Barriers, challenges and perspectives affecting employment of youth and women in Ethiopia Specifically in Addis Ababa and Adama

Project: Sustainable Training Employment Promotion (STEP) Project in Addis Ababa Program Location

Conducted by: Arsi University

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SOS CHILDREN'S VILLAGES

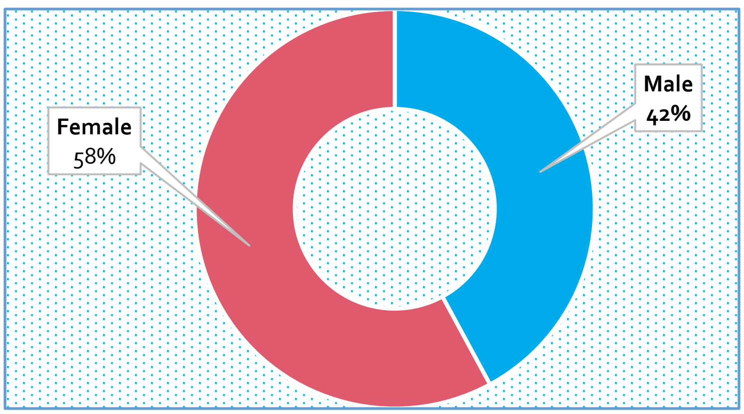
1. Research Methodology

Methods	Study Area	Data Collections	Analysis
•Mixed Method •Qualitative & Quantitative	•Addis Ababa •Adama	•Individual Survey for 385 respondents •FGD •KII	•Quantitative: descriptive statistics •Qualitative: thematic analysis •Triangulation ensured reliability

2. Survey Respondent Profile

385 unemployed youth and women surveyed across Addis Ababa and Adama in 2026.

