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Original Research

Characteristics and Challenges of Youth Unemployment in Nekemte City, Western Ethiopia

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Abstract

This study aimed to investigate the causes and characteristics of youth unemployment in Nekemte City using an explanatory research design. With 376 respondents, purposive and simple random sampling was used. A survey questionnaire was used to gather data from young people without jobs. The validity of the instruments was determined by research and piloting specialists. The data was analyzed through focus group talks, observation, and document reviews. The *survey revealed that women are disproportionately affected by unemployment, and education doesn't always lead to better job opportunities. A significant portion of young people prefer to stay unemployed until they find their desired work. Factors contributing to youth unemployment include skills mismatch, lack of business consulting services, and migration from rural to urban areas, limited job availability, and lack of starting money. Thus, the study recommends creating lucrative careers for various ability levels. Additionally, in order to achieve good governance, the local government should work to create favorable conditions promote accountability and transparency in the system to ensure good governance; increase awareness of youth unemployment by emphasizing the value of self-employment; and fortify the bond between education institutions and the labor market.*

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INTRODUCTION

One of the most crucial resources that nations must possess in order to promote development is human capital. If they are effectively employed and managed, dynamic and competent individuals can influence social and economic development (Msigwa & Kipesha, 2013). Nonetheless, global unemployment has emerged as a significant policy concern for every country. It is a multifaceted social phenomenon in addition to a statistical notion. A recent ILO (2023) report states that the number of unemployed people worldwide is declining to 191 million, or 5.3% of the labour force. In contrast to earlier crises, the COVID-19 crisis has resulted in an exceptionally quick recovery in unemployment rates worldwide. However, it is not anticipated that unemployment in low-income nations or in

African regions will return to pre-pandemic levels by 2023. The ILO research went on to say that although unemployment rates have significantly decreased below pre-crisis levels in other regions like Latin America and the Caribbean, Central Asia, and Western Asia, they are expected to remain high in Africa in 2023 when compared to 2019. Low-income nations haven't been able to bring their jobless rates back to what they were in 2019. Furthermore, high rates of youth unemployment are a problem for many urban centres in sub-Saharan Africa, according to UNCTAD (2023).

In Ethiopia's cities, the labour force is expanding proportionately, but there aren't enough job opportunities to accommodate the new workers. As a result, unemployment is a special problem (World Bank, 2009). The research claims that there is a huge gap between the supply and demand of labour, with many men and women searching but not being able to find employment. There have been initiatives to reduce unemployment in Ethiopia's cities recently. The Ethiopian government places a strong priority on promoting micro and small enterprises (MSEs) and providing them with labour, funding, and training as part of its framework of policies for the development of the private sector.

According to Ethiopia's CSS (2022) survey results, the country's urban unemployed population numbered 1,982,436 at a 19.4% unemployment rate. With 1,142,346 unemployed young (ages 15 to 29) and an unemployment rate of 26.5%, there are more unemployed youth in this age group than there are in any other age group. An increasing trend is also seen in the periodic analysis of youth unemployment. In a similar vein, the youth unemployment rates for men and women were 17.5% and 33.6%, respectively. At 616,458 unemployed, Oromia Region led all urban regions in the nation in terms of the percentage of unemployed people; Addis Ababa City Administration and Amhara Region came in second and third, respectively (CSS, 2022).

Statement of the Problem

One of the main causes of Ethiopia's severe socioeconomic issues that urban regions face are notwithstanding economic advances, is youth unemployment (Kibru, 2012). Thus, finding work in metropolitan areas is being increasingly acknowledged as one of the nation's most important development concerns. The low absorption capacity of the formal sector, the low rate of employment creation, the skills gap, and the lack of entrepreneurship among young people are among the numerous contributing reasons that make Ethiopia's unemployment rate noteworthy.

Furthermore, Asmare and Mulatie (2014) found that a lack of social networks, a low quality of education in the system, and a lack of good governance (nepotism, corruption, bias, and discrimination) are the main factors thought to be affecting urban youth unemployment, particularly among graduates from higher institutions. The survey also made the argument that young people and women are the groups most affected by unemployment. The majority of data indicates that major urban centers—rather than rural areas—are the primary locations where unemployment is an issue. Major cities contain the highest concentration of important business, financial, and industrial entities

because they serve as hubs for the social, economic, and political administration of the nation and its various areas (Fox & Gandhi, 2021; CSS, 2022).

