

**THE FEDERAL DEMOCRATIC REPUBLIC OF  
ETHIOPIA**  
**CENTRAL STATISTICAL AGENCY**

**ANALYTICAL REPORT ON  
THE 2012 URBAN EMPLOYMENT UNEMPLOYMENT  
SURVEY**

**Addis Ababa  
September 2012**

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**STATISTICAL BULLETIN**

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## TABLE OF CONTENT

Table of Content -----	i
List of Summary Tables -----	iii
List of Figures-----	iv
Chapter I Background of the Survey -----	1
1.1 Introduction -----	1
1.2 Objectives of the Survey -----	3
1.3 Definitions of Terms and Concepts -----	3
1.4 Organization of the Report-----	5
1.5 Abbreviation-----	6
Chapter II Survey Methodology -----	7
2.1 Coverage of the Survey -----	7
2.2 Sampling Frame -----	7
2.3 Sample Design -----	7
2.4 Sample Size and Selection Scheme -----	8
Chapter III Socio-Demographic Characteristics of Urban Population -----	11
3.1 Introduction-----	11
3.2 Distribution of Urban Population of Regions -----	11
3.3 Age-Sex Structure of Urban Population-----	12
3.4 Age Dependency Ratio of Urban Population-----	14
3.5. Average Household Size -----	16
3.6 Headship Rate of Urban Population-----	18
3.7 Literacy Status of Urban Population-----	20
3.8 Training Status of Urban Population-----	21
Chapter IV Economic Activity Status of Urban Population-----	25
4.1 Introduction-----	25
4.2 Data Collection Approaches -----	26
4.2.1 Current Activity Status Approach -----	26
4.2.2 Usual Activity Status Approach-----	27

4.3	Economic Activity Rate /Labour Force Participation Rate/-----	27
4.4	Reasons for Being Economically Not active-----	33
4.5	Economic Dependency Ratio of Urban Population-----	37
Chapter V	Employed Population in Urban Areas-----	41
5.1	Introduction -----	41
5.2	Employment to Population Ratio -----	41
5.3	Occupation and Industry -----	44
5.4	Status in Employment-----	46
5.5	Number of Hours Worked-----	48
5.6	Earnings from Paid Employment-----	52
5.7	Formal and Informal Employment Sector-----	56
Chapter VI	Unemployment in Urban Areas -----	59
6.1	Introduction -----	59
6.2	Measurement of Unemployment -----	59
6.3	Unemployment Rate at National Urban Level -----	61
6.4	Trends of Unemployment Rate in Urban Areas -----	64
6.5	Youth Unemployment Rate in Urban Areas -----	64
6.6	Unemployment Rate by Literacy Status and Educational Level-----	65
6.7	Unemployment Rate at Regional Urban Level -----	67
6.8	Problems of Establishing Own Business-----	70
6.9	Marital Status of Unemployed Urban Population -----	72
6.10	Status of Previous Work Experience-----	74
6.11	Duration of Unemployment-----	75
References		
Annex I	Survey Questionnaire -----	79
Annex II	Estimation Procedures of Total, Ratio and Sampling Errors-----	87
Annex III	Estimates and CV's for Selected Variables -----	91

## LIST OF SUMMARY TABLES

	<b>Page</b>
Summary Table 3.1 Distribution of Urban Population by region, Sex and Sex Ratio: 2012 -----	12
Summary Table 3.2 Distribution of Urban Population by Age Group, Sex and Sex Ratio, Country Total: 2012 -----	13
Summary Table 3.3 Distribution of Urban Population by Region, Sex and Age Dependency Ratio: 2012 -----	15
Summary Table 3.4 Distribution of Average Household Size by Region and Sex of Household Head: 2012 -----	17
Summary Table 3.5 Percentage Distribution of Household size by Region: 2012--	18
Summary Table 3.6 Distribution o f Headship Rate of Urban Areas by Region and Sex: 2012-----	19
Summary Table 3.7 Proportion of Urban Population Aged Ten Years and Above by Region, Sex and Literacy Status: 2012 -----	21
Summary Table 3.8 Distribution of Urban Population Aged Ten Years and Above by Region, Sex and Training Status: 2012 -----	22
Summary Table 4.1 Distribution and Change of Activity Rate of Urban Population Aged Ten Years and Above by Sex and Age Group During the Four Survey Periods - Country Total-----	29
Summary Table 4.2 Distribution and Change of Activity Rate of Urban Population Aged Ten Years and Above by Region and Sex During the Four Survey Periods-----	32
Summary Table 4.3 Percentage Distribution of Economically Inactive Population of Urban Areas Aged Ten Years and Above by Region, Sex and Reasons for being Inactive: 2012 -----	35
Summary Table 4.4 Distribution and Change of Economic Dependency Ratio by Regions and Sex during the Five Survey Periods---	38

Summary Table 5.1 Employment to Population Ratio of Urban Population by Region and Sex During the Five Surveys Periods -----	43
Summary Table 5.2 Percentage Distribution of Employed Population of Urban Areas Aged Ten Years and Above by Sex and Status in Employment During the Five Survey periods, Country Total -----	47
Summary Table 5.3 Percentage Distribution Employed Population of Urban Areas Aged Ten Years and Above by Region and Number of Hours Worked Per Week: 2012-----	49
Summary Table 5.4 Distribution of Employed Population of Urban Areas Aged Ten Years and Above by Region and Mean Number of Hours Worked Per Week During the Five Survey periods ----	50
Summary Table 5.5 Percentage Distribution of Paid Employees of Urban Population Aged Ten Years and Above by Major Industrial Divisions, Sex, Percent and Mean Amount of Payment Per Month, Country Total: 2012-----	53
Summary Table 5.6 Proportion of Employed Population of Urban Areas Aged Ten Years and Above Working in the Informal Sector by Region and Sex During the Four Survey Periods-----	57
Summary Table 6.1 Distribution and Change of Unemployment Rate of Urban Population Aged Ten Years and Above by Age Group and Sex During Four Survey Periods , Country Total.....	62
Summary Table 6.2 Unemployment Rate of Urban Population Aged Ten Years and Above by Educational level and Sex, Country Total: 2012----	66
Summary Table 6.3 Distribution and Change of Unemployment Rate of Urban Population Aged Ten Years and Above by Region and Sex During the Four Survey Periods-----	68
Summary Table 6.4 Percentage Distribution of Unemployed Population of Urban Areas Aged Ten Years and Above Who wants to Establish Own Business by Sex and Type of Problems Faced During the Four Survey Periods, Country Total -----	71

Summary Table 6.5 Percentage Distribution of Urban Unemployed Population Aged Ten Years and Above by Sex, Region and Marital Status: 2012-----	73
Summary Table 6.6 Percentage Distribution of Urban Unemployed Aged Ten Years and Above by Sex and Status of Work Experience During the Four Survey Periods, Country Total----	74
Summary Table 6.7 Percentage Distribution of Unemployed Population of Urban Areas Aged Ten Years and Above by Sex and Duration of Unemployment During the Four Survey Periods, Country Total-----	76

## LIST OF FIGURES

Figure 3.1 Age Pyramid of Urban Population, Country Total: 2012-----	14
Figure 3.2 Literacy Status of Urban Population by Sex, Country Total: 2012-----	20
Figure 3.3 Training Status of Urban Population by Sex, Country Total: 2012-----	23
Figure 4.1 Age Specific Activity Rate of Population of Urban Areas During the Four Survey periods, Country Total: 2012-----	30
Figure 5.1 Employments to Population Ratio by Sex during the Three Survey Periods, Country total-----	42
Figure 5.2 Distribution of Employed Population by Major Occupation Country Total: 2012-----	45
Figure 5.3 Percentage Distribution of Urban Employed Population by Major Industrial Divisions, Country Total: 2012-----	46
Figure 5.4 Trends of Mean Number of Hours Worked per Week for Urban Employed Population by Sex During Five Survey Periods, Country Total -----	51
Figure 5.5 Proportion of Urban Employed Population Working in the Informal Sector During the Four Survey Periods - Country Total-----	58
Figure 6.1 Trends of Unemployment Rate in Urban Areas by Sex During the Four Survey Periods, Country Total-----	64
Figure 6.2 Youth Unemployment Rate in Urban Areas during the Four Surveys Periods, Country Total: -----	65
Figure 6.3 Unemployment Rate by Literacy Status during the Four Surveys Periods, Country Total: -----	66
Figure 6.4 Unemployment Rate in Urban Areas of Regions and Sex: 2012-----	69
Figure 6.5 Percentage Distribution of Urban Unemployed Population by Status of Work Experience During the Four Survey Periods, Country Total: -----	75

# **CHAPTER I**

## **BACKGROUND OF THE SURVEY**

### **1.1 Introduction**

Ethiopia being among the African countries with relatively fast growing population coupled with developing economies, proper management and efficient utilization of its work force is essential. In this respect, the capacity of the economy in absorbing the potential labour force needs to be monitored regularly, and appropriate employment policy should consequently be adopted. Thus, the level of employment and unemployment situation of the country is widely used as overall indicator in evaluating the current performance of the economy. The analysis of the employment status is therefore essential both in tackling present difficulties and foreseeing future challenges.

Statistical information on all aspects of the population is therefore vital for the design, implementation, monitoring and evaluation of economic and social development plans, programs and policies. Labour force survey is one of the most important sources of data for assessing the role of the population of the country in the economic and social development process. It is useful to indicate the extent of available and unutilized human resources that must be absorbed by the national economy to ensure full employment and economic well being of the population. Statistics on the labour force further deals with the measurement of economic activity status and its relationship to other social and economic characteristics of the population. Seasonal and other variations as well as changes over time in the size and characteristics of the employment and unemployment can be monitored using up-to-date information from labour force surveys. It also serves as an input to assess the achievement of the Millennium Development Goals (MDGs). Furthermore, labour force data could be used as a springboard for monitoring and evaluation of the five years growth and transformation plan of the country.

Despite the significance of the labour force data, the availability of reliable and timely labour force data is inadequate. Therefore, the lack of reliable and timely data on different aspects of the population for policy makers, planners, researchers, governmental and Non-governmental organizations hinders the monitoring and evaluation of developmental plans and programs.

In order to fill the gap in data requirement, the Central Statistical Agency (CSA) has been providing labour force and related data in different levels with various contents and details. These include the 1976 Addis Ababa Manpower and Housing Sample Survey, the 1978 Survey on Population and Housing Characteristics of Seventeen Major Towns, the 1980/81 and 1987/88 Rural Labour Force Surveys (RLFS). The 1984, 1994 and 2007 Population and Housing Censuses and the 1999 and 2005 National Labour Force Surveys also provide a comprehensive national labour force data representing both rural and urban areas of the country.

Considering the development process of the country and dynamic nature of the sectors and fulfilling the demands of different data users, the CSA has been launched Urban Employment Unemployment Survey program (UEUS) since 2003. The Agency conducted UEUS in seven rounds. The 2012 Urban Employment and Unemployment Survey conducted from March 12 - March 27, 2012 is the seven series. Unlike the previous surveys the May 2009, May 2010, March 2011, and the recent survey of March 2012 survey have collected information from selected major towns with population size 100,000 and above and including region capital cities.

These surveys mainly provide data on the main characteristics of employed and unemployed urban population of the country, i.e. the labour force engaged or available to be engaged in the production of economic goods and services and its distribution in the various sectors of the economy during the reference period.

In addition, data on economic activities of children were collected to measure child labour in urban areas. For this purpose, the former minimum age limit 10 years is lowered down to 5 years since May 2009. Therefore, the data is collected from those persons aged five years and above. However, for the purpose of measuring the economic activity status based on Ethiopian situation, the lower age limit is fixed to ten years. This is because children in rural and urban areas are expected to engage at work in their early age such as collection of fire wood, looking after cattle, shoeshine, street vendor, petty trading...etc. Thus, the March 2011 UEUS analytical report provides mainly information on the economic activities of the population aged ten years and above.

The following key indicators such as activity rate, employment to population ratio, percentage share of informal employment, unemployment rate...etc are presented in this analytical report. Furthermore, the trends and changes of labour force situations in urban areas are also presented by making comparison the result of the March 2011 survey with the previous survey.

## **1.2. Objectives of the Survey**

The general objectives of 2011 UEUS is to provide statistical data on the size and main characteristics of the labour force particularly the employed and unemployed population at urban areas of the country.

The specific objectives of the survey:-

- Provide statistical data on the potential manpower of urban areas of the country;
- Provide data on the size, distribution and socio-demographic characteristics of the labour force for different sub-groups of the population at national and regional urban levels;
- Provide data on the size distribution and characteristics of employed population by occupation and Industry, status in employment, sector of employment, earnings from employment...etc.
- provide data on the size, characteristics and distribution of unemployed population and rate of unemployment;
- generate data that can be used to assess the situation of women's employment or the participation of women in the labour force;
- Provide time series data to trace changes over time;

## **1.3. Definition of Terms and Concepts**

The operational definitions of terms and concepts used in this survey are given below.

**Urban Center:** is defined as a locality with 2000 or more inhabitants. In this survey, however, an urban center includes the following regardless of the number of inhabitants.

- a) All administrative capitals
  - i) Regional capitals
  - ii) Zonal capitals not included in (i)
  - iii) Wereda capitals not included in (i) and (ii)
  - iv) Localities with Urban Administrative Office not included in (I-iii).
- b) Municipal town not included in category (a) above.
- c) All localities which are not included either in category (a) or (b) above, having a Population of 1000 or more persons, and whose inhabitants are primarily engaged in non-agricultural activities. Note that localities with population less than 1000 persons are considered as rural.

**Major Urban Centers:** includes those selected urban centers with population 100,000 and above. It also includes region capitals irrespective of their population size.

**Urban Kebele:** is the lowest administrative unit in an urban center with its own jurisdiction. It is an association of urban dwellers (commonly known as kebele) formed by the inhabitants.

**Enumeration Area (EA):** is a unit of land delineated for the purpose of enumerating population and housing units without omission and duplication. An EA in rural areas usually consists of 150-200 households. On the other hand, an EA in urban areas constitutes 150-200 housing units.

**Household:** Consists of a person or group of persons, irrespective of whether related or not, who normally live together in the same household and housing units having common cooking and eating arrangement.

**Housing Unit :** is defined as a separate and independent place of abode either intended for habitation or not but occupied as a living quarter by a household during the survey period. Although intended for habitation by one household, a housing unit may be occupied by one or more households or may be used partly for living and partly for business /establishment at the time of the survey.

**Head of Household:** is a person who provides economic supports or manages the household activities. A household head is selected by household members for some reasons of his age or respect regardless of their sex.

**Usual Members of a Household:** a person is considered as usual members of a household if he or she:-

- a) lives continuously at least for six months and have a common cooking and eating arrangements with the household; or
- b) is temporarily absent from the household at the time of the survey but his absence should not end the six months criterion.
- c) plan to live more than six months with the household for various reasons such as searching job and transfer from job ...etc.
- d) House maids, guards, baby sitters, etc...with no other dwelling and who were staying with the household at the time of the survey.

#### **1.4. Organization of the Report**

This report is organized in to six chapters. The first chapter presents background and objectives of the survey, and definition of terms and concepts. Methodology of the survey including coverage of the survey, sampling design, sampling frame, sample size and selection procedures are presented in chapter two. Chapter three demonstrate the size, distribution and socio-demographic characteristics of urban population by region, age, sex, age dependency ratio, average house hold size, headship rate, literacy and training status. Economic activity rates, economic dependency ratio, reasons for not being active are discussed in chapter four. Chapter five illustrates the size, distribution and characteristics of employed population while chapter six presents the size, distribution and characteristics of unemployed and unemployment rate of urban population at national and regional levels.

Survey questionnaire, estimation procedures of totals, ratio and sampling errors; estimates of coefficient of variation (CV's) and economically active population at national and regional levels are presented in annex I, II, III, and IV, respectively. The size of economically active and inactive as well as employed and unemployed population is also attached as Annex IV.

Please note that detailed information on the contents and organization of the survey questionnaire, training of field staff, organization of the field work and data processing procedures are provided in the Statistical Report of the 2012 Urban Employment Unemployment Survey.

## **1.5 ABBREVIATIONS**

CSA	Central Statistical Agency
EA	Enumeration Area
HH	Households
ICSE	International Classification of Status in Employment
ILO	International Labour Organization
CSPro	Census and Survey Processing System
ISCO	International Standard Classification of Occupation
ISIC	International Standard Industrial Classification
ICLS	International Conference on Labour Statistics
KILM	Key Indicators of Labour Market
MDGs	Millennium Development Goals
NIHSP	National Integrated Household Survey Program
NLFS	National Labour Force Survey
N.S.	Not Stated
NOIC	National Occupation and Industrial Classification
PSU	Primary Sampling Unit
SSU	Second Stage Unit
RLFS	Rural Labour Force Survey
SNA	System of National Account
SNNPR	Southern Nations, Nationalities and Peoples Region
TVET	Technical Vocational Educational Training
UEUS	Urban Employment and Unemployment Survey
UBEUS	Urban Bi-annual Employment and Unemployment Survey

## **CHAPTER II**

### **SURVEY METHODOLOGY**

#### **2.1 COVERAGE**

The 2012 Urban Employment and Unemployment Survey (UEUS) covered all urban parts of the country except three zones of Afar, Six zones of Somali, where the residents are pastoralists. This survey follows household approach and covers households residing in conventional households, thus population residing in the collective quarters such as universities/colleges, hotel/hostel, monasteries and homeless population .... etc are not covered by this survey.

It was initially planned to cover 660 EAs and 19,800 households in the survey, but ultimately 100% of EAs and 99.86% of households were successfully covered.

#### **2.2 SAMPLING FRAME**

The list of households obtained from the 2007 population and housing census is used to select EAs. A fresh list of households from each EA was prepared at the beginning of the survey period. The list was then used as a frame in order to select 30 households from sample EAs.

#### **2.3 SAMPLE DESIGN**

For the purpose of this survey, the country was divided into two broad categories. That is major urban center and other urban center categories.

**Category I:- Major urban centers**:- In this category all regional capitals and five other major urban centers that have had a high population size as compared to others were included. Each urban center in this category was considered as a reporting level. The category has a total of 16 reporting levels. In this category, in order to select the sample, a stratified two-stage cluster sample design was implemented. The primary sampling units were EAs of each reporting level. From each sample EA 30 households were then selected as a Second Stage Unit (SSU).

**Category II: - Other urban centers:** Urban centers in the country other than those under category I were grouped into this category. A domain of other urban centers is formed for each region. Consequently 8 reporting levels were formed in this category. Harari, Addis Ababa and Dire Dawa do not have urban centers other than that grouped in category I. Hence, no domain was formed for these regions under this category.

A stratified three stage cluster sample design was also adopted to select samples from this category. The primary sampling units were urban centers and the second stage sampling units were EAs. From each EA 30 households were selected at the third stage and the survey questionnaires administered for all of them.

#### **2.4 SAMPLE SIZE AND SELECTION SCHEME**

**Category I:** - In this category 393 EAs and 11,790 households were selected from 16 major urban centers. Sample EAs from each reporting level in this category were selected using probability proportional to size /PPS/ with systematic sampling method; size being number of households obtained from the 2007 population and housing census. From the fresh list of households prepared at the beginning of the survey, 30 households per EA were selected using systematic random sampling techniques /SRS/.

**Category II:-** consists of 86 urban centers, 267 EAs and 8,010 households were selected in this category. Urban centers from each domain and EAs from each urban center were selected using probability proportional to size /PPS/ with systematic sampling method; size being number of households obtained from the 2007 Population and housing census. From the listing of households in each EA then 30 households were selected using systematic random sampling techniques /SRS/ and the survey questionnaire was administered for the 30 sample households.

The distribution of planned and covered EAs and households and the Estimation procedures are given in the appendix.

**Appendix I: Number of planned and actually covered sampling units  
(EAs and households) of the 2012 (2004 E.C) Urban  
Employment and Unemployment Survey (UEUS)**

Region	Stratum	Enumeration Areas		Households	
		Planned	Covered	Planned	Covered
Tigray	Mekele	23	23	690	690
	Tigray other urban	28	28	840	840
Affar	Asayita	15	15	450	450
	Affar other urban	14	14	420	420
Amhara	Bahir dar	23	23	690	690
	Gonder	23	23	690	689
	Dessie	23	23	690	685
	Amhara other urban	54	54	1,620	1,619
Oromiya	Debrezeit/Bishoftu/	22	22	660	660
	Nazreth/Adama/	23	23	690	690
	Jimma	23	23	690	690
	Shashmene	23	23	690	688
	Oromiya other urban	83	83	2,490	2,486
Somalie	Jijiga	20	20	600	599
	Somalie other urban	15	15	450	450
Benishangul - Gumuz	Asosa	15	15	450	450
	Benishangul -Gumuz other urban	13	13	390	390
S.N.N.P.	Awassa	23	23	690	690
	S.N.N.P other urban	51	51	1,530	1530
Gambela	Gambella	14	14	420	447
	Gambella other urban	9	9	270	239
Harari	Hareri	23	23	690	688
Addis Ababa	Addis ababa	75	75	2,250	2,247
Dire Dawa	Diredawa	25	25	750	745
Total		660	660	19,800	19,772



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## **CHAPTER III**

### **SOCIO - DEMOGRAPHIC CHARACTERISTICS OF URBAN POPULATION**

#### **3.1 Introduction**

This chapter presents the basic socio-demographic characteristics of urban population such as estimates of urban population size and distribution of urban population by age and sex, sex ratio, age dependency ratio, average household size ,along with sex of household heads, headship rate, literacy and training status.

