions of various factors contributing to youth unemployment. The table includes five statements, along with the corresponding frequency distribution of responses, mean scores, and standard deviations. Below is an interpretation of each statement:

1. Neglect of the agricultural sector decreases job opportunities for rural youth; increasing unemployment: The statement received a mean score of 3.687, suggesting moderate agreement among respondents. This indicates that a significant number of respondents believe that neglecting the agricultural sector plays a role in increasing youth unemployment, particularly in rural areas. With a standard deviation of 1.230, there is some variation in responses, but most respondents (66.2%) agreed or strongly agreed with the statement. This reflects the general consensus that the agricultural sector is an important factor in youth employment in rural areas. These perceptions align with research by Schmidt and Woldeyes (2019) and Wossen and Ayele (2018), which highlight the impact of agricultural sector neglect on employment opportunities in rural areas, particularly for youth.

2. Lack of support for small and medium enterprises (SMEs) limits job creation, increasing youth unemployment
The mean score of 3.700 indicates moderate agreement with this statement, suggesting that respondents perceive the lack of support for SMEs as a significant barrier to job creation and a factor contributing to youth unemployment. The standard deviation of 1.191 shows a relatively consistent response pattern, with 67.7% of respondents agreeing or strongly agreeing with this view. These findings support the idea that policies aimed at strengthening SMEs could help alleviate youth unemployment.. This finding highlights the critical role of SMEs in providing employment opportunities, aligning with the views of Muwanga (2023) and the Commission for Western Asia (2024), both of which emphasize the importance of strengthening SME support to combat unemployment.

3. During economic downturns, companies reduce hiring and cut jobs, leading to higher youth unemployment
With a mean score of 3.742, this statement has the strongest agreement among the factors listed in Table 4. The majority of respondents (68.5%) believe that economic downturns lead to reduced hiring and increased job cuts, exacerbating youth unemployment. The standard deviation of 1.212 suggests moderate variability in responses, indicating that while most respondents agree, there are some differences in how strongly they feel about the issue. This supports the view that economic instability directly impacts youth employment opportunities. This perception aligns with findings from Ruth et al. (2014) and Gould and Kassa (2020), which document the negative impact of economic recessions on youth employment.

4. Unreliable electricity supply affects businesses, reducing job opportunities for youth:
The mean score of 3.312 reflects moderate agreement, but with a greater degree of variation compared to the other statements. The standard deviation of 1.359 indicates a wider spread of opinions, with some respondents strongly agreeing, while others disagree or remain neutral. Despite this variability, a significant portion of respondents (54%) acknowledged that unreliable electricity negatively affects business operations, which in turn reduces youth employment opportunities. This finding underscores the critical role of reliable electricity in supporting business activities and job creation, as highlighted by Scott et al. 2014) and Now (2016).

5. Absence of programs supporting youth employment increases unemployment rates: This statement received the highest mean score of 3.957, indicating strong agreement among respondents. The majority (80.7%) agreed or strongly agreed that the lack of youth employment programs is a major factor contributing to youth unemployment. The relatively low standard deviation of 1.0925 suggests strong consensus on this issue, with respondents largely agreeing that such programs are crucial for reducing unemployment rates among youth. This overwhelming consensus underscores the critical need for targeted employment programs to effectively address youth unemployment, reflecting findings by Namita et al. (2018) on the role of such programs in reducing unemployment and promoting economic stability.

4. Policy Implications, Strengths, Limitations, and Conclusion

4.1. Policy Implications

The findings highlight critical areas for policy intervention to reduce youth unemployment in the Gurage Zone. Policymakers should prioritize agricultural development, particularly in rural areas, as a sustainable source of employment. Supporting small and medium enterprises (SMEs) through improved financial access, tax incentives, and targeted training programs can foster local entrepreneurship and job creation. Educational reforms are necessary to align curricula with labor market needs by emphasizing vocational and technical skills. Investing in youth employment programs, including job placement services, mentorship, and career counseling, can help bridge the education-to-employment gap. Additionally, strengthening infrastructure and ensuring political stability are crucial for business growth and investment attraction. Managing rural-urban migration through decentralized economic development policies can also reduce pressure on urban labor markets.
To enhance the effectiveness of these policies, it is essential to specify job creation strategies tailored to the region. Key sectors with high employment potential include poultry, cattle, and sheep farming, block making, cobblestone production, modern farming techniques, dairy and meat production, and irrigation. Establishing modern marketplaces and ensuring access to necessary inputs can further support youth employment. Given the limited industrial activity in the zone, targeted government and non-governmental support for these sectors can significantly reduce unemployment and drive sustainable economic growth.

4.2. Strengths

One of the study's key strengths is its **large sample size** of 400 participants, which increases the reliability and generalizability of the findings. The study also provides a **comprehensive analysis** by addressing multiple contributing factors—demographic, economic, and policy-related—providing a holistic view of youth unemployment. Furthermore, the study reveals a strong **consensus** among respondents about the primary factors driving unemployment, which strengthens the validity of the conclusions. The **practical recommendations** based on the study's findings offer actionable solutions for policymakers and stakeholders. Finally, the **multi-dimensional approach** of the study, considering socio-economic and political factors, highlights the complexity of the issue and emphasizes the need for collaboration among various sectors to effectively address youth unemployment.

4.3. Limitations

Despite its strengths, the study has certain **limitations**. The focus on a single region, the **Gurage Zone**, limits the generalizability of the findings to other areas with different socio-economic or demographic characteristics. The use of **cross-sectional data** captures a snapshot of the situation at a single point in time but does not allow for the examination of trends over time or the establishment of causal relationships. Additionally, the reliance on **self-reported data** may introduce biases such as social desirability bias or inaccuracies in how participants perceive and report factors contributing to youth unemployment. The study also **excludes some potential variables** such as cultural attitudes and international economic factors, which could provide a more comprehensive understanding of the issue. Lastly, while the role of government policies is mentioned, the study does not delve deeply into the **effectiveness or shortcomings** of existing policies.

5. Conclusion

This study highlights the key factors contributing to youth unemployment in the Gurage Zone and underscores the need for targeted policy interventions. A comprehensive approach is essential, focusing on agricultural development, SME support, education reform, and investment in youth employment programs. Additionally, improving infrastructure, ensuring political stability, and managing rural-urban migration through decentralized economic policies are crucial for sustainable job creation. Prioritizing high-potential sectors such as poultry, cattle, and sheep farming, block making, cobblestone production, modern farming techniques, dairy and meat production, and irrigation can significantly enhance employment opportunities. Establishing modern

marketplaces and ensuring access to necessary inputs will further facilitate youth engagement in these sectors. By implementing these strategic measures, policymakers and stakeholders can effectively reduce youth unemployment, drive economic growth, and create a more inclusive and sustainable future for young people in the Gurage Zone.

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