The extent and degree of youth unemployment in the research area were not made possible by the unemployment data that was provided. This is because there are insufficient timely and trustworthy records and infrequent analyses of the official unemployment rate survey. Rather than focusing on a particular area, most earlier research has tended to focus on the examination of documentary data and make an effort to explain the rate of unemployment at the national level. Using both primary and secondary data, this study aims to address the problem of youth unemployment in Nekemte town. Furthermore, the town was chosen since it has not gotten much research attention for a proper assessment of unemployment difficulties.

Nevertheless, CSS (2022) recently investigated the problems with unemployment in 29 important Ethiopian cities, including Nekemte City. In comparison to other important towns in the country like Hawassa (19.7%), Bahirdar (18.6%), Ambo (19.8%), Jimma (18.8%), Shashemene (22.7%), and Jigjiga (21.6%), Nekemte town exhibits a high unemployment rate of 23.9%, per the study. As a result, a large number of young people in Nekemte Town are stuck in an extremely challenging unemployment position, which has always resulted in them suffering greatly and living in substandard conditions. People who are eager and able to work are unable to obtain adequate paid job, according to the limited evidence that is currently available and personal observation. Therefore, the goal of this study is to look into the characteristics of youth unemployment, the views of jobless youth on the main causes of unemployment, the difficulties they have starting their own businesses, and the steps that need to be taken to address unemployment issues.

Objectives of the Study

The general objective of this study is to investigate the characteristics and major challenges of youth unemployment in Nekemte City, Western Ethiopia.

Specifically, the study intends to:

1. *To examine demographic and socio-economic characteristics of unemployed youth (sex, educational attainment, unemployment duration, job preference, and approaches to search work) in determining experience of unemployment*
2. *To identify the main difficulties that deter employment creation or opportunities to start a business in the study area*
3. *To assess the contribution of major socio-economic factors to youth unemployment in Nekemte City*

Defining Unemployment

The phenomenon of unemployment is the effect of looking for work after being unemployed. The three requirements that make up the ILO's (2012) definition of unemployment must all be satisfied at the same time. All people over the minimum age of 15 years required to measure the economically active population who were either unemployed, available for employment at the time, or "seeking work" during the reference period are collectively referred to as "unemployed."

Types of unemployment

According to its source and degree, unemployment can be classified into several categories.

Demand-deficient unemployment or Keynesian unemployment are other names for cyclical unemployment. According to Keynes (1936), unemployment is primarily caused by deficits in aggregate demand throughout specific business cycle phases, which results in a shortage of jobs created for all job seekers. Because there are fewer jobs available, the unemployed are limited, which makes this sort of unemployment cyclical.

Frictional unemployment is the state that workers experience when they lose their job and are actively looking for a new one. This kind of unemployment is temporary since it usually takes time to locate a new work after leaving an organisation. A person will need to give themselves a fair amount of time to look for the ideal position (McConnell et al., 2003).

Structural Unemployment

When specific industries see a downturn due to long-term shifts in market conditions, structural unemployment results. This can be the result of shifting consumer preferences or the product or service becoming obsolete due to advancements in technology. The abilities required for open positions do not match those of the unemployed workforce (Bosworth et al., 1996).

Seasonal variations in the operations of specific businesses brought on by changes in the weather, shifts in fashion, or the intrinsic character of industries are the cause of seasonal unemployment. It exists because some sectors don't create or sell their goods throughout the year. Construction, tourism, and farming are among the industries with high rates of seasonal unemployment (McConnell et al., 2003).

Research Design and Methodology

Description of Study Area

Nekemte is 331 kilometers southwest of Addis Ababa on Earth, in the Oromia National Regional State. It is 2088 metres above sea level and has an astronomical location of 9° 46 N and 36° 310 E. Nekemte has an annual mean temperature of about 200 °C and is located in a semi-humid climate zone. The settlement extends in a straight line across 8204.06 hectares, or 82.04 km. The total population of 75,219 (38385 males and 36834 females) was determined by the national population and housing census that was carried out in 2007. The town's current population is projected to be 132,127 people (68,727 women and 69,400 men).

Research Design

Using both qualitative and quantitative research methods, the study employed an explanatory research design. The goal of explanatory research design is to provide extensive explanations for the study variables in order to address why certain issues arise. Determining the strength and type of correlations between variables is helpful (Kothari, 2004).