The figures in this chapter refer to the dejure population residing in the conventional households. The dejure population comprises all persons who belong to a given area at a time by virtue of usual residence. Thus, visitors, persons residing in collective quarters (hotel/hostel, boarding schools, prisons...etc.) as well as homeless persons are excluded from the survey.

#### **3.2. Size and Distribution of Urban Population**

The total urban population of the country is estimated to be 14,011,269 as of March2012 Out of the total urban population, 6,689,363 (47.7 percent) are males and 7321906 (52.3 percent) are females. The largest share of urban population is found in Oromia Region 4,031,092 (28.8 percent) followed by Addis Ababa City Administration 3,061,404 (21.8 percent) and Amhara Region 2,474,466 (17.7 percent). The smallest size of urban population is found in Gambella Region (104,449), Harari Region (107802) and Benishangul-Gumuz Region (141,476) accounted for 0.7 percent, 0.8 percent and 1.0 percent, respectively (Summary Table 3.1).

**Summary Table 3.1 Distribution of Urban Population by Region, Sex and Sex Ratio: 2012**

Region	Both Sexes		Male		Female		Sex Ratio
	No.	%	No.	%	No.	%	
COUNTRY TOTAL	14,011,269	100.0	6,689,363	47.7	7,321,906	52.3	91.4
TIGRAY	1,043,639	100.0	470,348	45.1	573,291	54.9	82.0
AFFAR	172,140	100.0	84,334	49.0	87,805	51.0	96.0
AMHARA	2,474,466	100.0	1,151,457	46.5	1,323,009	53.5	87.0
OROMIA	4,031,092	100.0	1,994,569	49.5	2,036,523	50.5	97.9
SOMALI	682,683	100.0	344,567	50.5	338,115	49.5	101.9
BENSHANGUL- GUMUZ	141,476	100.0	70,461	49.8	71,015	50.2	99.2
S.N.N.P.	1,936,997	100.0	955,050	49.3	981,947	50.7	97.3
GAMBELLA	104,449	100.0	48,403	46.3	56,046	53.7	86.4
HARARI	107,802	100.0	52,142	48.4	55,660	51.6	93.7
ADDIS ABABA CITY ADMINISTRATION	3,061,404	100.0	1,395,378	45.6	1,666,026	54.4	83.8
DIRE DAWA ADMINISTRATION	255,121	100.0	122,652	48.1	132,468	51.9	92.6

Sex ratio is defined as the number of males per 100 females in a given population. Sex composition has an effect on economic activities through changing the relative size of the working population. Assuming no selective migration, sex ratio in the general population is expected to be 100. Summary Table 3.1 indicates the general sex ratio of urban population is 91.4. This implies for every 100 females there are 91 males. This shows an excess of females over males. The sex ratio of urban population by regions reveals that females predominantly exceed males except in Somali region (Summary Table 3.1).

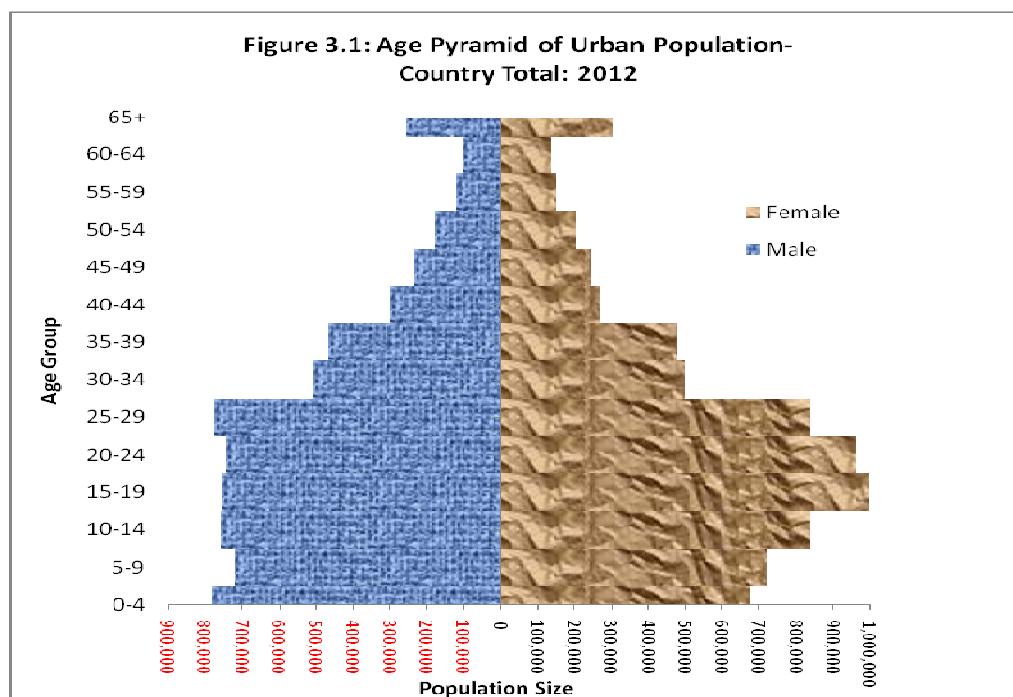
### **3.3. Age-Sex Structure of Urban Population**

The distribution of urban population by five year age group, sex and sex ratio is shown in Summary Table 3.2 and Figures 3.1. The age structure of the country's urban population is similar to that of the pattern observed in the developing countries. As observed in summary Table 3.2, 32.1 percent of urban populations are children below age of 15 years. The proportion of the population aged 15 - 29 years is 36.2 percent. Those aged 30-64 years and 65 years and above constitute 27.8 percent and 4.0 percent of the total urban population, respectively.

Generally, the percentage share of males and females that age group below 29 years is significantly higher than any other age groups. The sex ratio by age group depicts that the proportion of male is lower than female except in the age group 0-4, 30-34 and 40-44 (Summary Table 3.2).

**Summary Table 3.2 Distribution of Urban Population by Age Group ,Sex and Sex Ratio, Country Total:2012**

Age Group	Both Sexes		Male		Female		Sex Ratio
	No.	%	No.	%	No.	%	
All Ages	14,011,269	100.0	6,689,363	100.0	7,321,906	100.0	91.4
0-4	1,457,485	10.4	782,821	11.7	674,664	9.2	116
5-9	1,443,131	10.3	720,528	10.8	722,603	9.9	99.7
10-14	1,592,162	11.4	754,662	11.3	837,500	11.4	90.1
15-19	1,752,372	12.5	754,648	11.3	997,725	13.6	75.6
20-24	1,707,114	12.2	743,495	11.1	963,619	13.2	77.2
25-29	1,615,015	11.5	776,270	11.6	838,745	11.5	92.6
30-34	1,006,702	7.2	507,720	7.6	498,982	6.8	101.8
35-39	945,870	6.8	465,729	7.0	480,140	6.6	97.0
40-44	568,878	4.1	299,009	4.5	269,869	3.7	110.8
45-49	477,925	3.4	233,108	3.5	244,817	3.3	95.2
50-54	381,120	2.7	176,523	2.6	204,597	2.8	86.3
55-59	269,995	1.9	118,356	1.8	151,640	2.1	78.1
60-64	239,219	1.7	103,804	1.6	135,416	1.8	76.7
65+	554,280	4.0	252,690	3.8	301,589	4.1	83.8



### **3.4. Age Dependency Ratio of Urban Population**

Age dependency ratio is a measure of the age structure of the population. It is the ratio of non-working age groups to the working age groups, and computed for young and old age groups. The level of age dependency ratio has an effect on the socio-economic development of the country. High age dependency ratio indicates the heavy burden on the working age population. However all persons in the working age group do not actually participate in economic activities and also all persons outside these ages are not dependents. In spite of this, the age dependency ratio provides an approximate measure of economic dependency burden of the population. Since this measure is based only on the age category which is very crude because they do not consider actual engagement in productive activities.

Young dependency ratio is the ratio of the population aged 0-14 years to the population aged 15-64 years. While old age dependency ratio is the ratio of persons aged 65 and above to those in the age group 15-64 years. The sum of young and old dependency ratios will give the overall dependency ratio. The young, old and over all age dependency ratio by region and sex is presented in Summary Table 3.3.

**Summary Table 3.3 Distribution of Urban Population by Region, Sex and Age Dependency Ratio: 2012**

Regions and Sex	0 - 14	15 – 64	65+	All Ages	Age Dependency		
					Young	Old	Overall
COUNTRY –TOTAL							
Total	4,492,778	8,964,21	554,280	14,011,269	50.1	6.2	56.3
Male	2,258,011	4,178,66	252,690	6,689,363	54.0	6.0	60.1
Female	2,234,767	4,785,54	301,589	7,321,906	46.7	6.3	53.0
TIGRAY							
Total	356,964	639,338	47,337	1,043,639	55.8	7.4	63.2
Male	179,085	269,979	21,284	470,348	66.3	7.9	74.2
Female	177,878	369,360	26,053	573,291	48.2	7.1	55.2
AFFAR							
Total	64,386	104,569	3,185	172,140	61.6	3	64.6
Male	32,819	49,306	2,210	84,334	66.6	4.5	71.0
Female	31,567	55,264	975	87,805	57.1	1.8	58.9
AMHARA							
Total	780,852	1,576,79	116,818	2,474,466	49.5	7.4	56.9
Male	388,897	710,640	51,920	1,151,457	54.7	7.3	62.0
Female	391,956	866,156	64,897	1,323,009	45.3	7.5	52.7
OROMIA							
Total	1,398,737	2,496,49	135,860	4,031,092	56	5.4	61.5
Male	716,691	1,219,70	58,172	1,994,569	58.8	4.8	63.5
Female	682,047	1,276,78	77,688	2,036,523	53.4	6.1	59.5
SOMALI							
Total	340,985	324,312	17,386	682,683	105.1	5.4	110.5
Male	181,885	153,718	8,964	344,567	118.3	5.8	124.2
Female	159,099	170,593	8,422	338,115	93.3	4.9	98.2
BENISHANGUL-							
Total	46,640	90,004	4,831	141,476	51.8	5.4	57.2
Male	23,832	43,876	2,753	70,461	54.3	6.3	60.6
Female	22,808	46,128	2,078	71,015	49.4	4.5	54.0
S.N.N.P.							
Total	668,649	1,207,11	61,238	1,936,997	55.4	5.1	60.5
Male	331,975	589,984	33,091	955,050	56.3	5.6	61.9
Female	336,674	617,127	28,147	981,947	54.6	4.6	59.1
GAMBELLA							
Total	43,692	59,901	855	104,449	72.9	1.4	74.4
Male	21,426	26,556	421	48,403	80.7	1.6	82.3
Female	22,266	33,345	434	56,046	66.8	1.3	68.1
HARARI							
Total	31,579	70,414	5,809	107,802	44.8	8.2	53.1
Male	16,829	33,091	2,222	52,142	50.9	6.7	57.6
Female	14,750	37,323	3,587	55,660	39.5	9.6	49.1
ADDIS ABABA CITY ADMINISTRATION							
Total	681,170	2,228,51	151,716	3,061,404	30.6	6.8	37.4
Male	323,127	1,004,10	68,150	1,395,378	32.2	6.8	39.0
Female	358,043	1,224,41	83,566	1,666,026	29.2	6.8	36.1
DIRE DAWA ADMINISTRATION							
Total	79,124	166,753	9,244	255,121	47.4	5.5	53.0
Male	41,446	77,705	3,502	122,652	53.3	4.5	57.8
Female	37,678	89,048	5,742	132,468	42.3	6.4	48.8

At country urban level, the overall dependency ratio 56.3 persons are dependents for their daily needs on 100 persons of the working age group. At the same time, the young and old aged dependent ratio account 50.1 and 6.2 persons on the working age population, respectively. A high number of dependent persons are found in Somali Region (110.5 persons) followed by Gambella Region (74.4 persons) on 100 persons in working age groups. The lowest age dependency ratio (37.4 persons) is observed in Addis Ababa City Administration.

In terms of young dependency ratio, the highest young dependency ratio is found in Somali and Gambella Regions, 105.1 and 72.9 persons, respectively. In all regions, young male dependents are higher than female young dependents. On the other hand, old age dependency ratio shows that higher old age dependents are observed in Harari (8.2 Persons), Amhara (7.4 persons) and Tigray (7.4 persons) regions (Summary Table 3.3).

### **3.5. Average Household Size**

Household size affects the social and economic well being of the household members. Large household size is associated with congested living unfavorable health and poor economic conditions. In view of this fact, average household size can sometimes be used as a proxy measure of crowdedness of population and also used to reflect its implication to health and housing problems. Average household size defined as the ratio of total population to the total number of households.

Summary Table 3.4 shows the distribution of average household size by region and sex of household head at country urban areas. The average number of persons residing in a household is 3.6. The average household size of male headed is (3.9 persons) which is higher than female headed (3.2 persons). Among regions, the highest average household size is found in Somali Region (4.7 persons) as compared to the other regions, while the smallest household size is observed in Harari Region (3.2 persons) per household. Unanimously, in all regions except Gambella region average household size of male headed household is higher than female headed households.

**Summary Table 3.4 Distribution of Average Household Size by Region and Sex of Household Head: 2012**

Region	Male Headed			Female Headed			Total		
	Population Size	Number of Households	Average HH Size	Population Size	Number of Households	Average HH Size	Population Size	Number of Households	Average HH Size
COUNTRY TOTAL	9,496,749	2,451,469	3.9	4,514,520	1,389,133	3.2	14,011,269	3,840,602	3.6
TIGRAY	647,746	166,276	3.9	395,893	134,782	2.9	1,043,639	301,059	3.5
AFFAR	133,867	36,502	3.7	38,272	15,081	2.5	172,140	51,583	3.3
AMHARA	1,619,517	441,637	3.7	854,949	306,771	2.8	2,474,466	748,408	3.3
OROMIA	2,960,403	777,024	3.8	1,070,689	339,870	3.2	4,031,092	1,116,894	3.6
SOMALI	453,833	94,093	4.8	228,850	52,285	4.4	682,683	146,377	4.7
BENISHANGU-GUMUZ	110,938	30,127	3.7	30,538	11,859	2.6	141,476	41,986	3.4
S.N.N.P.	1,457,323	371,936	3.9	479,674	148,652	3.2	1,936,997	520,587	3.7
GAMBELLA	60,127	16,440	3.7	44,322	11,475	3.9	104,449	27,915	3.7
HARARI	68,237	20,738	3.3	39,566	12,908	3.1	107,802	33,646	3.2
ADDIS ABABA									
CITY ADMINISTRATION	1,829,526	455,253	4.0	1,231,877	328,186	3.8	3,061,404	783,439	3.9
DIRE DAWA									
ADMINISTRATION	155,232	41,443	3.7	99,889	27,264	3.7	255,121	68,708	3.7

Summary Table 3.5 also shows the percentage distribution of household size by region. As the table demonstrates that 18.1 percent of the households have three members, 16.2 percent have four members, 17.6 percent have two members, and 17.2 percent have one member at country urban level. Almost in all regions, more than half of the households contain less than 4 household members.

**Summary Table 3.5 Percentage Distribution of Household Size by Region : 2012**

Region	Households		Household Size									
	No.	%	1	2	3	4	5	6	7	8	9	10+
COUNTRY TOTAL	3,840,602	100	17.2	17.6	18.1	16.2	12.3	8.4	4.8	2.7	1.4	1.3
TIGRAY	301,059	100	17.5	17.9	20.1	16.4	13.3	8.1	3.1	2.2	0.7	0.6
AFFAR	51,583	100	18.8	18.8	21.5	15.4	11.1	8.5	3.8	1.4	0.4	0.3
AMHARA	748,408	100	18.5	21.9	19.9	14.7	10.9	7.4	3.6	1.9	0.8	0.3
OROMIA	1,116,894	100	17.6	17.7	17.2	17.5	12.1	8.4	4.8	2.4	1.1	1.3
SOMALI	146,377	100	13.9	10.1	13.9	11.5	14.2	12.5	9.4	5.4	4.2	4.9
BENISHAN-GUM	41,986	100	20.3	21.6	16.9	15.7	9.5	6.8	4.2	3.0	1.4	0.5
S.N.N.P.	520,587	100	19.9	16.3	15.4	14.8	11.9	9.5	5.8	3.2	1.6	1.7
GAMBELLA	27,915	100	16.2	17.1	18.2	18.2	11.7	7.3	4.6	2.8	2.1	1.8
HARARI	33,646	100	22.1	18.5	18.8	17.3	12.5	6.0	2.6	1.7		0.4
ADDIS ABABA	783,439	100	13.6	15.4	19.0	17.4	13.8	8.6	5.3	3.2	1.9	1.8
DIRE DAWA	68,708	100	18.7	16.6	19.3	14.2	11.4	8.0	4.2	2.8	2.4	2.3

### 3.6 Headship Rate of Urban Population

Headship rate denotes the ratio of household heads in the specific categories to the total population of the corresponding category. The concept of headship rate is an important measure of household formation and served as an input for projecting households. In this survey, a household head is defined as any members of the household who is recognized as a head by members of the household.

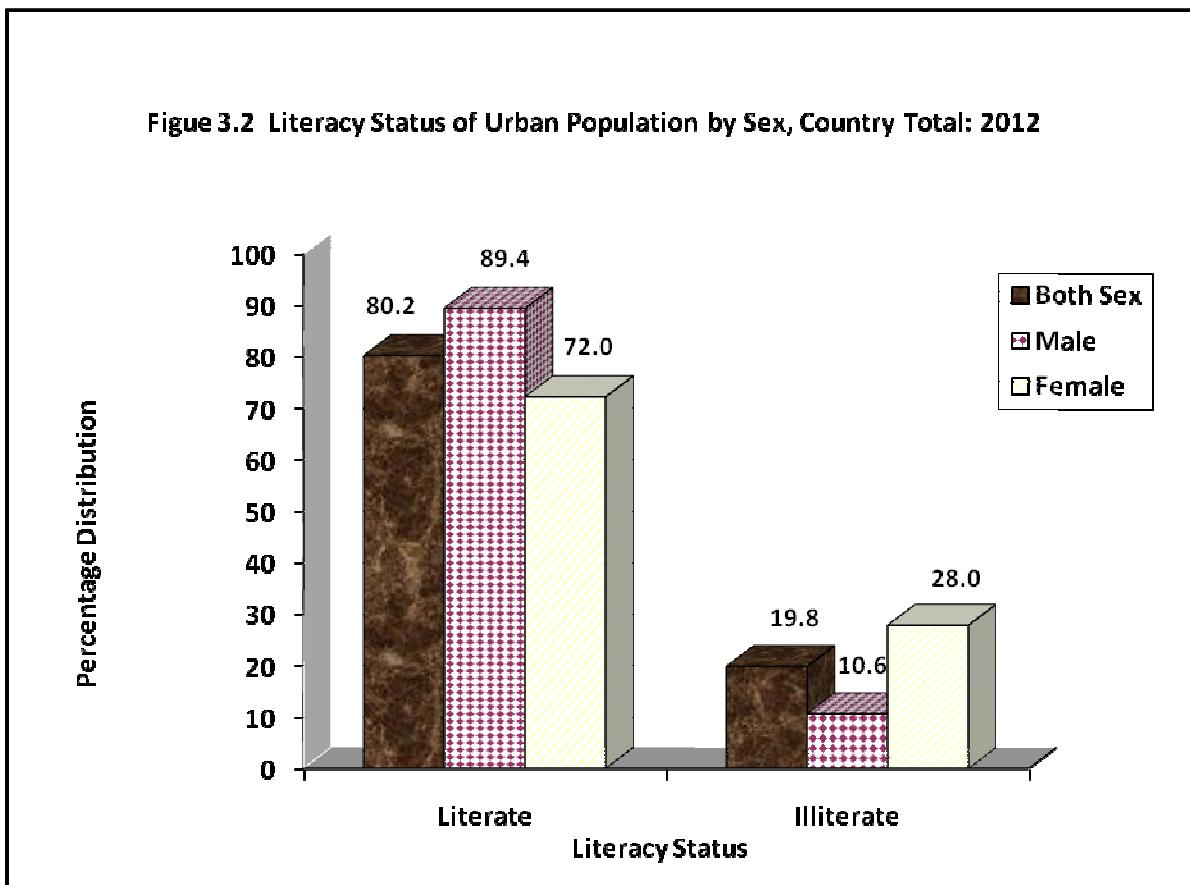
Headship rate is calculated for specific age group, sex and region. However, in this section, headship rate is computed by sex and region to examine the pattern of headship rate. Summary Table 3.6 illustrates that about 27 percent of the population formed their own household. The differentials of headship rate by sex also show that household formation is higher among males than females. This means 36.6 percent of males formed their own household compared to 19 percent of females. This holds true in all urban areas of the regions. With regard to regions, the highest household formation is observed in Harari, Amhara and Afar Regions, in which one third of the population formed their own household. The lowest household formation is observed in Somali Region (Summary Table 3.6).

