## **Policy Brief**

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# Adolescent economic empowerment in Ethiopia: implications for policy and programming from the GAGE midline data

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#### Introduction

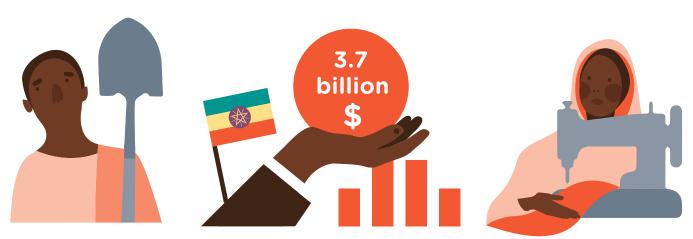
Ethiopia has made remarkable development progress over the past two decades, with indicators across sectors evidencing the government's commitment to improving the lives of its citizens. Since 2000, the poverty rate has approximately halved, from 46% to 24%, and the primary education completion rate has more than doubled, from 18% to 50%. That said, Ethiopia remains one of the world's poorest countries. It is ranked 174 out of 189 countries on the United Nations (UN) Human Development Index and despite government efforts to transform the economy, 40% of gross domestic product (GDP) and 80% of the population depend on agriculture. In addition, economic growth continues to be outpaced by population growth, meaning that unemployment – and especially youth unemployment – is a growing concern.

This policy brief, which is accompanied by a longer report, synthesises findings from the Gender and Adolescence: Global Evidence (GAGE) programme's midline data collection – which took place in late 2019/early 2020, prior to the pandemic and the conflict in Tigray – to explore patterns in Ethiopian adolescents' economic empowerment. Focusing on similarities and differences among adolescents and youth (on the basis of gender, urban/rural residence, region (Afar, Amhara and Oromia), disability, child marriage or displacement) – we explore how young people's access to opportunities for skills building, social protection, age-appropriate decent work, productive assets and financial inclusion set the stage for them to become economically empowered adults.

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Figure 1: The cost of the gender gap in Ethiopia

It is estimated that **gender gaps** in agriculture, entrepreneurship and wage employment cost the Ethiopian economy **3.7 billion USD** each year.



Source: Buehren, N., Gonzalez, P. and Copley, A. (2019) 'What are the economic costs of gender gaps in Ethiopia?' Brief. Washington, DC: World Bank

#### Methods

This policy brief draws on mixed-methods research undertaken in late 2019/early 2020 as part of GAGE's midline data collection in rural and urban sites in three regions of Ethiopia: Afar (Zone 5), Amhara (South Gondar) and Oromia (East Hararghe), and Dire Dawa City Administration. Our quantitative sample, which includes 7,526 adolescents in two age cohorts (the older aged 17–19 and the younger aged 12–14), deliberately oversampled those most at risk of being left behind – such as out-of-school adolescents, married adolescents and adolescents with disabilities. Our qualitative sample of 388 core adolescents (plus their caregivers, siblings, peers, service providers and community key informants) was selected from the larger quantitative sample.

#### **Key findings**

#### Setting the scene

#### Household economies

Across cohorts and regions, and in line with findings from previous research, a large majority (approximately 85%) of rural households depend on agriculture for their livelihoods. While nearly all rural households rely on agriculture, how they rely on agriculture is highly variable across regions. In South Gondar, most households keep livestock and grow crops, primarily for their own consumption, though any surplus is sold. This has become more difficult in recent years, due to land shortages driven by population growth. As a grandmother explained: 'It is difficult to get farmland in the area now... The number of people who have no farmland is so

large while the cultivable land is too small.' In East Hararghe, on the other hand, there are improved opportunities for cash cropping – which is reducing poverty but pulling adolescents out of school. An 18-year-old boy noted that, 'Now the farmers take their khat to the market and sell at a higher price.' Livelihoods in Zone 5 are primarily pastoralist and many adolescents can conceive of little else. A 12-year-old girl said, 'I love to keep animals'. In urban areas, households rely on self-employment (two-fifths of households across cohorts) and salaried work (one-fifth of households across cohorts). Urban households are also more likely to benefit from remittances from migrant family members, the majority of whom (70%) live inside Ethiopia.

#### **Occupational aspirations**

Echoing previous research findings, including from the GAGE baseline, adolescents' aspirations are lofty, especially given that the shape of the Ethiopian economy means that most will need to find employment in agriculture and the informal economy. Across all locations, though less so in Zone 5 where pastoralism and absuma (cousin) marriage customs limit adolescents' options - most young people aspire to a professional career (such as in medicine or teaching). Older adolescents have lower, and more realistic, aspirations than younger ones. Our qualitative work suggests two reasons for this. First, they are far more likely to be out of school and therefore no longer making the academic progress that supports professional aspirations. Second, older adolescents' occupational aspirations are shaped by their - and their peers' - experiences with the labour market, especially around unemployment and underemployment. As a father from East Hararghe commented, 'There is a proverb saying that the camel looks at the one lined up in front of it.

