

NGOS' ROLE IN COMBATING UNEMPLOYMENT: THE CASE OF SOME SELECTED NON-PROFIT ORGANIZATIONS IN ADDIS ABABA

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ABSTRACT

This research was conducted to inspect the magnitude of NGOs' involvement in addressing the predicament of unemployment in Addis Ababa. The impacts of religious and secular organizations in mitigating unemployment problem had been assessed. Four NGOs, namely, EVAD, CAWPA, EOC/DICAC and EEMYC/ DIASSC had been selected, randomly. Using purposive sampling technique, a total of 60 systematically selected, significant proportion of them being alumnae and on-training, beneficiaries had been administered. Of these respondents, 40% were women. Four low-to-top level managers and eight staff members had been recruited for Focus Group Discussion, Key Informant Interview and In-depth Interviews. The necessary data had been collected and the required variables had been analyzed using both descriptive and quantitative methods. To analyze the data quantitatively, SPSS program had been employed. As the primary data of the variables in the field survey is discrete type, chi-square test was used. Accordingly, 79 % said that they were satisfied with the services being provided by these NGOs. Almost all the respondents, 76 %, said that the credit services and follow up after graduation was poor. The result further depicted that all these NGOs had brought a substantial transformation in the socio-economic status of these beneficiaries. Not only to curtail this escalating problem of unemployment but also the mounting socioeconomic problem of Addis Ababa, formulating policies augmenting the labor force demand, revisiting the existing curricula of the tertiary education and encouraging the NGOs contributing to unemployment reduction through recognition and reward in a consistent mode is quite indispensable.

Key Words: NGOs, unemployment, non-profit organizations

Introduction

Unemployment in Ethiopia is much more serious in terms of the rate and prevalence. As of the Survey conducted by Central Statistical Authority, from the 22,490,849 total active labor force(15-65 years) of the country about 1,890,249(8.4%) are unemployed(2012:35). In urban centers of Ethiopia, for instance the total number of economically active population is expected to be 3,523,470. Of this, 908,344 are unemployed people with rate of 25.77(Ibid: 350). The

unemployment problem in Addis Ababa is much more deepened. From 1,134,432 economically active population of the city, 429,127 are found to be unemployed with 37.82 percent unemployment rate (Ibid, 2012:360).

NGOs supplement government activities. In Addis Ababa, in 2001/2002, around 120 NGOs carried out 185 projects costing over 485 million birr. In the same year, the Addis Ababa City Government has also signed project agreement with 47 NGOs” (Tadesse and Shewaye, 2003:4).

In order to solve the problem of youth unemployment, the NGOs has been funneling fund for the implementation of a number of development projects directly dealing with youth formal schooling, vocational training, employment generation financing, credit schemes, etc., which eventually help them to become self-supporting members of society. However, information on the role of NGOs’ contribution was insufficient. Hence, this study was initiated with the purpose of examining the experience of four NGOs, CAWPC/TVET, EOC/DICAC and EECMY/DASSC in reaching unemployed, disadvantaged members of the society.

Literature Review

Background of Unemployment

There is quite clear understanding today about the complex nature of unemployment problem. For many authors, it is both visible and invisible. Regarding the visibility of unemployment those under open unemployment category are taken into account. Invisible unemployment, on the other hand includes those in under-employment conditions in which persons are employed but functions at low productivity, under-utilizes their skills and qualifications or those who earn less than what is sufficient to satisfy basic needs according to some norms.

Unemployment problem is neither the same spatially nor in time nor the rates uniform all over. Such differences emanate from differences in occupation, gender, age, educational background, etc. of the labor force and general savings and stages of economies.

Emergence and Involvement of NGOs

NGOs were instrumental in establishing modern farms, irrigation schemes, flourmills, printing presses, and even electricity supply. True, their activities were limited but the efforts they made to positively influence the development of the country should not escape recognition (CRDA and DPPC, 2005:1).

The emergence of NGOs in Ethiopia in their current form is recent. According to Berhanu Seboka (2004:7), “Before the 1970 s a few (probably less than 10) NGOs were operational in the country, most of them located in the main capital city and dominated by the government officials in their decision making process. The majority were said to be ecumenical in orientation, foreign based and mainly involved in social welfare activities with limited scope of community development.

