Unemployment Experiences of Young Graduates and their Attitudes Towards Business Startups in Micro and Small Enterprises (MSEs): A Lesson from Southern Ethiopia

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Norwegian University of Science and Technology (NTNU)
Faculty of Social Sciences and Technology Management
Thesis for Master of philosophy (MPhil) in Development Studies, Specializing in Geography
Trondheim, May 2016

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"*I wish if I were still a student*" (J, Male: a research participant)

Abstract

This study is about the unemployment experiences of unemployed young graduates and their attitudes towards business startups in micro and small enterprises (MSEs) in Wolaita Sodo town, Southern Ethiopia. More specifically, it seeks to examine the job search experiences of unemployed young graduates, examine their unemployment experiences, identify the barriers and opportunities for business startups in MSEs and explore their attitudes towards business startups in MSEs. To address their job search experiences, concepts from school to work transition and human capital theory were used with other empirical examples. To address their unemployment experiences, this research used the human capital theory and the social exclusion concept. Important concepts such as youth and hope in the contemporary era, unemployment and entrepreneurship nexus, Entrepreneurship through MSEs, the role of formal education in MSE development and, supportive environment for job creation and other empirical examples are used to identify the barriers and opportunities for business startups in MSEs and to examine the attitudes of unemployed young graduates towards business startups in MSEs. Generally, the knowledge obtained from these issues together with the empirical examples were used as an interpretative base for this study.

This study employed the qualitative methodology and phenomenological approach, and four primary data collection tools, namely, semi-structured interviews, focus group discussion (FGD), elite interviews, as well as direct observation and secondary data sources. Semi-structured interviews and focus group discussions were used to obtain young graduates' unemployment experiences and their attitudes towards business startups in MSEs. Moreover, elite interviews were conducted to gather relevant data to this thesis from experts coordinating MSEs and youth affairs in Sodo town. Direct observation was conducted to gain insight into the ways young graduates are looking for vacancies and the general status of MSEs in the study area. Research participants were recruited by using snowball and purposive sampling techniques.

From the findings of this study it is revealed that job search period is full of uncertainty for many and the school to work transition is not easy for most of the young graduates. The thesis found that unemployment experiences of young graduates varies depending on their gender, marital status, and level of education. The study indicated that prolonged unemployment among graduates leads to social exclusion rather than inclusion and wastes the knowledge acquired through a formal education. Besides, the study also examined unemployed young graduate's attitudes towards business startups in MSEs. The outcomes indicate that positive images towards MSEs are mostly hindered by a lack of institutional support, lack of training and mentoring, lack of infrastructure, lack of recognizable role models and lack of inspiration from the society.

Finally, the recommendations that are supposed to be helpful in order to augment the involvement of young graduates towards business startups in MSEs were provided.

Acknowledgments

First of all I would like to thank God for constant love, keeping me healthy and safe for the entire duration of this study, and I am sure that his love remains constant forever!!! Amen!!!

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<div align="center">Belete Bekele Shanka, Trondheim, May 2016</div>
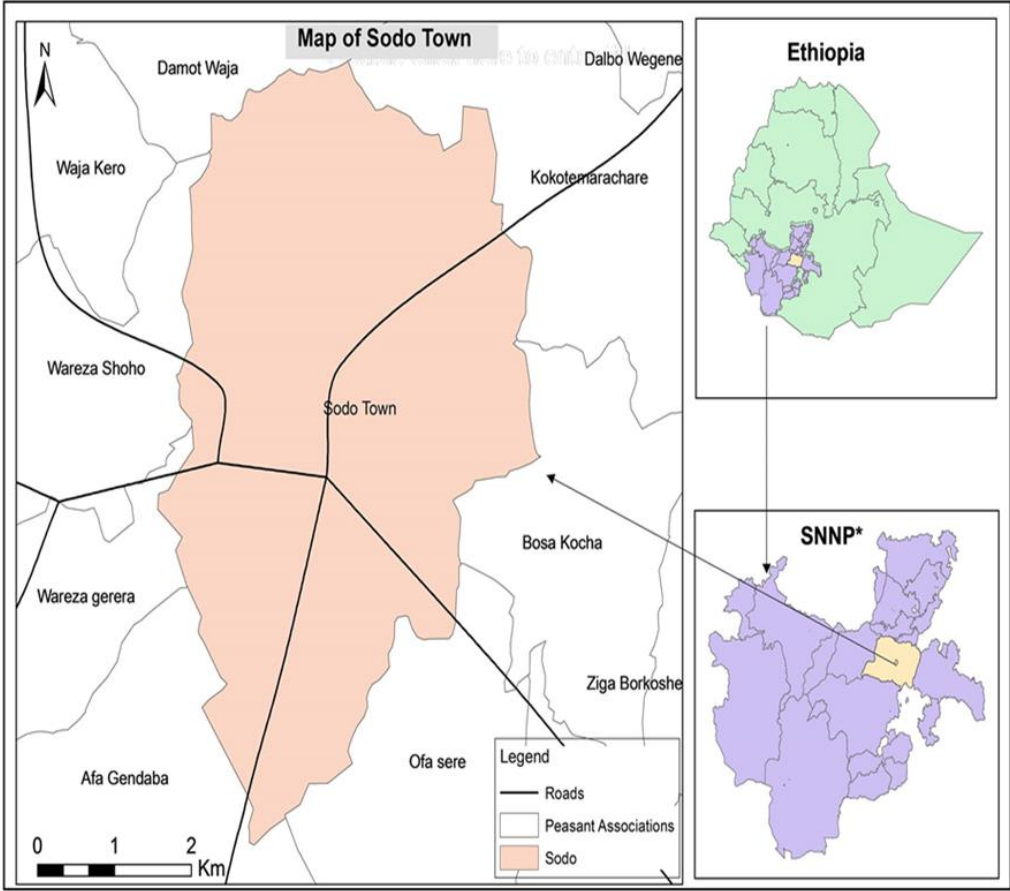
Map of the Study Area

Figure 1**:** Map of the study area

Drawn by Sileshi Tadesse[1], August 2015

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[1] NTNU second year student, Natural Resource Management, specializing in Geography

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List of Abbreviations

ADLI: Agricultural Development Led Industrialization

COC: Certification of Competence

CSA: Central Statistical Agency

EET: Entrepreneurship Education and Training

EPRDF: Ethiopian People's Revolutionary Democratic Front

FDRE: Federal Democratic Republic of Ethiopia

FGD: Focus Group Discussion

HASIDA: Handicrafts and Small-Scale Industries Development Agency

ILO: International Labor Organization

IMF: International Monetary Fund

MDGs: Millennium Development Goals

MoE: Ministry of Education

MoFED: Ministry of Finance and Economic Development

MOTI: Ministry of Trade and Industry

MOYSC: Ministry of Youth, Sports, and Culture

MSE/MSEs: Micro and Small Enterprises

MUDC: Ministry of Urban Development and Construction

NGO: Non-Governmental Organizations

NTNU: Norwegian University of Science and Technology

OECD: The Organization for Economic Cooperation and Development

PASDEP: The Plan for Accelerated and Sustained Development to End Poverty

SNNPRS: Southern Nations, Nationalities, and Peoples Regional State

TVET: Technical and Vocational Education and Training Strategy

UNECA: United Nations Economic Commission for Africa

UNESCO: The United Nations Educational, Scientific and Cultural Organization

WIDE: Wellbeing and Ill-being Dynamics in Ethiopia

CHAPTER ONE: INTRODUCTION

1.1. The Study Background

In most parts of the global south, increasing images of achieving success through education and the desire of entering into *white-collar*[2] jobs inspired most of the people to spend their capital on formal schooling (Olaniyan and Okemakinde, 2008; Jeffrey, 2009). Rises in people's investment in education together with a lack of wage employment for graduates and high school matriculates have generated a massive unemployment problem of the educated people, which is particularly evident and deep in the 1990's and early 2000's in Africa, Asia and Latin America (Jeffrey, 2009). Educated young individuals in their twenties or thirties in the global south are highly affected by the vast unemployment problem (ibid.). Urban youth unemployment is a daunting challenge in many African countries (Mago, 2014).

Ethiopia is one of the African countries experiencing widespread youth unemployment in urban areas. Like many other African countries, there is a high degree of improvement in the expansion of education in the country (Haile, 2003; Broussard and Tekleselassie, 2012). Today, the government acknowledges education as a tool for achieving a progress and a decent life. Parents and youth invest their limited resources in school education with the hope of attaining a better future (Chuta and Crivello, 2013). The rise in the quantity of young people in secondary and tertiary educational institutions is a positive development. But, labor markets in most countries are currently incapable of engrossing the increasing number of young school leavers (Awogbenle & Iwuamadi, 2010). In Ethiopia too, increasing education access resulted in the problem of educated youth unemployment (Broussard and Tekleselassie, 2012). The educated youth unemployment is not only limited to those who completed secondary school education but also, most of the graduates from colleges and universities are experiencing the same problem (Central Statistical Agency (CSA), 2011). In a similar vein, research by the Ethiopian Ministry of Education (MoE) showed that a lot of graduates were remaining unemployed, although there is a quantitative victory in relation with matriculation (MoE, 2008).

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[2] Salaried professional/office jobs in public or private sectors

Most of the time, in Ethiopia, after completing a college or university education, rural youth moves to urban centers to look for jobs that match their skills. This makes urban areas to have the highest youth population in the country (Mains, 2012). Due to this, the problem of youth unemployment appears to be largely an urban phenomenon in Ethiopia (Guarcello and Rosati, 2007). After moving into towns, most of the young people remain unemployed for a long period of time while waiting for *a white-collar* job. In addition to the young people who were born and grew up in towns and struggling to get a *white-collar* job after graduation, those moved from rural areas worsen the condition of unemployment in the towns. Generally, Ethiopia is characterized by high levels of graduate youth unemployment, particularly in urban areas (Srinivasan, 2014). According to Kahraman (2011) if unnoticed, youth unemployment has a potential to have substantial and severe social, economic and political consequences. Similarly, Haile (2003) and Guarcello and Rosati (2007), both argued that unemployment (be it other or of youth) entails negative costs to the youth itself, parents and the whole public. Educated youth unemployment means a bad start in one's life after successful graduation and it leaves a scar that has a potential to have a destructive short-term and long-term negative impacts on the youth and a wider society (O'Higgins, 2001; Haile, 2003).

Most of the unemployed young people in urban Ethiopia are first-time job seekers, and the average duration of unemployment period is more than a year (Serneels, 2007). Needless to say, with nearly two-thirds of the youth population, Ethiopia has one of the greatest urban youth unemployment rates globally, at about 50 percent of the youth labor force (Haile, 2003; Denu, Tekeste, and Van der Deijl, 2005; Negash and Amentie, 2013). To accommodate this huge number of unemployed young people, the traditional employer, i.e. government/public sector is not enough. Moreover, the 'youth bulge' in various countries in Africa and Asia adds pressure on governments to give strong emphasis on promoting entrepreneurship efforts to fight the growing problem of youth unemployment (Cho and Honorati, 2013). Hence, encouraging entrepreneurial activities that can increase opportunities for employment creation are needed and clearly relevant in developing countries (Srinivasan, 2014). To achieve this, the strategic solution is supposed to lie in the promotion of micro and small enterprises (MSEs). Taking this into account, the government of Ethiopia has devised various policies and strategies to involve young people in MSEs (MoFED, 2010). Despite the policies of government promoting MSEs, most of the graduates currently are not using MSEs as an opportunity and many remain unemployed. The quote, *"I wish if I were still*

a student", was a voice that most unemployed graduates in this study repeatedly vowed during my fieldwork. Unable to get their aspirations of leading a better life and achieving economic independence after graduation, most of the unemployed graduates wish back their past status as a full-time student.

1.2. The problem Statement

In Africa, young people consist of the majority of the population, as about 70% of the total population of the continent are under the age of 30 (Leavy and Smith, 2010). Youth unemployment is a severe problem in Africa, and with Ethiopia comprising the highest youth population in Sub-Saharan Africa (Guarcello and Rosati, 2007). Due to this, youth affairs are a crucial concern of public discourse in Ethiopia (Denu et al., 2005; Nganwa, Assefa and Mbaka, 2015).

With the objective of getting loans from the international monetary fund (IMF), the current regime of Ethiopia is downsizing its public sector, which has been the main source of employment in the previous regimes. This has been specifically damaging urban areas (Mains, 2012). Due to the challenges of unemployment, creating jobs and expanding opportunities for youth is reliably at the center of development policy in almost every African countries including Ethiopia nowadays (Nganwa et al., 2015).

Previously, there are a lot of academic works carried out by various academicians in relation with youth unemployment in Ethiopia (Haile, 2003; Denu et al, 2005; Serneels, 2007; Broussard and Tekleselassie, 2012), to mention some. Most of the previous research on youth unemployment in the country has focused on the problems of unemployment itself, and its causes and consequences (Haile, 2003; Denu et al, 2005; Serneels, 2007), and they do not offer explorations of how the subjects of unemployment, specifically the graduate unemployed youth experience the problem. Substantiating this idea, the argument by Mains (2012), in his book called: *Hope Is Cut: Youth, Unemployment, and the Future in Urban Ethiopia*, states that in poor economic situations it is difficult for young people to secure employment and achieve economic independence. According to him, academics and journalists have paid attention to the remarkable events that young people are involved in, however, their lived experiences are overlooked. Besides, I would argue that previous academic works do not touch upon unemployment experiences of graduate youth in the

study area. Although Ethiopia is experiencing a recent rapid economic growth, there has been an inadequate job creation in MSEs which resulted in an increasing unemployment (Denu et al, 2005). Most of the past studies conducted in relation to MSEs in Ethiopia focus only on the attitudes of the student's towards MSEs (Negash and Amentie, 2013), and different categories of people already working in MSEs (Hundera, 2014), but studies about the *attitudes*[3] of young unemployed graduates towards business startups in MSEs is lacking. Thus, the study taking into account unemployed graduates and studying their lived realities and *attitudes* towards a business startup in MSEs is lacking in the study area.

Moreover, in Ethiopia, little research attention was paid to the specific factors affecting youth unemployment conditions which may imply that policy makers in the country are facing challenges due to limited empirical data to formulate policies and programs to promote youth employment and effective school to work transitions (Guarcello and Rosati, 2007). It's also clear that, without carrying out an in-depth investigation, it is not possible to know how the graduate young people experience unemployment and how they view business startups in MSEs.

1.3. Objectives of the study

1.3.1. General Objective

This study aims to explore the unemployment experiences of graduate young people, their attitudes towards business startup in MSEs and to assess whether prolonged unemployment in young graduates leads to social exclusion/inclusion in the study area.

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[3] Attitudes are described by cognitive psychology as a tendency to react in a positive or negative way concerning a given object (Ajzen, 1987). Attitudes are valuable baselines in shaping individuals' outlooks towards setting aims to be involved in entrepreneurship activities (Venesaar, Kolbre and Piliste, 2006).

1.3.2. Specific objectives

More specifically this study seeks to:

> ➢ Investigate the unemployed young graduates qualifications and their job search experiences,
>
> ➢ Examine their unemployment experiences,
>
> ➢ Investigate the opportunities and barriers to business startups in MSEs, and
>
> ➢ Explore their attitudes towards business startups in MSEs.

1.4. Research Questions

To reach the above-mentioned research objectives, this thesis addresses the following research questions:

> ➢ What graduate unemployed youth are qualified for and how do their job search experiences look like in the study area?
>
> ➢ How do the graduate young people experience unemployment?
>
> ➢ What are the opportunities and barriers to business startups in MSEs?
>
> ➢ What are their attitudes towards business startups in MSEs?

1.5. Justification of the study

In recent times youth concerns have gained a global consideration, as the United Nations has established the enhancement of the young people employment condition as one of the goals of the MDGs (Millennium Development Goals) (Denu et al, 2005). The global commitment demands a thorough assessment of the condition of youth in Ethiopia so that appropriate policy inputs can be formulated to create a supportive environment for young people (ibid.). I think this thesis provides relevant information to the government, policy makers and other concerned bodies on the conditions of unemployed graduate youth for their meaningful interventions to fight the problem.

My personal motivation, as growing up in a poor state with a lot of development challenges and my academic background development studies were both initiated me to focus on unemployment experiences of youth graduates and their attitudes towards business startup in MSEs, which is being identified as a solution to the problem. I believe that disclosing youths' unemployment experiences may help other prospective young graduates to be motivated in creating own jobs.

In addition, I hope this study may provide data for those who need resources on this topic and will also initiate other researchers to study on educated youth challenges. The recommendations from the findings could contribute to the preparation of strategies on how the government and other concerned bodies could create favorable environmental conditions to fight unemployment among the graduate youth and stimulate positive attitudes towards MSEs among them.

1.6. Thesis Outline

This thesis contains nine chapters. **Chapter One**: *Introduction*, presents the research theme and presents the objectives and justifications of the study. **Chapter Two:** outlines and discusses the *operational definitions of the Basic Concepts* used in this thesis. **Chapter Three** provides discussions on the *research methodology*. **Chapter Four:** outlines the *study area description* and *the study context.* **Chapter Five**: looks at the *theories, and reviews of related literatures* that are relevant to interpret and analyze the empirical data. **Chapter Six, Seven and Eight**: provide the *analysis and discussion* sections of empirical data. Here unemployment experiences of young graduates and their attitudes towards business startups in MSEs are analyzed and discussed. **Chapter Six**: *Job Search Experiences*, discusses job opportunities and diverse job search experiences that unemployed young graduates encountered in the process of searching for a job. **Chapter Seven**: *Living Unemployed: A Lot of Complexities and Costs* explore unemployment experiences of young graduates. **Chapter Eight**: *Opportunities, Barriers, and Attitudes towards MSEs*, presents MSEs categorizations in the study areas, opportunities for business startups in MSEs and barriers that prevent the young graduates from utilizing opportunities in MSEs and unemployed young graduates attitudes towards business startups in MSEs,. **Chapter Nine**: presents *conclusions and recommendations*.

CHAPTER TWO: OPERATIONAL DEFINITIONS OF BASIC CONCEPTS

2.1. Youth

Practically, the meaning of youth can vary depending on the institutional, economic, demographic, political and cultural contexts of a given country (O'Higgins, 2001). For studies addressing the graduated young people, I think that choosing the reasonable age cohort that the study requires is logical. According to the Ministry of Youth, Sports and Culture (MOYSC) of Ethiopia, youth is defined as an individual aged between 15-29 years (MOYSC, 2004). However, in this thesis, youth includes individuals aged between 22-29 years. The reason for this categorization in this thesis is that, youth included in my study were graduates who have been unemployed for one year, and an individual is supposed to finish his/her college diploma or degree at the minimum age of 19 or 21 respectively and above in Ethiopia. The maximum age limit conforms to the MOYSC, 2004 definition. The concepts *youth* and *young* are used interchangeably throughout the paper.

2.2. Unemployed Youth

Nganwa et al (2015) mentions unemployed youth as a group of young people with different backgrounds who seek and are able to work, but unable to find or start any work. This study employs this definition. The unemployed young people in developing economies do not get the advantage of the social protection systems that are accessible to their equivalents in developed economies (International Labour Organization (ILO), 2013).

2.3. Graduate Unemployment

Graduate unemployment is "*the lack of the employment that is caused by a lack of employability, type of qualification obtained as well as field of study, quality of secondary school education, quality of tertiary education, high expectations, job search and work experience*" (Oluwajodu, Blaauw, Greyling and Kleynhans, 2015:3). In this thesis, the research participants from graduate unemployed people were first time job seekers, who have never had jobs after their graduation for a period of more than one year. Graduate in this thesis refers to an individual who holds a college diploma (10+3) and a university degree (12+3 or above), from Ethiopian public or private colleges or universities. Thus, graduate unemployed youth in this thesis is understood as a group of young people with a college diploma or university degree, looking for a job, but not succeeded in securing a job or founding own business for a period of at least a year. They can be referred to as long-term

unemployed. The purpose of choosing this category is to study their unemployment experiences in an in-depth manner and their attitude towards business startups in MSEs.

2.4. Micro and Small Enterprises (MSEs)

For the promotion of entrepreneurship, MSEs play a significant role (Drbie and Kassahun, 2013). MSE definition varies from country to country. MSEs were given a variety of meanings in different pieces of literature. For example, in Kenya, MSE definition is based on employment size. An enterprise having no more than 10 employees is described micro enterprises and an enterprise with 11-50 employees are categorized as a small enterprise (Stevenson and St-Onge, 2005). In Ethiopia, the definition of MSEs is based on labor and capital required for a business start-up (Ethiopia MSEs Development Strategy, 2011). MSEs were given separate definitions. According to the strategy, micro enterprises, focusing on industry consists of a manpower of less than or equal to 5 and the total asset amount of less than or equal to 100,000 Ethiopian *Birr*[4], which is equal to US$5000 and those focusing on the provision of services comprise manpower of less than or equal to 5 in number and total asset of an amount less than or equal to 50,000 Ethiopian Birr, which is equal to US$ 2500. It further defines small enterprises which are based on industry, as those comprising human power of between 6 and 30 and total asset of less than or equal to 1.5 million Ethiopian Birr, which is equal to US$ 75,000 and those based on service provision as those with manpower ranging from 6-30 with the total asset of less than or equal to 500,000 Ethiopian Birr, which is equal to US$ 25000 (ibid.). To operationalize MSEs, this definition is used, and MSEs are diverse in nature, including manufacturing works, construction related activities, trade, service provision, and agriculture.

2.5. Social Exclusion

The concept of social exclusion is originated in the French sociology (Bhalla and Lapeyre, 1997). The routes which produces social exclusion and the matters that come from it are the theme of inquiry by a variety of academic fields, including sociology, political science, geography, economics, and history and by multi - and interdisciplinary subjects which have become recognized as separate academic fields: labor studies, health studies, urban studies, and education (Byrne, 1999). *"An individual is socially excluded if he or she does not participate in key activities of the*

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[4] Ethiopian currency

society in which he or she lives" (Burchardt, Le Grand, and Piachaud, 1998:30). In this thesis social exclusion is operationalized as the situation in which an individual does not participate in the normal relationships with family, friends and communities in the socioeconomic and political arena due to prolonged unemployment.