Source of Data

Two types of sources were used to gather the data: primary sources (questionnaires, focus group discussions, and observation) and secondary sources. Research participants included unemployed youth, parents, and sub-

city managers. Relevant documents were also gathered. This approach facilitates primary data collection a
nd gives researchers access to a variety of data collection techniques.

Sample Size and Sampling Technique

Nekemte town is administratively divided into seven sub-cities. Namely: Cheleleki (Afan Oromo: *Calalaqi*), *Burqaa Jaato, Darge, Bakkee Jamaa, Qasso, Bakanisa Qasee, and Sorga*. For manageability reasons, four sub-cities (*Burqaa Jaato, Darge, Bakkee Jamaa, and Qasso*) were selected using a simple random sampling technique. The secondary sampling units were work-searching sites. Respondents were selected from each area using the convenience sampling technique (Table 1).

Table 1

Distribution of Total Unemployed Youth Population by Sub-cities

No	Sub-city	Number of Registered Unemployed Youth by Sex		
		Male	Female	Total
1	Calalaqii	397	520	897
2	Burqaa Jaato	388	528	916
3	Darge	420	725	1145
4	Qasso	404	508	1092
5	Bakkee Jamaa	400	490	1003
6	Bakanisa Qasee	397	600	997
7	Sorga	129	174	303
	Total	2535	3545	6050

Source: Small and Macro Enterprise Office of Nekemte town

In Nekemte administrative town the total numbers of registered job seekers population in all sub-cities were 6050. With regard to the sample size, the research applied a simplified formula provided by Yamane (1967) to determine the minimum required sample size at 95% confidence level, 0.5 degree of variability and level of precision (e) = 5%. n = $\frac{N}{1+N(e)^2}$ Where 'n' is sample size, 'N' is the total number of study population and '*e*' is the level of precision. Accordingly, in current study a sample size of 376 was obtained.

Instruments for Data Collection

Questionnaire

A questionnaire containing a total of 60 items was prepared and distributed to respondents. The reliability test of the questionnaire was employed using the Cronbach alpha technique, and a reliability coefficient of 0.79 was obtained. To ensure validity, the study has applied the triangulation technique by using questionnaires, FGDs, observation, and secondary data sources.

Observation, Document Review, and Focus Group Discussion (FGD)

Observations were made mainly to probe issues beyond those covered in the questionnaires. Thus, non-participant observation was conducted on the field to check the real existence of unemployment and the opportunities they earn to lead their daily lives. Moreover, document reviews served as

information gathering tools to provide real information by reviewing the available written sources. Also, 14 participants' were involved in two FGD groups.

RESULTS AND DISCUSSION

Characteristics of Respondents

The survey was given to 376 young people without jobs. 376 (100%) of the total questionnaires distributed were completed and returned (Table 2).

Table 2

Percentage Distribution of Respondents by their Personal Back ground

Variables	Characteristics	Frequency	Percent
Sex	Male	179	47.6
	Female	197	52.4
Age Category	15 -19	65	17.3
	20- 24	124	33.00
	25- 29	181	48.4
	30-34	6	1.60
Level of Education	Informal Education	9	2.4
	Primary Education	11	2.9
	Secondary Education	104	27.7
	Certificate	28	7.4
	TVET	86	22.9
	BA/BSc	138	36.7
	Total	376	100

Of the 376 participants, women made up the majority of respondents (52.4%). Men made up 47.6% of the responses, which is a relatively small percentage. This suggests that compared to their male counterparts, a higher percentage of unemployed women were present overall. This can be the result of domestic duties, especially child care, which are the main barriers preventing women from entering the workforce. In this regard, CSA (2014) found that the high unemployment rate among metropolitan women generally reflects the marginalized status of women in the economy, since they typically shoulder a disproportionate amount of household work. Men therefore have greater career options than women.