The number of NGOs, started to grow during the last decade “A robust growth of NGOs in Ethiopia is observed only after 1994 following the change of government in 1992. As of December 2003 over 675 NGOs have been officially registered to undertake a variety of development tasks of which 36.4 % (264) are international whereas 63.6 % (429 are local in origin. In ten years time (1994 to 2003) the increase was almost tenfold 904 % (Berhanu Seboka, 2004:18).

However, the numbers of NGOs in Ethiopia are very small compared to the need and role of NGOs can play in Ethiopia. The country has less than 0.3 percent of the total of 146,407 NGOs believed to exist globally in 2002(UNDP, 2003:5). The report also indicated that more than \$7 billion aid to developing countries flows through international NGOs, demonstrating the attention for Ethiopia to give in order to maximize its proportion of this aid.

NGOs are involved in various sectors such as welfare, education, trainings, health, HIV/AIDS, Agricultural development, environment, water Development, etc. In the Ethiopian fiscal year 1994(2001/2002) around 120 NGOs carried out 185 projects costing over 485 million birr. In the same year, the Addis Ababa City Government has also signed project agreement with 47 NGOs” (Tadesse and Shewaye, 2003:4).

Research Methodology

Background of the Study Area

Addis Ababa is located at 9⁰ North latitude and 39⁰ East longitudes at an average elevation of 2500 meter above sea level. The present total of area of Addis Ababa is 540 square kilo meters (NUPI, 2002). Addis Ababa is serving as the federal national capital city and seat of the prestigious African Union (AU). Currently, Addis Ababa is estimated to host a population of 3 million (CSA, 2012). This means 3.5% of the total residents of the country live in it.

Data Set and Sampling Techniques

The information for the study was collected from primary and secondary sources. The study used purposive sampling method to find answers to the research questions. The study population was consisting of four employees, forty former graduates and 16 current beneficiaries. Primary data was collected from the subject of the study using the questionnaire, KII and focus group discussion. Key informant interview was conducted with the low-level managers of the four organizations and detailed information regarding the strategies adapted to make the beneficiaries self-supporting and the problems encountered was conducted.

Pre-tested questionnaires were distributed to 60 former graduates (16 to EVAD, 17 CAWPC/TVET and 14 to EECMY/DASSC and 13 to EOC/DICAC) who completed the program after year 2000 to measure the satisfaction level of the services delivered by the NGOs. Purposive sampling method was used to select the respondents. This method is preferred due to

the difficulty to trace the graduates as they change their address frequently. Out of the total respondents one-third was women.

Besides, two focus group discussions each comprising four respondents were held. Of the two FGD, one was held with former graduates and the remaining one with current beneficiaries. The current beneficiaries were selected randomly from the list of students provided by the four organizations

Data Analysis

Regarding the quantitative analysis, percentages, frequencies, graphs and Pearson correlations were used to see the distribution of respondents, correlation between their level of significance as well as the impact a variable would have upon the dependent variable, i.e., unemployment.

Research Results

Demographic and Social Attributes of the Respondents

About 40% of the respondents are female trainees who are benefitted from the NGOs under study. The rest 60% are male beneficiaries.

The total percentages of respondents under the age of 35 are 73.33%. From these, the largest proportion, 58.33%, are between 21 and 35 years of age. The least proportion of respondents come from, 3.33%, 56 years of age and above. About 23.33% of the respondents are between 36 and 55 years old. The oldest respondents came from CAWPC and EVAD. The highest number of youngsters had been registered from EVAD followed by CAWPC. The age category that lies between 36-55 years had been seen in these organizations in a relatively few number. This implies that almost all these NGOs had given a greater emphasis to the youth.

About 28.3% of the respondents came from CAWPC/TVET whereas 26.7% of the respondents were trained or getting their training in EVAD. The total percentages of the respondents that came from EOC/DICAC and EECMY/DASSC had been 21.7 and 23.3 percents, respectively.

