Determinants of Urban Youth Unemployment: The Case of Wolaita Sodo Town, Southern Ethiopia

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Abstract

Despite government and development partner measures, Ethiopia's youth unemployment problem has remained unsolvable. It produces numerous socioeconomic problems in the frugality of the country. Presently, the situation in Ethiopia, like conflicts, war and COVID-19- 19 are fresh reasons for adding youth severance in urban areas. The Sodo city is the largest city in the Wolaita zone where the government and development mates invest to reduce urban youth severance in colourful ways, though the problem increases over time. The idea of the study was to examine the factors that influence urban youth unemployment in Sodo City, Ethiopia. The intensity of this problem in Sodo city is high because it was a primary city and other affiliated reasons. To understand the problem, the study concentrated on three kebeles of Sodo city from seven kebeles using purposive sampling. To achieve the objectives of the study, primary and secondary data were employed. Primary data was collected through questionnaires, interviews, concentrated group discussions, and field compliances, whereas the secondary data was collected from a review of affiliated literature, government and NGOs, reports, exploration papers, books, journals, and other affiliated documents. A multistage sampling procedure was employed to communicate with 348 sampled urban youths. The Logit model was used to dissect the collected data. Retrogression analysis result of double logit showed sex of youth, entrepreneurial skill, job preference, age of youth, year of education, frequency of job hunt per month, use of credit and stakeholders' donation were positive and significant determinants of urban youth unemployment with the dependent variable. Therefore, efforts should be undertaken to lower the rate of youth unemployment in urban areas by adding job openings for both the learned and uneducated youths. Thus, affirmative action should be considered for gender awareness; this is done by empowering women to engage in civic youth employment. In addition to this, the government should invest and encourage satisfactory credit service provision in the way of working the problems like high interest rates, inadequate supply and bureaucracy that are related to the use of credit services.

Keywords: Binary Logit, Determinants, Urban Youth, Unemployment, Job Challenges

Introduction

The International Labor Organization (ILO) defines an unemployed person as a person who is at least 15 years old, not currently employed, and

who is available to begin working in the upcoming two weeks, but available to join work in the next two weeks. In short, unemployment means the state when people who are willing and able to do a job fail to get the desired job. Government organizations, NGOs, and civic associations in different countries adopt and use various age ranges for the concept of "youth" from the standpoint of the purpose for which they stand and the activities they undertake. Youth, for instance, is defined by the UN as individuals who are 15 to 24 years old; WHO, 10-24. In Ethiopia, according to the national youth policy, youth include those society members between 15-29 years. In Sub-Saharan Africa, the youth unemployment rate is significantly higher than the adult unemployment rate (ILO).

The International Labor Organization (ILO) defines an unemployed person as a person who is at least 15 years old, has no employment during a specific week and is available to begin working in the next two weeks but not yet in the workforce. In a nutshell, The term "unemployment" describes a circumstance when capable persons who want to work fail to land the desired position. Depending on their goals and the activities they engage in, governments, non-governmental organizations (NGOs), and civic organisations in various nations adopt and utilize a range of ages for the idea of 'youth'. For instance, the WHO and the United Nations (UN) both define youth as being between 10 and 24 years old.

According to the Ethiopian context, youth comprise those persons aged 15-29 years. The number of youth unemployed in January 2020 was 1,249,878 with an unemployment rate of 25.7 percent, which was higher than that of the total, adult and older age categories Female and male youth unemployment rates were 31.7 percent and 18.8 percent, respectively. The overall youth unemployment rate shows a fluctuating trend from April 2014 to January 2020, the same pattern holds for male youth Female youths are characterized by upward trends accompanied by a higher rate of unemployment compared to their counterparts.