2.6. Summary
This chapter has considered various key concepts used in this thesis. These concepts provide a basis for analyzing and discussing the research questions of this thesis.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

The aim of this chapter is to give a description of the research methodology of this study. It provides a reader with detailed information regarding the data collection processes, data analysis mechanisms and an entire fieldwork practice.

3.2. Qualitative Methodology

The choice of research methodology is based on selecting the methods that are most appropriate in relation to the knowledge researcher seeking to acquire and the study needs (Kitchin and Tate, 2000). Qualitative methodology is relevant to recognize a variety of experiences and to address the complication of how individuals live their everyday life (Flick, 2009). I would argue that unemployment experiences and the attitudes towards business startups in MSEs are personal, context specific and complex, which indicates that qualitative research methods are appropriate for this study. This approach permitted the research participants to tell their lived experiences regarding unemployment and attitudes towards business startups in MSEs.

In qualitative research methodology, there are a variety of approaches for designing a research, for example, case study, narrative research, ethnography, grounded theory, and phenomenological study (Creswell, 2014). Deciding a specific research design depends on the researcher's knowledge regarding the topic at hand, the questions to be asked, the concepts and theoretical standpoints that the researcher is going to use, and the researchers' awareness of the advantages and disadvantages of various research methods (Valentine, 2001). As this study deals with the unemployment experiences and attitudes towards a business startup in MSEs of young graduates, I think, it nearly falls under the phenomenological approach. The use of the phenomenological approach is to shed light on the specific, to discover phenomena through how they are comprehended by the actors in a state of affairs (Creswell, 2007. From a human perspective, phenomenology is concerned with the study of perceptions and experiences (what and how they experienced) from the standpoint of several individuals regarding a concept or a phenomenon (Gray, 2004; Creswell, 2007). As such, it is valuable for studying subjective experiences, and to delve into people's motivations and actions in-depth manner (ibid.). A phenomenological-based research employs a variety of methods such as

interviews, focus group discussions (FGD), observations, conversations, action research and personal text analysis (Creswell, 2007). The research methods employed in this thesis include elite interviews, semi-structured interview, FGD and direct observation. "The unit of analysis of phenomenology is often individuals" (Gray, 2004:21). Thus, individuals were used as a unit of analysis in this research.

3.3. The Selection of the Study Area

The target place for the study is a Wolaita Sodo town, Southern Ethiopia. "*It is up to the researchers to decide which field offers the best opportunities to learn about their research subjects, which field is most interesting, and which field is most likely to be accessible*" (Boeijie 2009:35). I have selected Sodo town as my field place purposively, because, from my previous life experiences in the town, there are a lot of graduates struggling with unemployment problems. The selection of Sodo town is also due to my positionality. I am an insider and in qualitative research, choosing the project site where I as a researcher is an insider, eases the challenges of the data collection process. It may be less difficult to build rapport and trust with the researched community if a researcher is an insider. In addition, selecting the hometown eased the process of gaining access and it was safer than going to other places in Ethiopia that speak different languages and practice different cultures. *(See map of the study area in page number* **iv***).*

3.4. Fieldwork Experiences

Entering into the field to gather data can be a discouraging, challenging and at times confusing practice, in which researchers negotiate a number of assumptions, anticipations, and inspirations (Darling, 2014). The realities of fieldwork go beyond formal mechanisms and fieldwork needs flexibility in judgments (ibid.). In this study, throughout the entire research, I have been guided by the ethical guidelines, which are discussed below in a separate section. The below section presents the fieldwork experiences.

3.4.1. Gaining Access

Obtaining a permission to get access to the research participants is important in a phenomenological study (Creswell, 2007). During the first week of fieldwork, I wrote a letter stating that I am a

researcher in addition to the "*Letter of Introduction*[5]" and went to Sodo town administration, to ask for permission to conduct this study. This substantiated the view of Boeijie (2009), who suggests that researchers could write a letter to groups or organizations requesting them to approach individuals for their involvement in the study. During the first week I was unable to present my case to the officials in the municipality because of their absence from the office due to 'everyday' meetings. Through my continued visit, I met one officer on the first day of the second week. Then after I showed the "*Letter of Introduction*" and briefly introduced myself, he ordered me to go to Wolaita Sodo University, where I was staff and to come with the letter that verifies my membership there, by saying "*we have no direct communication with foreign universities*". Then I went to the Wolaita Sodo University on that day and met one responsible officer, and presented the case, whereupon he appreciated my project and ordered me to request for the letter to conduct a research through a formal letter. On that occasion, I wrote a letter that states that I am a student of NTNU doing research in Sodo town, stating that I wanted to gain access. Then I handed my letter to him and he wrote a letter to the Sodo town administration to provide important documents for my research and facilitate conditions. Then after I came back to the Sodo town administration office and handed over this letter to an official and he wrote an official letter that explained that I was entitled to conduct fieldwork in Wolaita Sodo town from June 15, 2015 to August 25, 2015. This letter helped me a lot in contacting all of the research participants and to gather valuable data for the study.

3.4.2. Recruitment of the Experts for an Elite Interview

I employed purposive sampling technique to select the experts for an elite interview. In purposive sampling technique, the research units are carefully chosen personally by the investigator on the basis of previous experience (Rice, 2010). I decided to choose Trade and Industry and Women, Children and Youth affairs bureaus because I knew that these offices coordinate MSEs and Youth affairs respectively. To this end, I have purposefully selected one expert from each bureau. The individuals are chosen based on their work experiences and familiarity with the issues of graduate

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[5] A letter given from the Masters of Philosophy in development studies, specializing in geography program of the Norwegian University of Science and Technology (NTNU).

youth unemployment and MSE affairs in the study area. Human resource department of Sodo town administration helped me in selecting the experts.

3.4.3. Recruitment of the Unemployed Graduates

Many scholars have noticed the importance of community staff and representatives in the recruitment process (Eide & Allen, 2005). I approached many persons to get assistance to recruit the research participants in the study area. This substantiates the view of Crang and Cook (2007:22), which states that the researcher has to establish many contacts as possible to increase the speed of access and if one proves uninformative or uncooperative, to get data from the others in order to process the research within the time frame set. In line with this I made contacts with 3 public sector workers and communicated with them through phone and face-to-face many times to get information about the unemployed graduates that this study required and this not helped me in getting the research participants fitting to this study. Besides, several of the unemployed young people were not willing to take part in the study while some stayed unemployed for less than a year after their graduation and did not qualify for an interview. Then I had to look for other respondents.

Atkinson and Flint (2001) suggest that the positionality of being an insider provides beneficial for the researcher to identify potential initial research participants by employing a snowball sampling strategy. I have a lot of friends and former staff members in Sodo town. They helped me in finding 3 unemployed young graduates (Males). In addition, my uncle living in Sodo town informed me about 2 unemployed young graduates (Females). Furthermore, when I was at the Sodo town administration office, to get data for research, one person working there directed me to one unemployed graduate female while she was in their office to renew her identity card. Then, I approached her and asked her *consent* after discussing the research objectives clearly, and she responded that "*your research is for your own degree, it will provide nothing to me. Try others, I am not mad about answering your questions*". Then I tried to persuade her through openly discussing the value of her participation, but suddenly she left me and showed her unwillingness to take part in the study. Regarding this, Dale (2014) argued that many of the young people do not want to share their unemployment experiences in Ethiopia because of two reasons: there is a trend of speaking it to intimate friends and family members, and as they mostly blame the government they do not want to speak negatively about the government due to the fears of politics. This is true

to some extent as per my fieldwork experience. Then after, after leaving me, she also advised her friend who is unemployed, who also came to renew the identity card, not to take part in the study, by saying that "*look at that man, he is waiting to ask about your life for his own degree*" by pointing her hands to me and laughing at me. I felt discouraged but managed the situation by being emotionally calm and presented the research objectives clearly to this woman to know whether she would volunteer and fortunately she showed her free consent to take part in the study. Thus, I got 6 initial samples of unemployed graduate young people. I exchanged phone numbers with all of the initial samples, and this helped me to keep in touch with them to discuss with them on relevant issues concerning the thesis and to build rapport as well.

As per my knowledge is concerned, there are no accurate data on the exact number of unemployed young graduates in Ethiopia in general, and the study area in particular. With this reality, it is inefficient to carry out standard probability sampling methods. Hence, I found the snowball sampling method more relevant in my case. "The snowball sample consists of the initial sample and all the waves successively found around it" (Frank and Snijders, 1994:54). The snowball sampling method allows the units selected to provide information about other units looked-for in the study (ibid.). Snowball sampling is advantageous to a sample population that is disadvantaged and it offers benefits to access the population that is difficult to identify or "hidden" (Atkinson and Flint, 2001). Academics and public policy makers recognized that young unemployed peoples are difficult to locate (ibid.). Through deploying this technique, the initial small sample of 6 was increased to 18. There is a difficulty with employing a snowball sampling method. One of the deficiencies of the snowball sampling method is related to a selection bias (ibid.). Being aware of this weakness, I have increased the number of initial samples (see also Atkinson and Flint, 2001).

3.4.4. Background Information of the Research Participants

The general information for the unemployed graduates included in this study is referred in the table stated in the *Appendix 1*. The name of their educational institutions and their qualifications are not indicated to avoid the unnecessary interpretations towards the institutions where they graduated, and their qualifications to maintain *'confidentiality'*. The orders shown in the table have no implication other than presenting the general background information of the research participants for the purpose of clarification in data presentations. The *codes* indicated in the table by letters

from **A** to **R** are used to cite the research participants throughout the text, and indicate who said what, and assists to distinguish their marital status, gender, type of educational institutions, certificates and unemployment duration. Regarding the experts, they were not willing to mention their background information in this thesis, but they agreed to present the name of sectors. Ethical issues are considered with a due attention while presenting data from the research participants.

3.4.5. Selecting a Place for Semi-structured Interviews and FGD

When conducting a semi- structured interviews or FGD the researcher may possibly be involved in creating a space that lets the research participants free to talk about the topic under study (Crang and Cook, 2007). In many places, there are a number of libraries, community centers, halls that rent out cheap, and some moderators even arrange gatherings in the home of a group participant. The essential thing is choosing a setting that helps the participants to feel free and able to talk about the subject at hand (ibid.). I gave the decision of determining the place to the research participants. With the research participants (unemployed young graduates), the semi-structured interviews were conducted in the places that were chosen by them. Three chose to be interviewed in their homes, five chose to be interviewed in *Wolaita Gutara*[6], the rest four agreed to be interviewed in the place that I selected, and I selected for them a free room of my uncle in Sodo town, which is free from any disturbance. All of the research participants agreed to conduct FGD in the free room of my uncle in the town after I told them about it. Elite interviews were conducted in their offices as per their preferences.

3.4.6. The Process of Data Collection

This thesis is based on data collected in Sodo town from June 15, 2015 to August 25, 2015. While preparing for the fieldwork, the researcher had to understand his/her linguistic competence with whom the research was to be conducted. The competencies, capabilities and opportunities in linguistics are important elements in the research process (Crang and Cook, 2007). Fortunately, as the research participants involved in this thesis are college/ university graduates and above, the data collection was conducted in the English language, which is the language of instruction in Ethiopian higher education institutions. In some situations, for words and phrases that they do not understand well, the participants spoke in Wolaytta language, which is the working language of the Wolaita

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[6] A multipurpose building in Sodo town serving as a cultural center, meeting hall, restaurant and café

zone where the study area is located and I have translated such words and phrases carefully, just simply omitting verbal ticks such as 'uh' and 'ah'.

In this section, the research methods and the way data are collected in the field are discussed methodically. Methods of gathering data are carefully chosen based on their usefulness for the task (Bell, 1999), and the selection of research methods has to flow logically from the research questions (Valentine, 2001). The particular research methods employed in this study are elite interviews, semi- structured interviews, FGD and direct observation. These primary instruments of data collection have been supported by an assessment of secondary sources of data collection. These research methods helped me to address the questions that this thesis tries to answer.

3.4.6.1.Elite Interviews

I decided to employ this technique to collect data from experts on issues related to MSEs and youth affairs. Elites are influential and well informed individuals in the organization or community, and supposed to provide relevant information to the research because of their expertise in their own specialized fields (Marshall and Rossman, 2014). The advantage of this method is that elites can provide valuable data for the research due to their experiences and standpoints as they know the histories, policies and plans of the organization on their sectors (ibid.). The challenge is that the elite individuals are difficult to contact as they are busy people working under challenging time shortages (ibid.). As mentioned, I used the "*Letter of Introduction*" to make contact with them.

Given that the elite individual is likely to be interviewed many times and has developed experience, he/she also knows how to handle the process in which the interview is carried out and particularly the time assigned for the investigator's semi-structured interview. Given the elite's higher status, the researcher may identify that the person is inaccessible for any follow-up questions. Caution needs to be taken by the investigator is being ready to cover relevant points early in the interviews (ibid.). Through my repeated visits to their offices, I established a strong positive relationship based on trust with them. These interviews were conducted in 2 different days and settings. Talking to them, I emphasized on practical works done to support MSEs from the local government and on the conditions for the graduate youth in the town. The interviews with each expert in an elite

interview lasted for an hour, and extensive notes, as well as audio recording, were made based on their *consent*.

3.4.6.2. Semi-structured Interviews

The semi-structured interviews began by asking open-ended questions, followed by probes to draw deeper answers regarding basic rationales and attitudes (Crang and Cook, 2007). This method gives a wider opportunity to collect data about people's opinions, feelings, aspirations and experiences (Lincoln and Guba, 1985; Kvale and Brinkmann, 2009). Through asking questions, the interviewer listens to their hopes, dreams, and fears; hears their opinions and views in their own words; and studies their current status, their social life and family (Kvale and Brinkmann, 2009). It seems so easy to interview, however, it is difficult to do well (Ibid.). The friendship built between me and my research participants helped me to create an open atmosphere and meaningful conversations which are important in the interview process. Semi-structured interviews were conducted with 12 (8 Males and 4 Females) research participants. During their selection stage as well as interviews, the research participants were told about the objectives of research and the *ethical concerns* as well.

One of my research participants during interview raised the issue of life status of those already employed in government sector while we were discussing unemployment experiences: *"some of my friends working with government sectors are bored and want other options like trade; the money they earn is not enough for them to pay for rent, buy clothes; they borrow money every month; there is not much difference between me and them. But by any means, they are luckier than me"* (J, Male). In addition to my prearranged interview questions, this idea helped me to understand how the unemployed graduates view the life of friends who are employed in the public sector. According to Kvale and Brinkmann (2009) semi-structured interview opens the door to the research participants spoke about concepts and issues that they felt were essential, and despite the interviewer's prearranged questions. Additionally, semi-structured interviews are more suitable for exploring attitudes, it allows the investigator to delve intensely into personal and social issues of the research participants (DiCicco-Bloom & Crabtree, 2006). In my case I used to pose follow-up questions that came to my mind from what the research participants were speaking and gathered a relevant data for this study. Semi-structured interviews are very pertinent for circumstances in which the researcher wants to use open-ended questions to collect information in depth from

comparatively few people in relation to the diversity of experiences and perceptions (Longhurst, 2010). Therefore, to answer questions that deal with unemployment experiences and attitudes of young graduates towards business startups in MSEs, selecting a semi-structured interview method was appropriate and suitable.

The limitation of this technique is "it does not offer researchers a route to 'the truth' but it offers a route to partial insights into what people do and think" (Longhurst, 2010:112). Further, if the interviewer is not competent, recording the comments of research participants is a delicate issue because of the great diversity of responses and their complexness (Bless, Higson-Smith and Kagee, 2006). Being critically aware of its limitations, I employed this method with great care given the nature of the research topic. While conducting interviews I used to record and take notes. Each interview lasted for about two hours and after successfully finishing I thanked them for their voluntary participation in the study. For those who were not interviewed in their homes, I paid transportation costs from their home place to the interview place, since I was using their time, and I provided coffee and tea for refreshment to create a conductive interview environment. In this case, I see the fieldwork as the site of making new friends as well.

3.4.6.3. Focus Group Discussion (FGD)

According to Liamputtong (2011), when methodologically viewed, FGD comprises a group of 6-8 individuals who come from the same cultural and social statuses or who have interrelated experiences or concerns. Besides, Crang and Cook (2007), suggest that the researcher has to select the research participants with similar backgrounds for FGD. One FGD was conducted with 6 of my research participants (4 Males and 2 Females). All of the research participants in the FGD shared similar backgrounds like ethnicity, unemployment and being young.

The objective of conducting FGD is not to reach an agreement on the issue discussed. Rather the purpose is to encourage the range of diverse responses that offer a greater understanding of the opinions, perceptions, attitudes and behaviors of the participants on the research topic (Liamputtong, 2011). Encouraging the free exchange of opinions among the research participants is valuable for successful collection of data for the study (Crang and Cook, 2007). It is advisable for the moderator/ researcher to establish him/herself as a professional in the process, but let the

participants as the experts on the subject (ibid.). I let them be experts on the topics addressed and I played the role as facilitator. I let the research participants 'find their say' in the group setting expressing appreciation of their contributions.

With the help of a group moderator, the research participants selected were gathered in a certain place in order to discuss openly on the points that the researcher arises. The room selected for FGD is comfortable and non-threatening. Arranging the important facilities like cups of coffee, tea and other refreshments for group participants is important because groups might expect this or they may be thirsty after talking for an hour or so (Crang and Cook, 2007). With this in mind, I made cups of coffee, tea, cold drinks, water and fruits to create a productive environment during FGD. After the start of the conversation in a group, I used my role as an "ice-breaker" to make them feel comfortable and relaxed through telling jokes. I also clarified again the objectives of the research and ethical considerations in the language they understood. Afterwards, I gave everybody a chance to introduce each other to help them in getting to know each other. This helped a lot in creating an open atmosphere for group discussion. Finally, I introduced the *topic guide* that I had made to lead me in addressing the research questions.

Taking extensive notes as soon as possible is advisable during an interview whether or not the researcher records the interview and focus group discussion because of sudden equipment failure or to note of anything relevant that the tape recorder cannot pick up (Crang and Cook, 2007). I recorded the discussion as well as wrote notes with the attention of capturing all information from the research participants. Ensuring that the tape recorder was working before starting FGD is recommendable (ibid.). I checked my recorder beforehand and during the FGD to ensure that it functioned well and to avoid any difficulties related to that. The research topic was not considered a sensitive issue and the chosen themes were addressed well in FGD.

The FGD lasted for more than 4 hours. There were a total of three breaks for 30 minutes after each 1 hour of discussion. When we finished the FGD I thanked all of the research participants. I paid the transportation costs for research participants in FGD, given that I am using their time, and I invited them for lunch in *Wolaita Gutara* and we departed.

The limitation of FGD is that some members of the group may dominate the others, maybe because of education, self-confidence, or better linguistic skills (Bless et al, 2006). I selected individuals with a similar background to reduce this limitation. FGD allows the researcher to gather the data from a wide range of experiences shared among the research participants, however, due to the processes' public nature, it does not allow the investigator to delve intensely into the individuals view (DiCicco-Bloom & Crabtree, 2006). Being aware of these limitations, I used this method to get diverse views and lived realities for the issues under investigation from the research participants. Fortunately, in this study, I would argue that most of the research participants did not fear each other and shared their thoughts freely in this study.

3.4.6.4. Direct Observation

Direct observation is the most common data collection technique in a field setting. It is "*the recording of events as observed by an outsider*" (Bless et al, 2006:114). Direct observations give a concentration on the actions of humans, physical settings, or real world happenings. I observed the way vacancies were posted and where the most unemployment graduates included in this study spent their time. Field notes were also collected through this way of direct observation. Photos of vacancies posted, cobblestone works (categorized under MSE), and other important pictures were captured as part of data for the study. Two photos were used in a cover page[7] and 3 were used in the analysis section. I used this method to look at the MSE operation in the study area. I spent some of my time going to *khat*[8] houses, video houses, cinema houses, cafeterias, and walking on the street with unemployed young graduates included in the study in a way that they did not know whether I am observing them or not, because if they had known that they were being observed, they may behave differently (see also Bless et al, 2006). This method also helped me to substantiate what they said and where they spent a substantial part of their time.

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[7] The first picture refers to a lot of individuals, including some of the unemployed graduates included in this thesis looking for the vacancies posted on the walls, and the second refers to cobblestone construction in Sodo town which is one of a business categorized under MSEs. I have captured both pictures while doing my fieldwork in Sodo town, July 2015.

[8] A flowering plant of which its leaf is chewed as a stimulant, in this case to forget bad memories and kill time.

3.4.6.5. Secondary Data

Secondary data incorporates resources that have already been gathered for another purpose, which are available and easy to get for other purposes. Secondary data tools are significantly and principally crucial to substantiate and rationalize why the topic under study is selected (White, 2010). Therefore, secondary data is important to get concepts and ideas that cannot be obtained from primary data gathering mechanisms and to corroborate data gathered from primary data collection tools. In this study secondary data's were collected from books, journal articles, government information's, internet sources, previous dissertations available on the internet and materials relevant to this thesis. Secondary data's helped me in setting the framework of the themes in this thesis, and in presenting the results and analysis as well.

3.5. Data Transcription

Transcription is time-consuming. Making and arranging a time for an interview and its transcription is essential (Crang and Cook, 2007). I transcribed the data verbatim after each interview. This helps to memorize each and every happening during the data collection and helps in achieving the validity of transcription (see also Crang and Cook, 2007:84-86). I took all the *ethical* issues into consideration during the process of transcribing data, and the names of my interviewees were substituted with letters to ensure their *confidentiality*. I have checked and assured that the data transcription was done correctly through listening back to the recorders and referring to the field notes.