Just like that... The students observe their older peers, they tend to give up and lose the motivation.'

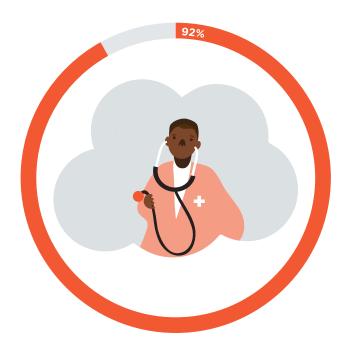
#### Skills acquisition

At midline, just over three-quarters (77%) of adolescents were enrolled in school, with younger adolescents and those in urban areas more likely to be enrolled than their older and rural peers. In rural areas, enrolment patterns vary by region and by sex. Enrolment is higher in South Gondar than in East Hararghe and (especially) Zone 5 - with younger girls (somewhat) advantaged over younger boys in South Gondar and Zone 5, and younger boys (very) advantaged over younger girls in East Hararghe. Among the older cohort, boys are more likely to be enrolled than girls in all locations, with fewer than one-in-three girls in East Hararghe and Zone 5 still enrolled. Grade progression was slow, with most young people several years over age for grade. Our qualitative work emphasised that enrolment, attendance and progression are shaped by heavy demands on young people's time, generally agricultural work for boys and domestic work for girls. A 17-year-old boy from South Gondar recalled, 'I only attended once per week otherwise I missed class... I used to engage in different farm activities.' A 15-year-old girl from East Hararghe added, 'All of us stopped going to school because we are busy with housework. If we were free, we could attend school.'

Although government plans for transforming the economy and achieving lower middle-income status are centred around improving uptake of technical and vocational education and training (TVET), our midline research found that only a very small minority of older adolescents living in urban areas are enrolled in TVET (2.2% of boys and 1.6% of girls). Indeed, with TVET centres only available in larger towns and cities, some young people from the most remote kebeles (wards) could not name a single person from their community who had pursued skills training. Low uptake of TVET has two primary drivers. First, it is only accessible to those who have completed 10th grade<sup>1</sup> and scored high enough on exams. Given that only half of students enrol in secondary school, entry is not possible for most. Second, TVET is seen - by adolescents and their parents - as second best. A 22-yearold woman from Debre Tabor who is now attending TVET said, 'I cried [when I got the exam results] holding my books and I was saying that I should not have failed.' Most current TVET students in our sample are pleased with their teachers and the curriculum. TVET graduates have more complaints, almost exclusively related to difficulties in finding work, which are related to poor linkages between schools and employers. For example, a young woman now running her own small

Figure 2: Aspirations

Across locations and cohorts, nearly all (92%) adolescent girls and boys aspire to one day have professional work —



despite the fact that only **84%** of **younger** and **64%** of **older** adolescents were **enrolled in school** in the last term.



Source: GAGE midline data.

business in Dire Dawa explained, 'I have learnt gypsum for about six months and ICT for two years... Being unemployed after getting the training and getting the certificate makes no sense... People like me are forced to engage with their own business rather than with the achieved skill.'

#### Social protection

Because our sample was purposively selected from foodinsecure districts in order to render visible those most at risk of being left behind, a sizeable minority of rural adolescents participating in GAGE are benefiting from (or have benefited from) Ethiopia's flagship Productive Safety Net Programme

<sup>1</sup> The structure of the educational system has shifted since data collection; TVET now requires completing 12th grade.

(PSNP) (approximately one-third across locations and cohorts). Respondents noted that the PSNP has been critical to helping many of the poorest households meet their basic survival needs. 'Households who don't have enough resources to survive on, they survive on the aid,' explained a 19-year-old girl from East Hararghe. Many respondents in South Gondar<sup>2</sup> were similarly pleased with the recent expansion of Community Based Health Insurance, which is helping to improve access and reduce costs. That said, our midline research underscores that current social protection programming is far from adequate, as it largely excludes married girls and their young families (because rosters are not updated regularly) and those in urban areas (where programming is not yet at scale) and does not provide enough support for those in pastoralist regions (who only receive food support twice a year rather than cash). Two groups of adolescents stand out as especially in

## I failed in my education for I have to work to support myself because the 200 birr I receive as support is negligible.