Fortunately, Wolaita Sodo is at the centre of Wolaita Zone administration. There is a huge migration of youth to the town in search of jobs and residences. However, jobs in the town are not accommodating the demand of unemployed youths. Therefore, most youths are unemployed, and the vast majority are migrating to other areas in search of jobs. Nevertheless, the studies conducted in other parts of the country found variables of demographic, socioeconomic, and psychological that have a significant influence on youth unemployment but missed institutional variables like information access to jobs, loan utilization, and entrepreneur skill and job linkage that this study tried to explore.

This study tried to answer questions like the determining factors that affect urban youth unemployment in the study area, the existing unemployment situation looks like in the study area and the major constraints that face urban youth employment in the study areaThe study's main goal was to examine the factors that contribute to urban youth unemployment in the context of Wolaita Sodo town and the specific objectives were: to examine factors affecting urban Wolaita Sodo town`s youth unemployment rate, to evaluate the current situation regarding urban youth unemployment in the research area.

Methodology

The study was conducted in Wolaita Sodo town. Sodo town is one of the leading reform towns in SNNPRS and has a second-grade status like its sister towns Dilla and Arba Minch. The town is the administrative capital of the Wolaita Zone and provides a base for many public and private organizations operating in the zone. In addition, the city functions as a centre of market for the surrounding zones and rural areas. It is also a major transportation node, by being at the centre of six national and regional inland transport routes.

Wolaita Soddo town is located 383 km and 167 km far southwest and west of the country's capital Addis Ababa and regional city Hawassa respectively. Astronomically, the town is located 6.49 North and 37.45 east. According to the information stated on the five-year strategic plan of the municipality, the total area of the town is about 16,500 hectares, divided into 7 new Kebeles administrations (Woreda), and 19 Ketenas (including newly added rural Kebeles).

Types and Sources of Data

This study used cross-sectional data from both primary and secondary data sources. Primary data was collected through questionnaire, interview, focused group discussion, and field observation; while the secondary data was collected from a review of related literature, government office reports, NGOs, research papers, books, journals, and other related documents. Primary data was collected from unemployed youths, enterprises, urban job creation, trade and industry, women, children, and youth affairs.

Sample Size Determination

To determine a representative sample size from the selected kebeles, the study used a sample size determination formula given by Yamane's sampling computation method adopted with 5 percent of error term and 95 percent confidence interval to determine the sample size from the total population sampled three kebeles are 2714 of urban youths dwelling at Wolaita Sodo town. Thus, Yamane's formula:

$n=N/\{1+N(e)^2\}$

Where n = is the sample size, N = is the total youth population, e = margin of error = 0.05

n = 348

Therefore, N=2714, thus the total sample size of 348 urban youth population would be addressed.

Sampling Techniques

Multi-stage sampling technique was employed in this study. Firstly, Sodo town was purposely selected from seven reform towns due to large access to different job opportunities, and different alternative media opportunities related to other towns to have the vacancies easily, this reason for unemployed youth migrating from other towns and rural areas to the town. Then based on the report of Sodo town administration three Kebeles were again purposively selected due to the greatest numbers of unemployed youths in the Kebeles. Finally, from three selected Kebeles the number of samples was determined using Probability Proportional to Size (PPS) and finally the researcher selected 112 youths from Wadu Kebele, 119 youths from Fana Womba and 117 youths from Mehal Kebele by using simple random sampling to give equal chance for the respondent.

Table 1 Sample Size and Sample Distribution of Respondents

Name of Selected Kebeles	No. of Youth	Proportion	No. of Sampled Youth
Wadu	876	32.3	112
Fana womb	925	34.1	119
Mehal	913	33.6	117
Total	2714	100	348

Source: Own computation based on data from WSCA

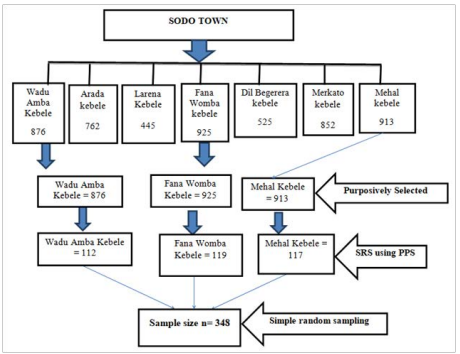

Figure Sampling Procedure

Data Collection Instruments

Primary data were collected through structured questionnaires, interviews, and focus group discussions. Secondary data was collected from annual reports, journals, books, magazines, internet searches, etc.