**Summary Table 3.6 Distribution of Headship Rate of Urban Areas by Region and Sex: 2012**

Region	Male			Female			Both Sexes		
	Population	Heads	Headship Rate	Population	Heads	Headship Rate	Population	Heads	Headship Rate
COUNTRY TOTAL	6,689,363	2,451,469	36.6	7,321,906	1,389,133	19.0	14,011,269	3,840,602	27.4
TIGRAY	470,348	166,276	35.4	573,291	134,782	23.5	1,043,639	301,059	28.8
AFFAR	84,334	36,502	43.3	87,805	15,081	17.2	172,140	51,583	30.0
AMHARA	1,151,457	441,637	38.4	1,323,009	306,771	23.2	2,474,466	748,408	30.2
OROMIA	1,994,569	777,024	39.0	2,036,523	339,870	16.7	4,031,092	1,116,894	27.7
SOMALI	344,567	94,093	27.3	338,115	52,285	15.5	682,683	146,377	21.4
BENISHANGUL-GUMUZ	70,461	30,127	42.8	71,015	11,859	16.7	141,476	41,986	29.7
S.N.N.P.	955,050	371,936	38.9	981,947	148,652	15.1	1,936,997	520,587	26.9
GAMBELLA	48,403	16,440	34	56,046	11,475	20.5	104,449	27,915	26.7
HARARI	52,142	20,738	39.8	55,660	12,908	23.2	107,802	33,646	31.2
ADDIS ABABA CITY ADMINISTRATION	1,395,378	455,253	32.6	1,666,026	328,186	19.7	3,061,404	783,439	25.6
DIRE DAWA ADMINISTRATION	122,652	41,443	33.8	132,468	27,264	20.6	255,121	68,708	26.9

### 3.7 Literacy Status of Urban Population

The literacy status of the surveyed urban population of the country aged 10 years and above shows that 80.2 percent are found to be literate and 19.8 percent are illiterate. The proportion of literates among the males (89.4 percent) is higher than that of the females (72.0 percent). The lowest proportion of illiterate has been observed for males (10.6 percent) against (28.0 percent) for females (Figure 3.2).



Regarding literacy status by region, more than 80 percent of the urban population of Oromia ,S.N.N.P. Harari and Addis Ababa City Administration regions are literate. Among the illiterate persons the highest proportion of illiterate persons found in Somali Region 38.9 percent followed by Afar region 36.9 present while the lowest proportion (13.5 percent) observed in Addis Ababa City Administration.

**Summary Table 3.7 Proportion of Urban Population Aged Ten Years and Above by Region , Sex and Literacy Status:2012**

Region				Literacy Status					
				Literate			Illiterate		
	All Persons			Total	Male	Female	Total	Male	Female
Region	Total	Male	Female	Total	Male	Female	Total	Male	Female
COUNTRY-TOTAL	11,110,653	5,186,014	5,924,639	80.2	89.4	72.2	19.8	10.6	27.8
TIGRAY	794,578	344,053	450,525	79.6	90.8	71.0	20.4	9.2	29.0
AFFAR	127,674	61,116	66,558	63.1	73.9	53.2	36.9	26.1	46.8
AMHARA	1,976,070	890,049	1,086,021	74.5	85.3	65.5	25.5	14.7	34.5
OROMIA	3,131,966	1,522,509	1,609,457	81.0	89.8	72.6	19.0	10.2	27.4
SOMALI	433,866	214,968	218,898	61.1	75.4	47.0	38.9	24.6	53.0
BENISHAGUL-GUMUZ	111,784	55,116	56,668	74.5	83.0	66.3	25.5	17.0	33.7
S.N.N.P.	1,531,368	743,394	787,974	83.4	90.7	76.5	16.6	9.3	23.5
GAMBELLA	75,144	34,340	40,804	79.1	88.8	71.0	20.9	11.2	29.0
HARARI	87,661	41,096	46,566	83.3	93.2	74.5	16.7	6.8	25.5
ADDIS ABABA	2,636,013	1,183,148	1,452,865	86.4	94.3	80.0	13.5	5.7	19.9
DIRE DAWA	204,530	96,225	108,305	76.1	89.0	64.6	23.9	11.0	35.4

### **3.8 Training Status of Urban Population**

Training is defined as the organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill. It is also believed that training improves the productivity of workers and increases job opportunity.

Training status is one of the social characteristics of urban population collected in the March 2012 survey. It refers to any kind of professional or vocational training provided by private or government institutions so as to get certificate or diploma. A person is said to be trained when he / she is received professional or vocational training irrespective of the duration of the training with certificate or diploma. Those who do not have any kind of testimonial evidence of the training are considered as not trained.

**Summary Table 3.8 Distribution of Urban Population Aged Ten Years and Above by Region, Sex and Training Status: 2012**

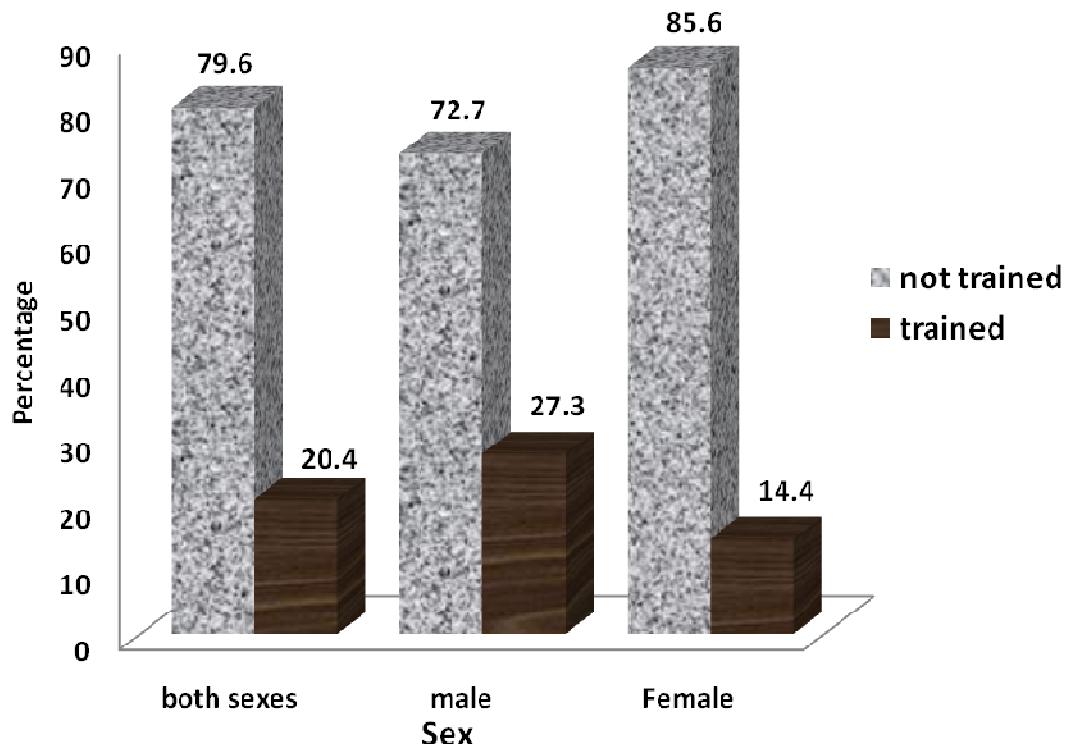
Region	All Persons			Training Status					
	Total	Male	Female	Not Trained			Trained		
				Total	Male	Female	Total	Male	Female
COUNTRY-TOTAL	11,110,653	5,186,014	5,924,639	79.6	72.7	85.6	20.4	27.3	14.4
TIGRAY	794,578	344,053	450,525	78.5	71.0	84.2	21.5	29.0	15.8
AFFAR	127,674	61,116	66,558	91.4	86.6	95.8	8.5	13.2	4.2
AMHARA	1,976,070	890,049	1,086,021	82.0	75.2	87.5	18.0	24.8	12.5
OROMIA	3,131,966	1,522,509	1,609,457	81.5	75.8	87.0	18.5	24.2	13.0
SOMALI	433,866	214,968	218,898	90.6	85.7	95.3	9.4	14.3	4.7
BENISHANGUL-GUMUZ	111,784	55,116	56,668	82.9	75.7	89.8	17.1	24.3	10.2
S.N.N.P.	1,531,368	743,394	787,974	80.9	74.4	87.1	19.1	25.6	12.9
GAMBELLA	75,144	34,340	40,804	85.5	78.1	91.8	14.5	21.9	8.2
HARARI	87,661	41,096	46,566	76.9	68.1	84.7	23.1	31.9	15.3
ADDIS ABABA CITY ADMINI.	2,636,013	1,183,148	1,452,865	72.5	63.4	79.8	27.5	36.6	20.2
DIRE DAWA ADMINI.	204,530	96,225	108,305	78.8	69.1	87.4	21.2	30.9	12.6

*Note: Not Stated cases are not included in the above figures.*

Summary Table 3.8 presents the training status of urban population by region and sex. Out of the total urban population aged 10 years and above, 20.4 percent are trained, while 79.6 percent are not trained. Further classification of the trained population by sex reveals that 27.3 percent of males and 14.4 percent females are trained. On the other hand, 72.7 percent of males and 85.6 percent of females are not trained (Figure 3.3). As far as the regional distribution of trained population is concerned, the highest trained

population is found in Addis Ababa City Administration (27.5 percent) closely followed by Harari Region (23.1 percent). The lowest share of trained persons 8.5 percent and 9.4 percent are found in Afar and Somali regions, respectively.

**Figure 3.3 Training status of Uraban Population by Sex, Country Total: 2012**



**Note:** This analytical report presents the key findings of different surveys including the March 2012 survey. Comparison of the March 2012 survey result to the previous survey results is made in the subsequent chapters. The detailed information of the March 2012 survey result is provided in the statistical report on the 2012 Urban Employment Unemployment Survey.

## **CHAPTER IV**

### **ECONOMIC ACTIVITY STATUS OF URBAN POPULATION**

#### **4.1 Introduction**

This chapter presents the economic activity rate and the change in activity rate of March 2012 as compared to the previous surveys. The percentage distribution of not active populations by reason for not being active and economic dependency ratios by region and sex are also presented.

In this survey, information was collected regarding economic activities of all persons aged five years and above. However, the measurement of economic activity status of the population considered in this analytical report is only those persons aged ten years and above.

The 2012 UEUS followed international standard definitions of economic and non-economic activities in order to determine the activity status of the population. The concept of economic activity as adopted by the 13<sup>th</sup> International Conference on Labour Statistics is defined in terms of the production of goods and/or services that falls within the United Nations System of National Accounts (SNA) production boundary (ILO, 2000). Accordingly, economic activity or productive activity is defined as work which involves the production of goods and /or services for sale or exchange. In addition, production of goods and services for own consumption or own uses are also considered as economic activities. These include production of primary products (agriculture, hunting, fishing, forestry and logging, mining and quarrying), for own consumption; processing of primary products by the producers themselves; production of other commodities where part of it is sold on the market; and own account construction and fixed asset formation (expected life use of one year or more). Such economic activities could be performed by an individual, family or private enterprise, government establishment or social organization. The remuneration may be on daily, weekly, monthly, yearly or contract basis. The practical activities of apprentices are also considered as economic activities. On the other hand, unpaid household chores such as preparing food, cleaning the house, taking care of children are not considered

as economic activities. Similarly, unpaid community and volunteer services are also classified as non-economic activities.

Based on the standard definitions of economic activity, the economic activity status of urban population of the country is classified into economically active and not active population.

## **4.2 Data Collection Approaches**

The 2012 UEUS used the current and usual activity status approach data collection on economic activity status of the population. The main difference of the two approaches is the length of the reference period. The current activity status approach measures economic activity based on a short reference period of seven days, while usual activity status approach measures economic activity status based on the long reference period of six months prior to the date of interview.

Usual status approach is more appropriate for rural areas which enable to capture seasonal variation of activities. On the other hand, the current status approaches is convenient for urban areas since the activities are less affected by seasonal variations. Data on economic status of the population was collected using the two approaches in the 2012 UEUS. However, the result presented in this report refers only the current activity status approaches.

### **4.2.1 Current Activity Status Approach**

Under the current activity status approach, a series of inquiries related to engagement in economic activity, seeking and availability to work, reasons for not being seeking or availability for work...etc were administered to determine the economic activity status of the population during the reference week. Based on these questions, those persons aged ten years and above classified into three mutually exclusive categories: employed, unemployed, and economically not active. The employed and unemployed populations together make up the labour force or the currently economically active population. The third category represent those persons who were neither engaged nor available to furnish their labour are considered as economically not active population.

#### **4.2.2 Usual Activity Status Approach**

In the usual activity status approach questions were also administered to all persons aged ten years and above whether they were engaged in productive activities during the six months prior to the interview date. Those who were engaged in productive activities during the reference period were classified as usually employed. Persons who were engaged in agriculture categorized as usually employed if they have worked in most of the main agricultural seasons during the reference period. Those persons who were not engaged in productive activity but available to be engaged during most of the six months prior to the survey date were considered as usually unemployed. The usually employed and unemployed persons together make up the usually economically active population. On the other hand, those persons who were neither engaged nor available to be engaged in productive activity during most of the six months due to homemaking activities, attending education, illness, old aged/pensioned... etc are classified as usually economically not active population.

#### **4.3. Economic Activity Rate / Labour Force Participation Rate /**

Economic activity rates are relatively good indicators about the activity status of the population an area at a given period. Economic activity rate or labour force participation rate is computed as the percentage of the economically active population to the total of economically active and not active population.

This section presents the economic activity rate and economic dependency ratio of urban population in March 2012. For the purpose of comparison, the change of activity rate in percentage point during the five survey periods are presented in Summary Table 4.1.

According to March 2012 survey, out of the total population aged ten years and above (11,110,653), the labour force /economically active population measured using the current activity status approach is 6,944,691 persons, while the economically not active population accounts 4,165,962 persons. This gives an activity rate of 62.5 percent, which means out of 100 persons aged ten years and above almost 63 persons are engaged or available to participate in the production of goods and services. While the remaining 37 persons are not ready to do so due to various reasons such as education, illness, pregnancy, old age...etc. The current activity rate

that registered in this survey is greater than that observed in the previous surveys. At country urban level, the activity rates of male is greater than female in all surveys.

Percentage point /PP/ is another indicator of the dynamism of the labour force in urban areas of the country. It is defined as the arithmetic difference of two percentages. The change of March 2012 activity rate compared to the previous survey results are presented in Summary Table 4.1. The change of activity rate shows that the activity rate of urban population has shown an increasing trend during the four survey periods. The change in activity rate is relatively more pronounced between sexes (Summary Table 4.1).

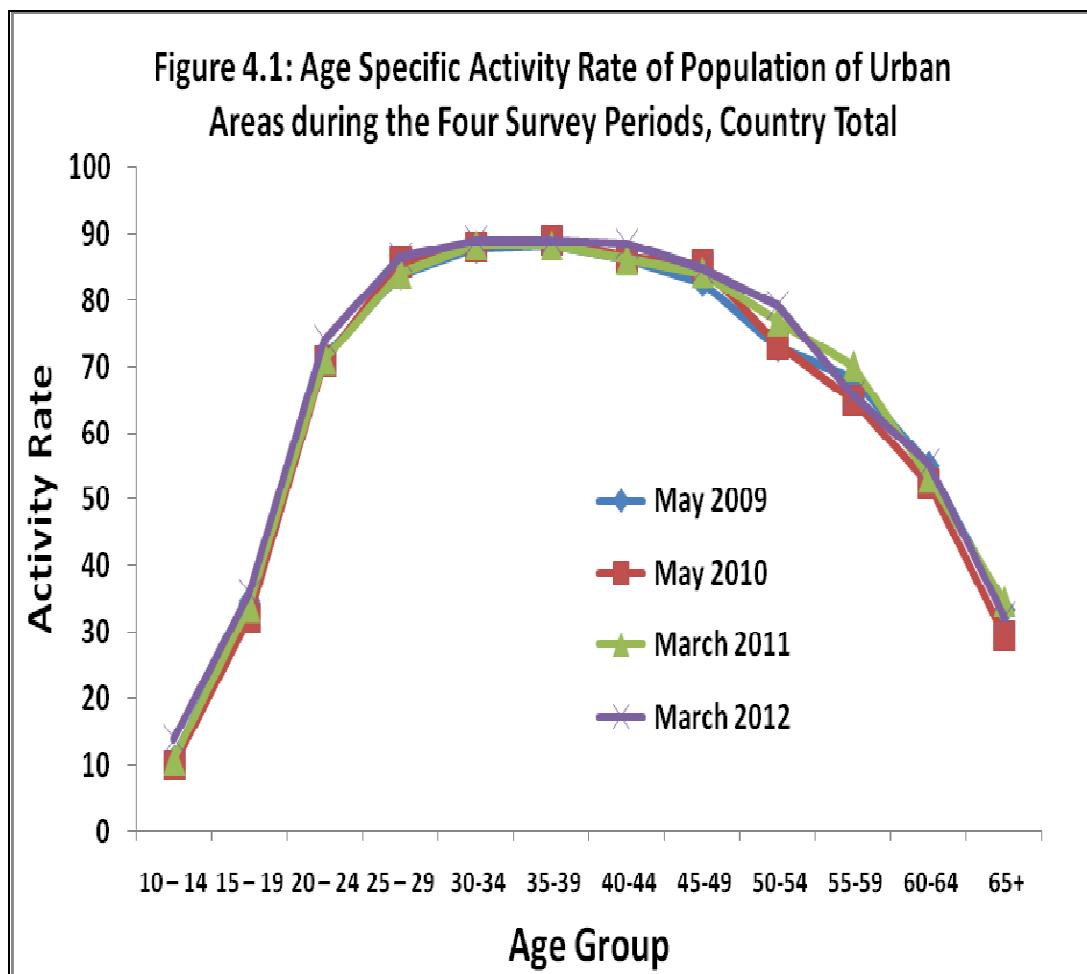
Regarding the relationship between age and activity rate shows a curve linear association in the four survey periods. The figure exhibits, low and increasing labour force participation of persons at a younger ages, and high and relatively stable for middle ages (between age group 30-44 years) and thereafter sharply decline at older age groups. The lowest activity rate is observed in the age groups 10-19, and 65 years and above (Figure 4.1)

**Summary Table 4.1 Distribution and Change of Activity Rate of Urban Population Aged Ten Years and Above by Sex and Age Group During the Four Survey Periods – Country Total**

Age Group and Sex	Economic Activity Rate				Change of Activity Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
All Ages							
Total	59.7	59.4	60.3	62.5	2.8	3.1	2.2
Male	67.2	65.7	67.9	69.7	2.5	4.0	1.8
Female	53.1	53.7	53.5	56.2	3.1	2.5	2.7
10 – 14							
Total	10.8	9.9	10.8	13.8	3.0	3.9	3.0
Male	10.7	10.1	11.1	14.0	3.3	3.9	2.9
Female	10.9	9.7	10.5	13.6	2.7	3.9	3.1
15 – 19							
Total	34.7	32.1	33.8	35.8	1.1	3.7	2.0
Male	33.8	29.3	33.3	34.0	0.2	4.7	0.7
Female	35.4	34.2	34.2	37.2	1.8	3.0	3.0
20 – 24							
Total	71.6	70.9	71.1	74.0	2.4	3.1	2.9
Male	74.8	73.9	75.1	78.7	3.9	4.8	3.6
Female	69.0	68.5	68.0	70.5	1.5	2.0	2.5
25 – 29							
Total	84.0	85.8	84.1	86.5	2.5	0.7	2.4
Male	92.7	92.8	92.6	94.4	1.7	1.6	1.8
Female	76.5	79.5	76.3	79.2	2.7	-0.3	2.9
30 – 34							
Total	87.9	88.2	88.3	89.0	1.1	0.8	0.7
Male	96.7	95.0	96.7	96.1	-0.6	1.1	-0.6
Female	78.3	81.6	79.2	81.7	3.4	0.1	2.5
35 – 39							
Total	88.4	89.1	88.3	88.9	0.5	-0.2	0.6
Male	96.8	97.3	97.1	96.7	-0.1	-0.6	-0.4
Female	80.4	81.4	80.5	81.3	0.9	-0.1	0.8
40 – 44							
Total	86.4	86.5	86.1	88.5	2.1	2.0	2.4
Male	96.6	97.4	96.0	97.0	0.4	-0.4	1.0
Female	75.2	74.3	74.0	79.2	4.0	4.9	5.2
45 – 49							
Total	82.8	85.3	84.2	84.7	1.9	-0.6	0.5
Male	96.7	97.3	96.3	96.2	-0.5	-1.1	-0.1
Female	69.2	73.0	72.7	73.8	4.6	0.8	1.1
50 – 54							
Total	73.0	73.5	76.9	79.3	6.3	5.8	2.4
Male	92.4	93.0	92.9	94.4	2.0	1.4	1.5
Female	58.1	56.9	63.1	66.3	8.2	9.4	3.2

**Summary Table 4.1 Cont'd**

Age Group and Sex	Economic Activity Rate				Change of Activity Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
55 – 59							
Total	68.2	65.1	70.1	65.6	-2.6	0.5	-4.5
Male	90.2	85.5	88.1	89.7	-0.5	4.2	1.6
Female	49.9	47.6	54.8	46.8	-3.1	-0.8	-8
60 – 64							
Total	55.1	52.4	53.2	55.3	0.2	2.9	2.1
Male	80.0	76.0	76.9	80.2	0.2	4.2	3.3
Female	34.2	33.4	34.2	36.1	1.9	2.7	1.9
65+							
Total	33.4	29.6	34.6	32.3	-1.1	2.7	-2.3
Male	51.0	43.3	53.0	48.7	-2.3	5.4	-4.3
Female	18.1	17.2	19.1	18.6	0.5	1.4	-0.5



As shown in Summary Table 4.2 below, relatively higher activity rate (69.8 percent) is observed in Benishangul- Gumuz region followed by Affar (68.1 percent) and Harari (65 percent) in March 2012. The lowest labour force participation rate is observed in Gambella Region (51.5 percent) and followed by Somali region (54.6 percent).