The migration status of the respondents was screened through the responses about questions of place of birth and length of time of residence in their current address. Accordingly, 46 out of 60 respondents (76%) are born in Addis Ababa and the rest came to their present location from other regions of the country to seek a better, rewarding job in Addis Ababa. Most migrants had been recorded from EVAD, about five respondents. Only 9 respondents were not born in Addis Ababa. This shows that all these NGOs focus on those beneficiaries who were born in Addis Ababa.

Most of the respondents as a whole were a high school graduates. Particularly, 24 of them had been just a high school finishers with unrewarding skills before joining the program. However, those who had at least a college diploma before joining the program had been great in EVAD,

CAWPC and EECMY. The only illiterate respondent came from EECMY who had the slightest autism problem with bigger intellect and skills.

Economic Attributes of the Respondents

The respondents acquire their means of survival from different income sources. A good number of respondents had a monthly salary as their main sources of income which is followed by trading as the second main stay. However, some six respondents, 2 from each, said nothing about what they do. Three respondents, in the same way, had no income at all. Ten respondents had been engaged in trading. Eleven respondents had a service fee as the main stay of the respondents. All organizations had an equivalent proportion of respondents whose income sources had been trading. By the same token, daily income sources had also been the main source of income for most of the respondents in all of the respondents.

Fifty eight out of sixty respondents had said that they had at least a very less job. However, all the respondents of CAWPC and EOC/ DICAC, 17 and 13 respondents, had a job.

Work Seeking Behavior

Most of the respondents of the CAWPC/TVET, though they had been trained in vocational streams, had shown a bigger tendency towards managerial and secretarial jobs. The EVAD respondents, in a similar position, had the interests in managerial and secretarial jobs. The least managerial work seeking behavior, however, had been observed from EECMY/DASSC, with only respondent having an interest on professions.

Basic Vocational Trainings

Hence, the interviewees had been asked in which types of the training program they are in. About 23 percent of the respondents had said that they were being trained in garmentry in which women took the primary portion. Other 27 percents have been trained in the fields related to bricks and 21% had been trained in computer sciences. Autism, is a psychiatry term, that is used to describe an abnormal absorption with the self; marked by communication disorders and short attention span and inability to treat others as people. About 10% of the respondents have got training skills in textile designs. The rest 3.33% had been trained in different streams such as agriculture, marketing and salesmanship.

All the sixteen respondents of EVAD, three respondents of EOC/DICAC said that they had been trained in non-vocational streams. These include the farming and agricultural skills, life skills, and managerial skills had been the most common ones. Embroidery and food preparation and catering had been the most common streams in which the majority of the respondents had been engaged in. Dyeing and printing had been the most preferred vocational fields in two of the four NGOs, namely EOC/DICAC and CAWPC/DASSC.

Respondents' Perception about the NGOs

Focus on Unskilled Youth

The respondents are asked to rate the level of the organization on the unskilled youth, and accordingly, they had reflected their opinion. Almost 40 percent of the respondents said that they think the level of support on unskilled youth was poor. On the other hand, nearly 30 percent of the respondents said that the organization's focus on the unskilled youth is excellent. Still some 20% percent of the interviewees said that the organizations' focus on the young is good. Comparatively, 15% of the respondents said that the degree of support to the youth is satisfactory. Though negligible, 10 percent of the respondents said that the extent of support to the youth is very good. To sum up, these NGOs support the unskilled youth in a relatively higher degree although the obtained outcome is far from over.

Extent of Women Support

About 41.67% of the respondents reflect that the focus of NGOs on women empowerment is almost adequate. Still, some 22 percent of the respondents said that the organization's effort to empower women is poor. The same proportion of respondents also said that the focus of the organization's focus on women empowerment is almost good. Only insignificant share of the respondents, 10%, said that the organization was working too hard to empower women by providing gender based trainings. This implies that still the level of focus on women by the NGOs need to be properly addressed.

Effort to Inform About Job Placement or Job Creation

The organizations' attempt in terms of informing the trainees about job placement and job creation had been assessed. And about 27 percent of the respondents said that the effort of the NGOs in informing about the job creation and placement is good. Nearly, 17 percent of the respondents believed that the effort of their organization in informing the trainees about job placement and job creation had been excellent. Eight and six percent of the respondents said that the effort was good or fair, respectively. Two respondents said that the effort had been poor.