Methods of Data Analysis

The study used both descriptive and inferential statistics for analysis to achieve the objectives. In descriptive data analysis, the researcher has used percentages, frequency, and figures. In inferential analysis, the researcher has adopted a logit model by taking urban youth status as the probability of participation in the labour market. Hence, participation assumes a binary response variable and takes a value of 1 for those youths who were participating in the labour market and zero otherwise.

The objective of this research was to examine the determinants of urban youth unemployment in Wolaita Sodo town. Thus, it needs to identify the probability of the youth population being employed in the urban labour market. Thus, participation assumes a binary outcome, whether employed or

unemployed in the labour market. On the other hand, the dependent variable assumes youths dwelling in urban centres were either employed or unemployed in the urban labour market.

Unemployment status of urban youths: dependent variable of the model that is dichotomies or dummy variable that takes value 0 = if urban youth is employed and 1= if urban youth is unemployed. The appropriate econometric technique to deal with such type of data is using binary logit and the most popular statistical technique was used to analyse the probability of a dichotomous outcome (such as employed or unemployed) with a set of explanatory variables. A binary logistic regression model was used to identify determinants of urban youth unemployment. It is a special type of logistic regression model which is used to describe the relationship between one or more independent variables and a binary outcome variable that has only two possible values. Logistic regression is used in a wide range of applications leading to categorical dependent data analysis (Agresti).

According to (Gujarati and Porter), the logistic or logit model could be written in terms of the odds ratio and log of odds ratio, which enable one to understand the interpretation of the coefficients. In this study, the odds ratio is the ratio of the probability that the youth will be unemployed (P_i) to the probability that he/she will be employed ($1-P_i$).

$= f(\alpha + \beta_i X_i)$

Since Z_i is $\propto+\beta_i X_i$ we can rewrite the above equation as

$\log \{\pi / (1+\pi)\} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + ... + \beta_k X_k$

Taking the natural logarithm, we have the following:

$\pi = \{e^{\beta 0 + \beta 1X1 + \beta 2X2 + ... + \beta kXk}\} / \{1+e^{\beta 0 + \beta 1X1 + \beta 2X2 + ... + \beta kXk}\}$

Therefore, the odds ratios of the estimated regression coefficient associated with a 0 & 1 coded dichotomous predictor are the natural log of youth unemployment.

$p/\{1-P\} = e^{\beta 0 + \beta 1X}$

= (Odds for Youths Employed) / (Odds for Youths Unemployed)

$= e^{\beta 0 + \beta 1} / e^{\beta 0} = e^{\beta 1}$

Where

Y_i: The dependent variable either the youth is employed or not in the labor market.

K: the number of explanatory variables included in the model

X_i: are vectors of all explanatory variables

β_i: the coefficient or the parameter to be estimated in the model

P_i: is the probability that the youth is employed in the labour market

$1-P_i$: is the probability of failure or the probability that the youth is unemployed

U_i: is the disturbance (error) term showing the effect of other variables (other than the included variables) on our dependent variable.

Finally, the odds ratio of youths employed over unemployed has been interpreted.

Test for Model Appropriateness

Detection of Multicollinearity: before fitting the variables into the model for analysis, it is necessary to test the intensity of correlation among explanatory variables. Multicollinearity is a problem which can occur both in cross-sectional and time series data which deals with the degree of relationship among the regressors. According to Gujarati and Porter, multicollinearity refers to a situation where it becomes difficult to identify the individual effect of independent variables on the dependent variable because there is a strong relationship among them. In other words, in this study to detect multicollinearity problems for continuous variables, the variance inflation factor (VIF), for each coefficient in a regression as a diagnostic statistic was used.