When it came to age groups, the bulk of respondents (48.4%) fit into the 25–29 year old category, followed by the 20–24 year old (33%), and 15–19 year old (17%) age groups. Consequently, people in the 20–29 age range have borne a disproportionate share of the burden of unemployment. Younger persons therefore have a higher unemployment rate. Lower labour market skills compared to older cohorts may be the cause of this. In fact, young people's inexperience in the workforce creates unique obstacles to landing good jobs, which further worsens their prospects of finding employment later on if they encounter early unemployment. Regarding their educational background, the bulk of respondents—roughly 60%—were TVET and

first-degree graduates, followed by 7.4% certificate holders and 27.7% secondary school graduates. In reference to this, FGD participant (P1) stated:

> *Young individuals who search for paid work but have varying levels of education have not been able to recognise that education is the path to hope. Although educational attainment has significantly increased in Nekemte, there hasn't been as much job creation to offer newly educated job seekers work opportunities.*

Therefore, greater employability through education may not always translate into improved job possibilities. According to Fox and Gandhi (2021), years of education do not always convert into better employment outcomes in sub-Saharan Africa due to the region's subpar educational institutions, even in metropolitan regions where the region's more educated labour force—particularly its youth—lives and works. The most educated people have the highest rates of unemployment, and if they are in the workforce, they are much more likely to complain that their abilities aren't being utilised.

Unemployed Youth Job Searching Mechanisms

The most popular methods of job searching are: looking for openings on job boards (119/31.6%), visiting workplaces (103/27.3%), attempting to start your own business (54/14.4%), and a small percentage (8.2%) think that using social networks or asking friends or family for help can help you land a job, particularly in the unofficial and private sectors (Table 3).

Table 3

Approaches Taken to Search Work

No	Approaches Taken	Frequency	Percent	x^2 test among different educational level
1	Through radio and TV	26	6.9	
2	Searching vacancy on advertising boards, news paper	119	31.6	x^2 value= 8.34 df=30
3	Seeking by assistance of friends, relatives	31	8.2	Sig.=0.00
4	Checking at work sites (farms, markets, assembly places)	103	27.4	
5	Direct application to employer	10	2.7	
6	Trying to establish own enterprise	54	14.4	
7	Both advertising board and assistance of friends	33	8.8	
	Total	376	100.0	

The results of the statistical chi-square test indicate a statistically significant difference between educational levels (x2 = 8.34, df = 30, p<0.01). That is to say, young individuals with varying educational backgrounds do not all use the same approach when looking for a job. For young people fresh out of secondary school, going to areas like building sites, marketplaces and personal connections on a daily basis was the most effective way to get jobs. Long-term youth unemployment may alter the way young people look for work.

It's also not uncommon to see a large number of young individuals looking for work while waiting on the streets or at market places. In the course of their field observation, the researchers

counted the number of young people without jobs during the week they spent looking for work. As a result, on average, 500–600 persons were seen every day waiting to accept any kind of job in four separate locations (work-searching sites) in the early hours of Nekemte town. To learn about the observable unemployment experience of six jobless individuals per site, the researchers held casual talks with them over the course of one week. These two or three are university graduates, yet no matter how long they wait, they are unable to get employment. This would suggest that job prospects were few in the community.

Gender-specific job search tactics also differ. During data collection, it was noted that ladies were uncommon in locations where sizable groups of jobless individuals congregated to peruse job postings in newspapers and on public notice boards. The high unemployment rates among young girls may be the cause of the poor job-searching behaviour of female youngsters. Female job seekers are influenced by gender-specific self-concepts and personality traits that are culturally reinforced.

Unemployment Duration of the Respondent

Youths in this study are defined as people between the ages of 15 and 29 who are unemployed yet wanting to work in the current environment (CSA, 2012). Of the unemployed, almost 51% are unemployed for longer than 24 months, and nearly 24.73% are unemployed for more than 13–24 months. First-degree graduates make up the majority of those who had been unemployed for more than 24 months—102 (27.13%) and TVET graduates, 61 (16.22%). Of the respondents with certificates, only 4 (1.06%) had been unemployed for more than two years (Table 4). Those with secondary education and certificates had comparatively shorter jobless periods within each educational group.

Table 4

Association between Educational Attainment and Time Spent in Searching Job

	Unemployment Duration					
Educational level	less than 6 months	6 -12 month	13- 24 month	more than 24 months	x^2- test	Sig.
Secondary education	12(3.19%)	45(11.96%)	26(6.91%)	21(5.59%)	9.122	.000
Certificate		13(3.45%)	11(2.93%)	4(1.06%)		
TVET graduates		3(0.79%)	22(5.85%)	61(16.22%)		
BA/BSC		6(1.59%)	30(7.98%)	102(27.13%)		
Others	7(1.86%)	6(1.59%)	4(1.06%)	3(0.79%)		