(An 18-year-old boy with a hearing impairment living in Ebenat)

need of more support – those who are internally displaced due to conflict and those with disabilities who are living on their own in urban areas in order to attend special needs schools. An older boy living in Batu after fleeing violence in Somali explained that he would like to go to school, but that survival comes first: 'We want to learn. But the issue is ... I cannot cover my basic needs.' An 18-year-old boy with a hearing impairment living in Ebenat and provided with a educational stipend that covers only one-third of his monthly costs, added, 'I failed in my education for I have to work to support myself because the 200 birr I receive as support is negligible.'

#### Access to decent work

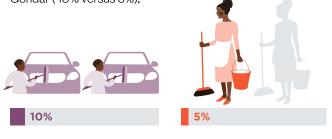
Adolescents' engagement with paid and unpaid work reflects both household economies and culture, and is deeply gendered. Moreover, due to the five-year age gap between cohorts, young people's experiences with paid work speak to Ethiopian adolescents' twin economic problems: child labour and inability to access decent work.

#### Younger adolescents

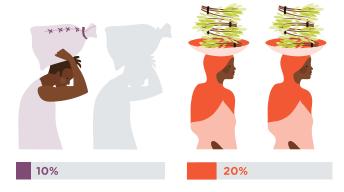
Relatively few younger adolescents reported having worked for pay in the last year, with paid work more common for

### Figure 3: Employment opportunities for younger adolescents

Of younger adolescents, **boys** are twice as likely as **girls** to have worked for pay in the last year in urban areas and South Gondar (10% versus 5%).



In East Hararghe, where the *khat* economy is booming and girls are considered more diligent workers, younger **girls** are twice as likely to have had paid work in the last year as **boys** (20% versus 10%).



Source: GAGE midline data.

boys than girls in all locations except East Hararghe, where girls are preferred as workers on many khat farms. A father from that zone explained: 'The khat farm owners are more interested in girls since they don't chew khat. Boys would ask you for a break to chew khat; but once girls start pruning, they would not stop till 5:00 pm. They would not take a break'

Low rates of paid work, however, do not mean that younger adolescents are not working. Indeed, only very few young study participants do not work at all. Nearly all children and adolescents – especially in rural areas – engage in unpaid work for their own families. According to a 16-year-old boy from East Hararghe, 'Children in this area start work at a very early age. When they turn 5, they start looking after goats and cattle.' Unpaid work tends to be highly gendered. Boys support their fathers in farming, and girls work alongside their mothers, supporting them with domestic and care-related tasks. It was also common for young adolescents – especially girls – to have their own

<sup>2</sup> At midline, CBHI had not yet been introduced in East Hararghe and Zone 5.

Boys do labouring work like mixing cement powder with water, sand and other [tasks]... Our youths are made to work beyond their capacity and get hurt.

(A 19-year-old boy from East Hararghe)

small businesses, growing seedlings, raising chickens, and selling items at local markets.

#### Older adolescents

Older adolescents' engagement with highly gendered unpaid work for their own households mirrors that of younger adolescents. Like their younger peers, it was also common for older adolescents to earn money through selfemployment, largely by selling surplus crops and livestock. Unsurprisingly, given that older adolescents are both more capable and more expected to contribute to household economies, older-cohort adolescents are far more likely to have worked for pay in the past year than those in the younger cohort. Rates of paid work are especially high in urban areas (47% of boys and 29% of girls), where paid work is more plentiful, and many young people earn in order to fund their own schooling. Due to social norms that position boys as breadwinners and leave girls burdened with household and care work, boys are more likely to have had paid work in the last year than girls in all locations except East Hararghe, where they are equally likely to have done so (22%). A 20-year-old man from Debre Tabor explained, 'Females are not seen to participate in daily labour.' A 15-year-old married girl from East Hararghe added, 'We girls should prepare food, collect firewood, clean the house or compound.'

Our qualitative research found that while concerns about younger adolescents' work are exclusively protectionrelated and centre on trade-offs between child labour and education, concerns about older adolescents' work diverge, pertaining both to trade-offs with education, and youth unemployment and underemployment. 'These days, there is high unemployment in our locality,' reported a community member from South Gondar, who then explained that youth migration has exploded in recent years, as young people look for work elsewhere. Adolescents in both rural and urban areas emphasised that since opportunities for paid work are rare, they are often forced into poorly paid and often dangerous work. Boys do labouring work like mixing cement powder with water, sand and other [tasks]... Our youths are made to work beyond their capacity and get hurt,' reported a 19-year-old boy from East Hararghe. 'Working in factories is worse,' added an older boy from Dire Dawa. Working girls, who have few options outside of domestic work or the hospitality sector, added that their working conditions can be brutal, with long hours, low pay and violence of all types. 'No employer is satisfied in what you do as a housemaid,' explained an older girl from Dire Dawa. Girls added that despite government efforts to slow the international maid trade, it is common for parents to push their daughters into undertaking domestic work in the Gulf States in order to improve household economies. A 25-year-old woman living in Debre Tabor explained: '[Girls] are influenced by their parents who urge them to leave. It is for the sake of getting remittance money.'