$VIF = 1 / (1-R_j^2)$

Where R_j^2 is the multiple correlation coefficient between explanatory variables, the larger the higher the value of VIF (X_j) causing higher collinearity in the variable (X_j). VIF is the variance inflation factor.

The results of the VIF indicate that there is no multicollinearity problem. Serious multicollinearity happens when VIF>10. The VIF of each of the explanatory variables was less than 10 which shows there is no severe multicollinearity problem. The average VIF of the explanatory variable is less than 10 (Appendix Table 1).

Detection of Heteroscedasticity: It is one of the problems that lead to violating the assumption of CLRM. It mostly occurs in cross-sectional data due to misspecification of the model. When we say there

is a heteroscedasticity problem, it means the variance of the population varies along the variables (Bekele).

In this study, to detect the heteroscedasticity problem, the Breusch-Pagan / Cook-Weisberg test was used to identify the existence of the heteroscedasticity problem. So, robust standard errors were used to overcome the examined problem (Appendix Table 2).

Likewise, there may also be an interaction between two qualitative variables, which can lead to the problem of multicollinearity or association. To detect this problem, coefficients of contingency will be computed from the survey data. Contingency coefficient analyses were carried out to check the strength of the association. The value ranges between zero and one, with zero indicating no association between the explanatory variables and values close to one indicating a high degree of association between the variables. A value of 0.75 or more indicates a stronger relationship. The contingency coefficients are computed as follows:

$$CC = \sqrt{\{\chi^2 / (n+ \chi^2)\}}$$

Where CC=Contingency Coefficient, χ^2=Chi-square test, n=total sample number

Goodness-of-Fit Test: the goodness-of-fit of the models was assessed using pseudo-R-squared and probability of model joint significance value for the probit model and probability of joint significance and adjusted R-squared values for the OLS model (Maddala). Pseudo R-squared is calculated and the obtained values indicated that the independent variables included in the regression explain a significant proportion of the variations in the urban youths' likelihood of employment. The pseudo-R-square, value ranges from zero to one with higher values indicating a good fit for the model (Maddala). In this study, the R-square value was 96.86% indicating the fitness of the model. When the probability of joint significance of the model is significant, then this indicates that the independent variables are explained by the dependent variable, indicating the fitness of model (Appendix Table 4).

Results and Discussion

Institutional Factors

As revealed in (Table 2) from employed and unemployed respondents only 23.8% and 28.16% respectively had access to information. Out of the total respondents, only 28.16% had access to job information, whereas 71.84% did not have access to job information. The χ^2 (1.79) of the survey result reveals that there is no significant difference between employed and unemployed urban youths in terms of access to job information. This is different from the study of (Aynalem and Mulugeta) who found that information accessibility of jobs had positive significance at a 1% significant level.

As presented in (Table 2) 47.54% of employed youths use credit, while about 5.46% of employed respondents did not use credit services. In other words, 35.4% of unemployed respondents use credit services while about 64.6% of unemployed respondents did not use credit services. Out of the total respondents, only 39.66% of youths used credit whereas 60.34% did not use credit. The $\chi 2$ results show that the use of credit has a positive and significant relationship with urban youth employment at 5%.

Survey data describes that 34.4% of employed respondents in the study area had a linkage with private and public sectors the rest 65.6% did not have a linkage with private and public sectors. In contrast, 37.61% of unemployed respondents had a linkage with the private sector while 62.39% of unemployed respondents did not have a linkage with the private-public sector. The χ^2 (0.35) of the survey data reveals that there is no relationship between employed and unemployed urban youths in the study area in terms of public and private sectors' linkage. However, the finding of (Abera) contradicts that the linkage between private and public sectors gives better chances for youth to be employed.