Regarding the correlation between educational attainment and job search time, the study also found that youngsters with relatively greater levels of education had a higher rate of long-term unemployed. That is to say, a higher level of education is strongly linked to longer durations of unemployment. At x2 = 9.12, $p<0.05$, df = 15, the statistical test of association was significant. In other words, teenagers with higher levels of education waited longer for jobs according to their qualifications. However, not all young people with higher levels of education waited for work for as long. Compared to TVET and

university graduates, high school graduates have a comparatively shorter unemployment duration. The availability of the kinds of jobs in the unofficial sector that require young people with low levels of education and their readiness to take on hazardous labour without waiting for a white collar job could be the causes of this. According to Nichols (2013), people's abilities may deteriorate from a lack of use if they spend more time looking for work. The depreciation or erosion of human capital rises with time, therefore the longer a jobless person is unemployed, the less money they could potentially make from a new job and even less likely they are to find one at all. According to Broussar (2012), unemployment and educational achievement are positively correlated. This positive association, where there is a mismatch between the available education and training capabilities and the demands of the labour market, has been dubbed the "educated unemployment problem" and is observed in several emerging nations.

Job Preference of Respondents

The term "job preference" describes the decision to select a certain employment among the range of occupations on the labour market. It is anticipated to have an impact on a respondent's employment status.

Table 5

Percentage Distribution of Respondents by Job Preference

Nº	What type of Job you are looking for?	Frequency	Percent
1	Paid employment private	25	6.6
2	Paid employment –government	98	26.1
3	Any available work	253	67.30
	Total	376	100

Participants in the survey are asked to specify the kind of work they are seeking. According to statistics on respondents' preferred jobs, the majority of them (67.3%) are searching for any job that becomes available, and roughly 32.7% of participants would prefer to work for pay in the formal sector, which includes government and commercial institutions. Thus, it's possible that the respondents would rather stay jobless until they find the kind of work they want. Young people with educations prefer wage jobs in the formal sector and would rather not work until they find the kind of job they want. Instead of actively looking for work in the private sector or launching their own business, young people are willing to wait a long time for a position in the public sector (Table 5).

Constraints of Self-Employment

Table 6 displays the breakdown of unemployed people based on the kinds of difficulties they encountered when launching their own company. In light of this, the majority of research participants—roughly 90.2% of youngsters without jobs—want to launch their own company. However, they

chose not to. This is because launching a firm presents a number of serious challenges for young people. The main challenges in this regard are lack of financing (13.6%), lack of both a working environment and finances (57.8%), and absence of a convenient work environment (12.1%).

To bolster the claim, more data from the employment survey may be used. According to polls (CSA, 2014), the primary obstacle facing nearly two-thirds of urban unemployed individuals who aspire to start their own business or engage in self-employment is a lack of funding as a result of the nation's weak financial intermediation, which makes credit difficult to obtain.

Table 6

Percentage Distribution of Respondents by Main Difficulties to Start own Business

Nº	Challenges to start own business	Frequency	Percent
1	Shortage of finance	46	13.6
2	Lack of suitable training opportunities	13	3.8
3	Lack of convenient work place	41	12.1
4	Lack of Finance and Training	15	4.4
5	Lack of working place and finance	196	57.8
6	Discriminatory prejudices (for example, based on relationship, religion, locality, etc.)	11	3.2
7	Shortage/absence of equipment	10	2.9
8	Lack of information	5	1.5
9	Difficulties in obtaining license	2	0.6
	Total	339	100.0

The Main Work of Unemployed Youth While Searching for a Job

As illustrated in Table 7, the majority of unemployed youth mentioned that 29.5% of them spend their time with friends, 24% of respondents pass their time by staying at home, 10.9% of them are helping family businesses, and 7.2% of respondents are taking additional courses while looking or searching for a job. However, 14.6% of respondents reported that they have engaged in free service work in different potential employing organizations. This may help job seekers create good relationships and develop experiences that can be counted on whenever a vacant position is found in the respective organization. Thus, the option of passing time for unemployed youth depends on the economic status of their families.

Regarding this, Dale (2014) found out that unemployed youth from poor families did not have more options in which they could engage to pass their free time. Because many places and options where youth can pass their free time, such as playing games, passing time in the cafeteria with their friends, and using social media such as the internet, usually incur costs that are unaffordable for most of them. Consequently, they are more likely to suffer from depression and loneliness.