A. Gender Breakdown



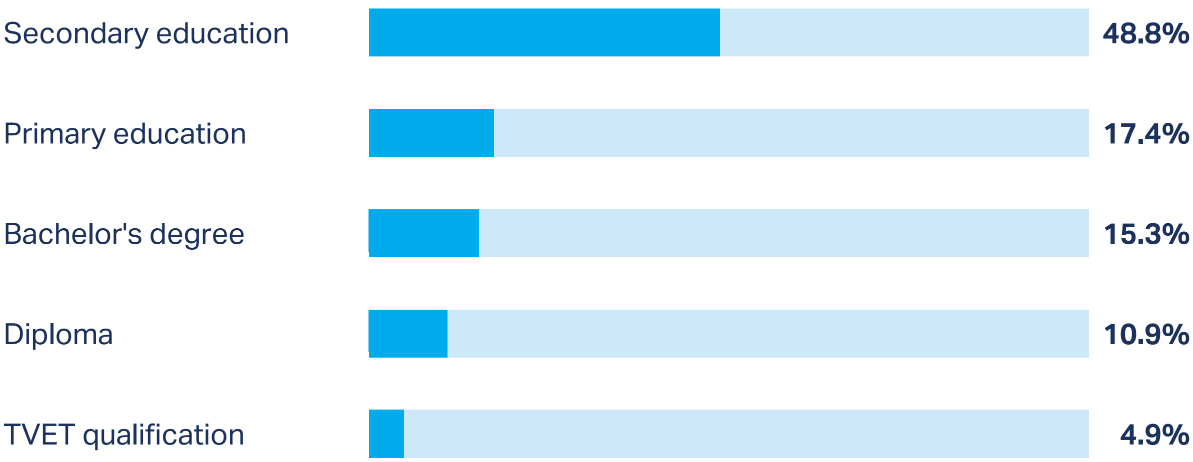
51.9%
from Addis Ababa

48.1%
from Adama

B. Age Distribution

8.1%	34.3%	37.4%	20.3%
15–19 years	20–24 years	25–29 years ▲	30–35 years

C. Education Level



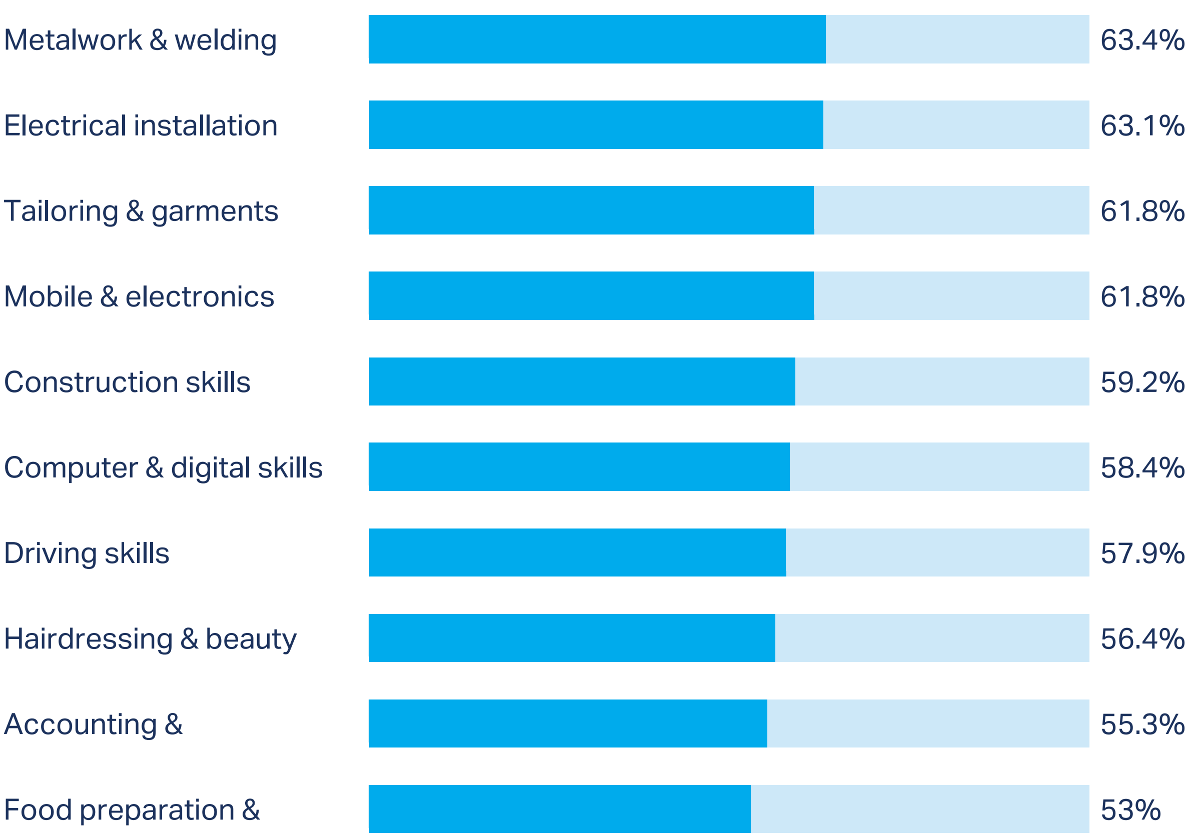
Migration background: **32.5%** of respondents migrated from rural areas, signaling strong rural-to-urban migration pressures on city labor markets.