Summary Table 4.2 also illustrates the change of activity rate in percentage point of urban population at regional level. The difference of the activity rate (labour force participation rate) of urban population of Tigray and Benishangul-Gumuz regions shows an increasing trend during the four survey periods while Gambella region demonstrates a decreasing trend. Moreover, the change of activity rate in relation to sex at the regional level, participation of male and female depicts an increasing trend in Tigray region throughout all the survey periods.

**Summary Table 4.2 Distribution and Change of Activity Rate of Urban Population Aged Ten Years and Above by Region and Sex During the Four Survey Periods**

Region and Sex	Economic Activity Rate				Change of Activity Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
COUNTRY TOTAL							
Total	59.7	59.4	60.3	62.5	2.8	3.1	2.2
Male	67.2	65.7	67.9	69.7	2.5	4.0	1.8
Female	53.1	53.7	53.5	56.2	3.1	2.5	2.7
TIGRAY							
Total	58.9	56.5	55.5	61.2	2.3	4.7	5.7
Male	66.3	62.7	61.9	67.0	0.7	4.3	5.1
Female	53.2	51.5	50.5	56.9	3.7	5.4	6.4
AFAR							
Total	54.1	52.0	59.6	68.1	14.0	16.1	8.5
Male	66.3	62.4	68.3	75.4	9.1	13.0	7.1
Female	41.9	42.7	50.9	61.3	19.4	18.6	10.4
AMHARA							
Total	59.9	57.9	61.0	64.4	4.5	6.5	3.4
Male	67.3	64.4	68.0	70.9	3.6	6.5	2.9
Female	53.6	52.5	55.1	59.2	5.6	6.7	4.1
OROMIYA							
Total	58.5	58.9	61.2	63.0	4.5	4.1	1.8
Male	66.5	65.2	69.3	70.9	4.4	5.7	1.6
Female	51.4	53.2	53.7	55.6	4.2	2.4	1.9
SOMALI							
Total	51.5	45.0	46.8	54.6	3.1	9.6	7.8
Male	56.8	53.3	51.3	57.7	0.9	4.4	6.4
Female	46.0	36.5	42.2	51.6	5.6	15.1	9.4
BENISHANGUL-GUMUZ							
Total	64.0	61.5	61.2	69.8	5.8	8.3	8.6
Male	69.1	68.8	70.2	75.8	6.7	7.0	5.6
Female	59.3	54.5	53.2	64.0	4.7	9.5	10.8
S.N.N.P.							
Total	60.2	59.5	62.2	62.5	2.3	3.0	0.3
Male	66.5	66.3	68.9	68.2	1.7	1.9	-0.7
Female	54.2	53.1	55.8	57.1	2.9	4.0	1.3

**Summary Table 4.2 Cont'd**

Region and Sex	Economic Activity Rate				Change of Activity Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
GAMBELLA							
Total	55.6	54.1	54.4	51.5	-4.1	-2.6	-2.9
Male	62.2	58.9	56.8	56.1	-6.1	-2.8	-0.7
Female	49.6	50.2	52.2	47.5	-2.1	-2.7	-4.7
HARARI							
Total	61.4	62.0	68.1	65.0	3.6	3.0	-3.1
Male	67.8	67.5	71.1	70.5	2.7	3.0	-0.6
Female	55.8	57.1	65.3	60.0	4.2	2.9	-5.3
ADDIS ABABA CITY ADMINISTRATION							
Total	62.3	64.5	61.2	61.7	-0.6	-2.8	0.5
Male	70.5	70.4	70.7	71.0	0.5	0.6	0.3
Female	55.1	59.4	53.3	54.1	-1.0	-5.3	0.8
DIREDAWA ADMINISTRATION							
Total	60.0	58.3	60.7	64.1	4.1	5.8	3.4
Male	64.2	63.2	64.2	67.4	3.2	4.2	3.2
Female	56.1	53.7	57.7	61.2	5.1	7.5	3.5

#### 4.4 Reasons for Being Economically Not active

The population of urban areas aged ten years and above is broadly classified in two categories based on the current economic activity status approach, namely economically active and not active population. The former comprises employed and unemployed persons, while the latter consists of those persons neither employed nor unemployed or not in the labour force.

The economically not active persons during the seven days of the survey reference period were asked to state their reasons for not participating in economic activities. As shown in summary Table 4.3, the total number of not active population aged 10 years and above is 4,165,962. From the total not active population, females account 62.2 percent and males 37.8 percent.

With regard to the reasons for being not active, two thirds of not active population at national level reported that education (being a student) is the main reason for their

inactivity. Other reasons such as homemaking (domestic work), old aged / pension, and illness are found significant for inactivity of persons in urban areas with a share of 10.1 percent, 9.6 percent and 5.7 percent, respectively. Being a student is a more common reason among males (82.4 percent) than females (56.8 percent). Homemaking (domestic work) is a common reason for inactivity for females than males. Similar to the national figures, being a student is the main reason for populations that are not active followed by homemakers in most regions, except Tigray and Benishangul- Gumuz regions. The proportions of homemaker show relatively higher among not active persons of Affar and Somali regions (Summary Table 4.3).

**Summary Table 4.3 Percentage Distribution of Economically Inactive Population of Urban Areas Aged Ten Years and Above by Region, Sex and Reasons for being Not Active: 2012**

Region and Sex	Total Economically Not Active		Reasons for Being Not Active										
	No.	%	Home Maker	Pregnancy	Student	Injury/Disabled	Illness	Too Young	Remittance	Old age/ Pensioned	Others	Not Stated	
<b>COUNTRY- TOTAL</b>													
Total	4,165,962	100.0	10.1	3.2	66.4	0.7	5.7	1.0	1.4	9.6	1.7	0.0	
Male	1,573,590	100.0	0.8	-	82.4	1.1	4.9	1.3	0.9	7.4	1.3	-	
Female	2,592,372	100.0	15.8	5.2	56.8	0.5	6.2	0.9	1.7	11.0	1.9	0.0	
<b>TIGRAY</b>													
Total	307,931	100.0	10.2	3.0	65.4	0.4	7.9	0.6	1.1	10.4	1.1	-	
Male	113,574	100.0	0.3	-	83.2	0.5	5.3	1.0	0.7	8.7	0.3	-	
Female	194,356	100.0	15.9	4.8	54.9	0.3	9.4	0.4	1.3	11.4	1.5	-	
<b>AFAR</b>													
Total	40,759	100.0	15.2	7.2	62.4	0.9	6.4	0.1	2.4	4.5	0.6	0.4	
Male	15,034	100.0	0.2	-	81.5	0.4	10.3	0.3	1.0	5.3	1.0	-	
Female	25,726	100.0	24.0	11.4	51.2	1.2	4.1	0.0	3.3	4.0	0.3	0.6	
<b>AMHARA</b>													
Total	702,578	100.0	11.1	3.0	64.2	1.3	7.4	0.5	1.3	9.8	1.4	0.0	
Male	259,005	100.0	0.3	-	80.9	1.6	6.6	0.3	0.6	7.7	2.0	-	
Female	443,573	100.0	17.5	4.8	54.5	1.1	7.8	0.5	1.8	11.0	1.0	0.0	
<b>OROMIYA</b>													
Total	1,158,165	100.0	9.9	3.5	68.5	0.7	5.4	1.4	1.1	8.2	1.2	0.0	
Male	443,207	100.0	0.8	-	84.2	1.1	5.2	1.8	0.6	5.4	0.9	-	
Female	714,959	100.0	15.6	5.7	58.8	0.5	5.5	1.1	1.5	9.9	1.3	0.1	
<b>SOMALI</b>													
Total	196,892	100.0	15.3	3.2	67.1	0.6	3.9	1.6	1.8	5.2	1.3	-	
Male	90,974	100.0	0.8	-	85.8	1.0	3.6	2.5	1.7	2.7	2.0	-	
Female	105,918	100.0	27.8	5.9	51.0	0.3	4.2	0.9	1.9	7.4	0.8	-	
<b>BENISHANGULGUMUZ</b>													
Total	33,760	100.0	6.6	4.2	76.1	0.2	3.8	0.5	1.2	6.8	0.5	-	
Male	13,365	100.0	-	-	89.5	-	3.3	1.3	0.2	5.1	0.5	-	
Female	20,395	100.0	11.0	7.0	67.3	0.3	4.2	-	1.8	7.9	0.5	-	
<b>S.N.N.P.</b>													
Total	574,806	100.0	8.1	2.5	74.8	0.7	3.6	1.7	1.3	6.2	1.0	-	
Male	236,660	100.0	0.5	-	86.0	1.3	3.3	1.8	0.7	5.9	0.4	-	
Female	338,146	100.0	13.5	4.3	66.9	0.3	3.9	1.6	1.7	6.4	1.3	-	

**Summary Table 4.3 Cont'd**

Region and Sex	Total Economically Not Active		Reasons for Being Not Active									
	No.	%	Home Maker	Pregnancy	Student	Injury/Disabled	Illness	Too Young	Remittance	Old age/Pensioned	Others	Not Stated
GAMBELLA												
Total	36,468	100.0	9.6	3.5	73.9	0.6	2.6	0.4	5.0	4.0	0.5	-
Male	15,059	100.0	0.8	-	88.6	0.2	3.0	0.2	3.9	3.0	0.2	-
Female	21,409	100.0	15.7	5.9	63.5	0.8	2.4	0.4	5.8	4.6	0.8	-
HARARI												
Total	30,719	100.0	10.2	1.7	64.5	1.0	9.5	0.3	1.6	10.4	0.9	-
Male	12,109	100.0	0.7	-	81.5	0.4	9.5	-	0.4	6.0	1.4	-
Female	18,610	100.0	16.3	2.8	53.4	1.3	9.5	0.5	2.4	13.2	0.5	-
ADDIS ABABA CITY ADMINISTRATION	1,010,545											
Total	45	100.0	9.8	3.3	60.9	0.4	5.6	0.7	1.6	14.4	3.2	0.0
Male	343,256	100.0	1.4	-	77.1	0.8	4.2	0.8	1.4	12.2	2.0	-
Female	667,289	100.0	14.2	4.9	52.5	0.3	6.4	0.6	1.7	15.5	3.8	0.1
DIRE DAWA ADMINISTRATION												
Total	73,338	100.0	8.1	5.0	64.7	0.6	6.4	2.0	2.8	8.5	1.9	-
Male	31,347	100.0	0.3	-	82.3	0.6	5.9	1.9	1.1	5.6	2.2	-
Female	41,990	100.0	13.9	8.6	51.6	0.6	6.7	2.1	4.1	10.6	1.7	-

#### **4.5. Economic Dependency Ratio of Urban Population**

Some groups of the population are not ready or available to work due to various reasons as a result they depend on others for their living. Economic dependency ratio is defined as population not in the labour force (i.e., economically not active population aged ten years and above including children below ten years of age) to the population in the labour force (Shryock, 1976). The ratio of persons in the dependent category to those economically active persons provides a useful approximation to economic dependency burden.

Summary Table 4.4 presents economic dependency ratio of urban population by region and sex during the four survey periods. The 2012 UEUS result shows that economic dependency ratio is 101.8 dependents at country level. This means for each 100 economically active persons there are almost 102 dependants to be supported in terms of food, clothing, health, education...etc. Except the 2010 survey results, economic dependency shows a declining trend (i.e. 112 in May 2009, 109 in March 2011 and 101.8 in March 2012). In all survey periods, female are found more dependent than male at country level.

Summary Table 4.4 further shows a marked difference between regions with regard to economic dependency burden. The highest economic dependency burden is found in Somali region (188.1 dependents) followed by Gambella region (170.1 dependents) and Tigray region (114.5 dependents) in March 2012. The lowest dependency ratio is observed in Benishangul-Gumuz region (81.3 dependents) followed by Addis Ababa City Administration (88.3 dependents) and Harari region (89.3 dependents) per 100 economically active persons. In most of the regions, economic dependency ratio shows a declining trend during the four survey periods.

In addition, summary Table 4.4 below demonstrates the change in economic dependency burden during the four survey periods by making comparison with the March 2012 survey at national level (Total) and with respect to sexes. The same is true for regions, too.

**Summary Table 4.4 Distribution and Change of Economic Dependency Ratio by Regions and Sex During the Four Survey Periods**

Region and Sex	Economic Dependency Ratio				Change of Dependency Ratio in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
COUNTRY TOTAL							
Total	112	113	109	101.8	-10.2	-11.2	-7.2
Male	92	95	89	85.2	-6.8	-9.8	-3.8
Female	134	132	131	119.7	-14.3	-12.3	-11.3
TIGRAY							
Total	118	128	130	114.5	-3.5	-13.5	-15.5
Male	102	110	111	104.1	2.1	-5.9	-6.9
Female	134	144	148	123.8	-10.2	-20.2	-24.2
AFAR							
Total	138	151	121	98.1	-39.9	-52.9	-22.9
Male	95	115	95	83.0	-12.0	-32.0	-12.0
Female	207	199	155	115.0	-92.0	-84.0	-40.0
AMHARA							
Total	107	117	105	94.3	-12.7	-22.7	-10.7
Male	87	100	87	82.5	-4.5	-17.5	-4.5
Female	128	134	122	105.9	-22.1	-28.1	-16.1
OROMIYA							
Total	122	119	110	104.2	-17.8	-14.8	-5.8
Male	100	98	88	84.8	-15.2	-13.2	-3.2
Female	148	142	136	127.7	-20.3	-14.3	-8.3
SOMALI							
Total	206	229	216	188.1	-17.9	-40.9	-27.9
Male	180	180	195	177.9	-2.1	-2.1	-17.1
Female	241	301	243	199.3	-41.7	-101.7	-43.7
BENISHANGUL GUMUZ							
Total	107	109	111	81.3	-25.7	-27.7	-29.7
Male	95	84	88	68.8	-26.2	-15.2	-19.2
Female	119	139	138	95.8	-23.2	-43.2	-42.2
S.N.N.P.							
Total	115	117	110	102.5	-12.5	-14.5	-7.5
Male	96	98	91	88.5	-7.5	-9.5	-2.5
Female	136	140	131	118.3	-17.7	-21.7	-12.7

**Summary Table 4.4 Cont'd**

Region and Sex	Economic Dependency Ratio				Change of Dependency Ratio in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
GAMBELLA							
Total	159	165	165	170.1	11.1	5.1	5.1
Male	137	153	169	151.0	14.0	-2.0	-18.0
Female	185	176	162	189.0	4.0	13.0	27.0
HARARI							
Total	101	97	84	89.3	-11.7	-7.7	5.3
Male	87	84	78	79.9	-7.1	-4.1	1.9
Female	116	110	90	99.1	-16.9	-10.9	9.1
ADDIS ABABA CITY ADMINISTRATION							
Total	89	82	90	88.3	-0.7	6.3	-1.7
Male	70	68	67	66.1	-3.9	-1.9	-0.9
Female	110	96	116	112.1	2.1	16.1	-3.9
DIRE DAWA ADMNISTRATION							
Total	109	118	110	94.5	-14.5	-23.5	-15.5
Male	98	104	106	89.0	-9.0	-15.0	-17.0
Female	121	132	114	99.8	-21.2	-32.2	-14.2

## **CHAPTER V**

### **EMPLOYED POPULATION IN URBAN AREAS**

#### **5.1 Introduction**

The previous chapter defined economically active population which is the sum of employed and unemployed population. This chapter presents major findings on the size, distribution and characteristics of the employed population. Accordingly, the employed population is defined as those persons who are engaged in productive activity at least four hours or more during the seven days prior to the survey date. Persons who had regular jobs or business or holdings to return to but absent from work (i.e., not at work or worked less than four hours) for various reasons are also considered as employed persons.

A wide range of information regarding the size and main characteristics of employed persons is collected using structured questionnaires. Thus, the following major information on employment is presented in this report.

- Employment to population ratio
- Main type of occupation
- Main product or service of the establishment or industry
- Status in employment for main activity
- Number of hours worked per week
- Earnings from paid employment and
- Employment in the Formal and informal sector.

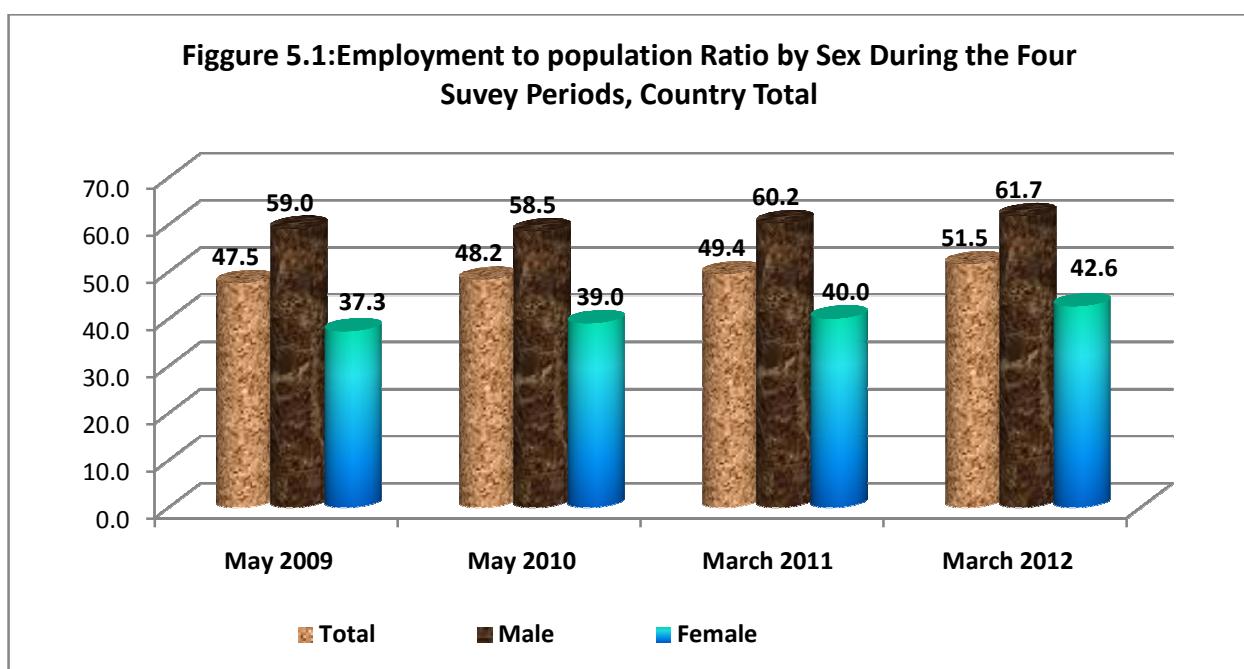
#### **5.2 Employment to Population Ratio**

Employment to Population Ratio is one of the Key Indicators of Labour Market (KILM) used to measure the percentage of employed persons in the population (ILO, 1999). It is calculated as percentage share of total employed persons to the working age population aged ten years and above. High employment to population ratio implies large proportion of the population is employed, while low employment ratio means that large

size of the population is not engaged in productive activities due to unemployment or out of the labour force.