Table 7

Main Work of Unemployed Youth while looking or searching for a Job

Nº	Main Work while looking or searching for a job to spend their time	Frequency	Percent
1	Taking additional course	27	7.2
2	Spending time with friends	111	29.5
3	Stay at home	90	24
4	Doing volunteer work	12	3.2
5	Using social media	29	7.7
6	Helping family business	41	10.9
7	Giving free service in organization	55	14.6
8	Other	11	2.9
	Total	376	100

Major Causes of Youth Unemployment

In this section, multiple regression analysis was used to determine whether the independent variables have any significant effect toward employment status.

Table 8

Model summery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.938[a]	0.879	0.866	161.609

[a.] *Predictors: (constant): Limited job availability, rural to urban migration, lack of startup capital, mismatch of skill and labor market, lack of business advisory service, lack of professional experience, lack of entrepreneurial skills*

Youth employment status was significantly predicted by the predictor variables (R2 =.866). The R value for the entire model is 0.93. When this R number is squared (R2 = 0.866), it shows the percentage of the criterion's variation that was explained by the predictor variables, which makes it a very useful value (Table 8).

Model fitness test

The study's main goal was to use the ANOVA test, which shows how well the regression equation fits the data, to determine whether misspecification issues were from the model specification. Table 9 provides this information. It shows how significantly well the regression model predicts the dependent variable. Given that the regression model's statistical significance ($F = 65.498$, $p<0.00$) shows that the model generally strongly predicts the outcome variable.

Table 9

ANOVA table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8553184.130	5	1710636.826	65.498	.000[b]
	Residual	1175290.615	226	26117.569		
	Total	9728474.745	230			

a. Dependent Variable: Employment status

a. Predictors: (constant): Limited job availability, rural to urban migration, lack of startup capital, mismatch of skill and labor market, lack of business advisory service, lack of professional experience, lack of entrepreneurial skills

Coefficients of Multiple Regressions

The beta value calculation and its level of significance are the first things we examine in order to comprehend the data in Table 10. The model's most robust predictors are the scarcity of jobs ($\beta = 0.63$, $p<0.01$), migration from rural to urban areas ($\beta = 0.33$, $p<0.01$), lack of professional experience ($\beta = 0.24$, $p<0.05$), and insufficient startup funds ($\beta = 0.12$, $p<0.05$). The information regarding the relative strength of each individual coefficient to explain each variable's contribution to the criterion is provided by the high beta (β) weights.

Table 10

Multiple Regressions on Effects of Predictor Variables (Coefficients)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-988.226	617.194		-1.60	.116
	Limited job availability	26.074	3.809	.634	6.84	.000
	Rural to urban migration	6.764	1.185	.337	5.70	.000
	Mismatch of skills and the labor market	2.188	2.585	.066	.85	.002
	Lack of startup capital	10.112	6.736	.128	1.50	.014
	Lack of business advisory service	2.075	2.433	.056	.74	.000
	Lack of professional experience	23.206	9.743	.241	2.38	.022
	Lack of entrepreneurial skill	.392	.155	.130	2.53	.000

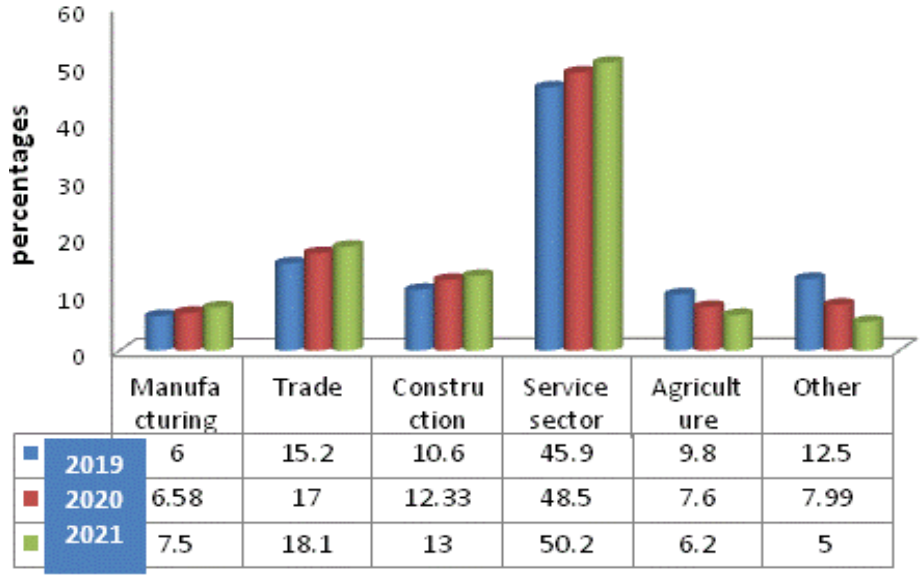
a. Dependent Variable: Employment status