According to (Table 2) 84.4% of employed respondents answered that there was a stakeholders' contribution while only 15.6% of employed respondents did not have access to stakeholders' contribution. In other words, 55.31% of unemployed respondents had access to stakeholders' contributions while 44.39% of unemployed respondents did not have access to stakeholders' contributions. In addition to this, out of the total respondents, 65.52% of youth answered that there was a stakeholder's contribution in the study area in terms of urban youth employment, whereas 34.48% of youth responded that there was no stakeholder's contribution in urban

youth employment. The χ^2 (29.731) indicates that there is a positive and 1% significant relationship in terms of stakeholders' contribution to urban youth employment. This is in line with the study of Aynalem and Mulugeta, who explored that there is a significant difference between urban youth employment and unemployment in terms of stakeholders' contribution.

Table 2 Institutional Factors

Variables		Employed (122)		Unemployed (226)		Total (348)		χ^2	Sig.
		No.	%	No.	%	No.	(%)		
Access to Job Information	Yes	29	23.8	69	30.5	98	28.16	1.79	0.212
	No	93	76.2	157	69.5	250	71.84		
	Total	122	100	226	100	348	100		
Use of Credit	Yes	58	47.54	80	35.40	138	39.66	4.88	0.027**
	No	64	52.46	146	64.60	210	60.34		
	Total	122	100	226	100	348	100		
Linkage with Public and Private Sectors	Yes	42	34.4	85	37.61	127	36.49	0.35	0.556
	No	80	65.6	141	62.39	221	63.51		
	Total	122	100	226	100	348	100		
Stakeholders Contribution	Yes	103	84.4	125	55.31	228	65.52	29.73	000***
	No	19	15.6	101	44.39	120	34.48		
	Total	122	100	226	100	348	100		

Source: Own computation from survey result; **Note**: ***, ** and * = significant at 1, 5 and 10 percent respectively

Employment Status

As presented in (Table 3) based on the survey results, 64.94% of total respondents were unemployed, whereas only 35.06% of respondents in the study area were employed in different sectors. This shows that a maximum number (64.94%) of the respondents were unemployed.

Table 3 The Employment Status of Respondents

Employment Status	Frequency	%
Unemployed	226	64.94%
Employed	122	35.06%
Total	348	100%

Source: Survey Result

Results of Logistic Regression

Under this section, a binary logit retrogression model was employed to control the selectivity bias and heteroscedasticity problem; and gain harmonious and unprejudiced parameter estimates. It's important to check for multicollinearity and heteroscedasticity problems before running the model for both the nonstop as well as the dummy variables. So, before running the model for both the nonstop as well as the ersatz variables multicollinearity and heteroscedasticity problems were checked. The usual measure of multicollinearity among nonstop variables is VIF and for Dummy variables is a contingency measure (CC). As a result, the values of the friction affectation factors were in the ranges of1.04 and5.96. Thus, depending on the results of the friction affectation factor, there was no multicollinearity problem among the hypothecated continuous and dummy variables (Appendix Table 1). Of the total number of independent variables used in the analysis anticipated to impact the severance of youth, eight variables were significantly related to the dependent variable, the severance status of young people. These were Age of Youth, coitus of Youth, Marital Status, Education Year, access to employment data, Entrepreneurial skill, Use of Credit service and Stakeholder donation.

**Youth`s Age**: youth`sage affects urban youth employment appreciatively in an analogous way to the anticipated thesis. As specified in (Table 4), the age of youth appreciatively affects urban youth employment 1% significant level. This is due to progressed youths having better mindfulness to produce or search job occasion as a result they could

have better experience about employment or job creation rather than immature youths. The borderline effect of the result approves that when the youth age increases by one time, the probability of civic youth employment also increases by2.15% while all other variables are held constant. The reverse is true for urban youth severance. This is different from the discovery of (Kassa) who explored that a rise in the age of youth by one time also raises the probability of urban youth employment.