According to Figure 5.1, shows 51.5 percent of the population is employed at the time of the survey at national urban level. The differentials of employment to population ratio by sex illustrate that 61.7 percent of male and 42.6 percent of females were employed in March 2012. Periodical analysis of employment to population ratio reveals that the percentage of employed population increases overtime. The size of employed population shows increasing trend from 47.5 percent in May 2009 to 51.5 percent in March 2012 (Figure 5.1).

Summary Table 5.1 also presents employment to population ratio of urban population by region and sex. More than half of the urban population of the following regions registered employment to population ratio more than urban national average, i.e 51.5 percent. Benishangul-Gumuz, Affar, Harari, S.N.N.P, Amhara, and Oromiya regions were employed in March 2012. The lowest employment to population ratio (46.7 percent) is found in Somali Region.



**Summary Table 5.1 Employment to Population Ratio of Urban Population by Region and Sex During the Four Survey Periods**

Region	Employment to Population Ratio											
	Both Sexes				Male				Female			
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011	March 2012
COUNTRY TOTAL	47.5	48.2	49.4	51.5	59.0	58.5	60.2	61.7	37.3	39.0	40.0	42.6
TIGRAY	46.5	46.2	45.0	49.3	57.3	56.0	55.2	59.4	38.1	38.3	37.1	41.6
AFFAR	46.2	45.1	49.2	60.4	60.7	59.0	62.2	71.4	31.7	32.5	36.3	50.2
AMHARA	50.6	48.9	49.2	53.8	62.0	58.6	59.4	63.2	41.0	40.5	40.7	46.1
OROMIA	47.3	49.5	52.5	52.5	59.1	59.6	63.6	63.3	36.7	40.2	42.4	42.2
SOMALI	41.1	38.9	38.8	46.7	50.0	49.5	45.0	52.0	31.7	28.1	32.3	41.4
BENSHANGUL-GUMUZ	55.3	55.3	55.5	64.9	64.2	66.7	67.3	72.3	47.1	44.3	45.0	57.6
S.N.N.P	50.9	51.0	54.8	54.7	61.2	61.8	64.3	62.7	41.1	41.0	45.9	47.1
GAMBELLA	46.0	47.3	50.2	47.4	57.8	54.1	52.5	54.7	35.3	41.6	48.1	41.3
HARARI	52.5	52.5	58.8	57.0	62.3	62.7	65.4	65.5	44.0	43.7	52.8	49.5
ADDIS ABABA CITY ADMINI.	44.9	47.2	45.9	47.5	57.6	57.9	58.5	59.9	34.0	38.0	35.3	37.3
DIRE DAWA ADMINISTRATION	43.2	40.7	46.8	49.5	51.2	49.6	55.6	56.7	35.8	32.5	39.0	43.0

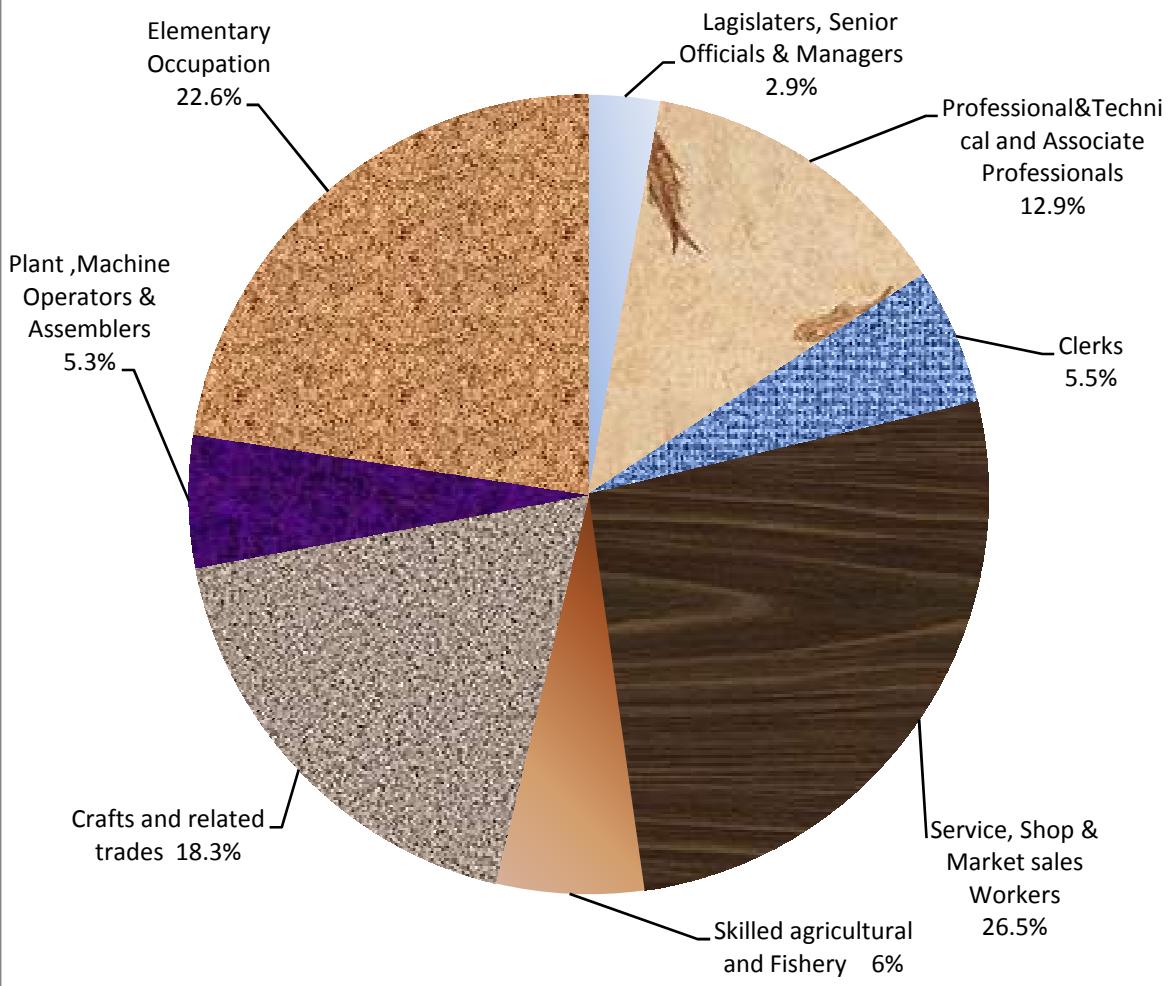
### **5.3 Occupation and Industry**

Employed persons were asked about the type of main activity (occupation) and major product or service of the establishment in which they were engaged during the survey reference period. The questions were open ended so that the type of activities and industry were recorded with the full description and code in the field by enumerators. This help to identify the type of occupation and industry of employed persons. For those employed persons engaged in multiple activities, the activity that took most of the respondents' time is taken as the main type of activity.

The type of occupation and industry of employed persons were further verified at the head quarter of CSA during data editing and coding stage using the National Occupation and Industry Classification (NOIC) codebook. The NOIC codes were adopted from the International Standard Classification of Occupation (ISCO-88) and International Standard Industrial Classification (ISIC1993) taking into account the prevailing national socio-economic conditions. The NOIC uses a 3-digit coding system corresponding to 3 levels classifications in successive details. In the case of occupation, these levels referred as Major group, Sub-major group and Minor group. Similarly, in the case of industry, the levels are Major divisions, Sub-major divisions and Minor divisions. In the NOIC, occupations are classified in to 9 major groups, 28 sub-major groups and 113 minor groups. Whereas, industries are classified in to 16, 60, and 159 major, sub-major and minor divisions, respectively.

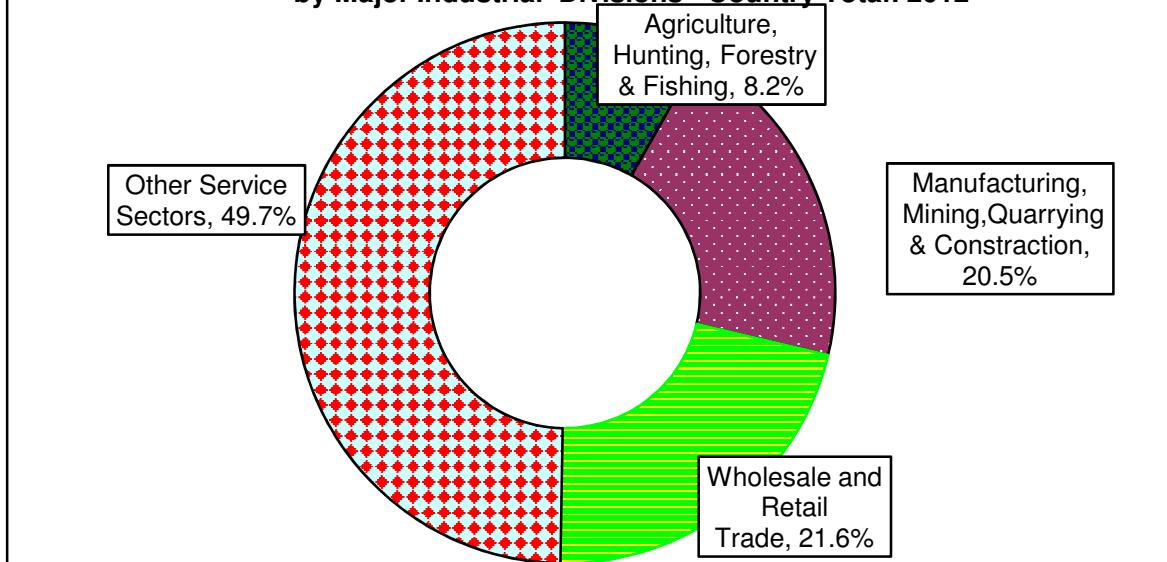
Figure 5.2 presents the distribution of employed population of urban areas aged ten years and above by major occupational groups at country urban level. According to the March 2012 survey, 26.5 percent of urban employed populations were engaged in service, shop and market sales. Elementary occupation accounts 22.6 percent, while crafts and related jobs 18.3 percent. Professionals together with technician and associate professionals make up 12.9 percent of the employed population. The lowest share (2.9 percent) of employed population was legislators, senior officials and managers in March 2012.

**Figure 5.2: Distribution of Employed Population of Urban Areas By Major Occupation - Country Total:2012**



As shown in Figure 5.3, the highest share (49.7 percent) of urban employed persons participated in other service sectors which include hotel and restaurant, public administration, educational institutions, community, social and cultural and personal services in private households, health and social works, extra-territorial organizations, financial intermediation, electricity, gas and water supply and real estates. Whole sale and retail trade absorbed 21.6 percent, while manufacturing, mining, and quarrying and construction industrial divisions share 20.5 percent of the total urban employed population. The lowest percentage of employed persons working in agriculture, forestry and fishing sectors accounts only 8.2 percent.

**Figure 5.3: Percentage Distribution of Urban Employed Population by Major Industrial Divisions - Country Total: 2012**



#### **5.4. Status in Employment**

Status in employment of a person indicates the level of involvement and degree of decision-making in a certain activity. It is classified into government employees, government parastatal employees, private organization employees, NGO's employees, domestic employees, other employees, self-employed, unpaid family worker, employer, apprentice, members of cooperatives and others.

The percentage distribution of urban employed population of the country by status in employment and sex is presented in Summary Table 5.2. The status in employment shows that the majority 38.7 percent of the employed persons are self-employed followed by private organization employees 22.7 percent and government employees together with government parastatal 20.5 percent. Paid employees which consist of employees of government, government parastatal, Private Organizations, NGO's, and domestic employees together constitute 49.0 percent of the total working population. The remaining 12.3 percent of the employed persons are unpaid family workers, apprentice, employers and members of cooperatives. The higher proportion of employed male and female are working as paid employees and self employed.

**Summary Table 5.2 Percentage Distribution of Employed Urban Population Aged ten Years and Above by Sex and Status in Employment During The Four Survey Periods - COUNTRY TOTAL**

Survey Periods and Sex	Total Employed Population		Status in Employment										
			Paid employees					Self Employed	Unpaid Family Workers	Employer	Members of Cooperatives	Apprentice and Others	Not Stated
	No.	%	Gov't Employees	Gov't Prastital	Private Organization Employees	NGO's Employees	Domestic Employees						
<b>Both Sexes</b>													
May 2009	4,547,266	100.0	19.8	2.0	19.3	2.7	6.7	38.7	7.6	0.5	0.9	1.6	0.2
May 2010	4,798,467	100.0	20.3	1.6	19.3	1.8	7.0	37.6	8.6	0.5	1.4	2.1	0.0
March 2011	5,139,831	100.0	19.3	1.9	19.4	1.7	6.3	38.9	8.4	0.8	0.8	2.4	<b>0.0</b>
March 2012	5,726,116	100	15.3	5.2	22.7	1.1	4.7	38.7	8.6	0.7	0.9	2.1	<b>0.0</b>
<b>Male</b>													
May 2009	2,646,375	100.0	22.1	2.3	22.4	3.0	2.6	37.8	5.9	0.7	0.9	2.2	0.2
May 2010	2,739,770	100.0	22.7	1.8	21.9	2.0	2.7	37.6	6.5	0.6	1.5	2.6	0.0
March 2011	2,928,953	100.0	21.7	2.3	22.4	1.9	2.9	37.8	6.0	1.2	0.9	2.8	<b>0.0</b>
March 2012	3,202,042	100.0	16.9	6.5	25.7	1.2	0.6	38.0	6.5	0.9	0.9	2.8	<b>0.0</b>
<b>Female</b>													
May 2009	1,900,891	100.0	16.6	1.7	15.0	2.4	12.3	40.0	9.9	0.2	0.8	0.9	0.4
May 2010	2058697.0	100.0	17.0	1.3	15.9	1.4	12.6	37.6	11.4	0.3	1.2	1.3	0.0
March 2011	2,210,879	100.0	16.1	1.4	15.3	1.4	10.8	40.3	11.6	0.3	0.6	2.0	0.0
March 2012	2,524,074	100.0	13.3	3.6	18.8	1.0	9.8	39.5	11.4	0.4	0.9	1.3	0.0

## **5.5 Number of Hours Worked**

In the absence of standard working hours and irregular nature of working days in the informal sectors or in self employment, the collection of accurate data on hours of work is difficult. The reliability of the data is also affected due to memory lapse and lack of knowledge about the concepts of time on the part of the respondents. Considering this inherent data collection problem on hours of work, the figures presented in this section should be regarded as an indicative measurement of time or hours of work.

According to the tenth 1962 ICLS resolution, the statistics on hours actually worked includes:

- a) Hours actually worked during normal periods of work and time spent for waiting for the market;
- b) Hours worked in addition to normal periods of work and generally paid at higher rates than normal rates (overtime);
- c) Time spent at place of work on activities such as the preparation of the work place, repairing, maintenance, preparing and cleaning of tools and others;
- d) Time spent at the place of work waiting or standing by for such reasons shortage of raw materials for work or supply of work, break down of machinery, accidents or time spent at the place of work during which no work is done but for which payment is made under a guaranteed employment contract, and
- e) Time corresponds to short rest periods at the work place including tea and coffee breaks.

According to the resolution, care was taken to exclude hours paid for but not actually worked such as paid annual leave, paid public holidays or paid sick leave in recording the number of hours worked, time spent on travel from home to work and vice versa, household activities and meal breaks. These were also excluded from the analysis of actually worked hours in March 2012 survey. The number of hours of work is recorded as zero for those employed persons who were not at work during the seven days prior to the date of interview. On the other hand, if the employed persons have spent in productive activity in places other than work site is considered as working hour.

**Summary Table 5.3 Percentage Distribution of Urban Employed Population Aged Ten Years and Above by Region and Number of Hours Worked Per Week: 2012**

REGION	Total Employed Population	Number of Hours Worked Per Week						
		0	1 - 3	4 - 21	22 - 39	40 - 57	58 - 74	75+
ALL REGIONS	No. 5,726,116	275,568	9,353	752,342	1,200,663	2,091,859	851,143	545,187
	% 100.0	4.8	0.2	13.1	21.0	36.5	14.9	9.5
TGRAY	No. 391,891	23,377	626	38,950	64,586	150,391	64,502	49,459
	% 100.0	6.0	0.2	9.9	16.5	38.4	16.5	12.6
AFFAR	No. 77,068	5,497	144	10,138	14,662	28,586	12,299	5,743
	% 100.0	7.1	0.2	13.2	19.0	37.1	16.0	7.5
AMHARA	No. 1,063,958	68,967	2,565	210,267	213,003	359,021	128,131	82,004
	% 100.0	6.5	0.2	19.8	20.0	33.7	12.0	7.7
OROMIA	No. 1,643,077	76,603	2,338	233,990	381,970	584,970	231,782	131,423
	% 100.0	4.7	0.1	14.2	23.2	35.6	14.1	8.0
SOMALI	No. 202,547	7,112	50	36,029	55,214	64,665	24,594	14,883
	% 100.0	3.5	0.0	17.8	27.3	31.9	12.1	7.3
BENISHANGUL-GUMUZ	No. 72,518	3,753	293	15,818	24,850	16,633	8,160	3,010
	% 100.0	5.2	0.4	21.8	34.3	22.9	11.3	4.2
S.N.N.P	No. 837,386	38,456	2,079	133,633	162,804	310,329	111,885	78,201
	% 100.0	4.6	0.2	16.0	19.4	37.1	13.4	9.3
GAMBELLA	No. 35,656	817	0	3,813	10,373	14,239	3,667	2,748
	% 100.0	2.3	0	10.7	29.1	39.9	10.3	7.7
HARARI	No. 49,969	3,313	43	5,487	11,355	19,767	7,408	2,594
	% 100.0	6.6	0.1	11.0	22.7	39.6	14.8	5.2
ADDIS ABABA CITY ADMINISTRATION	No. 1,250,842	43,891	1038	50,916	244,058	507,537	240,768	162,633
	% 100.0	3.5	0.1	4.1	19.5	40.6	19.2	13.0
DIRE DAWA ADMINISTRATION	No. 101,204	3,783	176	13,300	17,789	35,720	17,948	12,489
	% 100.0	3.7	0.2	13.1	17.6	35.3	17.7	12.3

The percentage distribution of urban employed population by number of hours worked and region is presented in Summary Table 5.3. At country urban level the highest proportion, 36.5 percent of the employed population work for 40-57 hours during the reference week. Persons who had job attachment but not at work in the reference period or recorded zero working hours constituted only 4.8 percent. Except in Benishangul-Gumuz Region more than one third of urban employed population of regions works for 40-57 hours.

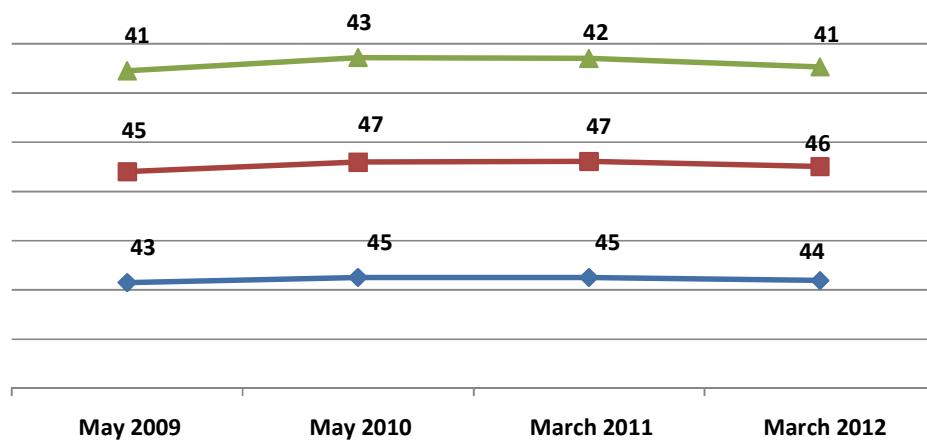
Summary Table 5.4 also illustrate that the mean hours worked is 44 hours. Regarding the mean hours worked by region, the highest hours worked (51 hours) is observed in Addis Ababa City Administration followed by Tigray (47 hours) and Dire Dawa (46 hours). The lowest mean hours worked (36 hours) is recorded in Benishangul-Gumuz region. As far as the differentials of mean hours of work by sex is concerned, male working time is greater than female in all regions.