3. Skills & Experience and Employment Opportunity

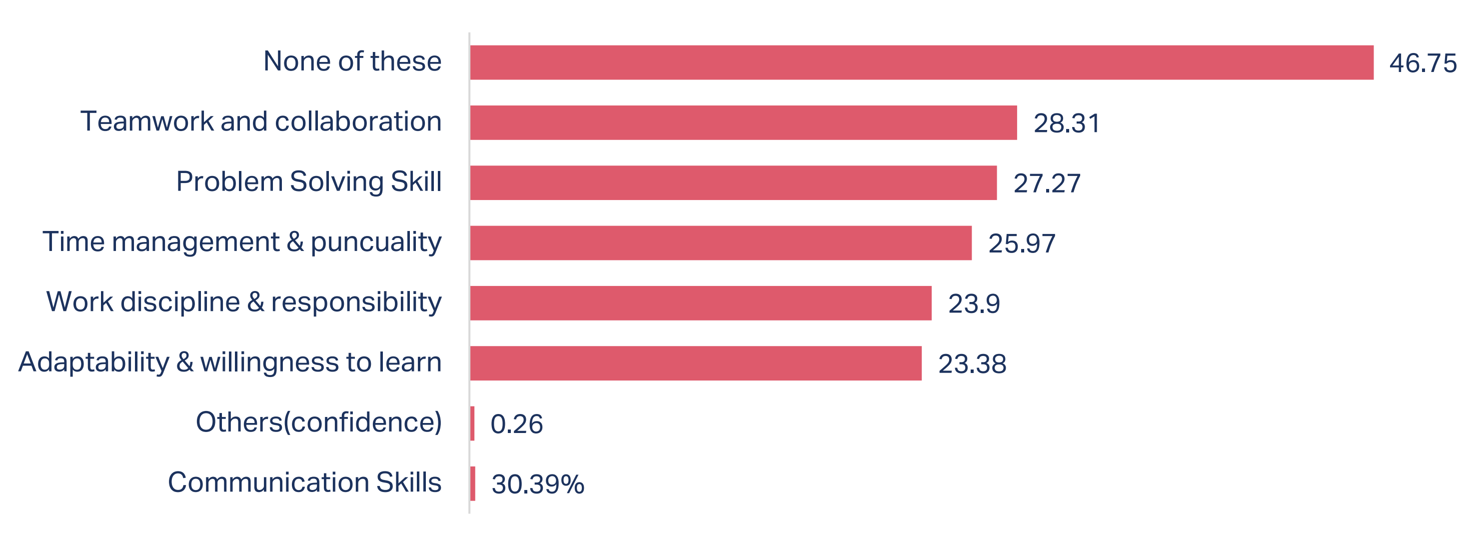
1. Gaps in Hard Skills & Soft Skills in Youth & women

Self-reported hard-skill gaps among 385 respondents

A. Hard Skill Gaps (% reporting deficiency)



B. Soft skills gaps



C. Main Reasons Youth Cannot Work in Preferred Sector

Key Insight

- **69.4%** of respondents had some prior work experience yet remain unemployed — the barrier is **relevance and alignment,** not simply no work history.
- **76.6%** agree that limited access to jobs, training & resources constrains their employment opportunities.

4. Unemployment Perspectives

How Unemployment Shapes Lives

96% ECONOMIC	53% GENDER	87% MENTAL HEALTH
agree that lack of income limits their ability to search for jobs — transport, applications, and networking all cost money. • 82% say limited loan access blocks self-employment • 76% cite limited finance for training • Low wages cause high job turnover	see gender norms and discrimination as a major barrier; a further 31% see it as a moderate barrier. • Women face biased hiring, harassment & coercion • Unpaid care work restricts mobility & availability • Women's unemployment ~25% vs ~11% for men	agree unemployment negatively affects daily functioning: sleep, motivation, and social relationships. • Depression found in 31.2% of unemployed youth nationally • Hopelessness, isolation & family dependency common • 54.8% feel their voices are 'not at all' heard

5. Barriers & Challenges

Multi-Level Barriers to Employment

⬆ MACRO LEVEL

Broad economic & structural factors

Youth bulge pressure
2–3 million young people enter the labour force annually, far outpacing job creation capacity.

Structural economic weakness
66% of jobs in low-productivity agriculture; weak industrial diversification constrains formal job creation.

Inflation & macroeconomic stress
High inflation reduces household capacity and makes low wages even less sustainable.

Policy implementation gaps
NEP & 10-Year Plan lacks measurable targets, financing, and inter-ministerial coordination.

Corruption & nepotism in hiring
40% cite nepotism as a major barrier; merit-based recruitment remains weak.

⇔ MESO LEVEL

Institutions, services & labour market systems

High experience requirements
66.8% say mandatory experience is a major barrier — but employers rarely offer routes to gain it.

Weak job-matching systems
LMIS exists but is fragmented and not fully operational; sub-city offices only screen, not place.

TVET quality gaps
Training is often supply-driven, lacks practical components, and graduates can't meet employer demand.

Finance barriers for enterprise
Collateral requirements exclude most youth from startup loans; 45% cite credit as a major barrier.

Transport & geography
42% say poor or expensive transport is a major barrier to reaching employment opportunities.

Fragmented coordination
NGOs, government, TVETs, & financial institutions work in silos with limited integration.

⬇ MICRO LEVEL

Individual & household constraints

Financial scarcity for job search
72.2% cite lack of money for transport, applications, and networking as a major barrier.