Sex of Youth: Sex affects urban youth employment negatively at a 1% significance level in as former anticipated hypothesis (Table 4). According to (Table 4), the econometric result of the study revealed that being a manly youth raises the likelihood of urban youth employment. The negative effects of sex in discrepancy of thesis implies that female youths have lower access to hunt jobs or to produce their job and they may have lower access to connections in case of different burdens as compared to manly youths. The reverse is true for urban youth unemployment. This is in line with (Gebretsadik) indicated that positive relationship between civic employment and manly youths. Along with this, the study of (Gebretsadik) approves that coitus of the youth is among the variables that affect civic youth employment appreciatively at a 1% level of significance meaning that the econometric result of the study showed that being a manly youth raises the likelihood of urban youth employment of the sample party.

Marital Status: The marital status of urban youth in the area of study is among the factors of urban youth employment. Preliminarily it was anticipated that it has a negative influence on civic youth employment. Also, the econometric result (Table 4) presents it has a negative and significant influence on civic youth employment at a 10% significant level. As the borderline effect reveals in (Table 4), wedded urban youths increase by one, the probability of civic youth employment also decreases by 13.59%. This means that wedded youths can be challenged to get a job whatever effects and can be employed rather than unattached youths. The reverse is true for civic youth severance. According to the study, wedded youths have less access to produce jobs in urban areas rather than unattached because the wedded youths can face different challenges and can fail in urban youth employment.

Education Year: As anticipated preliminarily, time of education has an appreciatively and statistically significant impact on the youth's job situation at a 1% level of significance. The borderline effect of the result approves that when the youth education time increases by one time, the probability of urban youth employment also increases by 5.42% while all other factors are maintained constant. This shows that one-time spending money on school or investing in education functions as a better indicator of youth productivity, increasing the likelihood that they will find employment. As opposed to that, it shows numerous people spend money on education awaiting a long-run positive return. The reverse is true for urban youth severance. It's according to the discovery of (Kassa) who also showed that that educated teenagers possess an advanced probability of getting urban Ethiopian employment than those having fairly low situations of education. This is also harmonious and reflects Bhorat's conclusion for South Africa. Additionally, Abera's outcome also supports the judgment that the more advanced the position of education, the higher the quality of the chances of youth being employed.

Quality of education is pivotal for the country's frugality and development. Indeed if the utmost agencies, including the government, condemn the calibre of instruction for the current educated youth unemployment, and maturity of the replies, 58% of the total replies don't believe that the calibre of instruction could be the cause of the current educated unemployment problem while the rest 42% allowed that quality of education has donation to youth unemployment (Gebretsadik)

Another defence for why unemployment rates tend to be advanced among the more educated youth is that there's attainability of coffers to support full-time job hunting in Ethiopia like numerous other developing countries, unlike the situations in Latin American countries (Godfrey).

Unemployment has multiple profitable, cerebral, political, and environmental consequences on youths. The effects of unemployment can be classified astronomically as private (individual) and social goods. The private goods of severance are

those goods borne by the jobless youths themselves. The social goods in contrast relate to those impacts to the societies as well as the nation at large and it can be the accretive results of private effect (Kassa).

The unemployment effect was dominant among persons who are 20-25 years of age, as most of them have completed their education and entered the labour request with no previous work experience (Legese).

View to Job Information: As shown in (Table, 4), anyone may access any information about a vacancy advertisement (whether they access it or not); likewise, to the former thesis, it has positive significance about the youth's employment situation at 1% importance level. The borderline effect of the result supports that when youth access to employment data grows, the likelihood of urban youth employment increases by15.15% while all other factors are maintained constant meaning that non-accessible youths are less employed than accessible youths. The reverse is true for not having access to information about urban youth unemployment. The research by (Abshoko) also established a substantial relationship between youths' occupational situation and their ability to request information. According to his research, if all other factors are maintained constant, those with access to knowledge are 86 percent less likely to be unemployed than people without it.