**Summary Table 5.4 Percentage Distribution of Employed Urban Population Aged Ten Years and Above by Region and Mean Hours Worked Per Week during the Four Survey Periods**

Region	Mean Hours Worked per week											
	Both Sexes				Male				Female			
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011	March 2012
COUNTRY TOTAL	43	45	45	44	45	47	47	46	41	43	42	41
TIGRAY	45	51	48	47	47	51	49	49	43	51	46	45
AFFAR	47	47	48	42	47	48	49	44	47	46	46	41
AMHARA	40	41	42	39	42	43	44	42	38	39	39	36
OROMIA	42	43	45	42	45	46	47	45	39	40	41	39
SOMALI BENSHANGUL- GUMUZ	45	47	43	41	46	48	45	43	44	45	41	38
S.N.N.P	32	39	34	36	34	43	37	39	29	34	30	32
GAMBELLA	40	43	42	42	43	46	46	46	37	38	37	37
HARARI	45	47	47	42	48	49	50	44	41	45	43	40
ADDIS ABABA	49	49	50	51	49	50	51	52	49	49	48	49
DIRE DAWA	46	50	45	46	46	51	46	48	45	47	43	44

The trend of mean number of hours worked by sex is presented in Figure 5.4. The trend shows that a slight change on mean hours worked is observed during the four survey periods. The mean hours worked in May 2009 is 43 hours and increases to 45 hours in May 2010 and in March 2011. Thereafter it decreased to 44 hours in March 2012.

**Figure 5.4 Trend of Mean Number of hours Worked per week for Urban Employed Population by sex during Four Survey Periods -Country Total**



## **5.6 Earnings from Paid Employment**

Paid employment is jobs where the employees hold explicit written or oral agreement or implicit employment contracts, and consists of a basic remuneration. Some or all of the tools, capitals, equipment, information systems and/or premises used by the employees may be owned by others. The employees may work under direct supervision or according to strict guidelines set by the owner(s) or persons in the owners' employment. Persons in "paid employment" jobs are typically remunerated by wages and salaries, in cash or in kind such as food, housing or clothing. In this survey, earnings from paid employees refer to gross remuneration including bonus, overtime, allowances and other benefits that are obtained only from the main job.

Summary Table 5.5 presents the percentage distribution of employed population by mean amount of payment/earnings, major industrial divisions and sex at country urban level. The mean amount of payment paid for employees at urban national level is 1,256 birr per month. Comparison of the mean amount of earnings among different sectors (industries) shows that the highest payment per month is paid to those persons who work in NGOs and extra territorial organization (2,574 Birr) followed by financial intermediation (2,030 Birr) per month. The least amount of earnings is paid for employees of private households (267 Birr).

The differentials of payment by sex and industry depicts that male paid more than female in most of the industrial divisions except in transport, storage and communication divisions.(Summary Table 5.5).

**Summary Table 5.5 Percentage Distribution of Paid Employees of Urban Population Aged Ten Years and above by Major Industrial Divisions, Sex, Mean amount of payment per Month - COUNTRY TOTAL: 2012**

Major Industrial Divisions and Sex	Total Paid Employees		Percentage Share of Employed Persons by Amount of Payment Per Month ( in Birr)								Mean Amount of Earnings Per Month (In Birr)
	No.	%	<50	50-99	100-199	200-399	400-699	700-999	1000+	Not Stated	
Total Employed Population											
Total	2,867,785	100.0	0.5	1.0	3.8	13.6	19.1	13.5	47.7	0.8	1,256
Male	1,682,365	100.0	0.1	0.3	1.4	7.0	16.9	14.9	58.5	0.8	1,519
Female	1,185,420	100.0	1.1	2.0	7.2	22.8	22.3	11.4	32.4	0.8	882
Agriculture, Hunting Forestry & Fishing											
Total	68,394	100.0	1.1	1.8	6.3	21.0	32.4	12.4	23.3	1.8	821
Male	46,812	100.0	0.0	0.8	6.1	17.3	31.0	12.6	29.6	2.6	963
Female	21,583	100.0	3.4	4.0	6.7	29.0	35.3	12.0	9.6	0.0	523
Mining & Quarrying											
Total	9,225	100.0	0.0	0.0	0.0	11.5	19.8	3.7	65.0	0.0	1,787
Male	6,031	100.0	0.0	0.0	0.0	10.6	12.3	5.7	71.4	0.0	2,199
Female	3,194	100.0	0.0	0.0	0.0	13.0	34.2	0.0	52.8	0.0	1,011
Manufacturing											
Total	323,139	100.0	1.0	0.8	2.6	11.3	28.1	20.2	34.5	1.6	1,018
Male	211,812	100.0	0.3	0.4	1.8	8.4	25.3	22.3	40.1	1.3	1,106
Female	111,327	100.0	2.4	1.5	4.0	16.6	33.5	16.1	23.9	2.0	849
Electricity, Gas and Water Supply											
Total	43,245	100.0	0.3	0.0	0.0	5.6	17.7	21.0	54.2	1.2	1,403
Male	33,986	100.0	0.0	0.0	0.0	4.3	20.9	20.6	52.6	1.5	1,457
Female	9,259	100.0	1.4	0.0	0.0	10.1	6.1	22.4	60.0	0.0	1,209
Construction											
Total	256,948	100.0	0.1	0.2	1.3	8.0	20.3	16.1	53.3	0.7	1,349
Male	202,994	100.0	0.0	0.2	1.0	5.9	15.8	16.5	59.6	0.9	1,478
Female	53,954	100.0	0.4	0.5	2.3	15.6	37.0	14.7	29.4	0.0	869

**Table 5.5 Cont'd**

Major Industrial Divisions and Sex	Total Paid Employees		Percentage Share of Employed Persons by Amount of Payment Per Month ( in Birr)								Mean Amount of Earnings Per Month (In Birr)
	No.	%	<50	50-99	100-199	200-399	400-699	700-999	1000+	Not Stated	
Whole Sale and Retail Trade											
Total	190,212	100.0	1.1	1.5	5.1	16.2	29.7	18.3	27.1	1.0	874
Male	115,333	100.0	0.0	0.4	4.7	11.2	25.0	21.4	36.3	0.9	1,032
Female	74,879	100.0	2.9	3.3	5.8	23.8	36.8	13.6	12.8	1.0	630
Hotels and Restaurants											
Total	167,346	100.0	0.3	0.7	5.7	36.6	30.0	12.0	13.9	0.9	742
Male	64,485	100.0	0.0	0.7	3.3	27.2	32.3	13.3	22.1	1.1	1,123
Female	102,861	100.0	0.5	0.7	7.3	42.4	28.5	11.2	8.7	0.7	504
Transport, Storage and Communications											
Total	179,582	100.0	0.2	0.1	0.5	5.0	15.7	16.8	61.1	0.7	1,514
Male	167,601	100.0	0.2	0.1	0.5	5.0	15.0	17.1	61.4	0.7	1,486
Female	11,981	100.0	0.0	0.0	0.0	4.8	25.5	12.7	57.0	0.0	1,898
Financial Intermediation											
Total	114,654	100.0	0.0	0.0	0.7	1.4	8.2	10.0	79.2	0.4	2,030
Male	69,453	100.0	0.0	0.0	0.7	0.6	6.8	8.9	82.7	0.2	2,171
Female	45,201	100.0	0.0	0.0	0.8	2.7	10.5	11.5	73.8	0.8	1,813
Real Estate, Renting and Business Activities											
Total	76,377	100.0	0.0	0.0	0.0	7.6	10.6	13.1	68.2	0.5	1,802
Male	40,051	100.0	0.0	0.0	0.0	3.2	9.8	11.5	75.3	0.1	2,150
Female	36,326	100.0	0.0	0.0	0.0	12.4	11.5	14.8	60.3	1.0	1,415
Public Administration and Defense											
Total	381,697	100.0	0.1	0.2	0.5	2.3	12.5	13.6	70.4	0.4	1,595
Male	251,433	100.0	0.0	0.3	0.1	1.9	8.9	13.1	75.3	0.3	1,751
Female	130,263	100.0	0.3	0.0	1.4	3.0	19.6	14.5	60.9	0.4	1,293

**Table 5.5 Cont'd**

Major Industrial Divisions and Sex	Total Paid Employees		Percentage Share of Employed Persons by Amount of Payment Per Month (in Birr)								Mean Amount of Earnings Per Month (In Birr)
	No.	%	<50	50-99	100-199	200-399	400-699	700-999	1000+	Not Stated	
Education											
Total	400,605	100.0	0.0	0.1	0.2	3.5	12.7	10.6	72.4	0.5	1,655
Male	237,406	100.0	0.0	0.2	0.1	2.0	8.1	7.9	81.2	0.5	1,932
Female	163,199	100.0	0.0	0.0	0.2	5.7	19.5	14.4	59.7	0.5	1,252
Health and Social Work											
Total	164,914	100.0	0.0	0.0	0.6	3.0	16.3	14.6	64.7	0.8	1,584
Male	79,508	100.0	0.0	0.0	0.8	2.2	14.1	14.7	67.6	0.6	1,850
Female	85,406	100.0	0.0	0.0	0.5	3.7	18.4	14.5	62.0	1.0	1,336
Other Community, Social and Personal Service Activities											
Total	188,710	100.0	1.5	1.7	5.4	18.3	29.4	14.8	27.8	1.0	864
Male	112,927	100.0	0.4	0.6	2.0	14.5	29.0	15.2	37.0	1.4	1,015
Female	75,783	100.0	3.1	3.4	10.4	24.0	30.2	14.3	14.2	0.5	640
Private Households with Employed Persons											
Total	267,461	100.0	1.5	6.1	21.5	53.1	13.0	1.9	1.6	1.3	267
Male	19,940	100.0	0.5	6.9	15.1	44.5	22.4	5.8	2.0	2.8	319
Female	247,520	100.0	1.6	6.0	22.0	53.8	12.3	1.6	1.6	1.1	263
Extra-Territorial Organizations and NGOs											
Total	33,913	100.0	0.3	0.6	2.2	4.1	11.6	8.8	72.5	0.0	2,574
Male	21,696	100.0	0.4	0.0	0.0	4.8	6.8	7.8	80.1	0.0	3,034
Female	12,217	100.0	0.0	1.5	6.1	2.8	20.0	10.5	59.0	0.0	1,757
Not Stated											
Total	1,363	99.9	0.0	0.0	0.0	21.1	65.7	13.1	0.0	0.0	566
Male	896	100.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	600
Female	466	100.0	0.0	0.0	0.0	61.6	0.0	38.4	0.0	0.0	501

## **5.7 Formal and Informal Employment Sector**

For statistical purposes, the informal sector is regarded as a group of production units, According to the definitions and classification provided in the United Nation System of National Accounts (SNA Rev.4), form part of the household sector as household enterprises or, equivalently, unincorporated enterprises owned by households. The informal sector is defined irrespective of the kind of work place where the productive activities are carried out, the extent of fixed capital used, the duration of the enterprise and its operation as main or secondary activity of the owner (ILO, 2000).

The March 2012 survey administered questions to identify whether the employed persons were engaged in the formal or informal employment sector. The questions were not asked to the whole employed population but rather to those employed persons whose status in employment were employer, employee of private organization, self employed, unpaid family workers and apprentice. They were asked whether the business /enterprise they engaged in has;

- a) book of account that show the monthly income statement and balance sheet;
- b) Business /enterprise license and whether the product/service of the enterprise is mainly produced for market.

Based on the response to these questions, classification of employment sector is categorized in to formal, informal and not-identified". Employed persons who satisfy at least one of the above two conditions indicated in a and b considered as working in the formal sector. Those employed persons who respond "no" for the two questions, and "yes" answer for the last question is taken as informal employment sector. Employed persons who did not know the situation about of the business or enterprise with respect to the above questions is grouped as "not- identified".

Based on recommendations given in the 15<sup>th</sup> ICLS, employed persons engaged in subsistence farming and working in private households were exempted from the analysis of formal and informal employment sectors (ILO, 2000). Besides, whose status in employment classified as government employees, government parasitatal employees, employee of non-governmental organization, or members of producers' cooperative were not asked such questions because they are considered as formal employment sectors.

**Summary Table 5.6 Proportion of Urban Employed Population Aged Ten Years and Above Who Were Working in the Informal Sector by Region and Sex During the Four Survey Periods**

REGION				Proportion of urban Employed Population Working in the Informal Sector											
				Both Sexes				Male				Female			
	Total	Male	Female	May 2009	May 2010	Mar 2011	Mar 2012	May 2009	May 2010	Mar 2011	Mar 2012	May 2009	May 2010	Mar 2011	Mar 2012
COUNTRY TOTAL	5,152,260	2,989,199	2,163,061	36.5	34.1	36.5	31.7	30.5	28.3	28	24.2	45.6	42.5	48.4	42.2
TIGRAY	361,724	191,545	170,180	34.9	32.2	30.2	29.7	25.7	21.5	21.9	23.1	46.1	45.2	39.5	37.2
AFFAR	61,981	34,262	27,719	45.1	40.0	41.1	51.1	39.7	33.4	32.5	40.4	55.4	50.8	56.3	64.3
AMHARA	954,833	519,392	435,441	42.0	34.0	40	35.8	34.8	27.8	30.3	26	52.0	42.2	52.3	47.5
OROMIA	1,503,530	899,247	604,283	41.8	41.3	43.5	35.2	34.2	33.3	33.2	26.9	53.2	52.6	58.0	47.5
SOMALI	175,661	94,152	81,509	54.6	46.5	53.5	54.4	46.1	40.4	40.7	42.2	68.9	56.1	71.8	68.5
BENISHANGUL-GUMUZ	64,363	36,334	28,029	39.9	41.9	44	37.1	33.0	33.5	33.3	24	48.9	53.6	58.0	54.1
S.N.N.P.	759,119	435,676	323,443	39.1	39.5	43.8	39.5	30.3	30.8	34.3	29	51.6	52.3	56.6	53.6
GAMBELLA	32,543	16,695	15,848	41.2	42.1	51.1	38.7	26.8	23.7	31.2	22.6	61.0	61.7	68.6	55.7
HARARI	47,609	26,202	21,407	38.4	34.3	37.3	35.3	28.7	27.6	27.3	27.3	50.6	43.1	49.3	45.2
ADDIS ABABA	1,096,196	681,993	414,203	20.6	20.5	16.6	12.8	21.4	21.6	14.7	12.6	19.2	18.9	19.8	12.9
DIRE DAWA	94,700	53,700	40,999	36.9	36.4	41.5	37.4	29.5	25.9	31.7	28.4	47.7	52.6	55.5	49.3

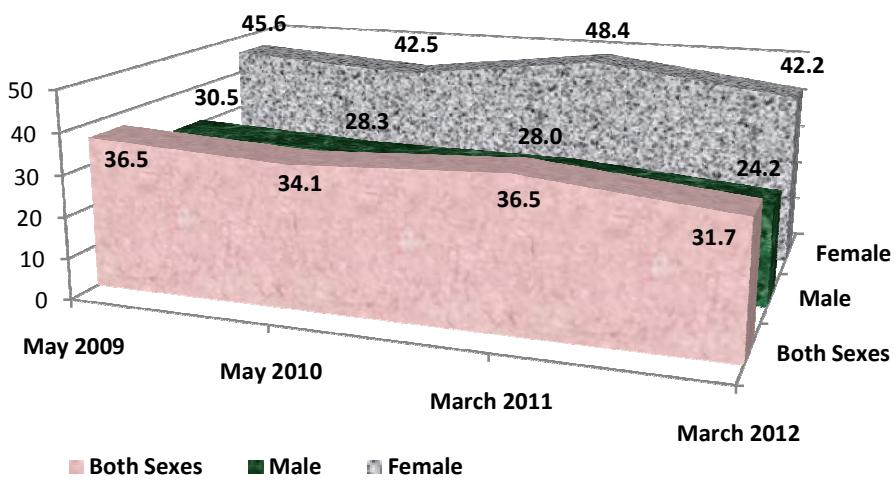
Note: Farmers engaged in subsistence farming and domestic employees are excluded from the above figures.

Summary Table 5.6 presents the proportion of urban employed population of the country who were engaged in the informal sector by region and sex during the four survey periods. According to the March 2012 survey result, out of the total 5,152260 working population 31.7 percent were engaged in the informal sector.

The majority of employed population of Somali Region (54.4 percent) and Afar Region (51.1 percent) work in the informal sector in March 2012. Addis Ababa City Administration registered the lowest proportion (12.8 percent) working in the informal sector. Periodical analysis shows that Tigray Region and Addis Ababa City Administration show a declining trend on the size of employed persons working in the informal sector during the four survey periods.

The proportion of employed persons working in the informal sector declined from 36.5 percent in May 2009 to 31.7 in March 2012. The March 2012 survey result shows a declining trend as compared to the previous surveys. The proportions of females who work in the informal sector are significantly higher than that of their counter parts in the four survey periods (Figure 5.5).

**Figure 5.5: Proportion of Urban Employed Population who were in the Informal Sector During the four Survey Periods - Country Total**



## **CHAPTER VI**

### **UNEMPLOYMENT IN URBAN AREAS**

#### **6.1. Introduction**

Unemployment is one of the indicators used to measure the extent of unutilized human resource and absorptive capacity of the economy. It indicates the quantity and quality of unutilized human labour in the country. Hence, the availability of reliable and timely statistical data on unemployment is vital to formulate and design new strategies as well as to monitor the existing employment policies, plans and development programs.

A wide range of information regarding unemployment and the characteristics of unemployed urban population is collected in March 2012. This information is fundamental to estimate the size and distribution of unemployed population and rate of unemployment in urban areas of the country.

This chapter presents the size, distribution, characteristics of unemployed population and rate of unemployment disaggregated by age, sex at national and regional urban levels. In addition, the percentage distribution of unemployed population by marital status, work experience and type of problems they faced to establish their own business and duration of unemployment are also presented.

Though information regarding unemployment was collected based on the current and usual status approaches, the results presented in this chapter refers only the current status approach.

#### **6.2. Measurement of Unemployment**

According to (ILO, 1990a) unemployment is measured based on the following three criteria: i) without work ii) available for work and iii) seeking for work. However, this definition varies in the context of developing and developed countries. In the developed countries where the labour market is largely organized and labour absorption is adequate, the standard definition of unemployment is more convenient, which relies on the seeking work criteria. The standard definition of

unemployment which is based on the "seeking work" criteria can be interpreted as activities or efforts to search jobs by non-working persons during a specified reference period.

On the other hand, in developing countries like Ethiopia, where the labour market is largely unorganized or of limited scope, where labour absorption is inadequate or where the labour force is largely self-employed; the standard definition with its emphasis on seeking work criteria might have had limited relevance, somewhat restrictive and might not fully capture the prevailing employment situation. Hence, the ILO (1990a) introduced two provisions, which allows for the relaxation of the seeking work criteria in certain situations. These provisions are partially relaxed and completely relaxed definition of unemployment. The definition of each provision is described in detail in the Statistical Report of the 2012 Urban Employment and Unemployment Survey.

Unemployment data was collected using the standard, partially relaxed and completely relaxed of measurement of unemployment in the 2012 survey. After thorough evaluation and assessment of the results obtained using the three alternative measures, the rates obtained using the completely relaxed definition was found most plausible and hence selected for this report.

The completely relaxed definition of unemployment, which suits the Ethiopian labour market situations, includes those persons who had no work but available for work, those persons who were or were not seeking work or discouraged job seekers. Discouraged job seekers are those unemployed persons who want a job but did not take any active step to search job because they thought that job is not found in the labor market.

The seeking work criterion here is completely relaxed and unemployment is based on the "without work" and "availability" criterion only. Those persons aged ten years and above who had no job were asked whether they are available or willing to work if job is found in the coming one month. The coming one month refers to the survey week plus the subsequent three weeks. Based on these inquires the following results are obtained and presented.

### **6.3 Unemployment Rate at National Urban Level**

Unemployment rate is one of the measurement techniques used to determine the levels of unemployment in urban areas of the country. It is computed as the proportion of unemployed persons to the total economically active population. The rate used to make studies about the differentials among subgroups of the population.

Summary Table 6.1 presents the rate of unemployment in May 2009, May 2010, March 2011 and March 2012 by sex and age group at country urban level. The March 2012 result reveals that the overall unemployment rate is 17.5 percent and the corresponding male and female unemployment rates are 11.4 percent and 24.2 percent, respectively. The differentials of unemployment by sex show that female unemployment is more than two times as compared to male.