In a regression, the beta values represent the estimated coefficients of the explanatory variables. They show that a unit change in one explanatory variable will alter the response variable while maintaining the same or constant values for the remaining explanatory variables. It was discovered that employment status was substantially predicted by low job availability ($\beta = 0.63$, $t(231) = 6.85$, $p< 0.01$). This suggests that, if other factors stay the same, a unit percentage increase in the number of jobs available can increase teenage employment by 63%. Likewise, job status was strongly predicted by migration from rural to urban areas independently ($\beta = 0.33$, $t(231) = 5.70$, $p<0.01$). This suggests that, while holding other factors constant, an increase of

33% in unemployment can be achieved with one unit of facilitation in the predictor variable (rural to urban migration). This also holds true for the other variables. Youth unemployment can therefore be reduced through significant advancements in the management of rural-to-urban migration, professional experience, company advising services, startup capital access, and job accessibility.

Limited availability of jobs

The results of the multiple regression analysis indicated a highly significant link between the predictor and dependent variables. This may indicate that there aren't enough employment being created by the economy to accommodate the study area's expanding population. This was corroborated by the FGD data, which showed restricted access to job prospects. A male participant, age 56 (P10), stated: The town's economy has not been able to keep up with the population expansion and rising educational attainment because there aren't many significant enterprises that can employ more young people. Due to a few developments in manufacturing investments, the town had limited employment options.



	Manufacturing	Trade	Construction	Service sector	Agriculture	Other
2019	6	15.2	10.6	45.9	9.8	12.5
2020	6.58	17	12.33	48.5	7.6	7.99
2021	7.5	18.1	13	50.2	6.2	5

Fig. 1 *Percentage share of employed population in Nekemte town by major sector, in the year 2019-2021*
Source: Nekemte town MSE promotion Office and Own Computation

In a similar vein, P4, another FGD participant, was perceived as follows: Nekemte is seeing an increase in the number of labourers looking for work. However, the rate of employment growth is insufficient to take in new workers. Education and training tend to release young job searchers at an earlier age, and the labour market is growing, which affects the supply side. The new labour force will face unemployment in the absence of similar job creation.

When there isn't enough demand in the economy to support employment for everyone who wants to work, there may be a limited

supply of jobs. This can be seen in low investment and economic activity, both of which lead to a decrease in the number of jobs created. According to Keynes (1936), unemployment is primarily caused by deficits in aggregate demand throughout specific business cycle phases, which results in a shortage of jobs created for all job seekers. Due to the limited number of jobs available, this form of unemployment is cyclical and involuntary.

Micro and small enterprises (MSE) are important sources of employment and job creation, according to the Ethiopian government. Figure 1 shows the businesses that have been organised under MSE promotion in the research region during the last three years. The MSE development programme is a cornerstone of Ethiopian urban development programmes. Nevertheless, Nekemte's track record of achievement to date is unimpressive. The data collected indicates that over the last three years, the number of young employment produced in the manufacturing sector has expanded very slowly (6%, 6.58%, and 7.5%, respectively). Current MSE promotion initiatives centre on the service sector, as seen in Figure 1. Of the enterprises classified as MSE promotion, just about 20% are in the manufacturing and construction sectors, while nearly 68% are in the service and trade sectors.

Rural to Urban Migration: The regression analysis revealed a strong relationship between the relative strength of rural to urban migration and unemployment status. The tendency of people moving from rural to urban areas causes overcrowding in the urban area, which has an impact on a country's economy. The ability of the urban economy to create jobs may be further hampered by rapid population expansion and sluggish economic growth.

According to studies by Okojie (2003) and Azaola (2012), there is a considerable correlation between youth unemployment and the labour force's rapid increase as a result of rural-urban migration in terms of push and pull factors. One of the main reasons why young people decide to migrate is the lack of prospects in their current locations. When a large number of individuals move from rural to urban areas in pursuit of employment, there will be a shortage of available positions due to the increased demand for a given job. This will result in unemployment.