Entrepreneurial Skill: A youth with better entrepreneurial chops in urban youth employment, is assumed to be more apprehensive about job creation or employment. This variable was anticipated appreciatively to impact urban youth employment. Likewise, shown in Table 5, the econometric results showed that entrepreneurial chops of urban youth were appreciatively impacting urban youth employment at a 10% significance level. As a result, youths with better entrepreneurial chops in entrepreneurship can search for different job areas and produce jobs more fluently than lower-professed youths. The borderline effect of the result reveals that as the entrepreneurial skill of youths increase by one, the probability of urban youth employment also increases by 22.25% while all other factors are maintained constant. The reverse is true for urban youth unemployment. It's believed that a match between the chops they acquired and what's demanded in the labour request has a positive effect on employment.

Among the reasons why educated youth are unemployed is poor entrepreneurship chops which had a response of 75.3% while the rest 24.7% didn't consider poor entrepreneurship chops as a cause of educated youth unemployment. According to the response, poor entrepreneurship chops are the main why youth unemployment is a problem in the study areas. Indeed however, good entrepreneurship training in all educational institutions helps them in creating their own business and be tone- employed rather than staying for the government, this data implies that utmost of educated youths have no entrepreneurship skills and training in their academy (Gebretsadik).

Use of Credit Service: Access to credit was hypothecated to appreciatively influence urban youth employment. Likewise, it has appreciatively and significantly told the liability of youth employment in Wolaita Sodo megacity. As presented in (Table 4), the model results showed that the use of credit services significantly and appreciatively told urban youth employmentby 1%. The reverse is true for urban youth severance. As compared to rather non-credit user youths, credit user youths' increase in the likelihood of urban youth employment by18.49% because credit druggies might have better capability to invest in the job hunt and to buy needed accoutrements and inventories that are needed to produce job or employment rather than youths who are non-credit druggies.

Stakeholders Contribution: Stakeholders' donation was hypothecated to appreciatively influence urbanyouth employment. Also, it has positive and significant influences on the liability of youth employment, and it's important to get applicable job openings to be employed. As in Table 4, this study set up that stakeholder's donation affects youth's employment status appreciatively and significantly by 1%. The reverse is true for urban youth unemployment. A result of econometric analysis reveals that stakeholders' donation to urban youth job creation and employment increases by one, urban youth employment also increases by26.67% while keeping all other factors maintained constant.

Table 4 Results of Logistic Regression

Variables	Std. Err	Z	P>|z|	Marginal Effect
Age	0.0429436	3.01	0.003***	0.021464
Sex	3.964241	-5.10	0.000***	-0.3140639
Year of Education	0.0379399	-5.73	0.000***	0.0541852
Marital Status	0.6942781	1.86	0.063*	0.13587
Access to Job Information	0.1340627	2.73	0.006***	0.1514844
Frequency of Job Searching	0.1085297	-0.84	0.403	-0.0186966
Economic Background of Family	0.195614	-1.46	0.143	-0.0803977
Previous Working Experience	0.1647994	-0.35	0.725	-0.0114952
Entrepreneurial Skill	0.1887012	1.85	0.064*	0.2224702
Use of Credit	0.8952398	2.75	0.006***	0.1848501
Linkage with Public and Private Sectors	0.6723637	-0.05	0.958	-0.0068719
Stakeholders Contribution	1.866914	4.57	0.000***	0.2667039
Job Preference	0.3667072	0.47	0.635	0.0281926
Constant	0.1209427	0.138	-1.85	0.064

Source: Survey result
Note: ***, ** and * = significant at 1, 5 and 10 percent respectively
Logistic regression Number of obs = 348, Wald $chi^2(13) = 82.20$, Log-likelihood = -156.6981; Prob > $chi^2 = 0.0000$

Constraints of Employment in the Study Area

According to the sampled youth response, the shortage of finance major problem in youth unemployment in Sodo town as presented in (Table 5), 75.40% of employed youth respondents complained shortage of finance is one of the key constraints to creating jobs.

Based on the survey results there was a problem regarding the institution of credit service providers. As presented in (Table 5), 92.62% of employed youth respondents indicated that there were problems related to credit service and only about 7.38% of the total respondents (122) indicated that there were no problems related to credit service providers.