**Summary Table 6.1 Distribution and Percentage Change of Unemployment Rate of Urban Population Aged Ten Years and Above by Age Group and Sex During Four Survey Periods – Country Total**

Age Group and Sex	Unemployment Rate				Change of Unemployment Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
	All Ages						
Total	20.4	18.9	18.0	17.5	-2.9	-1.4	-0.5
Male	12.2	11.0	11.4	11.4	-0.8	0.4	0.0
Female	29.6	27.4	25.3	24.2	-5.4	-3.2	-1.1
10 – 14							
Total	18.9	6.1	11.2	11.0	-7.9	4.9	-0.2
Male	17.0	6.1	9.4	11.0	-6	4.9	1.6
Female	20.7	6.0	12.9	11.1	-9.6	5.1	-1.8
15 – 19							
Total	29.3	25.0	26.8	21.6	-7.7	-3.4	-5.2
Male	24.5	23.4	23	19.9	-4.6	-3.5	-3.1
Female	32.8	26.1	29.6	22.7	-10.1	-3.4	-6.9
20 – 24							
Total	28.8	28.2	27.9	28.6	-0.2	0.4	0.7
Male	19.5	18.8	20.8	21.8	2.3	3	1.0
Female	37.1	36.5	34.0	34.4	-2.7	-2.1	0.4
25 – 29							
Total	21.8	21.0	18.3	19.2	-2.6	-1.8	0.9
Male	12.6	12.5	10.5	10.9	-1.7	-1.6	0.4
Female	31.3	29.9	27.0	28.5	-2.8	-1.4	1.5
30 – 34							
Total	17.7	17.7	14.9	14.3	-3.4	-3.4	-0.6
Male	8.5	8.0	8.8	8.1	-0.4	0.1	-0.7
Female	30.4	28.7	23.1	21.8	-8.6	-6.9	-1.3
35 – 39							
Total	14.4	14.6	12.6	11.7	-2.7	-2.9	-0.9
Male	6.3	6.3	6.9	5.8	-0.5	-0.5	-1.1
Female	23.8	24	18.8	18.5	-5.3	-5.5	-0.3
40 – 44							
Total	12.5	11.3	12.2	11.5	-1	0.2	-0.7
Male	5.0	4.1	6.0	5.7	0.7	1.6	-0.3
Female	22.9	21.9	22.2	19.4	-3.5	-2.5	-2.8
45 – 49							
Total	13.5	10.6	11.9	10.7	-2.8	0.1	-1.2
Male	5.4	4.9	5.0	5.7	0.3	0.8	0.7
Female	24.5	18.6	20.7	16.9	-7.6	-1.7	-3.8

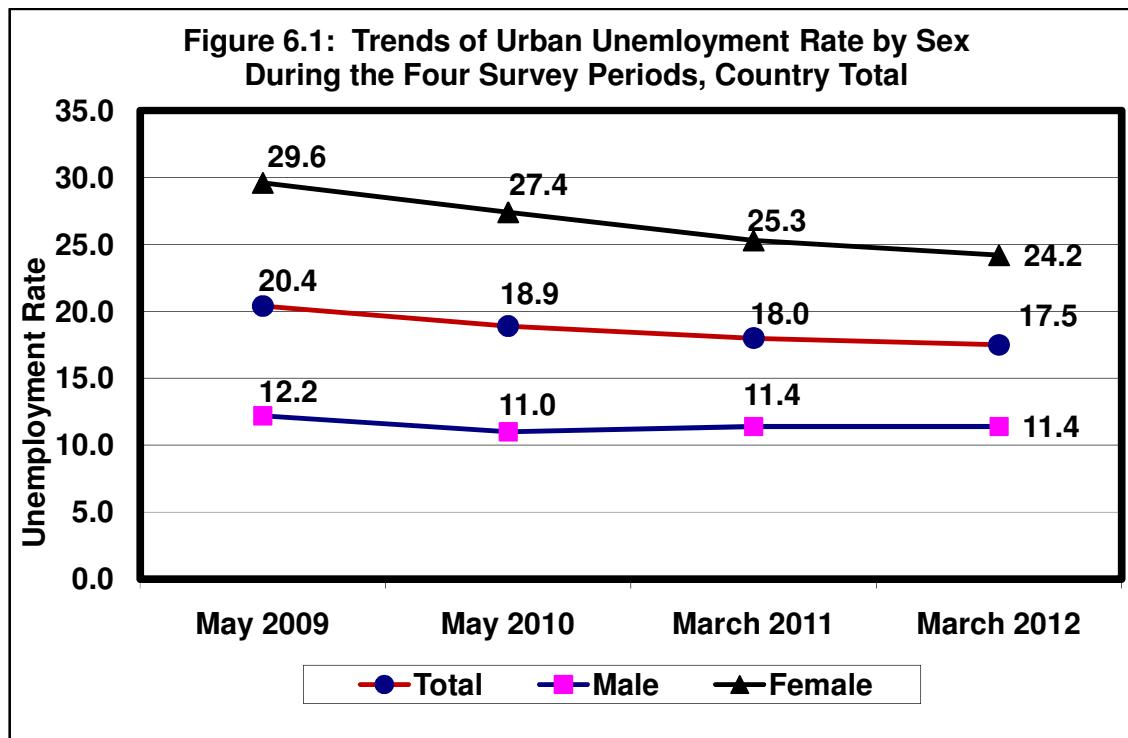
**Summary Table 6.1 Cont'd**

Age Group and Sex	Unemployment Rate				Change of Unemployment Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
50 – 54							
Total	14.7	13.6	13.1	12.0	-2.7	-1.6	-1.1
Male	7.9	5.6	7.3	7.8	-0.1	2.2	0.5
Female	23.1	24.7	20.4	17.1	-6.0	-7.6	-3.3
55 – 59							
Total	14.4	14.2	11.2	13.8	-0.6	-0.4	2.6
Male	10.5	9.9	6.8	9.1	-1.4	-0.8	2.3
Female	20.2	20.9	17.1	20.9	0.7	0.0	3.8
60 – 64							
Total	17.9	13.5	13.2	14.0	-3.9	0.5	0.8
Male	13.1	13.1	9.1	9.6	-3.5	-3.5	0.5
Female	27.3	14.3	20.7	21.5	-5.8	7.2	0.8
65+							
Total	16.9	12.4	12.2	11.3	-5.6	-1.1	-0.9
Male	15.2	9.5	12.1	11.8	-3.4	2.3	-0.3
Female	20.9	18.9	12.5	10.2	-10.7	-8.7	-2.3
<b>15 and above</b>							
Total	20.5	19.2	18.1	17.7	-2.8	-1.5	-0.4
Male	12.1	11.2	11.4	11.4	-0.7	0.2	0.0
Female	29.9	28.0	25.7	24.7	-5.2	-3.3	-1.0
<b>15 - 64</b>							
Total	20.6	19.4	18.3	17.9	-2.7	-1.5	-0.4
Male	12.0	11.2	11.4	11.3	-0.7	0.1	-0.1
Female	30.1	28.1	25.9	24.9	-5.2	-3.2	-1.0
<b>15 - 29 /Youth/</b>							
Total	26.0	24.5	23.7	23.3	-2.7	-1.2	-0.4
Male	17.4	16.0	16.5	16.4	-1.0	0.4	-0.1
Female	33.9	31.6	30.3	29.6	-4.3	-2.0	-0.7

Percentage point is also used to trace the change of unemployment in urban areas over time. It is calculated as the difference of unemployment rate between the two points (survey periods). Summary Table 6.1 illustrates that the unemployment rate in March 2012 is declined by 0.5 per cent as compared to the March 2011. It also reveals a marked decline of unemployment by 2.9 and 1.4 percentage points in March 2012 as compared to May 2009 and May 2010 survey period, respectively.

#### **6.4. Trends of Unemployment Rate in Urban Areas**

As shown in Figure 6.1, unemployment in urban areas of the country shows a declining trend in the four survey periods. The overall unemployment rate declined from 20.4 percent in May 2009 to 18.9 percent in May 2010 and reach to 18.0 percent in March 2011, and the rate further declined to 17.5 percent in March 2012. With regard to sex, the unemployment rate of male and female shows a downward trend during the four survey periods. However, female are more affected with the incidence of unemployment than male.

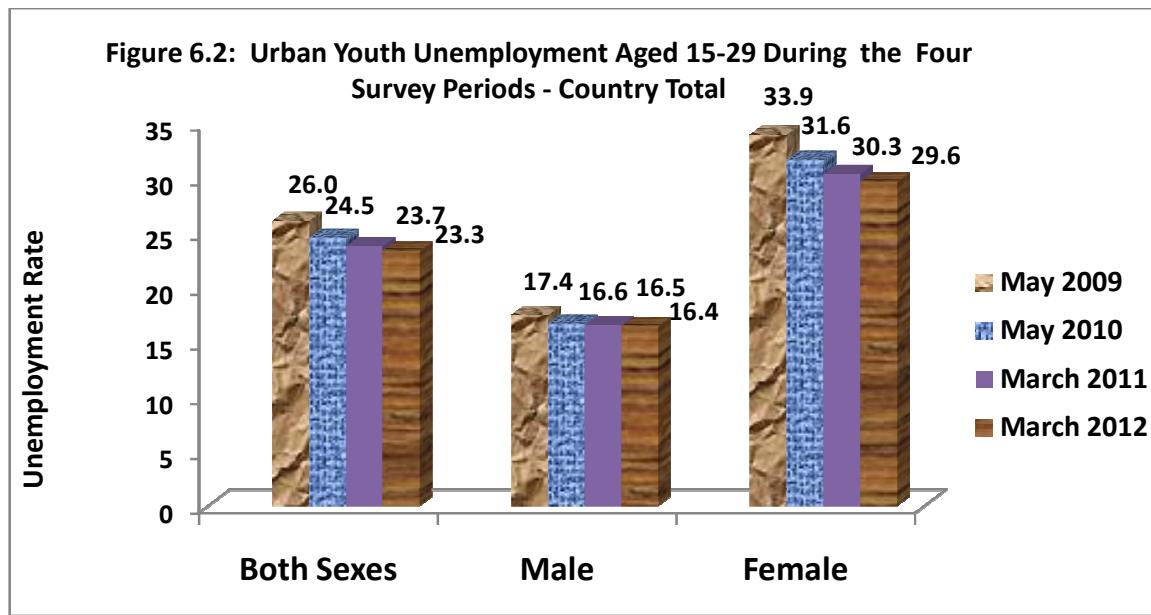


#### **6.5 Youth Unemployment Rate in Urban Areas**

According to the national context, youth comprises those persons aged 15 - 29 years. As part of the society, youths are vulnerable to the problem of unemployment. The problem of youth unemployment is higher than any other group of the population in urban areas of the country, which is confirmed by different survey findings.

Youth unemployment rate was found 26.0 percent in May 2009 survey. However, the rate declined to 24.5 percent in May 2010 and further dropped to 23.7 percent in March 2011 and reach 23.3 percent in March 2012.

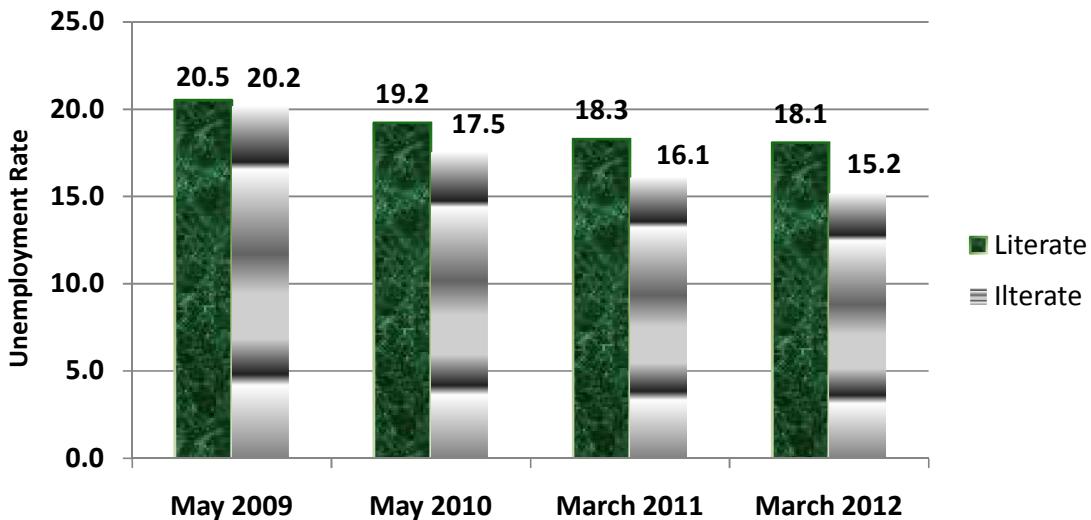
With regard to sex, the unemployment rate of young male declined from 17.4 percent in May 2009 to 16.4 percent in March 2012. The corresponding young female unemployment rate also shows a downward trend from 33.9 percent in May 2009 to 29.6 percent in March 2012. Periodical analysis of unemployment among the young population displays a marked decline during the four survey periods. In this age group younger females are found more unemployed than their counterparts (Figure 6.2). The change of unemployment rate in percentage point of youth is also presented in summary Table 6.1.



## 6.6 Unemployment by Literacy Status and Educational Level

Figure 6.3 shows that throughout the four survey periods, the unemployment rate of literate persons is higher than illiterate persons. Furthermore, the figure illustrates that unemployment of literate and illiterate persons declined during the four survey periods.

**Figure 6.3: Unemployment Rate by Educational Status During The Four Survey periods, Country Total**



Among the literate group, the highest rate of unemployment nearly one-fourth is found for those who completed secondary education. The lowest unemployment rate is reported those who had degree and above about 7.3 percent (Summary Table 6.2).

**Summary Table 6.2 Unemployment Rate by Educational Level and Sex- Country Total : 2012**

Educational Status	Unemployment Rate		
	Total	Male	Female
Illiterate	15.2	7.7	18.5
Literate	18.1	11.8	26.3
<b>Educational Level</b>			
Pre-school	14.5	2.7	21.9
Non Formal	15.0	9.6	23.0
Grades 1-8	16.8	9.6	25.1
Secondary not completed*	20.8	14.9	30.3
Secondary Education Completed**	24.8	16.6	36.3
Preparatory	22.0	18.4	26.3
Certificate Completed***	19.2	12.6	23.7
Diploma Completed	15.1	11.9	19.0
Degree and above Completed	7.3	5.7	12.7

\* Includes those who completed graded 9 in the new devised curriculum and grade 9-11 in old curriculum.

\*\* Includes those who completed graded 10 in the new devised curriculum and grade 12 in old curriculum.

\*\*\* Includes TVET and any certificate above grade 12 in the old curriculum.

## **6.7 Unemployment Rate at Regional Urban Level**

Summary Table 6.3 shows unemployment rate by region and sex during the four survey periods. The March 2012 survey depicts that high unemployment rate is recorded in Addis Ababa City Administration (23.0 percent) followed by Dire Dawa Administration (22.7 percent). The lowest unemployment rates were 9.3 percent and 7.7 percent registered in Benishangul-Gumuz and Gambella regions, respectively. With respect to sex, female unemployment rate is higher than male in all urban areas regions during the four survey periods (Figure 6.4).

The change in percentage point of unemployment in all regions is also presented in summary Table 6.3. Unemployment shows a declining trend in Afar, Benishangul-Gumuz, Harari, Addis Ababa City Administration and Dire Dawa Administration during the four survey periods while Tigray and Oromiya regions show an increment in unemployment (Summary Table 6.3).

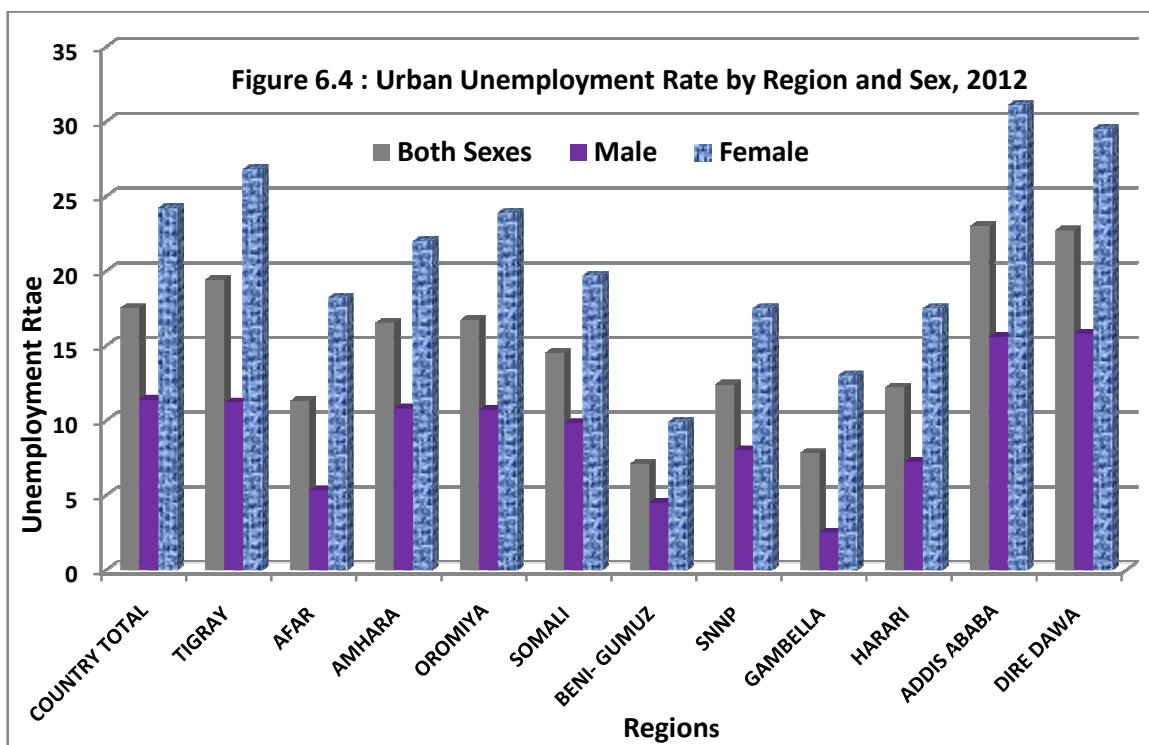
The rate of female unemployment shows a declining trend in Afar, Amahara, Somali, S.N.N.P., Benishangul-Gumuz, Addis Ababa City Administration, Dire Dawa Administration and Harari regions. Correspondingly, the 2012 male unemployment rate also shows a declining trend in Addis Ababa City Administration, Gambella and Afar regions compared to the three survey periods (Summary Table 6.3).

**Summary Table 6.3: Distribution and Percentage Change of Unemployment Rate of Urban Population Aged Ten Years and Above by Region and Sex During the Four Survey Periods**

Region and Sex	Unemployment Rate				Change of Unemployment Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
COUNTRY TOTAL							
Total	20.4	18.9	18.0	17.5	-2.9	-1.4	-0.5
Male	12.2	11.0	11.4	11.4	-0.8	0.4	0.0
Female	29.6	27.4	25.3	24.2	-5.4	-3.2	-1.1
TIGRAY							
Total	21.1	18.2	18.9	19.4	-1.7	1.2	0.5
Male	13.6	10.6	10.8	11.2	-2.4	0.6	0.4
Female	28.3	25.7	26.6	26.8	-1.5	1.1	0.2
AFAR							
Total	14.6	13.4	17.4	11.3	-3.3	-2.1	-6.1
Male	8.4	5.5	8.9	5.3	-3.1	-0.2	-3.6
Female	24.4	23.8	28.7	18.3	-6.1	-5.5	-10.4
AMHARA							
Total	15.5	15.7	19.3	16.5	1.0	0.8	-2.8
Male	8.0	8.9	12.6	10.8	2.8	1.9	-1.8
Female	23.4	22.8	26.1	22.0	-1.4	-0.8	-4.1
OROMIYA							
Total	19.2	16.0	14.1	16.7	-2.5	0.7	2.6
Male	11.0	8.5	8.3	10.7	-0.3	2.2	2.4
Female	28.7	24.4	21.0	23.9	-4.8	-0.5	2.9
SOMALI							
Total	20.2	13.5	17.2	14.5	-5.7	1.0	-2.7
Male	11.8	7.1	12.2	9.8	-2.0	2.7	-2.4
Female	31.1	22.9	23.4	19.7	-11.4	-3.2	-3.7
BENISHANGUL-GUMUZ							
Total	13.6	10.1	9.3	7.1	-6.5	-3.0	-2.2
Male	7.1	3.0	4.2	4.5	-2.6	1.5	0.3
Female	20.6	18.7	15.4	9.9	-10.7	-8.8	-5.5
S.N.N.P.							
Total	15.5	14.2	11.8	12.4	-3.1	-1.8	0.6
Male	7.9	6.8	6.7	8.0	0.1	1.2	1.3
Female	24.2	22.8	17.7	17.5	-6.7	-5.3	-0.2
GAMBELLA							
Total	17.3	12.7	7.7	7.8	-9.5	-4.9	0.1
Male	7.1	8.1	7.6	2.5	-4.6	-5.6	-5.1
Female	28.7	17.1	7.8	13	-15.7	-4.1	5.2

**Summary Table 6.3 cont'd**

Region and Sex	Unemployment Rate				Change of Unemployment Rate in Percentage Point from March 2012 to		
	May 2009	May 2010	March 2011	March 2012	May 2009	May 2010	March 2011
HARARI							
Total	14.4	15.3	13.6	12.2	-2.2	-3.1	-1.4
Male	8.1	7.2	8.1	7.2	-0.9	0.0	-0.9
Female	21.1	23.6	19.1	17.5	-3.6	-6.1	-1.6
ADDIS ABABA CITY ADMINISTRATION							
Total	27.9	26.9	25.1	23.0	-4.9	-3.9	-2.1
Male	18.4	17.9	17.3	15.6	-2.8	-2.3	-1.7
Female	38.3	36.1	33.7	31.1	-7.2	-5.0	-2.6
DIRE DAWA ADMINISTRATION							
Total	28.0	30.2	22.9	22.7	-5.3	-7.5	-0.2
Male	20.3	21.5	13.3	15.8	-4.5	-5.7	2.5
Female	36.2	39.6	32.4	29.5	-6.7	-10.1	-2.9



## **6.8. Problems of Establishing Own Business**

Unemployed persons were asked about whether they have tried to establish their own business and the type of problems they faced. Summary Table 6.4 illustrates that 53.8 percent of the unemployed persons reported that shortage of finance is the main problem to establish their own business in March 2012. About 10.5 percent and 8.2 percent of unemployed persons reported that lack of working place, and finance and lack of working place are the main problems they have faced, respectively. During the four surveys, differences have been observed between male and female with respect to the type of problems they have faced in establishing their own business or enterprise. The overall results of the surveys indicated that the problem of finance and working place and finance shows an improvement overtime.