Effort to Support the Trainees Establish Their Own Business

About 24 respondents said that the effort their organization in helping their trainees establish their own business had been very good. Respondents who said the level of support by the NGOs 'good' or 'excellent' were 14 percent each. The rest 7 percent said that the extent was satisfactory. However, just one respondent said that the exertion was poor.

Providing Credit Services

The respondents had been requested whether the NGOs in which they had been trained had given them the necessary support for credit services. And about 19 respondents had said that the level

of support provided by the NGOs in this respect was satisfactory. Not quite 15 of them said that the provision of the credit services was good. Ten respondents said that their effort was too poor. Those who are satisfied just more than satisfactory levels were 16. Having the mean value of 2.75 it implies that most of the respondents thought that the effort is fairly satisfactory, if not good.

Follow Up After Graduation

The best way to ensure the sustainability and effectiveness of the program that the NGOs had been offering was through feedback system. This, however, is far from possible without the continual support of the NGOs for their trainees after they had graduated. In accordance with this, about 20 respondents had said that the level of follow up after graduation to be fairly satisfactory. However, 14 respondents had said that the level of the follow up by the NGOs after graduation to be excellent. Only 7% said that the follow up was good. And the rest nine respondents said that the extent of follow up to be poor.

Extent of Job Placement Services

The vast majority, 25 and 28 respondents said that the level of job placement by the NGOs was good and very good, respectively. Only 2 respondents said that the NGOs that they had graduated from provide the job in their organizations. The same number of respondents said that they had got the placement in the NGOs they had been trained in. Three respondents said that the extent of job placement as satisfactory.

Job Creation Services

As many as 21 respondents said that the job creation services were fair whereas 18 of them said that the service was poor. Eight out of 60 said that the job creation service was good and the other 9 respondents said that the service was very good. Only for respondents said that the service was excellent. This implies that the respective NGOs need to work had to address the job creation services to their beneficiaries.

Knowledge of the NGOs about the Job Market

Despite the difficulty of this concept in determining whether or not the NGOs that have been offering the services to the trainees with the knowledge beforehand ahead of the graduation, it was deemed necessary to assess the perceptions of the respondents to see how well the respondents grasp the original intent of the organization. Accordingly 23 people out of 60 respondents said that the organization had a good knowledge. Fifteen of the respondents perceived that the organizations' knowledge about the job market was good. Fourteen said that the NGO had excellent knowledge about the job market. Only eight respondents argue that the NGOs had a very limited knowledge about the job market.

Flexibility the trainings offered by the NGOs in meeting the labor market Demand

About 18 respondents said that the flexibility of the trainings offered to meet the labor demand is very good. Some 17 respondents said that the flexibility was satisfactory. Fourteen respondents said that the flexibility was good while four trainees believed that the flexibility was excellent. The rest 7 respondents said that the flexibility was poor or the organization is inflexible.

Focus on the Disabled Beneficiaries

About 18 respondents said that their organization give the uppermost emphasis to disabled youth in terms of providing the opportunity from the recruitment till graduation. Fifteen of the respondents had said that the level of support to the young disables was jus satisfactory. Only 13 respondents had said that the extent of support to the disable groups was good. Eleven of them said that the degree of support was excellent. Two respondents, however, said that the level of support by the NGOs was poor.

Professional Efficiencies As Compared To Institutions Providing Similar Trainings

Respondents had been asked to evaluate their professional efficiencies as compared to those institutions that are engaged in similar business. Thus, 23 people said that they had very good competencies, while 18 of them said that they had excellent competencies. However the number of people who claimed to have as fair competencies as others had was 12. Only one respondent said that their competency was poor.

Impacts of the Training on the Livelihood of the Beneficiaries

About 21 respondents said that the training had brought a massive economic and social change on their life at excellent level. Just 17 respondents said that the impact was fair. However, 12 respondents said that the impact was good while the rest ten respondents said that the impact was very good.

The respondents were asked if they had confidence and courage to compete and fit in the labor market. And about 26 percent of the respondents had replied that they had higher level of confidence to get recruited and get hired in the labor market. Almost 20 percent of the respondents had the highest level of confidence to fit in the labor market. Still some 14 percent said that they had a moderate confidence and courage to get employed. Almost none of the respondents, however, said that they had no confidence at all.