Skills mismatch
Over 60% lack key technical hard skills in metalwork, electrical, IT, and other market-relevant areas.

Caregiving burdens
52.5% experience childcare/family responsibilities as a moderate or major barrier — disproportionately women.

Behavioural gaps
Weak soft skills (punctuality, discipline, communication) and unrealistic salary expectations hinder retention.

Vulnerable group exclusion
Persons with disabilities, IDPs, single mothers & rural migrants face compounded, overlapping barriers.

6. Opportunities and Potential

Growing Sector
Construction, services, manufacturing, digital economy.

Emerging opportunities
Agribusiness and digital employment

Key initiatives
Young Africa Works, EASE Project, Digital Ethiopia Strategy

Strong partnership potential
Government, TVETs, private sector, NGOs, MFIs

7. Gaps in Current Responses

1. Fragmented programs and weak coordination
2. Weak link between:
   - Training → finance → employment.
3. Urban bias (more support in major cities).
4. Exclusion of vulnerable groups:Women, rural youth, people with disabilities
5. Weak policy implementation (NEP gaps).

8. Responses & Gaps

National Responses & Where the System Falls Short

WHAT EXISTS TODAY

Government
LMIS, TVET reform, one-stop service centers, digital job-matching (GMS/LMS), National Employment Policy, 10-Year Plan

International Partners
ILO Prospects, Mastercard Foundation Young Africa Works, World Bank EASE, USAID JET, UNDP UniPod, SOS STEP

Private & Digital
Ethio Jobs, Gee Jobs, Techno Serve SME support, ATI ADEY agribusiness, microfinance expansion, LIWAY women's enterprise finance

Addis Ababa has a denser intervention ecosystem. **Adama** has fewer, more fragmented programmes — reflecting geographic inequality in support.

Critical Gaps

Fragmented coordination
Programmes run in parallel with weak cross-institutional links. Training, finance, and job-matching are siloed.

Training ≠ employment
Skills alone don't guarantee jobs without strong labour market intermediation. Many graduates can't access vacancies.

Weak gender & inclusion lens
Most national strategies don't systematically address barriers for women, persons with disabilities, or displaced youth.

Urban bias
Secondary cities like Adama have limited institutional depth. Rural areas are largely excluded from integrated services.

Low youth voice
Only 37% of youth are aware of available support programmes. 54.8% feel their views are not considered in decisions.

Finance exclusion persists
Collateral requirements continue to exclude youth and women from startup capital despite microfinance expansion.

9. Conclusion

Youth and women unemployment is multi-dimensional:

Economic, social,structural,and psychological

Key drivers

Skills mismatch	Lack of experience	Financial exclusion	Weak institutional systems	Gender discrimination

Barriers operate across:

Macro, meso, and micro levels

Requires:

Integrated, coordinated, and inclusive responses

10. Recommendations

Priority Actions for Change

01

Demand-driven skills training

Co-design TVET curricula with industry; expand apprenticeships, internships, and practical learning directly linked to employer needs.

02

Structured work-experience pathways

Institutionalize industry-led cooperative training so TVETs require real employer hosting and on-the-job learning for certification.

03

Strengthen job-matching & career guidance

Scale LMIS, one-stop centres, and targeted employment services linking youth and women to high-potential sectors via integrated support.

04

Expand productive employment

Partner with the Ethiopian Investment Commission and private sector to invest in manufacturing, agro-processing, and services that create decent jobs.

05

Integrated economic empowerment

Cover training costs, expand collateral-free finance, and provide sustained coaching, mentorship, and business-linkage support.

06

Multi-stakeholder coordination

Establish a central forum and unified database to align government, development partners, and private sector interventions.

07

Access to finance for entrepreneurship

Simplify loan procedures, expand startup funding schemes, and build partnerships between financial institutions and enterprises.

08

Gender-responsive inclusive policies

Enforce anti-discrimination laws, expand childcare services, improve workplace safety, and address structural barriers facing women.

09

Youth & women participation platforms

Organise multi-stakeholder forums at all levels actively involving youth, women, employers, and civil society in employment planning.

10

Strengthen NEP implementation

Set measurable targets, strengthen inter-ministerial coordination, and build M&E capacity for evidence-based, accountable policy execution.