3.6. The Challenges in the Field

Even though I had experience in conducting research by using qualitative methodology during my undergraduate study and I am no newcomer to the field, my fieldwork was not totally free from limitations. But, I believe these limitations have not impacted the research process seriously.

The first challenge was unprofessional bureaucracy. I spent more than a week to get an official letter from the Sodo town administration to conduct my fieldwork. Even to give the document that was available to them some of the officials said "*come tomorrow*". In simple terms most of the bureaucrats that I met were uncooperative. Moreover, time shortage and returning back to school from Ethiopia prevented me from presenting the whole findings back to the research participants

before publication for confirmability. But I had showed the transcribed data on the different occasions when we shared time together, like lunch and others in Sodo town.

The second challenge that I faced was the lack of confidence from one of my research participants. He said that the data will be used for political purposes. He made a pause and asked me, *"Will you be responsible if they arrest me for this data?" (R, Male)*, and I responded that no one will identify and arrest you by clarifying ethical concerns of *confidentiality*, then he agreed and participated freely.

Initially, I had expected that some challenges would happen and I prepared a flexible schedule and approached all bodies by describing clearly the entire objectives of the thesis. However, no change was made in the schedules and it does not affected the research process. After the successful gathering of data, I arranged a lunch time with my research participants and then thanked all for their contributions.

3.7. Data Analysis and Generalization

Qualitative data's may take the form of broad field notes, hundreds or thousands of pages of transcriptions of interviews or focus groups, papers, photographs, and the investigator must find a mechanism for handling the information (Ritchie, Spencer and O'Connor, 2003). Thus, coding the field data is very valuable in the research process. There are three main purposes of coding qualitative material: data reduction, organization and the creation of searching aids, and analysis (Cope 2010:283). Coding is used in this study to reduce the data along key themes, to organize data, to understand data, to search data for analysis and to support or criticize the established theories and concepts (Cope, 2010). Analytic codes are important to code data that reflect a significant theme in the research (ibid.). In accordance with this, I have done data reduction by grouping the data collected into key themes, through making related concepts or categories together based on my data. Information collected was organized around the themes through identifying overall structures within each interview.

There are no clearly agreed procedures to analyze qualitative data (Lewis & Ritchie 2003). Kvale (1996) argues three different perspectives of analysis in qualitative data interpretation: 'self-

understanding' where the investigator attempts to articulate data in summarized form about what the research participants themselves mean and understand; 'critical common sense understanding' where the investigator uses general knowledge about the context of accounts to place them in a broader arena; and 'theoretical understanding' where the analysis is positioned in a wider theoretical standpoint. My data analysis section is based upon combining these three perspectives. The data for analysis were accessed from transcripts, field notes, recordings, field photographs and valuable documents.

There is not a clear and established set of ground rules for the circumstances under which qualitative research outcomes can be generalized (Lewis & Ritchie, 2003), yet the issue of generalization is an important element to be taken into consideration in the qualitative study (ibid.). Qualitative methodology employing a phenomenological approach "*is not so much concerned with generalizations to larger populations, but with contextual description and analysis*" (Gray, 2004:28). Moreover, in a qualitative research methodology, with few research participants selected for a given study, it is impossible to draw a picture of universal generalization depending on the views of single individuals (Kvale and Brinkmann, 2009). Lincoln and Guba (1985) talk about naturalistic generalization which is more intuitive and empirical form of generalization, and which depends on the investigator's own experiences and feelings. This type of generalization is employed in the analysis in addition to the research participants views, opinions and interpretations of the issues covered in this study. In this study the research participants were graduates who stayed unemployed for a period of at least one year, and elites were also the experts in the study topic, which I believe provides valid data.

3.8. Assessing Qualitative Research

3.8.1. Positionality

In the process of producing knowledge, the positionality of knowledge is crucial (Rose, 1997). The researcher has to take into account his own position and recognize the research participant's position and has to include this issue in his research practice (ibid.). This concern was taken into account during the research process. I am an insider. I have the same color, language, ethnicity as the research participants, which positions me as part of the Wolaita community. This belongingness to the community gave me easy access to some data that could not be accessible to outsiders, for

example, those from other ethnic groups or language categories. Further, being an insider helped me to contact many individuals that introduced me with the initial research participants.

3.8.2. Reflexivity

It is also the mechanism through which investigators reflect upon their own experiences (Mikkelsen, 2005). It is more of self-consciousness and reflection of self as a researcher and representing what has truly occurred during the research process. Reflexivity is significant for positioning knowledge and for making the circumstances surrounding data collection and analysis clear (ibid.). In this study, to achieve a critical reflexivity, I have written and documented reflexive observations and encountering together with my notions and beliefs for entire stages of the research process.

3.8.3. Personality

Personality encompasses skills in navigating the social scene of the village, behavior and how they observe, willingness to spend a great time, ability to read various situations, responding to various events, maintaining friendships, emotion (Moser, 2008). Being conscious of personality that can have both the positive and negative effect on the researched is valuable. I discussed everything openly and asked the research participants each and every issue as clearly as I could. This helped me in developing a rapport and good communication with the research participants. I am aware of my role as a researcher and I used myself as an instrument for gaining knowledge. I used the *ethical standpoints* through the entire stages of the research, and was very watchful to assure that my personal views are indicated separately in the thesis. I used to report and interpret research participants' information by recognizing their and my views separately.

3.9. Doing Valid Qualitative Research

The strengths of a qualitative approach should also be recognized in the use of multiple methods, various detailed quotations, discussions of validity and appeals to acknowledged bodies of literature (Mikkelsen, 2005). I have used multiple research methods for this study like semi-structured interviews, FGD, and direct observation. Besides, investigators need to be more explicit about the research process, including the justification(s) for, among other things, research participant's selection, basic changes in research course and analytical processes (Baxter and Eyles,

1997; Lewis & Ritchie, 2003). To appraise the soundness of this study, I have provided in-depth information about the research process.

3.10. Ethical Considerations

While doing research, developing and practicing ethical guidelines is clearly essential (Crang and Cook, 2007; Kvale and Brinkmann, 2009). In the vein of this the following ethical considerations were taken into account with due care during the entire phase of research.

3.10.1. Informed consent

Informed consent involves asking the consent of individuals to participate in a particular issue as an exercise of their choice, free from any element of fraud, deceit, duress, or similar unfair inducement or manipulation (Berg, 1995:56). The researcher has to give a clear focus on maintaining the dignity and rights of the research participants through providing the adequate and sufficient information on what he/she is studying to form the basis for consent and to assure that the consent is given voluntarily (Flick, 2009). I have discussed the objectives of the research explicitly with the research participants. Those taking part in the research must do so in a voluntary way without any form of coercion (Crang and Cook, 2007; Flick, 2009; Kvale and Brinkmann, 2009). I presented everything concerning the research as clearly as possible, and the data are collected from those who showed willingness to take part in the study on a voluntary basis.

3.10.2. Confidentiality and Anonymity

In qualitative research where research participants are known to the investigators (even if only by sight and a street name), anonymity is nearly impossible. Thus, it is significant to provide research participants with a greater degree of confidentiality (Berg, 1995). To assure the research participant's confidentiality, information supplied by them was handled with strong care. I have stored the original field notes, tapes, and transcripts in a safe place to ensure *confidentiality*. Their access is restricted for others to ensure this ethical guideline, which indicates that the data regarding the participants is used only in a mechanism which makes it impossible for other individuals to identify the research subjects (see also Flick, 2009). As per the ethical principle of *confidentiality*, individuals looking for the vacancies in the *cover page photo* cannot be distinguished.

3.10.3. Do No Harm

The researcher has to ensure that no harm will follow the research participants because of their involvement in the study. It is necessary to protect the researcher and research informants from physical, social, or psychological harm because of their involvement in the research (Dowling, 2010). By showing the letter from Sodo town administration that indicates that I am a researcher with legal permission from a recognized institution, and then most of the research participants trusted me and participated freely. In addition, I have also expressed to the research participants they have right to leave at any time from the process of research if they lack interest (see also Kvale and Brinkmann, 2009). No participant left this study, and all those selected have successfully participated in the study.

3.11. Power Relations

The dimension of power cannot be eliminated from the qualitative research, as it exists in every social setting (Dowling, 2010). The responsibility of the researcher during data collection is recognizing and negotiating power relations. When gathering data, the researcher's responsibility should be not to use someone's disadvantaged position to collect information (ibid.). In the case of unemployed graduates, in my case, I have not made any promise on their possibility of getting jobs or maintaining a favorable atmosphere for job creation, depending on their involvement in the study.

The particular aspect of being a student at NTNU, itself placed me in a higher status, about which I often felt bad and uncertain of its influence on the data gathering process. This difference was blurred due to the strong relation I was developed by my research participants. The status difference in education between "I" as a man doing a master's thesis and "them" as unemployed after graduation is easily observable. However, I could argue that this difference allowed for learning and exchange of information. The research participants felt empowered in the sense that they knew more about their own unemployment experiences and attitudes towards business startups in MSEs more than anyone else.

After completing the process of interviewing I asked all of the research participants about what inspired them to participate in the study and almost all of the unemployed graduates suggested that their motivation was to help me successfully complete my thesis, but at the same time almost all of

them thought that this study will not influence the policy on the ground and the practical problems they faced because the results would fall on deaf ears. Such views made me feel weak and placed me in a vulnerable position as "*powerless*" researcher as they saw themselves in a "*helper*" position (see also Das, 2010).

I controlled some situations myself during fieldwork. For instance, I managed the time for interviews and FGD according to my own plan. Finally, I share the views of Howitt and Stevens (2005) that urge that the study conducted has to improve the circumstances of the community researched and the wider society as well. Due to this end, I will distribute the results of this finding by using my maximum effort to the concerned bodies in the study area for the help of the wider societies and the researched population.

3.12. Summary

This section has discussed the research approaches of this study. Elite interviews, Semi-structured interviews, FGD, direct observation, and the assessment of secondary data sources are the key methods which have been used to gather information. The chapter has discussed the strengths and limitations of each research method to make earlier preparations to avoid or minimize glitches that might arise from the weak side of a specific research technique. Triangulation of research methods is a valuable strategy to keep dependability of the research outcomes. Reflections have also been made about the fieldwork process, including challenges. As a final point, discussions and analysis of the findings in the analysis chapters are based on the data obtained through the research methods and/or research process discussed in this section.

CHAPTER FOUR: THE STUDY AREA AND STUDY CONTEXT

4.1. The Study Area

4.1.1. Ethiopia

With a population of 96.5 million, and the population growth rate of 2.5% in 2014, Ethiopia is the second most populous country in Sub-Saharan Africa[9]. It is one of the world's poorest countries with the per capita income of $550, however, it is one of the world's oldest civilizations (ibid.). The country has devised various development policies to overcome its development challenges. The current *Growth and Transformation Plan Two* aims to transform the country from the agriculture to an industrialized oriented economy. To this effect, the government has adopted a plan targeted for the growth of the manufacturing sector and there is a strong devotion towards the expansion of MSEs, which has been considered as an engine for job creation and a manifest of the dynamic and flourishing economy (ibid.). In the country, MSEs are identified as the natural home of entrepreneurship.

Ethiopia comprises 9 regional states[10] and two city administrations (Federal Democratic Republic of Ethiopia (FDRE), 1995). From among 9 regional states, the study area is located in Southern Nations, Nationalities, and Peoples Regional State (SNNPRS) of Ethiopia. SNNPRS, located in a southern and southwestern part of Ethiopia, is one of the most populated parts of the country, with the population density of 142 persons per sq. km. It is a multinational region, which comprises 56 different ethnic groups with their own physical location, language, values, and social identities. The region, at the present-day is divided into 13 zones[11] and 8 special *Weredas*[12].[13]

According to the CSA (2007), the total population number of the SNNPRS is 15, 042,531, and the total population number of Wolaita Zone is 1, 707,079. Sodo town is located within Wolaita, one of the ethnic groups and zone located in the SNNPRS. According to CSA (2007), the total population number of Sodo town is 109,225.

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[9] http://www.worldbank.org/en/country/ethiopia/overview

[10] The state of Tigray, Afar, Amhara, Oromia, Somalia, Benishangul/Gumuz, **Southern nations, nationalities and peoples**, Gambela peoples, and The Harari people (FDRE, 1995)

[11] Benchi-Maji, Dawro, Gamo-Gofa, Gedeo, Gurage, Hadiya, Keffa, Kembata-Tembaro, **Wolaita**, Sidama, Silti, Sheka and South-Omo.

[12] Wereda means an administrative entity below the zonal administration and above kebele

[13] http://www.snnprs.gov.et/Regional%20Statistical%20Abstract.pdf

In 2014, the estimated total urban unemployment rate in the country is 27.8% and 18 % for those aged 20-24 and 25-29 respectively. When looking into SNNPRS, the estimated total urban unemployment rate for those aged 20-24 and 25-29 was 21.7 % and 12.7% respectively (CSA, 2014).

4.1.2. Sodo Town

Sodo town/Wolaita Sodo town is located in SNNPRS. This town is bounded by 7 rural *kebeles[14]*; Bossa-Kacha in the east, Offa-Sore in the south, Kokote-Marachare in the north east, Wareza-Shoho in the west, Waraza-Gerera in the southwest and Offa-Gandaba in the southeast and Damota-Waja in the north and northwest. For the last 10 years due to comprehensive development strategies, diverse development activities are being carried out and there is a rapid progress in the town.

The town is located around 329 kilometers far from Addis Ababa when taking the Sodo-Hosanna-Butajira-Addis Ababa road. The area coverage of the town is around 8,300 hectares. Geographically the town is located at 8°North latitude and 37°East longitude. The Sodo town is located at 2050 above sea level. The climatic condition of Sodo town is near to the temperate zone. The annual temperature of the town is around 18°c. The winter season ranges from March to April and summer ranges from May to September. The average annual rainfall is 180°c (Wolaita Sodo town municipality, 2015).

The Sodo town government considers young people as active agents for development and works to ensure their independence and self-reliance through creating favorable conditions for job creation. In the town, there are 14 government schools, 30 private schools, one Government University, two government colleges, and diverse private colleges and universities (Wolaita Sodo town municipality, 2015). Furthermore, Sodo town hosts different bar houses selling alcoholic beverages, hotels providing accommodation services, a weekly market, and permanent shop services, recreation centers, cinema halls, a football stadium and video houses.

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[14] The lowest unit of administration in Ethiopian Government structure

In Sodo town the herds of goats and sheep as well as the donkeys with heavy loads compete for the asphalt and cobblestone roads with the increasing number of population, *bajajes (*motorcycle rickshaw), the motorcycles, white land cruisers of government and NGOs workers. Especially around at 12: PM in the local time, there is no space to walk near the town's center. Sodo is the town with a dense population and is a business center. The streets of Sodo are also dotted with children living in the street, street vendors, lottery sellers, daily laborers carrying various tools, women selling fruits, youth walking on the street in groups, diverse people hanging out, beggars especially near to the market centers and religious places together with the residents and visitors.

In SNNPRS of Ethiopia, where the study area Wolaita zone is located, organizing youth under MSEs is oriented towards multiple objectives like tackling the human trafficking, economic growth, and fighting the problems of youth unemployment. Nowadays, in Wolaita Sodo town, there is a skyrocketing youth unemployment challenge. Involving young people in MSEs is supposed as a solution to overcome the largest youth unemployment problem (Wolaita Sodo town Municipality, 2015). (***See the map of Study area in page number iv***).

4.2. The Study Context

4.2.1. Graduate Youth Unemployment in Ethiopia

The history of formal education in Ethiopia is particularly tied up with ideas of modernity and connections with the West (Zewde, 2002b). As an instrument of modernization, different administrations of Ethiopia, starting from 1930-1974 (Haile Selassie imperial regime), 1974-1991 (Mengistu Haile Mariam's Marxist regime) and 1991- August, 2012 (Meles Zenawi's Ethiopian People's Revolutionary Democratic Front (EPRDF) regime (Mains 2012), and August 2012- present (Hailemariam Dessalegn's EPRDF regime), have expanded public education throughout the country. All regimes agreed that education is a tool to transform the country and to achieve a better future, thereby investing a significant amount of the state budget in the education sector. The whole public is aware of the transformative power of education, and invest the largest share of capital they have on this sector as stated in the *introductory section*. According to Krishnan (1998), in Ethiopia post-secondary education during the Mengistu's regime (1974-1991) guaranteed employment in the government sector. However, in the current regime of EPRDF (post-1991), employment is not guaranteed with post-secondary education. Today, young people confront not

only the difficulty of finding a productive work, but also to find a safe and appropriate work that satisfies their anticipations (Broussard and Tekleselassie, 2012).

Jeffrey (2008) categorizes the young people in the global south into three general groups that fit well for the current Ethiopian youth. The first group of youth comprises mostly young men, who have attained a high stage of education and are better placed to find a desired job. Youth in Ethiopia that have completed a four- year post-secondary degree is able to get well-paid, secure employment in their field of study. The second group of youth comprises those who have not completed their secondary school education. In urban centers, this youth population frequently works for little or no money as manual laborers or domestic workers. In the Ethiopian case, urban centers have a greater number of young females in this grouping. They work with little or no job security and earn below a dollar per day. The third category consists of the youth population with at least secondary education, but remains with no job and they are more common in Ethiopia and the global south. The gap between anticipations for the future and economic facts about the realities is mainly acute for these youth (ibid.). This thesis deals with unemployed youths who had at least a college diploma. So in this regard, my research participants (unemployed graduates) fall closely in the first and third category of Jeffrey (2008).

4.2.2. History of MSE Development in Ethiopia: From 1940's to Yesterday

In Ethiopia, the history regarding the development of institutional support to MSEs for economic growth and fighting unemployment is less than a century old. The presentation below shows this development in three different regimes of Ethiopia.

Haile Selassie's Regime (1930-1974): During 1940's and 1950's, the attempt to support MSE development was linked to the government's plan to build institutional and administrative infrastructures through supporting industrialization in the country (Ministry of Urban Development and Construction (MUDC), 2013). During the 1960's all business initiatives were registered under the Ministry of Commerce and Industry under the *Business Enterprise Registration Proclamation No.184/1961*. The ministry coordinated the business initiatives in ways to support their expansion and development (ibid.). In 1966, MSE operators were guaranteed land access, buildings, public services, tax relief, and other administrative and advisory services under the *Investment*

Proclamation No. 242/1966 (Drbie and Kassahun, 2013). The other proclamation developed during that period was the *Industrial Regulation Legal Notice No.292/1971* that granted the manufacturing initiatives a short-term license of 6-month legality and a permanent right to conduct business (ibid.).

Mengistu Hailemariam's Regime (1974-1991): After the downfall of Haile Selassie's regime, the socialist regime (1974-1991) controlled the country and nationalized enterprises and firms all over the country (Ministry of Trade and Industry (MoTI), 1997). Private sectors were marginalized until the declaration of the *Proclamation No. 124/1977,* which established Handicrafts and Small-Scale Industries Development Agency (HASIDA) to promote the development of cooperatives in MSEs (Teshome, 1994). The achievement of HASIDA was not satisfactory and the then regime established two other declarations to promote economic development. These were *Special Decree No.9/1989* on Small Scale Industry Development that allowed the participation of diaspora, promoted the development of individual entrepreneurs, cooperatives and participation of business developments) and *Special Decree on Investment No.17/1990,* which permitted individuals to run a venture in unlimited number of business enterprises and promised to offer incentives (ibid.). To operationalize the two decrees government formed *new Regulations No.8/1990* with the intention of providing short-term licenses to the investors working in MSEs and changing that into permanent license when their project reaches production phase. But, the regime was overthrown from power in 1991 and replaced by the current ruling EPRDF regime (ibid.).

EPRDF's Regime: After the downfall of the military regime, reforms were introduced in the public sector and there was a shift to the market and private sector oriented economic development by the EPRDF regime. The Proclamation No.41/1993 has substituted the *Proclamation No.124/1977* (Teshome, 1994). However, the introductions of various declarations do not seem to have a long-term influence on the contribution of MSEs for the development in the country.

In 1995, EPRDF declared Agricultural Development Led Industrialization (ADLI). It encourages the facilitation of MSEs (Drbie and Kassahun, 2013). To overcome the glitches facing the functioning of MSEs, EPRDF introduced *Proclamation No. 40/1996* that deals with the establishment of micro financial institutions (Teshome, 1994). With the hope of achieving economic growth, reducing youth unemployment and attaining economic equity, the government

drafted a national MSEs development and promotion strategy in 1997 (MUDC, 2013). After that, the actions to promote MSEs is continued and the Council of Ministers established *Regulation No.33/1998* Micro and Small-Scale Enterprises Development Agency both at the federal and the regional state level (ibid.). In 2001, EPDRF established the MOYSC at the federal and lower levels of government. MOYSC framed Ethiopian National Youth Policy in 2004. The policy promises to alleviate the problem of youth unemployment through promoting entrepreneurship (MOYSC, 2004).

From 2005 to 2010, Ethiopian government carried out PASDEP (the Plan for Accelerated and Sustained Development to End Poverty), which recognized the growth and expansion of MSEs as a natural home for job creation (Nganwa et al, 2015).   Cognizant of this fact, the country's largest plans, *Growth and Transformation Plan I* was adopted by the government for five-year term 2010/11-2014/5 (ibid.). In *Growth and Transformation Plan I*, MSEs were taken as a significant for industrial development and envisioned to support the fundamental transformation of the countrywide economy (MoFED, 2010; Drbie and Kassahun, 2013). In spite of the encouraging outcomes achieved in promoting the MSE expansion over the last two years, the higher degree of unemployment and poverty in urban areas have been yet unresolved challenges (MoFED, 2010). At present, Ethiopian government launched *Growth and Transformation Plan II*, with the time frame ranging from 2015/16 - 2020/21 to build upon strengths and lessons acquired from the *Growth and Transformation Plan I*. In Growth and Transformation Plan II MSEs were considered as the central strategy and anticipated to provide 6 million new jobs in the period mentioned[15].