Means of Entry into the Organization or self-Employment

About 22 percent of the respondents replied that the means o employment as a result of the training obtained from the NGOs' was excellent. The number of respondents who said that the means of entry and employment in the NGOs was due to the favor of friend and relatives were

14 and 11, respectively. However, the respondents who said that the chance of employment was meager were 8.

Results Obtained from FGD, KII, IDI

The former trainees, the low-level managers and the employees of these NGOs had been gathered for discussions about their organizations' strategies, plans and possible outcomes of the training programs being run by their organizations. The main challenges that they were facing were lack of trust for the program, financial constraints that would have been used to procure teaching-aids, lack of adequate support from the concerned bodies and others. The major constraints of utilizing the disadvantaged groups were not associated with interest but more of with teaching aids. However, all the informants had been serving and training the disadvantaged youth by any means necessary, even at the cost of the favored ones. Above all, they suggested for efficient and effective utilization and empowerment of the youth was that creating awareness about how the different life skills the needed to have developed, the amalgamated effort of the education system adopted by the NGOs involved in similar task and the continued support being offered by the people and the government. Focus group discussion (FGD) had been undertaken with the former and current beneficiaries. And it was revealed that there should be a full support of government and other NGOs of similar objectives by providing credit services, provision of internship in consistent manner, and formulating appropriate educational environment for vocational and professional trainings being offered by the NGOs.

Discussion

The findings of this research indicates that the role of NGOs in reducing unemployment is high which clearly opposes the findings of Berhanu(2004:52), some segments of the society who argue that the NGOs' contribution and the impact on the life of the society are minimal or insignificant compared to the resources they utilize.

There are other segments of the society that argue NGOs could not be seen separately from the total system because the contributions of NGOs are influenced by complex factors. The proponents of this view, initiatives and needs advocate to create an enabling environment acknowledging the abilities and efforts of NGOs for their contributions in its development strategy" (Berhanu, 2004:53). However, the NGOs have played a strong role in fighting poverty, unemployment and in improving the living situation of needy youngsters in urban areas.

The employment opportunities for those skilled and unskilled labor forces are quite different. The unemployment rate for semi-skilled and unskilled workers is four –to five times higher than that for professionals and managerial workers. In addition to this, over three quarters of the unemployed men are manual workers (Sandrine Cazes and Alena Nesporova, 2003:18). Both employment Opportunities and wage expectations for unskilled workers have been progressively dwindling overtime (ILO, 2003:3)

Young people in general and school leavers with no work experience in particular are the group hardest hit by unemployment despite the sharp decline in their participation rate. Recent ILO estimates suggest that at least 60 million young people are without job and that the youth unemployment rates are, on average, three times as higher as adult rates (2001:9). As a rule, the incidence of unemployment tends to decline with age reaching the lowest level for the retirement population (Sandrine Cazes and Alena Nesporova, 2003:17).

The females still tend to be less employed. This is in agreement with (Sandrine Cazes and Alena Nesporova, 2003:18), who reported that females are much more affected than from their male counterparts. In the eyes of some employers, women are perceived as less competitive workers due to child bearing, raising or home care responsibilities, among other reasons.

Conclusions

Addis Ababa is overwhelmed with a huge number of socio-economic tribulations such as poverty, theft, rape, burglary, drug, prostitution, chat chewing, street-life style, and many others. The womb from which all these problems are incubated is unemployment. Unemployment problem is a serious issue in almost all countries in the planet.

To curb the root causes of these problems, the government alone cannot be succeeded. The contribution of NGOs, namely, CAWPC, EOC/DICAC, EVAD and EEMYC/DASSC, found in Addis Ababa are found to be indispensable. Unemployment problem is felt by various socio-economic and demographic groups differently. As it has been tested using the descriptive statistics, the age, gender, marital status, educational and economic variables take a considerable part in determining the rate of unemployment problem in the given society. It was found from this study that the more educated the youth are, the more likely for them to get job.

Recommendations

To curtail the intensifying and augmenting unemployment problem of Addis Ababa, the involvement of various NGOs should be encouraged.

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