#### Control of productive assets

Adolescents' control of productive assets varies by their age, their gender and where they live - though there are complex patterns. While it is common for young people in rural areas - even those in the younger cohort - to own their own livestock, which they breed to generate income, it is uncommon for adolescents to have controlled cash in the last year. In no location, even among boys in the older cohort (who are the most likely to have had cash), had more than 29% controlled cash in the last year (older boys in both urban areas and South Gondar). Of those who had spent money, clothing and shoes were the most common purchases, though young people also reported supporting their own schooling and - in urban areas and East Hararghe, especially – buying mobile phones. A 12-year-old boy from South Gondar explained, I bought three pieces of clothes, one football [shirt] and two t-shirts.' Girls were overall less

If the man ordered the woman to sell the goats and buy grains with the money, that is when a woman can sell the goats... She can't sell unless her husband ordered it.

(A mother from Zone 5)

likely to have access to assets than boys, in part because they are less likely to work for pay and in part because their income is more likely to be appropriate for family use. As a 12-year-old girl from East Hararghe, who runs her own business, reported, 'I can't return to school... I do not have anyone to buy me school materials... My brother goes to school... When he comes to us, my mother gives him my money.' Married girls are markedly more likely to have access to productive assets than their unmarried peers, because many are responsible for running their own households. For example, across locations, 24% of married girls versus 15% of their unmarried peers have controlled cash in the last year. A mother from Zone 5 observed that married girls' control over assets must be put into context

Those who have a house, that will be sold to repay the loan. And those who have land, their land will be sold to repay the debt.

(A 23-year-old woman)

to be understood: 'If the man ordered the woman to sell the goats and buy grains with the money, that is when a woman can sell the goats... She can't sell unless her husband ordered it.'

#### Financial inclusion

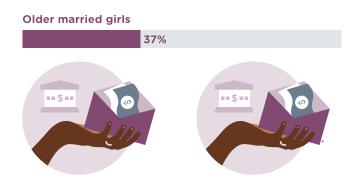
As with their access to assets, adolescents' savings habits and access to formal and informal financial services are shaped by age, gender and location. Across locations and cohorts, adolescents are fairly likely to have savings. Rates are lowest in Zone 5, where the cash economy is less developed (27% of younger boys and 32% of younger girls) and highest in East Hararghe, where the khat economy has opened waged work (62% of older boys and 72% of older girls). Adolescents reported that gender norms shape saving habits, with girls feeling pressure to save and boys feeling pressure to spend. As a divorced 15-year-old girl from South Gondar explained, 'Boys, if they work and earn money, they drink with it. Due to this, they cannot save money... But girls want to save and become like others.' A 15-year-old married girl from East Hararghe added that she is obliged to hide her savings from her husband: 'I do not show him... because he will ask me when he needs money.' Due to their age, the small sums they tend to accumulate, and the under-developed financial sector, nearly all young people save informally. Girls, particularly those in East Hararghe, are especially likely to do so through rotating savings groups called equubs.

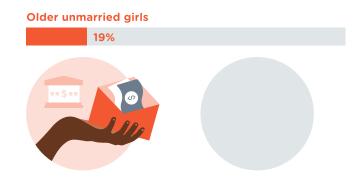
Young people's access to credit - or lack thereof emerged as a significant concern in our research. Looking only at the older cohort, South Gondar is the only location where a sizeable minority of young people report being able to access formal (30% of boys and 20% of girls) and informal (42% of boys and 31% of girls) credit. Our qualitative work suggests this is because of regional and local efforts to address youth unemployment by providing start-up capital - including for married girls. An older boy explained, 'There have been youth who were organised [by the kebele] to purchase emaciated oxen and fatten to sell them for a better price... They got the loan from the government.' Access to formal credit was particularly bad in East Hararghe (3% of boys and 7% of girls). Even in South Gondar, adolescents reported that credit was limited primarily by their lack of collateral, given that young people's access to land is increasingly limited. An 18-year-old

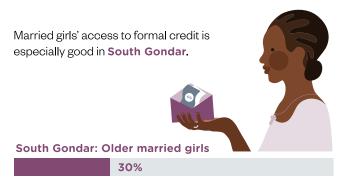
married boy explained, 'There are many adolescents like me who have a plan for their future job but they can't start it because of financial problems.' A 23-year-old woman added that while credit can transform lives for the better, it can also extract huge costs, when repayment schedules cannot be met, 'Those who have a house, that will be sold to repay the loan. And those who have land, their land will be sold to repay the debt.'