Today, in the country, support to MSEs is provided by government at different levels (federal, regional, and local bureaus and agencies), non-governmental organizations (NGOs), community-based organizations, and private institutions (MOTI, 1997). The ministries at the federal level that are supporting MSEs promotion with the objective of overcoming youth unemployment problems include ministries of Youth and Sports, Housing and Urban Development, Labor and Social Affairs, Trade, State Enterprises, Industry, Construction, Science and Technology, Education, Finance and Economic Cooperation and public service. The agencies with such motives include federal and regional MSE agencies and privatization and public enterprises supervising authority.

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[15] http://utna.org/index.php/news/115-ethiopia-s-development-and-the-growth-and-transformation-plan-ii

All of them have established branches at each levels of government starting from *kebele* to the federal level of government.

4.2.3. Summary

This chapter presented general issues regarding Ethiopia by taking the study topics into account, Sodo town, its location, population, and current status of the town in the contextual manner. It provided general information regarding the situation in Sodo town. At the same time this chapter also presented the study contexts of this study. Graduate unemployment in the Ethiopian context, and the history of MSE development in Ethiopia were also discussed because they provide a background that should be reflected in analyzing the unemployment experiences of young graduates and their attitudes towards a business startup in MSEs.

CHAPTER FIVE: THEORY AND THE REVIEW OF RELATED LITERATURE

5.1. Introduction

In this chapter, theories and literatures pertinent to the study of young graduate's unemployment experiences and their attitudes towards a business startup in MSEs are presented and discussed.

5.2. Human capital Theory

The Human capital theory views that the investments in training and education by an individual determines an individual's chance of getting employment after school (Becker, 1993; Berntson, Sverke and Marklund, 2006). The skills obtained from education represent human capital and the theory links education directly with earnings (Becker, 1962; Desjardins, 2014).

For the long-term growth of a nation and move towards fighting unemployment, it is vital to guarantee the readiness of young people for their future through investing in their human capital (Awogbenle and Iwuamadi, 2010). Education is also supposed to provide a future payback such as autonomies and upward social mobility, recognition, job security and other advantages in cash and in kind (Naafs, 2012). Human capital theory also links positive social development with an increasing investment in education (Olaniyan and Okemakinde, 2008). Becker (1993), encourages investment in education and training with the view that it results in improved income, improved health, good jobs, and effective deeds. However, for many, the possibilities of achieving their expectations through education are hardly realizable and many young people remain home for an uncertain and a long period of time without getting jobs of their desire after a long-term schooling (Jeffrey, 2009).

According to Olaniyan and Okemakinde (2008), investment in education increases productivity and aids in improving the standards of living in society. Their study indicated that there is a heavy investment in education in Nigeria as in many of the developing countries. The public perception that investment in education results in an increased income played a role in the expansion of higher education. But, the paradox is that, in Nigeria, in spite of a massive investment in education, there is little evidence of its role in promoting economic growth. They recommended that parents should not demand to accomplish their life expectations in their children by choosing professions for them

or by proposing subjects that they should learn, and parents should not also inspire or support them to buy certificates. According to them education in Nigeria, has not had the anticipated influence on the economic growth (ibid.).

According to the theory, investment in education is also considered as an important determining factor for entrepreneurial ability. According to Bula (2012), in addition to entrepreneurial essence and venture capital, human capital is an essential individual asset which can be used to act towards establishing a business venture. The human capital theory views that spending on human capital through investment in education, training and skill gaining is a technique to enable people to undertake entrepreneurial activity in efficient, productive and creative ways (Raimi, 2015). The findings of the United Nations Educational, Scientific and Cultural Organization (UNESCO) indicated that paying lower attention to informal education and skill development relevant for entrepreneurial startups in many developing countries means that there is a stark shortage of employment opportunities for young people (2012).

The theory of human capital is criticized for its account of considering an education as a panacea for economic growth and development. Expanding education in general and schooling in particular without structural reforms that focus on rendering the quality education it is impossible to improve productivity and achieve a desired societal goals (Fagerlind and Saha, 1997). The theory is also criticized for its ignorance towards the existence of a mounting gap between increasing learning efforts of people and their knowledge base and the decreasing number of adequate jobs to employ stock of knowledge, particularly in countries of the global south (Olaniyan and Okemakinde, 2008:481). Regarding this, some advocates of the theory confirmed that the increase in learning efforts did not result in the productivity and economic growth due to factors such as a decline in the educational quality and politically shaped education system (ibid.). Generally, it is confirmed that well-trained population and labor force is important in the process of economic growth and development. Yet, human capital accumulation is not enough to guarantee success, however, it undoubtedly would look to be essential (Cypher and Dietz, 2004). There is a wide range of studies conducted on the benefits of human capital; economists now recognizing that individuals do not effectively utilize their human capital (Acs &Armington, 2006). According to Middleton, Adrian and Arvil (1993), there is a poor return on investment in education in many developing countries

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because of various factors such as poor economic base which does not open a wider chance to the growing army of graduates, bad governance, the low standard of education, the training capacity, and unattractive economic policies that do not encourage individuals and firms to invest in training. Becker (1964) argues, the human capital stock of an individual can be influenced by the inherent capability of an individual, schooling, school quality, non-schooling investments, and training as well as pre-labor market conditions.

In this thesis, human capital perspective is used to understand the views of the young unemployed graduates on what they think that they are qualified for, their view towards education quality and what they are facing in their life after their long-term schooling by taking into account their human capital.

5.3. School to Work Transition

School to work transition is often considered as a rite of passage in which educated youth are introduced to the labor market. This process of transition takes place in life-stages and it is characterized as an uncertain and turbulent period (Schwab, Rynes and Aldag, 1987). A great number of people at any moment in time look for and assesses employment opportunities available (ibid.). The school leavers have to compete with those who have previously gained an experience in the labor market for the available jobs. A considerable size of presently employed individuals is also looking for a new work or institution (ibid.). Wolbers (2003) argued that due to the lack of work experiences, many fresh job seekers were forced to face the unemployment problem.

A number of studies explain job search behavior (Schwab et al, 1987; Kanfer, Wanberg, and Kantrowitz, 2001; Wolbers, 2003; Desjardins, 2014). Job search behavior is mostly and certainly related to the motivation of finding a job. As a purposeful and deliberate pattern of action, job search starts with identifying opportunities and being committed to finding employment (Desjardins, 2014). Individuals searching for employment utilize a range of social and personal resources and carry out a range of activities with the objective of gaining a job. Personal variations in interests and cognitive talents have likely impacts on job search and employment results (Kanfer et al., 2001).

Job search can be seen as a common incidence, which job seekers consider as a form of investment to get the job of their dreams in the labor market (Desjardins, 2014). Job search is also an activity that demands time and effort to succeed a goal, which in this case is finding a job (ibid.). Past studies had identified exploratory, focused and haphazard job search strategies (Stevens & Beach, 1996). The first, exploratory job search involves exploring various job opportunities through various sources such as family and friends to get a job. The second, focused job search strategy entails clear employment aims and pinpointing a top choice early in the job search. Job seekers in focused job search strategy apply for jobs that are fitting to their qualifications, interests and needs. The third, haphazard job search strategy entails a trial and error tactic, passively collecting information for a job that may or may not be related to qualification obtained or previous experiences. The aim is getting employed in the first acceptable job that comes along, does not concerned with its type (ibid.). According to Desjardins (2014), some youth, however, lack relevant networks and opportunities that are vital in the process of finding a job. Others may do not hold competencies required to find a work, and/or possibly require retraining or re-educating to fit with and exploit obtainable chances. Still other categories of youth may have allotted and decided to work in positions that are inferior to their actual potential due to reduced hopes about any upcoming opportunities and alternative means (ibid.). Moreover, numerous barriers related to training and education or other challenges in the labor markets are issues that most of the educated youth are encountering (ibid.). As fresh graduates enter into the labor market without work experience, the job searching process takes a longer time for them. According to Moleke (2010), searching for employment takes a longer period and may be more than a year for some African graduates.

Youth with increasing levels of education may not find jobs easily that suit best with their potential. According to Desjardins, Qualification mismatch (or educational mismatch) has been the most examined theory of mismatch, and "*It refers to a situation in which the educational qualifications held by a worker differ from those perceived to be required either by the employer or the worker to carry out adequately the tasks associated with his/her job – either in terms of the requirement at the time the worker took up the job, or in terms of the current requirements of the job*" (2014:1). Education mismatch can be measured by employing three options: over-qualification (or over-education), under-qualification (or under-education) and required-qualification or education (ibid.). Over-qualification has received more attention than under-qualification and required-qualification,

and it has been a major issue for several years. The concept of over-education mostly has given the following three meanings: an educated individuals decline in the economic position compared to historically advanced positions, or as unachieved anticipations of the educated individual with respect to their occupational achievements, and as the state in which an individual's education is more than a qualification required by a job (McGuinness, 2006). The main shortcomings of education mismatch studies are the near sole dependence on quantity and qualification centered measures of schooling, such as years of education or educational completion identifications (Desjardins, 2014). A tendency to ignore the kind of education achieved, actual skills thought, work experiences, and the case that individuals involve in, formal and non-formal training both in and outside of work over the lifetime often results in a restricted understanding of mismatch (ibid.). Hence, findings on education mismatch have in many studies been interpreted as evidence that there is an over-investment in formal education/qualifications, and/or that the educational system is ineffective in providing the skills needed for the labor market (ibid.).

The majority of the young people who lack jobs that suit their qualifications are highly affected by long-term unemployment. "*Long-term unemployment of the youth actually means that the fresh entrants to the workforce are without any job. This is a sure way of deskilling the trained youth whereby the young men and women tend to forget whatsoever they had learned in the preceding years due to long non-application of knowledge*" (Majumder, 2013:5). Long-term unemployment also lowers the potential of youth to fulfill social responsibility (Mains, 2012). Youth plays a tremendous role in building and shaping a society's future. They are important in sustaining the outlooks and value systems of a society (Yu, 2004). In order to make youth graduates realize their potential to create a better future for society, the responsibility to guarantee graduates "the right to work", or the fundamental one of being capable of being "in line for a job" is a must, and with the lack of it, it is greatly possible that the concepts "lost generation" of Hemingway's, "beat generation" of Ginsberg's, and "ruined generation" of Nanping characterize the youth. Friedrich Hayek's warning is relevant here, that the problem exists when the number of intellectuals is outweighing the capacity of available employment opportunities. "Intellectual proletarian" deprived of future hopes are primary causes of political instability (Hayek 1997 cited in Yu, 2004: 8-9). In Ethiopia, it has been documented that the dissatisfied young people contribute to the political instability in the country (CSA, 2011).

Currently, a higher education does not inevitably lead to an easy school to work transition. Based on the survey conducted by the ILO (2006), many young people specified that the foremost hindrance to finding an occupation is the absence of occupations. Lack of expertise of searching a job might play a role in high unemployment rates among young people. Particularly, in developing economies, informal linkages and networks are very predominant procedures of seeking and obtaining a job (Kahraman, 2011).

5.4. Social Exclusion

Job search activity is influenced by networks, social norms, and local preferences (Campens, Chabé-Ferret, & Tanguy, 2012). Networks may be important in providing information's about available job opportunities. Social norms should force people to look for jobs everywhere due to a shame affect. Social norms underline how the unemployed life choice depends on the behavior of others towards them, for instance, social pressure, stigma or social approval. Then again, local preferences may lead unemployed individuals to reject jobs in the location which is too remote from household or friends (ibid.).

Unemployment disturbs the configuration of social networks (Perttilä, 2011). Several studies have also shown that unemployment has a negative impact on social networks. As per the study by the Civil Society Committee (2006), as cited in Perttilä (2011:15), unemployed Finns feel like they are rejected and outsiders. Such a feeling is a shocking and incapacitating experience. As social beings, people basically want to feel they belong. The good feeling is one of a basic element of a good life. A person who feels he is excluded is also hardly an active, influencing and participating citizen (ibid.). Long-term unemployed people tend to occupy less ties with family, friends and community (Perttilä, 2011). Most of the time, unemployed people are those with weak relationship linkages and lower degree of involvement in informal associations (Gallie, Paugam and Jacobs, 2003). However, strong social ties are valuable for job search, the reverse is true for social exclusion (ibid.).

A lot of previous scholars explained the importance of social exclusion concepts to explain the effects of unemployment in society (Kronauer, 1998; Gallie et al, 2003; Kieselbach, 2003). According to Kieselbach (2003), European Union considered long-term youth unemployment as a

factor blocking the integration of youth into society and leading to social exclusion. Byrne (1999), argued that social exclusion is integrally dynamic; it occurs in time, in a time of history, and defines the lives of persons and groups who are disqualified or excluded and of those persons and groups who are not. Social exclusion arises from the sum and the interaction of a variety forms exclusions: labor market, economic, institutional, cultural, social and spatial (Kronauer, 1998). In this thesis, the following types of exclusion are found relevant:

Labor Market Exclusion – limited chances to get employed and reacting to the situation by withdrawing from the labor market. According to the social exclusion theory, the primary cause of labor market marginalization is related to the structural hiccups that individuals come across in the labor market and these are strengthened by prolonged unemployment experiences rather than unemployed people's deficiencies in motivation (Gallie et al, 2003).

Economic Exclusion –lack of making their own living and depending on others for their financial means due to lack of employment. This may cause a sense of passivity and shame among unemployed (Bhalla and Lapeyre, 1997). According to Sen (1975), employment is defined in terms of three elements: income, production, and recognition. The economic approach to exclusion mainly rests on the first two elements. The third aspect, recognition is credit gained by an individual because of his or her employment, and which indicates the social dimension of exclusion (Bhalla and Lapeyre, 1997).

Exclusion by Social Isolation – reduction of social contacts with many and limiting contacts with their peers in a similarly marginalized position. According to Clark (2003) unemployment always disturbs, but its effect is less when the unemployed people are around. Campens et al. (2012) argues that unemployed people pass most of their time with their peers suffering the same problem. This results in the reduction of relevant social networks. Lack of material resources means that they abstain themselves from various social events and experience the feeling of discrimination that can result in social isolation. The social dimension of exclusion refers to the lack of dignity that is gained through employment and access to labor markets, which is important in social integration (ibid.).

These diverse approaches to social exclusion are perceived as co-existent, and engendering a vicious circle that results in a progressive corrosion in individual's social status. It has been argued that long-term unemployment leads to exclusion, hopelessness, and incapability to plan for the future (Bhalla and Lapeyre, 1997). Lack of employment and income also means that there is a shortage of resources for searching a job. Concomitantly, resource constraints decrease the involvement in various social activities. The puzzling effects of lack of employment combined with the lack of resources, deteriorate an individual's social relationship and increases social isolation. Given the vitality of exchange in strengthening social relationships, people with lack of money encounter difficulty in maintaining previous social ties and friendliness with peers in the community. Augmented social isolation sequentially strengthens marginalization in the labor market by keeping people off of relevant information regarding employment opportunities (Gallie et al, 2003).

Furthermore, prolonged unemployment can lead to relative deprivation, which refers generally to people's views of their well-being compared to others (Mcmurtry and Curling, 2008). Relative deprivation occurs when there is a difference between one's value anticipations and value competencies. It results in feelings of hopelessness, frustration, objection, and resentment, and may be an influential stimulus for illegal activities (ibid.). According to Davis (1959), people will experience relative deprivation when they lack certain achievement, perceive that similar others have achieved that achievement, want to achieve that aim, and feel eligible to have that achievement.

The concept of social exclusion is valuable in this study to know the positions of young unemployed graduates in the society, how they cope with unemployment and the consequences of graduate unemployment on them and society.

5.5. Youth and Hope in the Contemporary Era

There is a general agreement on the considerable changes in the lives of children and youth nowadays. In the contemporary age of information, young people around the world have intimate and timely access to economic certainties about home and abroad through various internet tools

and social media. This might result in rising expectations among the youth of developing countries for their futures despite grim lived realities in home (Kahraman, 2011).

Mains (2012), in the Jimma town of southwestern part of Ethiopia studied 20 unemployed young men and confirmed that, due to the rapid expansion of education, access to various media sources presenting images of both worlds, and the government self-led narratives of modernization as a means to development, there is an increase in the hopes of young people towards decent works despite the limited employment opportunities available in home. Building on this idea, Mains points out, "*In a context characterized by both economic decline and increasing access to education and international media, this peculiar combination of hopelessness and lofty goals is common among many of the world's growing population of youth*" (2012:3). He further states this trend is not limited to Ethiopia, but common for most of the young people in the global south. In Ethiopia, unemployment is a major barrier to realizing the aspirations of young people. As young people were unable to achieve their aspirations, they become irritated with their inability to put their own lives on an optimistic account. Fears and doubts about one's future are put together by too much amounts of free time that are caused due to unemployment (Mains, 2012). When their expected jobs are not available, young people may also choose to stay unemployed rather than working on low-paying positions and *low-status*[16] jobs. Many youths do not work because they believe that available job opportunities would not lead them to improvement (ibid.). As mentioned in the Schoof (2006:1), Juan Somavia, Director-General of the ILO, argues that "*Entrepreneurship and business creation are… a growing alternative for young people whose age group often faces a labor market with double-digit unemployment rates*".

5.6. Unemployment and Entrepreneurship Nexus

The correlation between unemployment and entrepreneurship has posed a complicated enigma to academics (Arzeni and Mitra, 2008; Thurik, Carree, Van Stel and Audretsch, 2008). Empirical studies indicate an amalgam of ambiguities and contradictions with regard to the link between unemployment and entrepreneurship. Thurik et al. (2008), point out two approaches to explain the relationship between the two concepts. One approach, namely the *unemployment push, or a refugee effect*, proposes that the choice to become an entrepreneur is a reaction to being unemployed and

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[16] Working in a cobblestone laying, hair trimming, daily laborer and other menial jobs

cutting hope for future employment opportunities. It is also known as "*income choice theory*", which suggests that the rise in unemployment leads to rising start-up activities. The high level of unemployment encourages more people to start their own enterprises. Thus, according to this view, there exists a positive correlation between entrepreneurship and unemployment. Another approach, namely "*entrepreneurial effect*", suggests that entrepreneurship contributes to the reduction of unemployment by its virtue of creating new enterprises (ibid.). The individual decision to start-up their own enterprises will decrease the unemployment problem at the macroeconomic level. It has been argued that unemployed tend to hold lower level of the human capital and entrepreneurial endowments essential to begin and establish a new firm, indicating that a high degree of unemployment is related to a low amount of entrepreneurial undertakings (Arzeni and Mitra, 2008). A low degree of entrepreneurship may be also be an outcome of a low rate of economic growth, which also points to higher level of unemployment (ibid.).

Understanding the correct correlation between unemployment and entrepreneurship is valuable for policy makers, as they decide if, and how, to stimulate entrepreneurship as they endeavor to reduce unemployment (Thurik et al, 2008). In this thesis, I would clarify the attitudes of unemployed graduates towards a business startup in MSEs, which would be of importance for intervention by the concerned bodies to search for ways for overcoming or reducing the graduate unemployment problems. These approaches are also valuable to document whether unemployment is pushing young graduates towards a business startup in MSEs or not.

5.7. Entrepreneurship through MSEs

"*Historically, entrepreneurship is one of the oldest activities. To discover or identify new business possibilities and to exploit these possibilities in new ventures for economic gain has always been important in human life*" (Landstrom, 2005:3-4). At the beginning of the 21st century, youth entrepreneurship became one of the main attention of public policy. When the wage economy fails to meet the aspirations of young people, entrepreneurship was considered as another vital opportunity (Arzeni and Mitra, 2008).

According to Murata (2014), comprehensive economic growth could be attained by changing the job interests of youth towards a prospective private sector, which is a vibrant source of employment

for many rather than putting hopes only on the overloaded public sector. Tesfaye (2014), pointed out that, in the face of worsening unemployment problems and economic crisis, MSEs were identified as a fundamental solution through providing employment opportunities for many in Ethiopia.

What matters most for the promotion of MSEs in their contribution to job creation and economic development is not only that of availability of financial resources and social-political environment, but the attitude of people matters so much (Aremu and Adeyemi, 2011). Besides, according to Organisation for Economic Co-operation and Development (OECD) (2013) factors such as the culture of entrepreneurship, regulatory framework, entrepreneurship capability, market conditions, and access to financial capital, creation and diffusion of entrepreneurship knowledge influence the foundation of new ventures and are important in the creation of enterprises.

5.8. Role of Entrepreneurship based Education in MSE Development

Entrepreneurship based education and business knowledge can influence entrepreneurial intents only if they alter central perceptions and attitudes such as perceived entrepreneurial self-confidence and perceived interest in self-employment (Iqbal, Melhem, & Kokash, 2012). There is a view that entrepreneurial know-hows can be achieved through formal education and training which supports to obtain thoughts, talents, and psychological awareness to be practiced during the course of beginning and developing their projects (Isaacs, Visser, Friedrich, and Brijlal, 2007). Thus, educational institutions can play a significant role to advance and develop the entrepreneurial habits and orientation of the people through equipping them with necessary skills like; inventiveness, training to create jobs rather than waiting for other employing bodies, making them able to use entire opportunities through necessary awareness creation activities, locus of control, and provide research to reach others in the society (Emmanuel, Adejokel, Olugbenga and Olatunde, 2012).