Lack of Startup Capital: Although they lack the initial funding, many young people have expressed enthusiasm in beginning income-generating self-employment ventures. This study's FGD participant (P5) expressed dissatisfaction, stating that "it is better for the government to provide credit (startup capital) at the individual level because working in groups is difficult." There aren't many options for youth-only financial credit services. Financial institutions typically have strict requirements that young people find nearly hard to fulfil. People should be able to access credit on an individual basis; the credit provision system shouldn't be limited to those who form groups. They would be more responsible and able to perform better if they were given individual credit access.

Lack of business advisory services: Young people are unlikely to handle their enterprises well even if they receive start-up funding because there is a dearth of business advisory services. As previously said, young

people also lack business training. Regarding the use of business advising services, Asalifewu (2011) found that individuals who did not receive these services were more likely to be unemployed than those who did in his study conducted at Deberebrihan Town. He also said that the chance of unemployment was 1.6 times greater for individuals who did not receive the service than for those who did.

Mismatch of Skills and the Labor Market: The kind of qualification earned and the degree of expertise attained determine an individual's employability. In light of this, the World Bank (2009) states that "failure to coordinate education provision with labour market needs" has played a role in the high rate of youth unemployment among highly educated individuals. Another significant factor contributing to the high unemployment rate is the mismatch between education and training needs and labour market demands.

Lack of entrepreneurial skill and motivation: It's critical to have the requisite abilities to launch one's own business in addition to landing a lucrative employment. In this regard, multiple regression analysis revealed an insignificant association between the predictor and dependent variables. One of the male FGD participants (P8) stated that "the unemployment problem is greatly contributed to by the lack of necessary motivation needed for creating businesses." Among the challenges young people have when launching their own enterprises include a lack of entrepreneurial drive, a lack of vision, and the incapacity to create strong business plans or feasibility studies. Moreover, admission was made that university graduates might not have the self-assurance to launch their own companies.

Youth job seekers lack experience. Professional experience is anticipated to have an impact on young people's job status in the research area. For example, while doing fieldwork in Nekemte in certain areas where a lot of job openings are advertised on public notice boards, it was found that most professional positions that are advertised in newspapers and on notice boards demand a minimum of one to two years of experience. On the supply side, young people looking for jobs lack the experience that companies require because they are inexperienced in the workplace. Young people with little formal work experience are at the bottom of the hiring list. The majority of young people cited the need for work experience as the main issue. Since the majority of job openings demand work experience, the majority of recent grads are unemployed for longer than a year.

CONCLUSIONS

One of the most difficult socioeconomic issues affecting individuals in the working age range is unemployment. The issue is particularly serious among the youth in the research region. Youth unemployment is influenced by differences in age, gender, educational attainment, preferred job type, methods of job searching, length of unemployed, and other personal backgrounds. Eventually, the circumstances will push people to take any kind of risk in order to fulfil their goals, which could destabilise society. For young people, being unemployed means more than just not having a source of income; it often means feeling depressed, alone, irrelevant, and dependant. Furthermore, since jobless people are more likely to endure

prolonged periods of unemployment, lost skills result from unemployment. Because labor-intensive small-scale businesses tend to provide better wages and more jobs, it is crucial that the government support people in establishing more of them.

RECOMMENDATIONS

On the basis of the findings and conclusions drawn, the following recommendations are made:

1. *The regional government should promote developments in manufacturing investments that can create more jobs. Besides that, the local government should create suitable conditions (provision of finance at the individual level, work environment, and training) so that youths can create their own jobs.*
2. *Accountability and transparency must be encouraged in the local government system so as to attain good governance for effective development at the grassroots level. Corruption must be deterred and punished in the local government system.*
3. *Encouraging NGO's and capacitating the existing business advisory service provider institutions through trained manpower, finance, and materials.*
4. *Advocating the importance of self-employment by using role models and enabling youth to bring about attitudinal change through education*

Enhancing the responsiveness of education institutions to the demands of the labor market by strengthening the linkage between education institutions and the labor market

It could be better to support informal businesses through access to banking services by developing efficient e-commerce opportunities and digital services.

Lastly, further research should be conducted on a similar issue to further understand youth unemployment.

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DECLARATION

No competing interest.

DATA AVAILABILITY STATEMENT

All data are available from the corresponding author of the article.

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