Figure 4: Access to credit for adolescent girls

Across locations, older married girls are twice as likely to have access to formal and informal credit as their unmarried peers.







Source: GAGE midline data.

## Policy and programming implications

Based on our research findings, we propose the following policy and programmatic actions to accelerate progress in improving young people's access to the skills, social protection, decent work and assets that will support them to become economically empowered adults.

## 1 Support young people to develop the skills they need for economic independence:

- Make education compulsory until at least the end of 8th grade.
- Address access and quality issues at the secondary level in rural areas.
- Help students connect classroom learning with the world around them, and develop both practical and analytical skills, by continuing and extending efforts to reshape curriculum and pedagogies to support handson, competence-based learning.
- Beginning in early adolescence, provide students with individualised educational and occupational guidance so that they can set realistic goals and map out how to achieve them.
- Support youth employment by strengthening policy synergies between the Ministry of Education and the Jobs Creation Commission.
- Expand opportunities for out-of-school young people, including those in rural areas, to return to the classroom, scaling up evening classes as needed.
- Over time, move towards full-day schooling in rural areas, with accommodations for harvest and migratory seasons.
- Continue scaling up financial literacy curricula in schools and community-based venues.
- Pair numeracy and financial literacy courses with expanded peer-based opportunities for children and adolescents to save – using both formal and informal mechanisms.
- Develop courses, tailored to local contexts, to support entrepreneurship among adolescents and young adults

   making sure to provide the extra support that girls and young women need.
- Provide young people with short-term training and apprenticeships to expose them to a range of career possibilities.
- Actively promote the advantages of TVET in rural communities and make TVET institutions more accessible by opening branches in woreda towns.
- To address high unemployment among TVET graduates, ensure that private and public colleges meet the same

- (high) quality standards, that courses are tailored to the needs of local labour markets, and that links between colleges and employers are formalised to ensure that the latter provide jobs for graduates.
- Reconsider the TVET gateway. Students should be able to access gateways into training programmes as soon as they complete 8th grade, and then again after 10th grade.

## 2 Increase access to social protection that is responsive to the needs of adolescents according to age, gender and disability:

- Expand access to the PSNP, cash and asset (especially uniforms) transfers, and school feeding programmes so that households can afford to let their children prioritise education – ideally through to completion of secondary school.
- · Reprioritise internally displaced people.
- Scale up PSNP and cash transfer programming in urban areas.
- Strengthen social protection programming in emerging regions.
- Introduce labelled or conditional cash transfers as part of PSNP support to incentivise children's regular attendance and reduce children's engagement with child labour.
- Expand access to educational stipends for young people with disabilities to all regions.
- Continue scaling up health insurance to protect households from high health expenses, including those related to transport, medication and medical testing.

## 3 Do more to protect young people from exploitative work:

- Include domestic work in labour laws and sign ILO Convention 189 on Domestic Workers.
- Ensure that employers in factories including private factories outside of industrial parks – comply with labour laws and protect the well-being of workers.
- Ensure that employers in factories are equitably compensating male and female staff for their work.
- Improve enforcement of the policies designed to make migration safer.
- Strengthen awareness among young people (and especially among domestic workers) of what constitutes exploitation and abuse, and how to report it.

### 4 Expand young people's access to markets and credit:

- Support young male and female farmers with improved access to land.
- Offer asset-based loans to young people to reduce the need for external collateral.
- Provide young people with a grace period and increased flexibility regarding repayment.
- Ensure that loans are paired with financial and business training.
- Provide extra support to girls and young women to grow their confidence and voice.
- Monitor and address the inclusivity of these opportunities in terms of recipients' gender, disability and marital status.

- 5 Invest in girls' and young women's economic empowerment by encouraging shifts in the laws and gender norms that continue to disadvantage them:
- Expand access to girls' clubs in both school and community settings to develop the soft skills that will allow them to resist child marriage and strive for economic independence.
- Work with parents, adolescents (girls and boys), husbands and communities to shift the gender norms that leave adolescent girls and women with less access to education, decision-making, mobility, employment opportunities, assets and credit than their male counterparts.
- Strengthen awareness and enforcement of girls' and women's equal inheritance rights, especially given uneven implementation of these rights among regional states.
- Strengthen awareness and enforcement of girls' and women's rights to alimony and child support, including access to redress mechanisms.



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