Currently, Entrepreneurship Education and Training (EET) is gaining popularity due to interests by key stakeholders like policymakers' motives towards job creation, the interests of students that seek new opportunities given the number of jobs available are few compared to the number of graduates, and interest of education institutions to satisfy policymakers and student market through offering courses (Valerio, Panton and Robb, 2014). *"EET represents academic education or formal*

training interventions that share the broad objective of providing individuals with the entrepreneurial mindsets and skills to support participation and performance in a range of entrepreneurial activities" (Valerio et al, 2014:21). It is documented that, competency for entrepreneurship can be obtained through formal education and it can help an individual to gain concepts, mental awareness, and skills that are relevant to start-up and develop a new venture (Srinivasan, 2014). The entrepreneurship education is trusted to equip individuals with valuable training, expertise, and experiences that are important to utilize entrepreneurial opportunities. The government of Zimbabwe, for example, offers entrepreneurship education across tertiary institutions with the objective of enhancing the graduates' innovativeness and creativity after the country faced the rising level of unemployment (Mauchi et al., 2011)

Entrepreneurship is not bounded to any age category, class, religion or community. Any individual who has positive attitudes and behavioral characters can become an entrepreneur (Gordon and Natarajan, 2009). Individuals endowed with better human capital are thought to have a higher opportunity of acknowledging, and exploiting new chances (ibid.).

The higher education sectors, particularly universities have been condemned for not educating the youth for skills valuable in Africa (Soni, Hay, Karodia and Shaikh, 2014). Educational institutions were requested to promote entrepreneurial learning. They have to deliver entrepreneurship education based on sharing the experiences of real-world entrepreneurs at various levels ranging from local to multinational level. They have to provide not only knowledge but also diverse practical skills that can overcome the disparities between labor supply and labor demand (Laura, 2014). In my study, to address the point about how much knowledge does the young graduates have acquired through their formal education regarding job creation in MSEs, this section provides a useful basis.

5.9. Supportive Environment for Job Creation

The entrepreneurship process is unquestionably influenced by the environmental factors surrounding it (Bull and Willard, 1993; Gnyawali and Fogel, 1994). The environment can be supportive, or it can provide difficulties. According to Bull and Willard (1993), if the social environment values entrepreneurship, then individuals will most likely be stimulated and feel

capable of starting a new venture. Gnyawali and Fogel (1994), indicated that in addition to the social environment, knowledge, and skills, as well as various opportunities available, are determinant factors in the development of an entrepreneurship process. Environmental conditions shape the beliefs and attitudes of people, which in turn shape their views, perceptions and behavior towards entrepreneurship (Raimi, 2015).

According to Tesfaye, 2014, unemployment problem among Meserak TVET College Graduates in Addis Ababa is caused by lack of sufficient counseling and guidance services to the concerned graduates to utilize MSEs opportunities, society's poor culture and bad attitude towards MSEs jobs, absence of timely business oriented study, weak connection between teaching and employment institutions, and lack of adequate support provision to graduates from their previous institutions on entrepreneurial knowledge.

The governments can influence the entrepreneurial environment directly or indirectly, either providing support or becoming obstacles (Minniti, 2008). The institutional setting in which the entrepreneurial decisions made is influenced by the government policy. The policies of government frame structures of institutions for entrepreneurial undertakings, inspiring some actions and depressing others (ibid.). The desire and capability of starting a new venture may be further improved if there is no hurdle for potential entrepreneurs during the start-up process and if the potential entrepreneurs are assertive that outside support could be found easily when essential (Gnyawali and Fogel, 1994).

5.10. Analytical Approach

- **Analyzing the research question one: '*What graduate unemployed youth are qualified for and how do their job search experiences look like in the study area'?***

This thesis will analyze the job search experiences of young graduates. The human capital theory and school to work transition concepts are used to analyze the first research question.

- **Analyzing the research question two: '*How do the graduate unemployed young people experience unemployment'?*

This study analyzes the nature of graduate unemployment in the study area, the lived realities of unemployed graduates and their aspirations by taking into account important concepts such as social exclusion, human capital, unemployment and entrepreneurship.

- **Analyzing the research question three and four: '*What are the opportunities and barriers to business startups in MSEs'? And 'What are their attitudes towards business startups in MSEs'?*

MSEs are considered as a natural home of entrepreneurship for their potential to create a lot of jobs. If so, why unemployed young graduates do not chose MSEs as an option and live unemployed for undetermined period of time? I shall analyze the opportunities available for business startups in MSEs and barriers that block young graduates from using those opportunities in MSEs. Concepts, such as unemployment and entrepreneurship nexus, entrepreneurship through MSE, the role of formal education in promoting MSEs, and supportive environment for job creation are used to identify the opportunities and barriers for business startups in MSEs. And the same concepts used to address the last research question which is looking at their attitudes which can be negative or positive towards business startups in MSEs.

5.11.Summary

This chapter gave an explanation of the theories, concepts and literature reviews used for the study. Human capital theory is discussed to look at the skills that graduates in this study acquire based on their investments in education. Concepts such as school to work transition, social exclusion are used to look at the job search experiences and unemployment experiences of young graduates. At the same time, this chapter presented reviews of literature relevant to look at the attitudes of unemployed young graduates towards a business startup in MSEs including youth and hope in the contemporary era, unemployment and entrepreneurship nexus, entrepreneurship through MSEs, the role of formal education in MSE development and supportive environment for job creation. The analytical approach describes which theory, concept and literature reviews are employed to analyze the research questions of this thesis.

CHAPTER SIX: JOB SEARCH EXPERIENCES

6.1. Introduction

This chapter elaborates the job opportunities in the study area, the challenges and experiences that young graduates encountered while searching for a job. The issues covered in this chapter attempts to answer the first research question, 'What graduate unemployed youth are qualified for and how do their job search experiences look like in the study area'?

6.2. Job Opportunities

The data gathered from FGD, semi-structured interviews and elite interviews revealed that, in Sodo town job opportunities are provided by several public and private institutions ranging from governmental offices, government colleges, Wolaita Sodo University[17], Non-Governmental Organizations (NGOs), community-based organizations, and numerous schools ranging from the primary to higher education levels. Various investors working on diverse developmental projects also provide a number of job opportunities ranging from *white-collar* jobs to menial jobs for job-seeking individuals. According to the elite interviews, MSEs are now seen by the government as one of the several job opportunities in the area. This is also confirmed by the data gathered from the research participants during FGD and semi-structured interviews. As I am an *insider* and as per my knowledge, in town, there are no large and medium industries that host the rapidly growing amount of the labor force. Besides, there are public sectors, NGO's, industries, as well as private institutions that offer many jobs in other parts of Ethiopia, but the issue of ethnicity, and language were used as a mechanism of excluding outsiders, as some of the research participants stated during FGD. Several of my male research participants in both FGD and Semi-structured interviews argued that there are several of their relatives and friends with diploma and degree from Sodo town that are working in different *white-collar* jobs in other parts of Ethiopia, particularly in jobs that are not requiring local language skills, such as teaching professions which requires English language, and also in public or private sector jobs in the federal government bureaus and other parts of Ethiopia where the working language is *Amharic[18]*. Mains (2012) argued that, in Ethiopia, those who have completed a four-year university degree are commonly able to find a professional, better-paid job in the field of their preparation. However, today this is no longer the case. The public and the

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[17] A public university in Ethiopia established at Wolaita Sodo in 2007
[18] Working language of the federal democratic republic of Ethiopia

private sector alone cannot absorb a high number of employment seekers nowadays. One of my research participant during interview, who completed a four year university education and has been at home for more than a year now, narrated how hard it is to get a *white-collar job* for young graduates today. This finding is in conformity with the study of Moleke (2010) which argues that for some of the African graduates it takes a longer period and may be more than a year to find a job. As per my knowledge about the study area, such cases are in fact common. Finding the work of their desire is difficult for many irrespective of whether the individual graduates in a three year education or more from a college or university.

6.3. Hunting a Job after Graduation

In Ethiopia, after successfully completing a college or university education, it is common for a majority to have a ceremony concerning a graduation by inviting relatives, friends, neighbors, and churchmen. However, some do not want the ceremony because they are worried about the messy world where getting a *white-collar* job is very challenging and they want to make the graduation ceremony after securing a job they desire. Furthermore, during an interview one unemployed also disclosed that he wanted to extend his stay in university without graduating, given that education is free and the government provides dormitories and food in the form of cost-sharing arrangement for a public college or university students. He said that, *"I know that I will experience unemployment. What I have tried to do is delaying my graduation time by failing in one course intentionally. But unknowingly, I passed all the exams and graduated. What is happening in my life is the thing that I have feared during my campus life."* (J, Male). The data from FGD also suggest that most of the research participants wish to go back to their previous school life rather than struggling with the challenges of finding a job or starting own business after making a successful graduation.

Generally, after a short rest with family and relatives after graduation, many youth say hello to public and private sectors for information's regarding professional jobs and looking for vacancies; some just drop their Curriculum Vitae and cover letter hoping a future vacancies; some remain home and follow information regarding jobs from their friends regarding vacancies or allow their siblings to follow up new vacancies; and still others do not do anything and do not know how to proceed to get the jobs fitting their qualification as the data from interviews and FGD shows.

According to the research participants, in Sodo town, job vacancies are searched for through looking at the walls and electric poles around streets of the town, listening to at the various advertisements through media, such as television and radios, reading the newspapers available in the town (such as 'Ethiopian Reporter', 'Addis Zemen', 'The Ethiopian Herald'), diverse magazines, browsing the internet, and giving a phone call to friends and previous classmates to know about information concerning jobs fitting to their qualification. As per the data from interviews and FGD, the job-search experiences employed by my research participants to the most degree falls under 'exploratory' and 'focused' job search strategy (Stevens & Beach, 1996). However, as some of the research participants revealed during interviews and FGD, they are searching for vacancies to get hired in any public sector or NGO with any type of job whether it is related to their qualification or not. As they stated, their main aim is economic independence. In this case, the job strategy followed by some of my research participants closely falls under 'haphazard' job search strategy (ibid.). Hence, the three job search strategies discussed in the theory section are employed by my research participants and found useful.

As the interview with my research participants reveals individual ownership of resources plays a role in the job searching process. It has been observed that many of the research participants were unable to afford internet access to keep in touch with new updates of vacancies, and to buy newspapers as well. Besides, following up a new vacancies advertisements in Television and radio is unaffordable to many unemployed. This finding is similar to the study by Dale (2014) on *unemployed experiences of youth in Addis Ababa*, which indicated that unemployed youth cannot afford to buy newspapers, read books, radio, and television and cannot pay for an internet access, which are important for their job search processes and valuable for their personal development as well. In this study as the data from interviews and FGD reveals, those that lack such information from various media said that they depend stringently on vacancies posted on the walls and electric poles in town. As per my observation during my day to day walks through the town, it was surprising that there was no notice board for vacancy announcements. I learnt that the way vacancies announced in streets and parts of the town had opened the door for corruption and illegal removal by first-time viewers. Some of the research participants revealed that there is a fear that first time viewers do not want others to compete for the job vacancies and they remove vacancies during night time. Regarding corruption, some of the research participants in interviews revealed

that some authorities do not post a vacancy when they want to do a favor for the one that gives bribes, or, by another sort of affiliation. The pictures in *figure 2* (Field picture, July 2015) below indicate the way job vacancies are announced in the town.

Figure 2: Vacancies announcement on the electric pole and wall in Sodo town

This all comes after completing a demanding university or college education and the young graduates encounter the strains and hassles of searching for a *white-collar* job and being turned down by another candidate. This stage is a critical turning point of transition from school to work. Only a small number succeeds and many are pushed to turn back after trying many applications, and getting rejection after rejection. One research participant during an interview said, "*When I fail after competing, I feel hopeless and it seems to me the end of the world*" (B, Female). It should, however, be stressed that the transition from school to work is not a single step and a linear process as some young graduates may assume. Wolbers (2003), mentions it as an indeterminate and a turbulent period. School to work transition is bumpy for many. The job searching period mixed with worries and confusion harms the future employment aspirations of educated youth, and results in loss of knowledge acquired through a formal education, which is also discussed in the next chapter under the section *costs of graduate youth unemployment*.

Wolbers (2003), argued that lack of work experiences force many into unemployment. This is confirmed by my study too. As per the data from interviews and FGD reveals, for some vacancies, lacking experiences made them rejected from competing or removed during the initial screening phase when they compete for professional jobs compared with those who have already collected a

variety of experiences. I have observed that most of the available vacancies posted on the walls and electric poles, newspapers and various websites in Ethiopia demand at least 1-2 years' experience from recognized institutions, which boldly excludes graduates affected by the prolonged unemployment. Some fear the future that there will be a stock of educated people with higher qualifications than theirs and they argued that job vacancies and some trainings as well as supports also sometimes prioritize individuals with experiences that also exclude long-term unemployed from the game.

Moreover, there are a number of private institutions with their business intention rather than human resource development with quality that provide education up to master's level and they are proliferating from time to time. One research participant, said,

> *"Due to the existence of some profit oriented private education institutions that are just selling diplomas and degrees of any type to get money to anybody that wants their diplomas and degrees and because of many people that own forged documents easily from different bodies, the issue of quality and long-term education is losing its relevance"* (N, Male).

This case suggests the existence of private institutions selling a certificate which demolishes the quality and relevance of education. As per my knowledge, currently the Ethiopian government is also aware of the fact that the quality of education is deteriorating from time to time in the country, and believes the proliferation of private schools as a cause. As previous studies in Nigeria indicates, Nigerians had not achieved the benefits they anticipated through education (Olaniyan and Okemakinde, 2008). They warn Nigerian parents not to inspire their relatives or offspring to buy the educational certificates. As per my data I would argue that there is low education quality in some public and private institutions. Becker (1964) argued that low standard of education results in a poor return on investment in education. The other thing is that those already employed, earn an extra education from those mostly business-oriented private colleges and universities with the grades they want, they know more people, and compete with young graduates with no work experiences for professional jobs and possibly win the vacancies. Many of the unemployed young graduates feel burnt and powerless on such occasions and crave a system that critically scrutinizes the actions of existing private colleges and universities. The research participants during FGD disclosed that some of the government officials and civil servants were employed with forged documents and many others bought their diplomas and degrees from private institutions. Due to

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this, according to some of the research participants, some of the officials were not willing to take serious actions on profit centered private institutions with quality problems and individuals preparing forged documents.

Moreover, to compete for the job opportunities in other remote areas, most of the research participants during interviews and FGD said they cannot afford the transportation costs, because the family is not willing to cover it, particularly if they have a history of failure after competing for a vacant post and if the place is far from their home that asks a large amount of money, particularly for female graduates. Moreover, some of the research participants said they lack information if they have no friends there or if the vacancies are posted only on the local notice boards. And those married unemployed research participants found that far away locations of a working place was not feasible because it separates them from their *households*[19]. And those unmarried female graduates, in addition to the difficulty of fulfilling the transportation costs, being a female have also blocked them from searching jobs in other locations because for a female graduate to go to other locations alone for the job search is not acceptable by the community norm. As per my positionality, I am an *insider* and the view of the community is that, if female graduate migrate alone to the far away locations in Ethiopia or elsewhere, they may be a subject to a sexual harassment and face a challenge that male graduates do not. As per the data from FGD it has been observed that, unemployed female young graduates are less mobile when compared to the male unemployed graduates. Though, female graduates were given an affirmative action during the job hiring process in every sector, they face a tough competition and many remain unemployed. The data from interviews and FGD shows that female unemployed graduates do not plan to migrate some remote areas for jobs because of their gender. This shows that with other elements such as education quality, experiences, field of study and structural factors, gender is also playing a tremendous role in female employability. Almost all of the research participants said that the idea of thinking about a business startup in MSEs mostly comes when they cut hopes of finding the *white-collar* jobs.

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[19] A single unit comprising husband, wife, and offspring's under the same roof.

6.4. Important Factors for Employment in White-Collar Jobs

The study findings revealed factors that matters most to get professional jobs and other supports for business startups in MSEs for graduate young people. I am aware that there may be other factors, but my presentation is confined to the fieldwork data.

6.4.1. Human Capital

Becker (1993) indicated that investments in education increase the chance of an individual to get employment. All of the research participants in this study have invested in long-term schooling. According to the data from both interviews and FGD, graduating from a college or university is important to get *white-collar* jobs. An interview with elites also confirms this. However, all of the research participants suggested that the graduates of public universities are luckier than the graduates from both private universities and colleges. According to them, the field of study is also very important here. Ethiopian government introduced a policy which is aimed to shift the balance of academic fields in all public universities away from the social sciences and humanities towards the subjects related to the sciences and technology on a 70:30 basis in 2008. The formulation of this strategy is based on an assessment that graduates of human medicine and engineering generally have better job opportunities than graduates in the social sciences and, in some cases, the natural sciences (United Nations Economic Commission for Africa (UNECA), 2011). Currently, according to the data from interviews and FGD the graduates from business and economics fields, information technology, human medicine, and engineering are relatively luckier than others, such as other natural sciences, veterinary medicine, social sciences, and humanities. Some of the research participants argued that although the intensity differs, the graduates from any field of study from a college or university face a certain degree of unemployment. One of the research participants, said, *"Particularly for college graduates, graduation with diploma means unemployment, if a person is poor in social capital, no vacancies can be available, and there are a lot of further steps, like a certification of competence[20] (COC) examination which is nearly impossible to pass without corruption"* (K, Male). Most of the graduates with a diploma from colleges are further requested to sit for COC exam, which is supposed to measure the quality of their certificate received. One of the research participants during an interview said, "*I know a lot of people that bought a forged*

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[20] Testing of college graduates competence which is mandatory to get jobs or continue further education in Ethiopia

certificate that shows they have passed in a COC and gone to other areas to work but identified and arrested" (I, Male).

Some of the research participants also indicated, it is nearly impossible for many to pass COC examination without giving bribes and without having a relative that can help through the process. I would argue that COC exam can be indicative that the government knows that the quality of education is spoiled and does not seriously control the quality issues in private as well as public schools, with the intention to make reports that show that there is an increment in the number of literate people as well as graduates with college diplomas or above.

Becker (1993) highlighted the relevance of various trainings and education to compete in the labor market. However, some of the research participants during FGD argued that the educational system does not provide them with skills required in the current labor market. Contradicting the study by Dale (2014), which described that young graduates do not believe the education quality as a cause for their unemployment status, the research participants in this study during interviews and FGD repeatedly mentioned the quality problems by stating that the education system still follows the traditional method of '*chalk to board*' teaching method without focusing on the practical skills. Many of them revealed that they, in fact, lack practical skills for a business startup in MSEs such as construction, electronics, animal fattening, as well as poultry and others, which needs practical skills.

Human capital theory equates the investment in a human capital directly to earnings (Desjardins, 2014). As the data from FGD revealed it is not only their academic achievement that matters to get various jobs suiting with their qualifications, but also various connections like clan, politics, religion, and etc. are important. Most of the institutions, particularly the public sector is politically bounded, implying that being an active member of the ruling party adds more weight to get a *white-collar* job, even without competing with others. This idea is also confirmed during semi-structured interviews. One research participant during the interview, argued,

> *"When election come, government hires everybody to get votes and make news regarding creating jobs for many and to report that the unemployment rate is decreased. When the election has already passed, then most of the officials forget their responsibility and not*

willing to hear the voice of unemployed graduates. But active members of the ruling political party have always given chances for the jobs they need" (J, Male).

This quote indicates that being loyal to politics is viewed as a sword that separates those that get the jobs they desire and those that are rejected and supposed to try their own means. One of the research participants also added that "*the son or relative of top officials are trusted and sometimes assigned to top positions that do not fit with their qualifications and experiences. They are not asked to submit a Curriculum Vitae, sit for a competence based examination or start own businesses in MSEs. They were given a good job*". From the quote it is clear that structural problems are blocking many young graduates from getting employment.

The unemployed graduates repeatedly showed the importance of relative's role in the employment process, most of them say, '*I have no relatives*' from the top officials, as a cause of their unemployment. My research participants during FGD revealed that people get surprised if the son of top officials or their relatives do not get jobs immediately after graduation. Even insulting and calling a person charged with authority as '*powerless*' is common. I would argue that such trends push authorities towards corruption rather than supporting them to follow the established guidelines. There is also *Amharic* proverb, "*seshomut yalbela sisherut ykochual*", which literally means, those who do not build their financial capital for personal benefits while being elected and serving as a top official will get worried and distressed if they get demoted or dismissed without obtaining it. Such proverbs have no use rather than instigating corruption. If the authorities strictly follow the guidelines, they may avoid bias, but they are not accepted by their relatives and friends and get rejected as well, or called as a '*fearful and powerless*' and not living for his own relatives and family and they even be segregated. Such trends are common in the study area and might have an impact on those responsible for coordinating MSEs, and may open the door for biases and wrong doings.

The data from FGD also indicate a family background as a determining factor in the process of finding the desired employment. This is contrary to the earlier studies that concluded that family, relatives and friend networks and religious connections are not found to be important in the job

search process (Serneels, 2004). However, in this study, the research participants put more weight to those factors rather than their qualifications and grade point averages.

Most of the research participants disclosed that they are craving to use any means, including illegal ways and networks to get professional jobs. I found that, some of the unemployed graduates are criticizing those they think are holding the post through the wrong ways, but at the same time, they are willing to follow the same path by arguing that unless following the wrong paths like corruption or any peer or illegal networks, getting a *white-collar* job is nearly impossible. The importance of authorities in power during the job searching process to unemployed individuals in the form of social leverage is discussed (Perttilä, 2011). I would argue that the illegal supports that put some others in a weak position should be avoided, because such works kill the next generation, and if such a thing continues, I can say, it is near to see in the country and the emergent "lost generation" of Hemingway's, "beat generation" of Ginsberg's, and "ruined generation" of Nanping (Hayek, 1997 cited in Yu,2004:8-9), "Lost generation or youth in crisis" of Mains (2012:163). The current trend in the study area shows the existence of a blaming and seeking generation of youth.

6.4.2. Personality
Personality may refer to the character and habit of a person that have an influence on the individual's acceptability by own friends, neighbors and community. As revealed from the FGD and elite interviews, if an individual is sociable and not addicted to alcohol, then community leaders may recommend that individuals get support for a business startup in MSEs or prioritize for any benefits in their locality. Those who spend their time while chewing *khat* and addicted will not get trusted by their family, neighbors, communities and government bodies as well. They will not be given recommendation letters which are important to ask for getting support for job creation in MSEs from their local administrations.