**Summary Table 6.4: Percentage Distribution of Unemployed Population of Urban Areas Aged Ten Years and Above Who Wants to Establish Own Business by Sex and Type of Problems Faced During the Four Survey Periods - Country Total**

Survey Periods	All Persons		Type of Problems Faced											
	No.	%	No Problem	Shortage of Finance	Lack of Training	Lack of working Place	Lack of Finance & Training	Lack of Working Place & Finance	Lack / Absence of License	Shortage / lack of Equipment	Lack of Information	Do not Know	Others	Not Stated
<b>Both Sexes</b>														
May 2009	354,559	100	2.9	47.7	0.8	5.8	2.4	12.5	0.5	0.4	-	0.4	9.0	17.8
May 2010	298,324	100	8.3	58.1	0.9	9.3	3.0	12.3	0.7	0.4	-	0.8	0.7	0.2
March 2011	316,808	100	6.8	55.4	0.9	8.5	3.4	10.9	0.5	0.5	0.3	0.2	12.3	0.5
March 2012	350,718	100	12.5	53.8	1.4	8.2	2.7	10.5	0.4	0.2	0.7	0.4	4.0	5.0
<b>Male</b>														
May 2009	92,960	100	2.6	38.5	1.5	5.8	2.9	13.8	0.6	0.6	-	0.7	12.5	20.6
May 2010	60499	100	9.6	56.3	0.1	10.4	4.8	11.5	1.6	1.2	-	1.0	3.7	-
March 2011	78,778	100	8.1	54.7	1.2	5.9	2.8	11.6	0.4	1.4	0.2	-	12.9	0.8
March 2012	86,618	100	20.4	48.9	0.9	5.4	4.7	9.9	0.5	-	0.8	0.6	2.9	4.9
<b>Female</b>														
May 2009	261,599	100	3.0	51.0	0.5	5.7	2.2	12.0	0.5	0.4	-	0.2	7.7	16.8
May 2010	237825	100	7.9	58.6	1.1	9.0	2.5	12.5	0.4	0.1	-	0.7	6.7	0.3
March 2011	238,030	100	6.4	55.6	0.7	9.3	3.6	10.6	0.5	0.2	0.3	0.2	12.1	0.3
March 2012	264,100	100	10.0	55.4	1.6	9.2	2.0	10.7	0.3	0.3	0.7	0.4	4.4	5.1

## **6.9. Marital Status of Unemployed Urban Population**

The percentage distribution of unemployed persons by marital status is presented in Summary Table 6.5. Among the unemployed persons, never married and married persons accounts 44.3 percent and 44.0 percent, respectively in March 2012. Widowed, divorced and separated constitute 10.6 percent of the unemployed persons.

With regard to sex, 68.1 percent of unemployed male and 32.3 percent of unemployed female are were single. Among the married unemployed persons 25.9 percent and 53.3 percent are males and females, respectively. The percentage share of unemployed widowed, divorced and separated females are higher than males in the same category (Summary Table 6.5).

Summary Table 6.5 also shows the characteristics of unemployed persons by region. The result depicts that more than half of the unemployed persons in Tigray, Afar, S.N.N.P, Gambella, Benishangul-Gumuz, Somali and Harari regios are married. The proportion of married unemployed persons in Amhara, Oromiya, Dire Dawa and Addis Ababa accounts more than one third of the unemployed persons of the respective regions. Except Gambella and Affar regions, the proportion of never married unemployed persons in the nine regions accounts more than 30 percent of the unemployed persons of the respective regions.

**Summary Table 6.5: Percentage Distribution of Urban Unemployed Population Aged Ten years and Above by Region and Marital Status: 2012**

Region	Total Unemployed Persons		Marital Status						
	No.	%	Never Married	Married	Divorced	Widowed	Separated	Live Together	Not stated
<b>COUNTRY TOTAL</b>									
Total	1,218,574	100.0	44.3	44.0	4.5	4.3	1.8	0.9	0.2
Male	410381	100.0	68.1	25.9	2.4	1.8	1.2	0.6	0.2
Female	808193	100.0	32.3	53.3	5.6	5.6	2.1	1.1	-
<b>Regions</b>									
TIGRAY	94756	100.0	36.2	50.3	8.2	4.4	0.7	0.2	-
AFAR	9846	100.0	19.4	58.6	9.6	11.4	0.2	0.7	-
AMHARA	209533	100.0	41.0	47.1	6.3	4.7	0.6	0.4	-
OROMIYA	330723	100.0	44.8	44.7	2.9	3.7	2.0	2.0	-
SOMALI	34427	100.0	24.9	66.2	2.8	2.2	3.7	0.1	-
BENISHANGUL-GUMUZ	5505	100.0	40.0	58.3	2.5	2.1	1.1	-	
S.N.N.P	119176	100.0	40.5	49.5	3.4	5.2	0.9	0.3	0.2
GAMBELLA	3020	100.0	18.8	74.9	3.8	1.6	0.9	-	-
HARARI	6973	100.0	33.2	51.2	2.8	8.2	4.6	-	-
ADDIS ABABA CITY ADMINISTRATION	374626	100.0	51.9	36.1	4.6	4.2	2.8	0.4	-
DIRE DAWA ADMINISTRATION	29988	100.0	45.9	36.1	4.3	6.7	2.0	4.9	-

## **6.10. Previous Work Experience**

Work Experience is the other social characteristics of unemployed persons collected in the 2012 UEUS. Summary Table 6.6 shows the percentage of urban unemployed persons by sex and work experience. Out of the total 1,218,574 unemployed persons in urban areas of the country, 46.4 percent of them had work experience and 53.4 percent of them had no work experience at the time of the survey. Among those who had work experience, female and male account 48.3 percent and 42.6 percent, respectively. As far as unemployed person without experience is concerned, males who had no work experience (57.3 percent) are higher than females (51.4 percent).

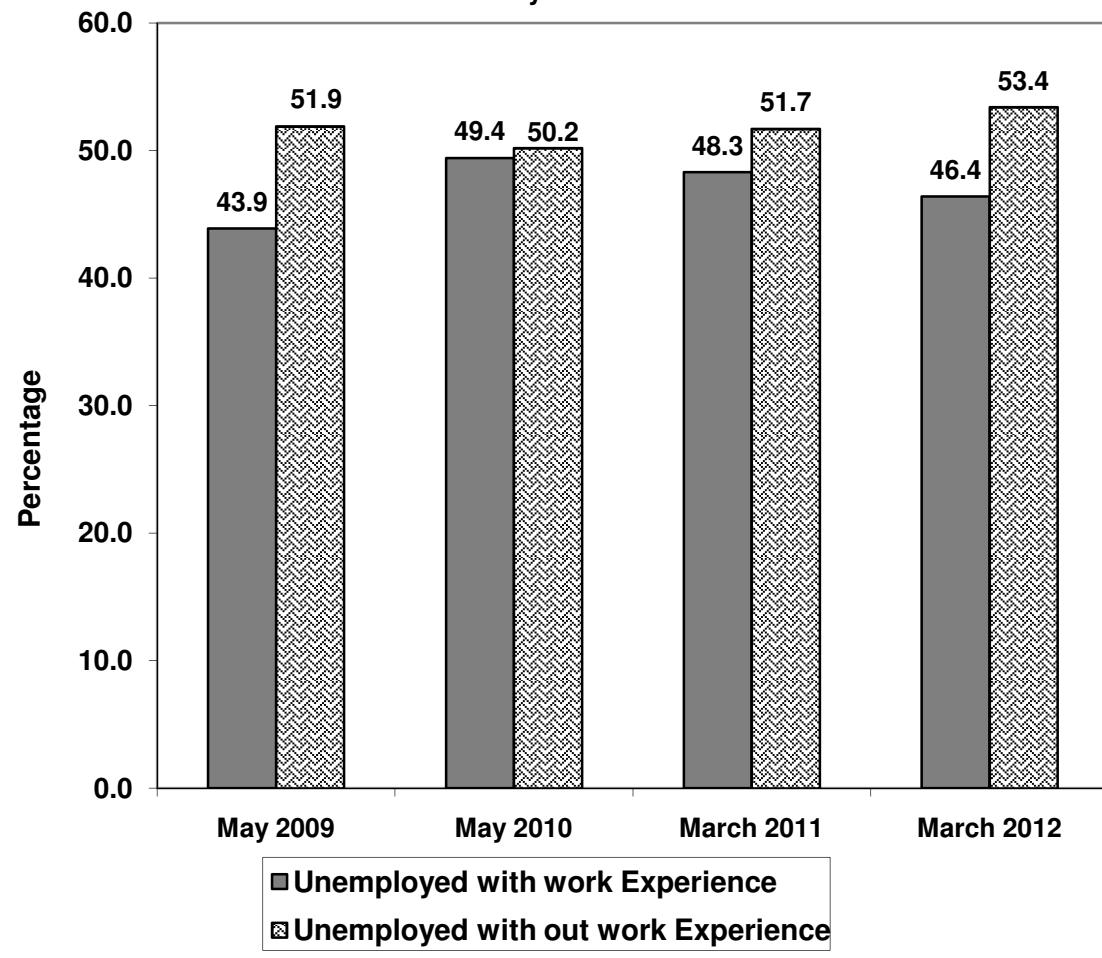
**Summary Table 6.6      Percentage Distribution of Unemployed Population Aged Ten years and above by Sex and Status of Work Experience During the Four Survey Periods- Country Total**

Status of Work Experience	Sex	May 2009	May 2010	March 2011	March 2012
Unemployed With Work Experience	Total	43.9	49.4	48.3	46.4
	Male	39.3	42.2	42.4	42.6
	Female	46.0	52.6	51.2	48.3
Unemployed Without Work Experience	Total	51.9	50.2	51.7	53.4
	Male	55.5	57.6	57.6	57.3
	Female	50.2	47	48.8	51.4

Note: The above figure does not include not stated cases.

The observation of unemployed persons over time by work experience demonstrates that the size of unemployed persons who had no work experience in March 2012 is higher than those unemployed persons without work experience on March 2011 survey. At the same time, the proportion of unemployed persons with work experience in March 2012 decreases by 1.9 percent as compared to the 2011 (Figure 6.5). This implies having work experience increases the chance of getting employment.

**Figure 6.5: Percentage Distribution of Urban Unemployed Population by Previous Work Experience During the Four Survey Periods**



## 6.11. Duration of Unemployment

As shown in Summary Table 6.7, the majority of the unemployed persons (30.2 percent) were without jobs for 1- 6 months and 23.9 percent for 7-12 months in March 2012. This group of the unemployed persons (54.1 percent) can be termed as first time job seekers. About 9.6 percent and 7.5 percent of the unemployed persons stay without job for less than 1 month, and 96 and above months, respectively. The rest of the unemployed persons (13.8 percent) remained jobless for 25-95 months.

**Summary Table 6.7: Percentage Distribution of Unemployed Population in Urban Areas Aged Ten Years and Above by Sex and Duration of Unemployment During the Four Survey Periods- Country Total**

Survey Periods	Sex	Duration of Unemployment (in Months)											
		<1	1-6	7-12	13-24	25-36	37-48	49-60	61-72	73-84	85-95	96 & above	Not Stated
May 2009	Total	4.9	25.9	23.3	13.4	6.1	4.1	2.9	1.6	0.9	0.2	15.2	-
	Male	7.0	30.8	23.0	12.2	5.2	4.2	2.2	1.3	0.7	0.1	13.1	-
	Female	4.0	23.6	23.4	14.0	6.6	4.1	3.2	1.7	1.0	0.2	16.2	-
May 2010	Total	24.1	28.2	17.8	10.1	4.5	2.7	2.0	1.3	0.6	0.2	8.4	-
	Male	15.2	37.4	20.0	10.2	4.2	2.5	1.5	1.3	0.4	0.2	6.9	-
	Female	28.0	24.1	16.8	10.0	4.7	2.7	2.2	1.2	0.7	0.3	9.1	-
March 2011	Total	3.2	36.1	21.9	12.5	5.7	2.7	2.1	1.3	0.6	0.1	13.8	-
	Male	3.2	40.1	23.4	12.7	5.8	2.8	1.5	0.9	0.4	0.0	9.3	-
	Female	3.1	34.0	21.1	12.5	5.7	2.7	2.4	1.5	0.7	0.1	16.1	-
Mach 2012	Total	9.6	30.2	23.9	13.7	5.9	3.8	1.6	1.4	0.8	0.3	7.5	1.2
	Male	7.7	35.1	26.2	12.4	5.4	3.0	1.7	0.7	1.0	0.2	5.2	1.1
	Female	10.5	27.7	22.7	14.3	6.2	4.2	1.6	1.7	0.7	0.4	8.6	1.3



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## **Annex I- III**

**Annex I Survey Questionnaire**

**Annex II Estimation Procedures of Total Ratio and Sampling Errors**

**Annex III Estimates of CV's for selected Tables**

## ANNEX II

### **Estimation Procedures of Total, Ratio and Sampling Errors**

The following formulas were used to estimate the required variables by reporting levels.

#### **1. Estimate of Total $\hat{Y}_h$ in Major Urban Domain (Category I)**

$$\hat{Y}_h = \sum_{i=1}^{n_h} \sum_{j=1}^{h_{hi}} W_{hi} Y_{hij}$$

Where,

$$W_{hi} = \frac{M_h H_{hi}}{n_h M_{hi} h_{hi}} \text{ is the basic sampling weight}$$

#### **2. Estimate of Total $\hat{Y}_h$ in Other Urban Domain (Category II)**

$$\begin{aligned} \hat{Y}_h &= \sum_{i=1}^{n_h} \frac{M_h}{n_h n_{hi}} \sum_{j=1}^{n_{hi}} \frac{H_{hij}}{M_{hij} h_{hij}} \sum_{k=1}^{h_{hij}} Y_{hijk} \\ &= \sum_{i=1}^{n_h} \sum_{j=1}^{n_{hi}} \sum_{k=1}^{h_{hij}} W_{hij} Y_{hijk} \end{aligned}$$

Where,

$$W_{hij} = \frac{M_h H_{hij}}{n_h n_{hi} M_{hij} h_{hij}} \text{ is basic sampling weight}$$

The following notations were used in the formula:

$M_h$  = Total number of households in stratum  $h$  obtained from the sampling frame.

$M_{hi}$  = Total number of households in EA/PSU  $i$  for major urban domain or in urban center/PSU  $i$  for other urban domain, stratum  $h$  obtained from the sampling frame.

$H_{hi}$  = Total number of households obtained from the survey listing in sample EA/PSU  $i$  stratum  $h$  for major urban domain.

$h_{hi}$  = Total number of households successfully covered in EA/PSU i stratum h for major urban domain.

$M_h$  = Total number of households of the domain in stratum h obtained from the sampling frame

$n_h$  = Number of successfully covered urban centers for other urban domain / covered EAs for major urban domain in stratum h.

$M_{hi}$  = Total number of households in EA/PSUi in stratum h obtained from the sampling frame

$h_{hi}$  = Total number of sampled and covered households in sampled EA/PSU i , and stratum h

$\hat{Y}_{hij}$  = The observed value of characteristic y for household j, in EA/PSUi, stratum h of Major Urban Domain

$M_{hij}$  = Total number of households in EA/SSU j, urban centers/PSU i and stratum h obtained from the sampling frame for other urban center domain.

$n_{hi}$  = Number of sample EAs successfully covered in urban center/PSU i and stratum h for other urban center domain.

$H_{hij}$  = Total number of households obtained from the survey listing in EA/SSU j, urban center/PSU i and stratum h for other urban center domain

$h_{hij}$  = Number of sample households successfully covered in EA /SSU j, urban center/PSU i and stratum h for other urban center domain.

$Y_{hijk}$  = The observed value of a characteristic y for household k in EA/SSUj, urban center/PSU i and stratum h for other urban domain.

Note: Estimate of total at country level,  $\hat{Y}$ , is obtained by summing up stratum/domain total estimates.

$$\hat{Y} = \sum_h \hat{Y}_h$$

### 3. Sampling Variance of the Estimates:

Sampling variance of estimate of stratum total are given by the following formulas:

The variance of domain or reporting total estimate is:

$$Var(\hat{Y}_h) = (1 - f_h) \frac{n_h}{n_h - 1} \sum_{i=1}^{n_h} \left( \hat{Y}_{hi} - \frac{\hat{Y}_h}{n_h} \right)^2 + f_h \sum_{i=1}^{n_h} (1 - f_{hi}) \left( \frac{h_{hi}}{h_{hi} - 1} \right) \sum_{j=1}^{h_{hi}} \left( \hat{Y}_{hij} - \frac{\hat{Y}_{hi}}{h_{hi}} \right)^2$$

in which  $\hat{Y}_{hi} = W_{hi} \sum_{j=1}^{h_{hi}} Y_{hij}$  for major urban centers domains,

and  $\hat{Y}_h = \sum_{j=1}^{n_h} W_{hj} \sum_{k=1}^{h_{hj}} y_{hijk}$  for other urban center domain.

$$V(\hat{Y}) = \sum_h V(\hat{Y}_h)$$

$$SE(\hat{Y}_h) = \sqrt{Var(\hat{Y}_h)}$$

### 4. Coefficient of Variation (CV) and Confidence Interval (CI)

The following formulas were used to calculate CV and CI of the domain (reporting level) total.

The coefficient of variation (CV) of domain total in percentage is:

$$CV(\hat{Y}_h) = \frac{\sqrt{VAR(\hat{Y}_h)}}{\hat{Y}_h} * 100$$

and Ninety-five percent confidence interval (CI) of domain total:

$$\hat{Y}_h \pm 1.96 * SE(\hat{Y}_h)$$

### 5. Ratio Estimates:

$$\hat{R}_h = \frac{\hat{Y}_h}{\hat{X}_h} \text{ and } \hat{R} = \frac{\hat{Y}}{\hat{X}}$$

Where the numerator and the denominator are estimates of domain totals of characteristic y and x, respectively.

$$Var(\hat{R}_h) = \frac{1}{\hat{X}_h^2} [Var(\hat{Y}_h) + \hat{R}_h^2 Var(\hat{X}_h) - 2\hat{R}_h Cov(\hat{Y}_h, \hat{X}_h)]$$

In which

$$Cov(\hat{Y}_h, \hat{X}_h) = (1 - f_h) \frac{n_h}{n_h - 1} \sum_{i=1}^{n_h} \left( \hat{Y}_{hi} - \frac{\hat{Y}_h}{n_h} \right) \left( \hat{X}_{hi} - \frac{\hat{X}_h}{n_h} \right) + f_h \sum_{i=1}^{n_h} (1 - f_{hi}) \left( \frac{h_{hi}}{h_{hi} - 1} \right) \sum_{j=1}^{h_{hi}} \left( \hat{Y}_{hij} - \frac{\hat{Y}_{hi}}{h_{hi}} \right) \left( \hat{X}_{hij} - \frac{\hat{X}_{hi}}{h_{hi}} \right)$$