ILO (2006), argued that the limited accessibility of jobs that hosts fresh entrants from the higher educations to the labor market, can best express the situation of educated youth unemployment. This is confirmed by the data obtained from FGD in this study, which indicated bad governance, limited availability of *white-collar* jobs that suit their qualification, and the young graduate's strong desire for jobs suiting their qualification as factors contributing for a graduate unemployment.

6.5. Youth Expectations and Current Realities

"What I know in previous times during my primary school is that those educated youths look smart, clean and get employment immediately whether they graduate from college or university. They are respected and have a recognition. That was around nine years ago. But today, the employment chance is much narrowed for many young graduates and respect based on the educational achievement is totally forgotten from the society." (L, Male).

The above argument expresses that younger individuals are comparing their current realities with that of previous generations and feel confused with the current life realities, which as Cole (2007) points out, thinking to apply certain practices of previous generations to current situations is always difficult. In Ethiopia, during the period of the Derg regime (1974-1991), a government employment is guaranteed through a post-secondary education (Krishnan, 1998). The shift from socialist centered Derg regime to market based mixed economy of the EPRDF regime played its role in the expansion of schools, but made the transition from school to work very problematic (Dale, 2014). Grounded in the practices of previous generations, youths in developing countries who complete their schooling have specific expectations to get jobs instantly after competing schools (Jeffrey, Jeffery and Jeffery, 2008). However, due to political, cultural and socioeconomic changes such trends are not existing and negotiated today. The current EPRDF (post-1991) regime does not guarantee employment with post-secondary education, and there is no employment guarantee for any graduate with any education level. Denu et al (2005) mentioned that, despite the economic improvements, school expansion and access to education at all levels, the privatization efforts have placed the employment guarantee to an end, even to the university graduates.

6.6. Summary

This chapter has discussed various job opportunities and hassles facing young graduated to find the jobs of their desire. It is found that opportunities to get professional jobs are limited for many young graduates. Human capital, personality and other issues are identified as important factors to get professional jobs in the study area. It is also indicated that school to work transition is an uncertain for most of the young graduates.

CHAPTER SEVEN: LIVING UNEMPLOYED: A LOT OF COMPLEXITIES AND COSTS

7.1. Introduction

This chapter attempts to answer the question about how youth experience unemployment after graduation. Based on the fieldwork data, I will discuss the nature of graduate youth unemployment, unemployed youths' ways of spending time, their coping mechanisms and costs of graduate unemployment. This enables to address the research question, 'How do the graduate young people experience unemployment'?

7.2. Nature of Graduate Youth Unemployment

A certain duration of unemployment has become common in the move from school to work. In Ethiopia, individuals waiting for professional jobs account for much of the openly unemployed (Denu et al, 2005; Guarcello and Rosati, 2007). In the study area, the labor force is greater than the amount that the economy can host.

As per the data from my research participants during FGD, unemployment experiences of young graduates are not homogenous. The unemployment experiences of young graduates in this study differ based on their qualifications, social networks, personality, family background, unemployment duration, marital status and gender. Previous studies also documented that unemployment experiences vary substantially depending on a range of issues such as, the individual's age, sex, social support, income, cause for job loss, commitment to work, satisfaction with prior work, the hope of returning to the occupation and duration of unemployment (Ezzy, 2001:7).

The FGD has shown that, for young graduates who do not get jobs that suit their qualification immediately after graduation and waiting for them, the chances of obtaining such jobs were decreasing from time to time because the periods of unemployment are considered as the period of wasting one's skill by the employers that demand either the valuable experience years in a professional job or need only the fresh graduates, which excludes graduates who stayed more than a year in home. According to Eriksson (2002), employers may find some unemployed persons as less attractive to employ than employed searchers for the reason that they have lost the skills and talents. This is confirmed during interviews with unemployed graduates in this study. All of the

research participants during an interview said that unemployment reduces their hope of getting jobs as per their human capital.

7.3. Passing of Time

On June 18, 2015, one of my friends introduced me to one graduate youth, who participated in this thesis, while he was playing table tennis on the side of the road on my way to the Sodo town municipality, while I am going there to look for a reference material written on the history of Wolaita Sodo town. Fortunately, I got the material that I wanted from one of the staff working there and stayed there for around an hour while introducing the research objectives to official's working there, and sharing a cup of coffee with them. Then I left there and ate my lunch. Then after lunch, I took a rest for an hour in my friend's home. After that, I departed from my friend and visited a public library in the town to search for relevant books for my research for 2 hours. After spending around more than 4 hours, I got the material I wanted, I ate my lunch, and I have referred to a lot of books in the public library. Then after, on my way of returning back to home through the same road, I saw the young graduate that my friend has introduced me to 4 hours earlier was still in the same place while playing table tennis. I greeted him again and asked, hello, my friend, how was your day, and are you still playing it? And he responded, "*The day was very boring, I have no job and nowhere to go. That is why I am still here.*" (H, Male). Mismanagement of time is common among most of the unemployed graduates as per the majority of the research participants revealed in this study. The female unemployed graduates in the study vowed that they are much stressed because they spend most of their time at home and near home. They are more stressed than other categories of unemployed graduates in this study. One of the research participants, said,

> "*I can't go everywhere. I spend almost all of my time at home. My husband controls my every affair. My husband is my state. Even to visit my family, first I let him know and ask permission. Lack of earning income after education placed me in a weak position. I have no power in my own family and over our daughters*" (D, Female).

This feeling of helplessness and powerlessness is common throughout most of the research participants. Some of the male graduates said that, chewing *khat* is important to kill time. Chewing *khat* is used by many male unemployed graduates as a mechanism to pass time and forget bad memories about their living conditions. After chewing *khat* it is normal for them to drink alcohols

and smoking cigarettes. During the interview, one of the research participants, said, *"I have nothing to do, no place to go, but I have to enjoy myself through chewing khat unless everything gets boring for me"* (I, Male). But where does the money come from? Was the probe followed, and he said, "*Everyone invites each other. We get money from family or friends, and other networks because Khat needs a group in order to get pleasure from it* (I, Male). This finding sounds similar to the work of Mains (2012). He examined unemployed people who have at least secondary education as pass most of their time while chewing *khat* and sitting with the barbers, shoe shines, and petty traders. As the data from interviews and FGD as well as observation reveals most of the male research participants spend their time by visiting small cafeterias and drinking tea or coffee at low cost from petty traders; going to video houses to watch different films and videos made in home and abroad; going to nearby small shops and cracking jokes with shopkeepers by standing there; sit-down with self-employed shoe shiners on the side of streets; going to their friends working in a small businesses and thereby sitting or standing with them; play different games like table tennis and foosball which is most of the time located near the side of roads; and pools. Their living is worsening from day to day as the unemployment is becoming permanent and they are befuddled with their life decisions.

As per my knowledge about the community studied, the view of society towards unemployed males and female was highly gendered. If people see a man and woman together on the street, they perceive that they are in love and general affection or a sexual relationship. Due to this cultural norm, in a café too, it is not too common to see the mix of female and male in groupings. Thus, consumption and recreational activities are highly gendered in urban Ethiopia. It is for this reason that, unemployed young male mostly seen on the street while hanging out with a collection of male individuals and females can be seen with their female unemployed groups. This is confirmed during FGD.

In urban Ethiopia, particularly near to the colleges and universities, it is common to see *khat* houses and video houses, and currently *shisha houses*[21] are also becoming common in different parts, and during school time a number of students use those places in addition to pool houses, table tennis, foosball games as their recreation center. Such activities continue for many young males, even after

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[21] Houses where people smoke tobacco, which is mixed with sugar or fruit through a tube.

graduation. Currently there is government action of banning the *shisha houses* to save youth from bad influences resulting from it, but still many *shisha houses* are providing their services and *khat* houses are considered a normal business in the town. As per my observation there are *shisha houses* and *khat* selling houses in the Sodo town near to the Wolaita Sodo University and other parts of the town as well where some of unemployed young people use to pass their time. The *figure 3* (Field picture, July 2015) below shows the burning of the tools of shisha in Sodo town by government to ban its use.

Figure 3: The burning of shisha utensils in Sodo town

Some of the research participants during FGD indicated that their first exposure to unemployment after graduation resulted in confusion, shamefulness, depression and moral degradation. One research participant said,

> "*When I compete with the hope to get employed in the professional jobs and rejected, again and again, I cry. Always I cry even in my dream. How brutal it is to live without a job?*" (B, Female).

7.4. Community Actions against Time Mismanagement

On the front wall of the small shop where I regularly bought various products there was a poster containing the message in *Amharic, "Yale Sira Mekom Kilkil New"*, which means "it is prohibited

to stand here without work", and in a beauty salon where I regularly go for hair cut "*Yale Sira Mekemet Kilkil New*", which means the same as "it is prohibited to sit without work". Both quotes are unattributed, and I know what these quotations were chosen to display, i.e. most of the unemployed young people come to those places and want to pass their time there, while playing some games available there, joking with each other, and tossing jokes even on customers. Those who own the hair salon and small shops were worried about their workspaces being overcrowded by those youths without any work and decided to display such posts. Related posts are common throughout the town in small restaurants and cafeterias where many young people, particularly male unemployed graduates with no jobs occupy the spaces available for more duration than that of the restaurant owner's interests. Sometimes restaurant owners order them to leave the place. These indicate that there are a lot of people who want to spend a lion share of their time while sitting or standing somewhere without a job, but in a way that affects those doing a business. In my study, this is particularly identifiable for unemployed graduate males.

Those unattributed quotes give a strong message to those people who want to pass their time without a job. I think that they initiate unemployed youth to start own businesses of any type, rather than being without work, especially during working hours. It is common in Ethiopia, even during working hours, not one, but more and more people can be seen in cafeterias while sipping local coffees or teas, or walking on the street putting their pockets in their trouser with holes and struggling to kill time. Other studies also documented previously that killing time is very common, particularly among urban unemployed males (Mains, 2012).

7.5. Coping with Unemployment

Unemployed youth worries constantly and feels insecure about their future until they secure their interests, which is finding a job with a good payment. As John Lennon, quoted in Solt and Egan (1988:75), "*Work is life, you know, and without it, there's nothing but fear and insecurity*". If there is no job, it is difficult to plan for the future, to think of the future, everything becomes uncertain, and life becomes filled with tension, particularly in developing countries. Employment not only provides an income and production, but also recognition (Sen, 1975). During schooling, as most of the research participants during interviews and FGD said they made many friends, but now they argue that they lacked that status and miss all those good times. One of the research participants

during interview indicated that, "*My parents are illiterate. I am everything to them. They call me as a doctor, teacher, scientist, or everything good. When I stay home, they always cite those employed friends of mine and always say when do you start working? For that reason, I do not want to spend my time with them, I just spend my days with a lot of unemployed friends, and they always invite me to chew a khat. I feel secure being with them. This is my everyday life*" (J, Male).

This case suggests unemployed graduates feel secure when they spend time with other unemployed young people around. This is in conformity with the view of Clark (2003) which argues unemployment hurts less when there are unemployed people around.

All of the research participants during interviews and FGD say that it is difficult to be unemployed even for a short duration. One of the research participants said,

"*Sometimes people quote the Holy bible and say do not worry about tomorrow, do not worry what to eat, drink or wear because Heavenly Father knows your needs and destinies. They cite birds as examples: birds do not sow, reap or store, but heavenly father feeds them. I believe in the Holy Bible, but I think, people have a stronger love for birds than for their fellow human beings, because if I act as a bird and going to eat from somewhere without asking the permission of the resource owner they will beat or kill or accuse me*" (O, Male).

This case suggests that some individuals in a community or religious leaders advise and consult the unemployed individuals not to be worried or deprived because of their current situation or until they occupy the job of their desires, but unemployed young graduates show their anger towards their status and worried always because of unemployment.

Most of the unmarried male graduates said their reason for being unmarried is economic and related with the problem of unemployment. One of the research participants said: *"I am still living at home with my parents, and very, very, very lonely, depressed, shamed, bored, in debt, wish to marry but cannot because no money, blocked at home because no money, I am without hope" (Q, Male).* As a matter of fact, nowadays, most of graduated young people live with their family in their ages of mid-twenties and thirties. This finding is also in conformity with that of Mains (2012), study in Jimma town of southwestern Ethiopia. Their life decisions about having a spouse, marrying and

starting their own family are put off until they get a good income. In this study, one of the research participants said that, "*I wish I had never educated. Because people respect you not because of your education, but financial capital you have*" (O, Male).

Most of the unemployed graduates in this study indicated that the degree of family support is a necessity during these hard times. Most of them say that parents are good friends during bad times, and many others forget you. But still many have doubts and strong feelings of guilt due to their dependence on parents. The family continues to provide financial support, not because they have enough cash or money in their hand but continued to sell their resources such as land, cattle, and other assets in order to overcome the deprivation that caused unemployed young graduates. One of the research participants expressed, "*I was supposed to help my family, younger siblings, and also relatives, and they also expected the same from me, but the reverse was happening. Still, I am looking for their help. This is the boring part in my life. Still, I am in the hands of my parents for my every expense*" (M, Male). For acceptable activities such as cutting hair, going to a beauty salon, watching a soccer, to buy soap for washing clothes, to attend some social activities with their friends, the unemployed graduates ask their parents or brothers and sisters to provide them with money, but most of the unemployed males said, they invest money on sharing with their friends on mundane activities such as buying a bundle of *khat*, coffee, meals and drinks. Some have also an intention to be seen by others while supping expresso in a café. Most of young people are reliant not only on their parents, but also friendships and gifts from others. Some also disclosed the support provided by their former classmates, employed brothers and sisters to buy bundles of *khat* and coffee. In my probes, I asked whether they felt ashamed because of their unemployment status after graduation. They said they feel shameful, and they want to escape or go somewhere rather than sitting home without an appropriate job. Many also said they feel worried when they meet their former friends graduated from the same college/university in similar subjects with lower grades, but get employed in a *white-collar* job due to different networks they have. All of the research participants said today, there are too many graduates unemployed, but it hurts. This finding contradicts the study by Mains (2012), who indicated that youth unemployment in urban Ethiopia is the norm, and there is no shame about it.

The majority of research participants said that they always consult their parents, brothers and sisters, relatives, and friends on matters regarding their career decision. One of the research participants said that, "*Well, my parents are there for me, but through a long span of time, I think they get bored with my repetitive financial questions*" (M, Male).

Some of the research participants during FGD indicated that, sometimes, people attack or insult them because of their unemployment position and some even link graduate unemployment to being cursed by God because of their sins, and at the same time occupying a certain position or employment is also considered as a matter of chance. No one wants to make friends with them, because, as Mains (2012) described, friendship in urban Ethiopia is based on economic terms, i.e. to obtain some material benefit from that relationship. Some of young unemployed males in this study during interviews and FGD also showed their interest to befriend those with a good income and material resources, particularly young workers, in order to get some *Birr* during hard times.

7.6. Costs of Graduate Unemployment

7.6.1. Deskilling/loss of human capital

Long-term unemployment of young graduates is leading to deskilling (loss of human capital) (Majumder, 2013). As per the data from interviews and FGD reveals most of the research participants do not think that they will be productive workers if they join a profession that suits their qualifications achieved due to prolonged unemployment. One of the research participants during the interview, said,

"It is difficult to think about what I have gained through formal education. Because what I learned is mostly theory and I don't remember them. I do not think business startups in MSEs demand that theoretical knowledge, but what we need is experiences and practical skills. However, I lack both" (A, Female).

According to the OECD (2012), prolonged unemployment of young person wastes human capital that could contribute to economic growth in the short-run, and results in prevailing sadness and social dissatisfaction. Thus, it can be said that the view of human capital theory stressing on the human capital development is relevant, but cannot help to solve the structural problems, education

quality problems, prolonged graduate unemployment and hurdles in finding a desired job for a better earning.

7.6.2. Loss of Confidence

As per the data from interviews and FGD reveals the majority of the research participants are deprived and live in the worst situation, and take out life decisions unintentionally. One of the research participants during an interview said,

> *"Living with my own parents after graduation caused lack of freedom and respect for me and pressured me into marriage, which I have not had an interest in doing, at this age. Parents even see you in a new face. No one recognizes my education. There is disrespect from the community, too"* (A, Female).

What the youth expected during their school and what they face in the labor market do not match and this caused deprivation and frustration for many and some take unintended decisions in their life. They lost a stamina to decide for their own life, due their full dependence on others.

7.6.3. Social Exclusion

Kieselbach (2003), mentioned that unemployment affects the whole integration of youth into a society. Factors such as low qualification, a dangerous financial situation, non-existent or insufficient institutional support, and low or missing support from social environment all tend to contribute to social exclusion (ibid.). During interviews most of the research participants suggested that family, relatives, neighbors and friends, lessen the value they assign previously when they are learning, to the unemployed graduates. They stated that during schooling there is just a hope of getting a good job and nothing is known about the future. But after long-term unemployment without a work their previous status and hope ruined and their former friends who get employed or working do not show a willingness to pass time with them. In their localities, people treat them as unsuccessful persons and withhold respects. One of the research participants said, *"I am living like a hyena because I want to hide myself from many others. I see everyone except those unemployed passing time with me, as an enemy"* (N, Male). According to Perttilä (2011), long-term unemployment decreases participation in social activities. This limited access to social activities causes the feeling of isolation within turn reduces their ability to maintain social networks. This

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together influences an individual's progress in the labor market. This idea is confirmed during FGD. Unemployed graduates during FGD revealed that most of them suffer from a social isolation.

Bhalla and Lapeyre (1997) argued that economic exclusion results from lack of making their own living and depending on others for their financial means due to lack of employment. They also indicated that the lack of employment may cause a sense of passivity and shame among unemployed. As per the data from interview revealed some of the research participants exclude themselves from social activities such as going to church, weddings, and parties or participation in various local meetings because they lack economic resources which also resulted in the feeling of marginalization. They think that people also ignore them from such events because they have no money. Given the vitality of exchange in strengthening social relationships, people with lack of money encounter difficulty in maintaining previous social ties and friendliness with peers in the community (Gallie et al, 2003). Hunter (2000) argues unemployed individuals tend to have low levels of relationship with the neighborhood, outside the neighborhood and even within the family due to lack of earnings for a prolonged time. As revealed during interviews, unemployed young graduates are not capable of paying for social jaunts, and many of them feel isolated from their friends and family members as well.

One of the research participants during an interview said that, when she ordered a housemaid working for a family rented in their house to use water wisely and clean the compound, many times she used to refuse and insult because of her unemployment status after graduation. She narrated what the housemaid said her: "*Your degree has no benefit at all. You wash dishes and clean compound. Me too. You cook foods, me too. You stay your whole day home, but I have the freedom to go everywhere around the city*" (C, Female). She said, during that event she cried and get hurtled psychologically. Some of the unemployed graduates desire the life of those who quitted education and entered into businesses or migrated somewhere else. Such insults and demoralization are common for those young graduates affected by the prolonged unemployment. Research by Kieselbach (2003), indicated that social disintegration can result from long-term youth unemployment. Due to the lack of joining a workforce, they remain isolated (Kronauer, 1998).

Long-term unemployment is blocking the full integration of young graduates into various social, economic and political activities (ibid.). This is confirmed by this study. One of the research participants during an interview said, a normal disease is better than prolonged unemployment, the disease is better than unemployment. He said, *"If you are unemployed no one remembers you, no one gives you a phone call, no one makes an intimate relationship with you and you feel confused about every situation"* (Q, Male). The study by Guarcello and Rosati (2007), documented that long-term unemployment can cause blatant social adjustment problems and may mar individual's productive potential and thus employment chances. If the youth is not used productively they can cause tension and can be sources of violent actions and crimes. Unemployed have nothing more to lose from their participation in violent activities or crimes such as robbery if they have something to gain. This disturbs the normal functioning of the society. For example, the government of Ethiopia confirmed that the massive unemployment of young graduates contributed to the endurance of *Oromo protest*[22], and promised to work on solving structural hiccups that blocked the young graduates from getting a job or founding own business. According to the social exclusion theory, the primary cause of labor market marginalization is related to the structural hiccups that individuals come across in the labor market and these are strengthened by prolonged unemployment experiences rather than unemployed people's deficiencies in motivation (Gallie et al, 2003). Without getting employed, there is no shift from school to work and dependence to independence.

Some of the research participants in this study narrated that they are addicted to drinking alcohols and chew *khat* that exacerbated their exclusion from family and community. As stated in the above chapter, *personality* is valuable to get a *white-collar* jobs in the study area, and as I will show in the next chapter *personality* is also a factor to get support for startup capital in MSEs in the study area. Those chewing khat and drinking alcohol are not trusted by the community. That effect is mitigated and counteracted by their circle of unemployed friends who act almost in the same manner. Through various ways as presented unemployment is leading to exclusion rather than inclusion.

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[22] Protest in broke out in Oromia state, one of the largest regional state in Ethiopia in November 2015 and endured for more than three months.

7.6.4. Planning for Migration

One of the research participants during an interview said: *"My intention was to have a diploma first and then looking at what will happen next. What I feared was happening in my life, and I have no hope of getting a job suiting my qualification in the future. I will migrate elsewhere, but I don't know when and where"* (K, Male). Depressed with the questions arising from nearly everyone in the society to know whether they are employed or not on a daily basis and the community's lack of respect to for unemployed individuals, two of the unemployed graduates in this study had migrated into Sodo town from the nearby rural areas. As the data from FGD reveals many of unmarried males are thinking about migrating to far away areas from their locality where nobody knows that they are holders of a college diploma or a university degree to work on anything that provides them with financial capital. They do not want to be seen while working in a *low-status* jobs by their community members. Most of they feel deprived of their status because of what they expected have not happened in their life after graduation. As FGD indicated, most of they compare themselves with others who are friends in the past, but now working and living the good life and feel frustrated. This confirms to the work of Davis (1959) that indicated people will get deprived when they lack certain success, perceive that similar others have achieved that attainment, want to achieve that target, and feel qualified to have that achievement.

7.6.5. Delayed Adult Responsibilities

In Africa due to poor economic conditions, youth transition is characterized by deferrals, pause and incompletion, and unemployed young people, particularly males delay their responsibilities (Dale, 2014). According to Ridge (2002) young people's increasing awareness about their disadvantaged position and difference, in some cases contributes to social exclusion. This is confirmed by my study too. One of the research participants during FGD said, *"I am neither young nor adult and I feel marginalized due to the lack of economic resources, decision making power within in the family and disrespect from community"* (R, Male). This case suggests lack of economic independence and prolonged unemployment after graduation results in feelings of guilt among young graduates. As the data from both interviews and FGD shows unemployed graduates are aware of their *'powerless'* position in their society and their family, for that matter.

Bevan (2011) argues, gender differences in rural Ethiopia mean that achieving an economic independence and securing a long-term job is the most important for young men to achieve a transition into adulthood and for females the transition into adulthood is achieved through marrying a husband which is economically independent followed by having a child. As per my study, notwithstanding gender differences, all unemployed young graduates argue that without securing economic independence there is no transition into adulthood. It has been found that securing jobs and gaining incomes are a means to pursue adulthood responsibilities for young people. Mains (2012) mentioned that, the shift from youth to adult is followed by taking on adult responsibilities, and without it an individual would remain a youth for an indefinite period.

7.6.6. Job War

I use the concept, *'job war'* to indicate the situation indicating the existence of a firm competition, which may sometimes lead to conflicts between the individuals in a competition to *win* the vacancy for the professional jobs. Most of the research participants indicated that a job is not only the way of making a living. But having a job assigns a particular status to a person in a certain group. One of the research participants said that conflicts are inevitable if the vacancy is thought to be acquired wrongly or even if the promised benefits and supports were not given to the unemployed graduates. They said this is not usual, but sometimes those marginalized young people may kill or threaten those who wrongly get vacancy or other support through corruption at their expense. One unemployed, told that he knows many young people who were friends in the past, but are enemies today because of unfair institutional systems at play in securing their benefits. As mentioned, some remove vacancies after viewing it, some do not share the information about the date of interview for their friends regarding a job, some provide money in order to win the competition, and still others think that they have no chance of succeeding and they try to intimidate leaders in order to do favors for them to get the job and supports for business startups.

7.6.7. Negative Attitudes towards Education

According to human capital theory, the demands for education are determined by factors like education, future salary, and foregone earnings (Becker, 1962). On the current realities of Ethiopia, expecting a good salary and earnings or a better life through education is nearly over. The study by CSA (2011), confirmed that academic qualifications do not secure traditional sector jobs instantly

after graduation. Generally, every child is in school, but people today are aware that education gives the status as literate, not to achieve an economic wealth, which can be achieved for only a few. Nowadays, an increasing number of unemployed graduates are putting the society and prospective students in a dilemma whether to invest in education or not. The growing, massive graduate unemployment negatively affected the willingness of many to put hopes on education as a means of progress. As per my knowledge, for those learning with high inspiration, those unemployed, and other self-employed currently say "*get faster in your education and join the unemployed*", which affects the attitudes of many towards education. While learning in lower grades, many are confused about their future success through education, by looking at the life patterns of the graduate unemployed individuals in their locality, given today, the graduate unemployed individuals can be found everywhere in Ethiopia.

In the past, there was an *Amharic phrase* saying, *"Yetemare Yegedelegn",* which literally means, it is better to be killed by the educated, and *"Yetemarena yebela wodkom aywodkim"* (those educated and those who eat most never remain failed), and contradicting this there is a saying, which is becoming common today, *"Yetemare yet derese*?",* which literally means "what has the educated achieved? These phrases I think, can easily show the value of that society assigned to formal education is declining in Ethiopia nowadays. The young people's hope to achieve a progress through a formal education is decreasing. This finding is also in conformity with the work of Dale (2014), who studied the situation of unemployed young people in Addis Ababa, and stated young people have less hope to attain a progress through a formal education.

7.7. Summary

In this chapter, I have discussed the unemployment experiences of young graduates. The way they spend time, the way youths expressed unemployment from their lived realities, the way they cope with it and its costs are briefly highlighted. Unemployment experiences are heterogeneous. Unemployment is considered as a period in which the talents and skills of graduates are being lost. The study indicates that the mismanagement of time is common among many of the unemployed young graduates. The study pointed out that young graduates depend on others to fulfill their basic needs and feel depressed and in doubt about their future. Because of unemployment most of the young graduates plan to migrate to far away areas to do any jobs, and they also feel socially

excluded in their place of origin. The young graduates were unable to fulfill their adult responsibilities due to the unemployment problem. The study also shows that graduate unemployment is leading to negative attitudes towards education and declines the value of formal education among the society.

CHAPTER EIGHT: OPPORTUNITIES, BARRIERS AND ATTITUDES TOWARDS MSEs

8.1. Introduction

A visitor from another country who comes to various towns and cities in Ethiopia for the first time would think that MSEs are one of the sector hosting many youth as a means of employment in the country because the visitor can easily have a look at different types of ventures operated by young people in every part of the country. As per my observation, Sodo town serves as a good example. According to the data from MSEs official during elite interview, MSEs are recognized as a vital means to create job opportunities for young people, bring back marginalized and isolated young people into the economic mainstream, address psychological problems associated with unemployment, encourage invention and resilience in young people, develop new experiences and skills, support the growth of the local community, and create new economic openings for all sections of society in Sodo town. However, many young people, particularly graduates, are not exploiting these opportunities in the study area. MSEs in the country are explicitly supported by government policies starting from the regime of Haile Selassie I in 1942 and until today's Hailemariam Dessalegn's EPRDF regime as shown in the *study context* section.

This chapter discusses the categorization of MSEs, opportunities, and barriers to exploiting them, and the attitudes of unemployed graduates towards business startups in MSEs. Generally, this section helps to address the questions: 'What are the opportunities and barriers to business startups in MSEs in the study area?' And 'What are the attitudes of unemployed graduates towards MSEs?' It has to be underlined here that the data and presentation here are dependent on the empirical information collected from the research participants. The information is contextual to the current MSE situation in Sodo town during which the study was carried out.

8.2. Categorization of MSEs

In Ethiopia, there are a lot of business enterprises that are categorized as MSEs. Based on the data obtained from elite interviews, MSEs in the study area can be categorized into five broad areas within which there are diverse activities. These include:

1. Manufacturing Sector

Comprising businesses such as making locally available products in new designs and selling them in the local market, tailoring, garment production, craftsmen's enterprises involving the production of cultural clothes, leather and leather products, shoe sewing, making, production, packaging of food items, metal and engineering works, wood works, agro-processing works, pottery, mats making, production of foods and drink's, and other innovative works are highly encouraged.

2. Construction Sector

Includes jobs such as working as contractor in road constructions and a variety of buildings, infrastructure sub-contracting, cultural resource extraction/mining (stones production, which is available around the town), production of construction materials such as cobblestones, marble, and working in cobblestones (laying cobblestone, paving stone path, and sweeping sand between cobblestones), productions and laying tile, and other related jobs.

3. Trade Sector

Trading in electronics and software sales, decoration works, Internet café, laminating and binding works, firewood supply, providing auditory services and counseling. Jobs such as storing and selling different varieties of food items in a store, small workshops making furniture, are all possible examples.

4. Service Sector

As per the data from experts in an elite interviews this sector comprises jobs such as arts, entertainment and recreation services, waste management and remediation in the town, rural small transport, café and restaurant, rental and leasing services, hotel food supply, professional, scientific and technical services, arranging food for parties, supermarket works, small shops, municipality oriented services in coordination like beautification of compound, garbage collection in the town and cleaning, keeping/guardianship, working in plumbing, maintenance and repair services, beauty salon services, opening health centers for multiple purposes such as animal medicine sales, human medicine sales, and provision of traditional medicines in combination with health professionals.

5. Agriculture

This includes practicing modern animal husbandry, farming, urban agriculture, plantation production, modern beekeeping, preparing fodder for animals, animal fattening, and small-scale poultry raising and related businesses. As per my observation too, there are diverse group of people working on these categories of MSE in Sodo town.

8.3. Opportunities for MSE Startups

According to the elite interview the government gives primacy to graduates from Technical Vocational Education and Training (TVET) and degree graduates from university and colleges in support of setting up MSEs. Elite interviewees also indicated other categories such as unemployed women and uneducated youth were also encouraged to start MSEs. They also added that due consideration is also given to those that lost their jobs due to different reasons, those who retired from public jobs, disabled, and *marginalized*[23] individuals. The elite interviews also revealed that government provides those individuals willing to involve in MSEs with places for production and sales, providing loans, market networks, strengthening and support, follow-ups, provision of training of different types based on their vitality, and audit services. However, as the data from interviews shows there is no such support in practice, but the data from FGD disclosed that there was promotion of MSEs through various media. According to Arzeni and Mitra (2008), at the beginning of the 21st century, youth entrepreneurship get the attention of public policy to overcome unemployment challenges. This is confirmed by my study. The development of various policies in Ethiopia starting from Haile Selassie I in 1942 and until today's Hailemariam Dessalegn's EPDRF regime shows us that in fact MSE promotion is at the center of main economic policies in the country. Are those stated policies are practical on the ground? As FGD revealed currently there are good policies, but they are like a '*toothless lion*', just copied from elsewhere printed and distributed but not implemented on the ground.

One of the research participants in elite interviews argued that young graduates indeed lack skills, awareness and knowledge of business startups in MSEs, but the absence of *white-collar* jobs to all graduates coupled with the largest unemployment affecting all categories of citizens, including women and high school leavers pushed the government to present MSEs as a vital mechanism to

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[23] Individuals with human immunodeficiency virus

overcome the unemployment in general and educated unemployment in particular. It is towards this end that at each and every level of government, ranging from the federal to the *kebele* level, have responsible bodies coordinating the affairs of MSEs, as I tried to mention in the *study context* section. I would argue that, the Ethiopian government's recognition of the MSE role in fighting unemployment and establishing the institutions coordinating it at different levels can be counted as an opportunity.

The research participants in an elite interviews indicated that the graduate's interest and business proposals are a criteria to get funding and related support from local government. Their political affiliation is not taken into consideration to get support, according to the data obtained from the elite interview. They indicated that identity card of *kebele,* recommendation letter from *kebele* (stating that they are hardworking individuals, free from alcohol addictions, free from crime, free from loan), forming a team of at least two graduates which actually depends on their business plans and type of business, and saving a minimum amount of 20% of the money that they need to take as a loan from government, are the conditions need to be fulfilled in order to get a loan and other supports for business startups in MSEs. However, as the data from interviews and FGD reveals the fund and related support is not distributed fairly based on a business proposal but the political affiliation and family background or having a relatives in office plays a major role. All of my research participants were unemployed for more than a year, as indicated in the *basic concepts* and *methodology* section. During this time span some of them said that they have attempted to establish enterprises but failed due to various obstacles.

8.4. Entry Barriers to Setting up MSEs

In relation to business startups in MSEs the research participants mentioned a lot of challenges. Business startup in MSEs is not easy in practice, particularly for those who invested their whole time and money in formal education which lacks quality and does not deliver entrepreneurship oriented courses. The implication that a lot of job opportunities in MSEs are available in the study area by no means imply the absence of challenges for business startups. In order to investigate the barriers, why young graduates aren't deciding to start from the above stated MSEs as their career was my question. Many diverse answers followed. I do not think the below mentioned are the only barriers, given that this study rests on the data collected from 18 unemployed individuals, elite

interview with 2 experts and direct observation. Yet I would argue that it can show the possible barriers blocking young graduates from starting own businesses in MSEs.

8.4.1. Lack of MSEs Oriented Education and Training

Entrepreneurship Education is relevant to inculcate the values and positive outcomes of running own enterprises, management and other vital skills for entrepreneurship (Valerio et al, 2014). Raimi (2015), pointed out that, developing human capital through investment in training and skills development is relevant to enable individuals to exploit entrepreneurial activities in a productive way. Such an education is lacking, according to all the research participants. As the data from FGD indicates the research participants think that they lack the know-how of labor-market conditions, knowledge about the management of enterprises, and technical skills on how to identify and utilize the opportunities wisely are lacking. One of the research participants during an interview said,

> "*We were forced to use MSEs as our last opportunities, but we were not equipped and supported well to exploit them as a career.*" (F, Female)

Due to lack of mentoring, most of the research participants in this study do not know 'what is possible' under MSE. Their demand for *white-collar* jobs is shaped by their school education that heightened their expectations for *white-collar* jobs. Soni et al (2014) argued that the higher education institutions in Africa are not educating young people for valuable skills which is important to their local demands. This is also confirmed by this study. One of the research participants said,

> "*I think MSEs requires a lot of experiences, important knowledge at least how to manage money, customer, human resources, etc., but I lack all of them*" (P, Male).

From this quote, it is understandable that, the young unemployed graduates declare their lack of valuable skills to start up MSEs and stated quality problems in schooling and the absences of relevant trainings as reasons. This situation is also confirmed during elite interviews, as one of the research participants in elite interviews revealed that local government indeed knows the fact that most of the young graduates from colleges and university lack awareness about MSEs. Most of the research participants during interviews and FGD argued that the current education system does not equip them for such skills.

8.4.2. Economic Factors

Not only lack of trainings and supporting formal education, but also lack of access to financial means, lack of basic infrastructures, missing of some infrastructures, poor communication networks, lack of water, cut off electrical power on a daily basis, inability to market access, and mud that blocks road during rainy seasons were also some of repeatedly mentioned constraints during interviews and FGD from the research participants that block the graduates' involvement in MSEs.

In the past, MSEs were regarded as a minor and unproductive activity that was used as a way to evade taxes and had bantam hope for the progress of the improvement of entrepreneurial ability (Aynadis and Mohammednur, 2014). But today, their role in overcoming unemployment, augmenting economic growth and fighting poverty is widely acknowledged from the perspectives of the experts in elite interview. According to the study by Aynadis and Mohammednur (2014), the Ethiopian government provides free production and operation area, free showing area, financial support, market linkage creation, free promotion and so on. The data from the elite interviews also indicated the same thing in this study. However, as per most of the research participants, this is not true. They say it is mostly rhetoric as I tried to mention in the *section 8.3* above. They do not say there is no support at all, but it is inadequate by any means. I would argue that indeed the support the local government is providing for potential entrepreneurs to start up business in MSE is not sufficient. During FGD, some of the research participants who decided to try MSEs, and failed pointed out that lack of these economic factors blocked them from acting independently to choose the businesses of their interest and knowledge. Some unemployed young graduates during FGD revealed that they are near to lose hope, given that their loan questions were rejected many times and they stated that they were ordered to wait unknown times in order to get the startup capital. One of the research participants said, *"Local officials promise to provide startup capital, then we submitted proposal in a group and after a long time waiting they said the budget is over or finished. What they provide is mostly a lip service"* (G, Male).

From the perspective of many participants during FGD, lack of sustainable credit arrangement and provision, increasing inflation of the economy, which increase the start-up capital and created

unevenness in the economy made unemployed graduates to be skeptical of utilizing the opportunities.

The data from interviews and FGD indicated that there was an understanding that there are incentives such as tax holidays, cheap land leases and low-cost labor offered to large-scale foreign firms, but MSEs were not favored, which also affected their attitude towards MSEs. It is mentioned above that the advantage of MSEs is that they can be started at low capital cost, but "*where that small amount of capital does come from*?" is the question of many unemployed graduates in this study. In addition, one of the research participants had this to say: "*There is no safety and health insurance for MSE operators by the government or other concerned bodies*" (O, Male). As I am an *insider,* there is in fact no such thing in the study area, which negatively affects the involvement of graduates in MSEs.

8.4.3. Institutional Challenges

As per the data from FGD and semi-structured interviews show unprofessional bureaucracies, corruption, and various suddenly emerging exclusive subclasses exclude many youths from getting support for business startups in MSEs on a timely basis in addition to the above stated challenges. Many of the research participants also argued that without getting illegal personal benefits, some of the local government officials and civil servants do not provide their regular services. I would argue that corruption is being considered as a normal activity and nearly everyone aspires to get involved in it, as per my *positionality*. Owing to these, some of the research participants during interview indicated that they are near to lost hopes to ask government institutions to get a startup capital, and surprisingly some of the research participants have not tried to ask for support, after looking at the previous history of their friends and relatives that asked but failed to get such supports after long waits and trials. The information they had regarding poor governance, for instance, imposing tax based on social networks rather than the size and nature of business from their friends that are working in MSEs also blocked their hope to try MSEs as their career.

There is also a trend of portraying young unemployed graduates as indolent, work-shy or lazy by politicians and the state-controlled media's if they do not establish own businesses in MSEs. However, everyone wants to be valued. One of the research participants during an interview said,

"*Sometimes kebele leaders insult us when we repeatedly visit offices to get information for checking the vacancies and regarding supports for enterprises because they hold political power. Why? This has to be abandoned*" (R, Male). Most of the research participants in this study argued that they are in a disadvantaged position. They think that they have not given a place to speak in a meeting to express their voice, and feel excluded and deprived. I would argue that sometimes the continuation of such treatment may result in youth uprising or revolution. Handling youth affairs have to be given the right attention because they are the hopes of tomorrow. In Ethiopia, it has been documented that the frustrated youth contribute to the political insecurity (CSA, 2011). If the concerned bodies in government and NGO sectors with legal authority treat others in an undemocratic way today it is difficult to build modern institutions. The Civil Society 2006 Committee, as cited in Perttilä (2001:15), mentioned that, the good feeling is very important, and an individual who feels excluded is also barely influencing participating and an active citizen. Thus, I would strongly argue that valuing unemployed youth is essential.

As per the data from interviews and FGD indicated lack of role models, lack of stores and centers that provide new ecologies and equipment for local means of productions in the study area, lack of research centers that conduct and disseminate information related to markets, contributed to their inaction towards starting businesses in MSEs. There was also fear that if they start people will not use their products or do not accept the product quality as well, some of the research participants cited some of their friends who failed previously. Some also stated lack of promotion offices and bureaus that provide market information on a timely basis.

As per the data from elite interviews and FGD, there are no unemployment benefits in Sodo town, but there is a trend of providing identity cards to the unemployed with the intention of giving priority if there is a training in the future, or to make youth participate in some voluntary activity, which they are not willing to do if the payment is not provided. Sometimes, to issue the unemployment's identity card, sociability and networks play a critical role, and nearly nothing can be done by following the established rules. According to the elite interviews, there is also no data center for recording the profile of graduates, departments and their graduation years in the study area, which would be of importance to know the number of graduates clearly and for prioritizing the long-term unemployed in support for possible business startups.

8.4.4. Influence of Community, Family and Peers

Based on the data from interviews and FGD, the decision of an individual towards job selection may be influenced by community, family and peers. The stories of graduates from colleges and universities trimming hair, shoe shining, tailoring, cobblestone construction, poultry are becoming increasingly common in other parts of Ethiopia and there are some of graduates from colleges and universities doing such businesses in Sodo town too. As per my knowledge to the community, the society does not appreciate young people trying such jobs to change their life. They do not equally honor all jobs on an equal basis. Even some opposing party politicians in various media disseminate the message indicating the participation of young graduates in MSE like cobblestone and others as a failure of the current ruling political party to provide *white-collar* jobs because they strongly argue that those jobs do not qualify for the graduated. This view, I think, negatively affects the willingness of graduates towards MSEs. Ezzy (2001) pointed out that waged employment is normally understood as an essential part of becoming an autonomous adult in contemporary society. He mentioned that a paid job is just one form of people's short story. Most present-day practices of unemployment are described as individuals' incapability to find recognition outside of salaried occupation (ibid.). In this study, almost all of the research participants argued that they have a desire to work in a *white-collar* job, as trapped by the influence of societal views.

As per my knowledge about the community due to my '*positionality'* and '*personality'*, when students start their college or university education in Ethiopia, communities used to call them by their future expected profession based on the qualifications they started in school. For instance, those who were studying education were used to be called teacher, those learning politics related fields were called as administrators, those training in law were called judges/lawyers, technical or engineering related as engineers, those started their training in health-related fields were assigned as doctors and etc. The community used to call a person by this name starting from their beginning of training until they got graduated from college or university, and continue in their further life as well. According to some of the research participants during interviews this trend shapes their attitudes towards white-collar jobs and also traps young graduates from choosing MSEs as their career.

Some of my research participants during FGD also stated that their family does not encourage them to start a business in MSEs. Some of the parents want to achieve social prestige through their offspring and prepare jobs for them as well. One of the research participants during an interview, said,

> "*My demand is income and MSEs is one way of earning income. But it is a shame for me to work with the collection of uneducated people after investing what I have on education. It is a big shame for my family and they do not want me to do such jobs.* (L, Male).

This kind of trends is also documented previously in Nigeria (Olaniyan and Okemakinde, 2008). Olaniyan and Okemakinde warned that parents should not request their children to work in the profession that they want (ibid.).

In Ethiopia there was the so-called *"yilugnta" in Amharic and 'Woyganddiya' in Wolaita Dona*[24], which means literally being more concerned with what others say about self, and most of the research participants in my study said that they were concerned with what others say about them, and they feel ashamed to work in menial jobs. Mains (2012), found the same result during his study in Jimma town in southwestern Ethiopia, where urban young people were highly ashamed to work in what they prefer to call, "*low-status*" jobs. The aspirations of young graduates are conflicting; on the one hand, they were definitely attracted in getting their own income to be independent and on the other they are worried for their prestige and status to take on any accessible job in the town due to their wrong attitude towards those jobs. One research participant, said: Here everyone hates you if you work in "*low-status*" jobs. She added,

> "*For instance, if a graduate works in a cobblestone laying or haircut, it will be an agenda for the media because such things are not practiced so much. Your friends feel ashamed to talk with you while you are working in cobblestone or such productive jobs that are underestimated, even it is difficult to have a girlfriend for males while working such jobs and especially difficult for females to have a boyfriend (C, Female).

Some research participants also indicated that they are not interested in MSEs because of their exposure to international social media, which presents the life in other parts of the world and they

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[24] Wolaita phrase

get bored with grim local realities. They look at the picture of their friends who live abroad through Facebook and get bored with the local administrative challenges and some think of migrating elsewhere. As already mentioned, this is particularly true for unmarried male and female unemployed graduates, not for married female groupings.

8.4.5. Personal Responsibilities

It is widely accepted that individual effort is important in any type of occupational success. There are graduates that remain home and do not pay a price to get things done. One research participants said, "*Always I am busy with home works, and I have no time to create networks and look for vital information*" (A, Female). All the female married graduates in this study have not devoted enough time to start own businesses in MSEs and even other jobs. As the data from interview shows they have a strong desire for jobs, but some lack relevant information regarding vacancies and also do not want to work in the place far from their home. Campens et al (2012), argued that local preferences may lead unemployed people to reject occupations which are too far away from *household* or friends.

Even though, as Oxenfeldt cited in Arzeni and Mitra (2008:39), argued that unemployed individuals choose self-employment as a valuable preference, in this study due to these factors, they MSEs were not chosen by unemployed graduates in this study.

8.5. Attitudes towards Various Job Opportunities

As per the data from interviews depicts most of the research participants argue that they qualify for *white-collar* jobs in educational institutions, private institutions, NGOs, and community based organizations. One of the research participants, argued that, "*Public sector jobs are simple, it is just accepting the orders from top officials and implementing them, as a lot of my friends working there told to me*" (F, Female).

There is understanding that whatever they are, *white-collar* jobs are easier than trying to establish own enterprises in MSEs without relevant skill, knowledge and support.

At the same time graduates think that they are '*overqualified*' for starting businesses in MSEs by mentioning their times spent in schooling, which is more than thirteen years and above for everyone included in this study. Some feel their life without a *white-collar* job is hopeless and also demand to work in any public sector jobs that may be below their qualification. If they get such an opportunity they expect a bright future through the collection of experiences for the highly paid *white-collar* jobs in the public sectors, NGOs and private institutions. This is also confirmed in the previous studies by Serneels (2007). He argued that urban youth in Ethiopia looks for *white-collar* jobs. Many of unemployed graduates in this study consider employment in *white-collar* jobs as the provider of the recognition.

As the data from FGD indicates, some of the research participants prefer to wait for *white-collar* jobs, by taking into account the issue of salary, benefits, pensions, varieties of insurances, business startup challenges in the MSEs, and the future opportunity like scholarship chances in addition to their demand for those jobs that match their qualifications. However, most of the research participants said, obtaining a *white-collar* job is achieved for a small number of graduates. Guarcello and Rosati (2007) and CSA (2011) also found that youth entering into the labor market with a higher education level in Ethiopia face more difficulties in finding employment.

I observed the difference in the perception regarding job preferences between the genders. Female, young graduates do not prepare to involve in MSEs as compared to some of the young males, particularly the college male graduates which have relatively positive attitudes. The problem of young graduates, as observed from the data is that they equate learning directly with earning an income or achieving a better economic advancement, which is, for many of them expressed through securing *white-collar* jobs.

8.6. Attitudes towards Business Startups in MSEs

A positive attitude is important in addition to the socio-political environment and financial resources for MSEs promotion (Arzeni and Mitra, 2008). As the data from interviews revealed some of research participants said that the returns of MSEs are low, at least in the short run, and they get bored to work in bad conditions such as wearing dirty clothes and not keeping hygiene.

On the contrary, they argue that *white-collar* jobs, even if the payment is low, are good for health, safety, and sanitation. One research participants said,

> *"Many of those working in MSEs such as cobblestones, beautification, and cleaning the town look dirty, smell bad, look dirty, especially during work time. I hate that."(C, Female).*

This view is also shared by some of the other research participants during FGD. I would argue that this is due to the low level of technology, and lack of basic infrastructures for supporting MSEs in the study area.

All of the research participants think that the environment is not supportive for starting a business in MSEs. One of the research participants said that, *"Without providing a support, it is strange to expect and push young graduates to create their own enterprises. It is like expecting the fruit of mango after some years of planting it without watering and cultivating."* (R, Male).

It is a surprise that, lack of unemployment benefits, lack of income and poverty do not pushed unemployed graduates in this study to use other self-employment opportunities. The study by Belay, Asmara, and Tekalign (2015), indicated that when called for the training, most of unemployed young people need some payment and they do not want to attend the training without payment. This study also confirms that factor. During FGD, some of the research participants revealed that they are not willing to attend trainings if there is no payment. A study by Srinivasan (2014), concluded that unemployed graduates have no positive outlook and good attitude towards entrepreneurial startups. However, in this study, I found that, some degree of a positive attitude towards business startups in MSEs was seen from male graduates. Married females in this study want to start own enterprises in MSE if, and only if, they are initiated by the government or other concerned bodies with all important facilities. There are also groups that do not want it as their career at all, particularly, unmarried females in this study. Thus, the attitudes towards business startups in MSEs are not homogenous and differ as they differ based on their qualifications, gender, and marital status. I would argue that, attitude is something that is not constant. Attitudes towards job creation in MSEs are important determinants of future entrepreneurial activity. To shape their attitudes positively this study indicates that awareness creation are lacking in the study area for young unemployed graduates.

8.7. Shifting of Blame?

As the level of unemployment has increased continuously it has demonstrated that it is more and more difficult to totally conclude that the rising unemployment is solely the individual's responsibility or failure. Furnham (1991), found that in many instances personal abilities and qualities play a greater role in getting a job than structural or environmental factors. However, unemployed graduates in this study blame the government. One research participant said,

> "*MSEs are important businesses, but the difficulty is the government is saying everyone has to create his own job, without taking into account the barriers. They say this during graduation ceremonies. Like, 'do not wait for government jobs and try to create your own jobs'. I think this has to be selective based on qualifications. I have questions to government bodies, why they do not provide everyone with entrepreneurship education, if they order everyone to create his/her own jobs*?" (J, Male).

This idea is shared by many young people in the study during FGD. The bottleneck is that without considering their skills and competencies acquired through formal education and without providing necessary trainings and other facilities, all graduates were urged to start own businesses or self-employed on the date of graduation. One of the research participants argued,

> *"Without providing adequate training and finance, coming with 'start your own business' policy indicates that government bodies are negligent towards the graduate unemployed. It is easy to order others, but getting things done without providing a supportive environment for every graduate is like shifting responsibility or withholding from accountability."* (N, Male)

According to the elite interviews, graduates are not using the opportunities, but the unemployed graduates are saying there is no adequate support. I would argue that avoiding the two extremes is relevant: one is the government's voice indicating that environments are quite safe for business startups in MSEs and the majority of unemployed youth's outlook of just totally blaming other bodies for their unemployment problem without making a trial to use MSEs as well as any other self-employment opportunity. I would also argue that designing good policies and amending them many times without ensuring their practical application through strengthening a supportive institution is like writing on water.

In my view, it is logical to argue that all bodies (youth, government and other concerned bodies) are responsible to overcome the graduate unemployment through increasing the graduate's involvement in MSEs and overcoming the environmental problems.

8.8. The Future of MSEs: Will Graduates Shift towards MSEs?

Given their acceptance at the global level to reduce unemployment, augmenting economic growth and reducing poverty, it is not surprising that the Ethiopian government has made remarkable efforts to promote MSEs expansion and growth in the country nowadays. When asked about their plan for the future, some of the research participants have an intention to use MSEs if they were given relevant training, business counseling, mentor support, access to working space, and business expansion support.

In Ethiopia there is common saying, "*dengayem yetemare yitrebegn alech*" *Amharic* phrase which literally means cobblestone even prefers to be laid down by the educated, which shows some degree of the participation of educated, including graduates in cobblestone construction. The quote shows that *white-collar* jobs are difficult to obtain for many young graduates and the entrance of educated individuals in cobblestone jobs nowadays. But in this study, no research participant is interested in jobs like laying down cobblestone works or garbage collection in their locality because of they think it is of lower status and deprives their status if they do such jobs in their localities where everyone knows them as graduates.

Some of the research participants argued that they are relatively better than others to exploit opportunities in MSEs. During FGD one of the research participant had this to say: *"We graduated can take the advantage over those not qualified because they do not know well how to manage manpower as well as time and cost of resources. Those not graduated from college even are getting rich within a short period of time. So if we try this advantage, we will succeed"* (Q, Male).

This shows the interest of some unemployed graduates to utilize opportunities in MSEs as their carrier if the government provides a supportive environment. However, as the data from FGD reveals some of the research participants argue that they prefer to wait for getting hired in *white-collar* jobs, and some also plan to continue their investment in human capital or to go far from their

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locality to work at any job available. As per the elite interviews, the second Growth and Transformation Plan (2015-2020) is devised to create many jobs for youth and women, and the government has already devised a plan to support those wanting to establish their own MSEs, yet unemployed graduates vowed that there is no supportive climate for startups in MSEs. According to Gnyawali and Fogel (1994), the desire and capability of starting a new venture may be further enhanced if there is no hurdle for potential entrepreneurs during the start-up process and if the potential entrepreneurs are assertive that outside support could be found easily when essential. Most of the research participants during interviews and FGD revealed that they do not individually know any young graduate who had successfully started business in MSEs.

8.9. Future Aspirations

All of the young graduates in this study are often in the transition from the hopeful places of the school where they construct aspirations and from their parents and relatives where they have depended for all their basic needs without shame to the workplace, where securing the job of their desire is problematic. The lack of ability to find a *white-collar* job is the central cause of the individual's despondency and besmirched sense of self. Alternatively, plans for life and aspirations to have a *white-collar* job in the future can also be a source of hope in a dark time, though uncertain. One of the research participants said, "*Do not ask about my life now. I am idle. But I have a dream and I will be a rich and live a better life, one day*" (H, Male).

This case suggests that despite their current circumstances, some of the research participants do not '*cut hope*' and have a desire for change and progress in the near future. Most of the research participants' articulations of the future differ, but most aspire more and more things. Unemployed graduates who were unmarried hope to live a better life, good job, own cars, get married, have children and be a role model for others. Everyone wishes to have a good life. There is a demand to follow fashions, enjoying in music, to have a leisure, despite the unemployment problems they are encountering. Yet, most of the research participants ask themselves, 'for how long will I live as unemployed?'

8.10.Summary

In summing-up, MSEs are diverse and were supposed to overcome young graduate's unemployment. Positive attitudes and mindsets of young people towards them is thought to be relevant. I have discussed the available opportunities under MSEs, which have shown MSEs are varied in nature but a lot of barriers discussed above are limiting the involvement of graduates in MSEs. The study indicated that *white-collar* jobs are the 'providers of recognition' and stated as 'simple to do' rather than starting up businesses in MSEs. Most of the research participants blame the government towards their unemployment problem, and government also blames young graduates for not using available opportunities provided. Graduates argued that there is no supportive environment. If the government overcomes the above stated barriers many of the young graduates plan to shift their mindsets towards MSEs from the bloated public sector and *white-collar* jobs. It can be said that all of the research participants lack basic knowledge on how to plan, lead and manage MSEs and they lack the necessary skills and awareness about MSEs.

CHAPTER NINE: CONCLUSIONS AND RECOMMENDATIONS

9.1. Introduction

This final chapter of the thesis provides conclusions and forwards some recommendations based on the study findings. It also forwards the areas for further research.

9.2. Conclusions

In the introductory chapter, it was stated that little is studied about young graduates' unemployment experiences and their attitudes towards business startups in MSEs. Furthermore, it was mentioned that without carrying out an in-depth investigation, it is not possible to know how the young graduates experience unemployment and how they view business startups in MSEs. Their attitudes towards MSEs, and barriers that shape their mindsets were identified and their unemployment experiences were discussed which are believed to be vital in contributing to fill the gaps.

This study has tried to contribute to an increased understanding of how young graduates experience unemployment and their attitudes towards a business startup in MSEs. By analyzing the issues that young graduates encounter during their job search, the importance of human capital, personal character and other factors have been discussed. Moreover, by looking at the graduates experiences of job search, the thesis discussed their job search behaviour and factors responsible for that. This thesis also analyzed the current realities young graduates are encountering and their expectations for the future by utilizing important empirical examples.

There can be of no doubt that graduate youth unemployment in Ethiopia is a serious cause for concern, even if the country is currently becoming one of the rapidly growing economies in Africa. The destructive consequences are too grisly to think of. Most young graduates prefer a stable, well-paid and secure profession in NGOs or the public sector than choosing MSEs.

The study also pointed out that, unemployment by (in) itself is not a driving factor for young graduate's involvement in MSEs. In addition, many of the graduates lack the necessary skills to start a business, lack the financial and moral support from the government and their family. Plus, they think that their education level and skills are sufficient for *white-collar* jobs and should not to be 'wasted' on MSE's.

This study finds that unemployed young graduates fulfill their material needs by depending on others and feel deprived because of that. They wish to secure brighter futures for themselves and want to become the kind of men and women living a decent life and who are looked up to in their societies.

The study indicated that the MSEs are not promoted in educational institutions to encourage the young graduates and to change their mindsets positively towards business startups in MSEs. Instead, the focus has been on developing policies and strategies, which are for the most part, influenced by the structural factors and locally established bureaucracies. In conclusion, therefore, even though MSEs were presented as the opportunity for young graduates, MSE targets were not successful due to various barriers, such as lack of supportive environments, unprofessional bureaucracies, and graduates' high expectations after schooling, qualification mismatch, the nature of their education and the graduate's personalities.

I would argue that the strength of this thesis is its nature of thoroughly analyzing different challenges facing young graduates from various points of view. In line with the view of human capital theory, the findings of this study agree that investments in trainings and education is valuable to get employment, but this thesis has also exposed other factors at play, such as corruption and maladministration. Based on the findings of this study, when equating education directly with earnings, human capital theory does not take into account the structural hiccups facing graduates, which are the most hindering factors in the job searching process. This thesis has also discussed the unemployment experiences in-depth and identified that unemployment leads to social exclusion rather than inclusion, and wastes the human capital of graduates. Besides, the thesis has analyzed the opportunities and barriers for a business startup in MSEs by taking into account various issues, and identified several problems such as lack of MSEs oriented education and training for graduates, economic challenges, institutional problems, influence of community, family and peers, and personal responsibilities that block graduates from utilizing opportunities in MSEs. I would argue that my positionality as a member of Wolaita ethnic group gave me a wider knowledge about the community. I am an *'insider'* and have a knowledge about the community which is not accessible to *'outsiders',* which is also the strength of this thesis.

The phenomenological approach of the thesis was useful. Employing multiple methods such as elite interviews, semi-structured interviews, FGD and direct observation in combination with secondary data sources was supposed to strengthen the validity of the study findings. Moreover the findings from the thesis are comparable to the findings from the study by Mains (2012), which took place in another region and different settings than this study particularly in relation to unemployment experiences. The work of Mains (2012) was a source of inspiration for me to carry out this study. The findings in relation to the graduate unemployment experiences also sound similar to the study by Dale (2014), which also took place in another region and in different settings than this study. Thus, the fact that the research was conducted in Sodo might have proven to be a valuable contribution to findings on youth unemployment experiences in other settings.

Regarding generalization, qualitative methodology employing a phenomenological approach describes and analysis mostly the subjective accounts and opinions of the research participants (Gray, 2004). It is so much concerned with contextual description and analysis, but not with generalizations about the larger populations (ibid.). This implies that the conclusions from this thesis are not necessarily representative of urban unemployed young graduates in Ethiopia.

9.3. Recommendations

With the respect to the findings of the research I would like to make the following recommendations:

The attitudes of most unemployed young graduates towards business startups in MSEs are negative due to the lack of supportive environments. In relation to this, it is recommended that government officials should shun lip services and render support in a timely manner. However, the environmental factors cannot take all the blame. It is better to see the problems from various directions and it is relevant to ask, "What can I do?", and "Why not" rather than just blaming others. Fighting unemployment of graduates or any other is not a game which an individual can play and win like a running sport, but it needs a sort of collaboration between all concerned bodies, including government, youth, society, donors, schools, universities, religious institutions.

There should be a strict regulation and follow-up on the quality of education, particularly on the private colleges and universities that sell education documents for money according to the research informants. The current education curriculum needs a comprehensive scrutiny to take into account the fluctuating pattern of demand in the labor market and to include the diverse courses relevant for business startups, provide apprenticeships, and valuable technical and management skills if their fate is supposed to be about using MSEs.

I recommend that society and young graduates should be aware that *white-collar* jobs cannot host all the graduates. So the awareness creation should be done in order to inculcate the realities in the minds of society and young graduates that *white-collar* jobs cannot be guaranteed to all the graduates as well as all works must be given equal respect.

Announcement of vacancies should be made electronically or through a secured notice-board on which anyone cannot remove the vacancy posted and cannot post the fake vacancies. Then, at least the job seekers will be informed on an equal basis, and a strict follow-up on the hiring process of individuals with strict regulations to overcome problems such as corruption, illegal network establishments that exclude others is strongly needed.

Regarding lack of the registered data, as shown in the research, registration of graduate unemployed individuals based on some basic features; such as those who enter into the labor market as fresh labor force, those who are struggling with prolonged unemployment, with the intention of identifying and prioritizing job placement and training services to those most affected graduates by prolonged unemployment is recommended. I would argue that if we can all take the time to react at this points, we can make great progress in settling this issue.

9.4. Areas for Further Research

How many young graduates are involved in MSEs and run their own enterprises have not been recorded and studied. Unfortunately, there is also no comprehensive study dealing with the MSEs operated by graduate young people. I would argue that, these areas have to be studied in order to promote the participation of graduates in MSEs.

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APPENDICES

Appendix 1: Table Depicting the Background Information of the Research Participants (Unemployed Young Graduates)

No.	Code	Sex	Age	Marital Status	Education Institution	Certificates	Duration
1	A	F[25]	25	Married	Private college	Diploma	1 Y & 3 Ms
2	B	F	26	Unmarried	Private college	Diploma	2 Y & 6 Ms
3	C	F	26	Unmarried	Public university	Degree (12+3)	1 Y & 2 Ms
4	D	F	27	Married	Public college	Diploma	3 Y
5	E	F	25	Unmarried	Private college	Diploma	1 Y & 3 Ms
6	F	F	28	Married	Public college	Diploma	2 Ys & 6 Ms
7	G	M[26]	21	Unmarried	*Public college*[27]	Diploma	1 Y & 2 Ms
8	H	M	23	Unmarried	Private college	Diploma	2 Ys
9	I	M	24	Unmarried	Private college	Diploma	3 Ys
10	J	M	23	Unmarried	Public university	Degree (12+3)	1 Y and 3 Ms
11	K	M	25	Unmarried	*Public college*[28]	Diploma	1 Y & 1 *M*
12	L	M	24	Unmarried	*Public university*	Degree (12+3)	1 Y & 2 Ms
13	M	M	26	Unmarried	Private college	Diploma	2 Y & 4 Ms
14	N	M	28	Unmarried	Public university	Degree (12+4)	1 Y & 1 *M*
15	O	M	28	Unmarried	Public university	Degree (12+3)	1 Y & 2 Ms
16	P	M	27	Unmarried	Private college	Diploma	1 Y & 6 Ms
17	Q	M	29	Unmarried	Private college	Diploma	1 Y & 3 Ms
18	R	M	29	Unmarried	Private college	Diploma	2 Ys & 9 Ms

N.B: *M*=month, Ms= months, Y= year, Ys= years

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[25] Female
[26] Male
[27] Technical Vocational Education and Training
[28] Technical Vocational Education and Training

Appendix 2: Interview Guides

A. Semi-Structured Interview and Focus Group Discussion Guide for Unemployed Young Graduates

   I.   Background information

✓ Age____

✓ Sex_____

✓ Marital status_____

✓ Education level_____

✓ Duration of unemployment_____

1. How do you describe your job search experiences?

- What are the job opportunities available for the graduates?

- How do you view different job opportunities?

- What type of jobs do they seek?

- What are criteria's relevant for employment in professional jobs?

- What do you think is important in the job searching process?

- What are the challenges you passed while searching for a job?

- For what jobs do you qualify?

- Do you have additional idea related with your job search experiences, that do you think important?

2. How the graduate young people experience unemployment?

- Where do you spend most of your time?

- How do you express being unemployed after graduation and what it means for you?

- What do you think is a cause for unemployment?

- How do you cope with unemployment?

- How do you feel when meeting your previous friends that are employed in a *white-collar* jobs?

- What do you think is the costs of unemployment?

- Do you feel you are excluded or included in various social activities due to unemployment?

- What are your future aspirations?

- Do you have additional idea that you think useful in relation with graduate unemployment?

3. What is your attitude towards MSEs?

- What do you know about MSEs?

- What is your attitude towards business startups in MSEs?

- What factors do you think are responsible in shaping your attitudes?

- Do you think you are over-qualified or under-qualified for MSEs? If yes, why? If no, why?

- How do you seek support for business startups in MSEs?

- What are the opportunities in MSEs?

- What are the barriers towards business startups in MSEs?

- Whom do you think responsible for the graduate unemployment problem?

- What do you think the future of MSEs by young graduates?

- What type of activities do you think should be done to involve graduates in MSEs?

- Do you have additional idea that you think very important?

B. Interview Guide to 'Elites' from 'Trade and Industry Development' Bureau and 'Women, Children and Youth Affairs' Bureau

1. What are the job opportunities available for the young graduates?
2. What are the opportunities in MSEs for young graduates?
3. What are the barriers blocking young graduates from utilizing opportunities in MSEs?
4. What are MSEs that you initiate unemployed young graduates to establish their own businesses?
5. How do you see the environment for the young graduates to establish their own enterprises?
6. Do you have a system of recording the number of unemployed youth in their respective administrative localities or in one main center by their departments and years of graduation to create a better environment for employment and job creation for those long-term unemployed?