As presented in (Table 5) the skill gap of self-employment was one of the very challenging constraints in urban youth employment. Of the total respondents of employed youth respondents, 69.67% indicated that there was a skill gap regarding youth employment (especially self-employment).

According to the survey result in (Table 5), 72.95% of respondents indicated that there were issues with attitudes regarding accepting any job in the study area; only about 27.05% of respondents said that there were no issues with attitudes regarding accepting any job in the research space.

As described in (table 5) 80.33% of employed youths reported that there were corruption-related problems in contrast 19.67% of the respondents ranked that there were no corruption-related problems in the research space.

As the finding shown in (Table 5), Youths faced challenges regarding to accessibility of enough jobs that can match the number of unemployed youths. From the total of 122 respondents 95.90% of respondents answered there was a very high competition problem of jobs and the number of unemployed youths in different only 4.10% of responders said that there was no problem regarding competition in job search meaning that job accessibility and number of jobs searching youths were not matching.

Table 5 Major Employment Constraints Identified in Study Area

Employment Constraints	N=122 (Employed Youths only)		
	Response	Frequency	%
Shortage of Finance	Yes	92	75.40
	No	30	24.60
	Total	122	100

Problems Related to Credit Service	Yes	113	92.62
	No	9	7.38
	Total	122	100
Skill Gap of Self-employment	Yes	85	69.67
	No	37	30.33
	Total	122	100
Attitudes toward Accept of any Job	Yes	89	72.95
	No	33	27.05
	Total	122	100
Corruption Related Problems	Yes	98	80.33
	No	24	19.67
	Total	122	100
Very High Competition of Youth to find Job	Yes	117	95.90
	No	5	4.10
	Total	122	100

Source: Survey result

Conclusion

Youth unemployment is one of the most serious problems in Ethiopia. In this regard, several studies have been conducted so far to analyze factors that are responsible for unemployment among youth. This study deals with the determinants of urban youth unemployment and the constraints they face in creating their jobs in Wolaita Sodo. The study tried 348 individual Youths who were named from Wolaita Sodo City by a multi-stage sampling system. The study's objective was to identify the variables influencing youth mortality in Wolaita Sodo City and to offer solutions for reducing the issue. The study used a double logistic retrogression model to dissect the determinants of severance in Sodo City. The dependent variable of the research was youth employment status which was distributed into two orders employed and jobless. From the findings of this study, study concluded that Age, Sex, Year of Education, Marital Status, Access to Job Information, Entrepreneurial Skill, Use of Credit, and Stakeholders' Contributions, were all significant factors in explaining the difference in youth employment status in Wolaita Sodo.

The descriptive system includes probabilities, frequencies, mean, and chi-square test for dummy variable and t-test for nonstop variable employed. All repliers were youths but not all youths were employed. From 348 tried youths 122 (35.06%) of the replies were employed and the rest 226 (64.94%) were jobless. From all over the replier youths 95 (27.3%) were ladies but 253 (72.70%) were males. This implies that the maximum number of jobless youths in the study area were males.

The average age of repliers' was 22.67 and the mean time of education was 12.47. Of total repliers (348) only 28.20% of repliers have access to job information the rest 71.80% of total repliers have no access to job- and job-related information. In addition to this, 32.5% of total repliers were credit customers and the rest67.5% of the replier youths didn't use credit. The minimum frequency of job hunts per month was 1 while the maximum frequency of job hunts per month was 5 that youths spent.

Out of the total replies (348), 63.5% of youth answered that there was a stakeholder's donation in the study area in terms of young urban regions with unemploymentwhereas34.5% of youth responded that there was no stakeholder's donation in urban youth employment.

As a result, the sex of the youth, entrepreneurial skill, job preference, age of youth, time of education, frequency of job hunt per month, use of credit and stakeholders' donation were significant factors that impact unemployment among young people in the study area.

On top of that, this exploration work aimed to determine what factors lead to urban adolescent unemployment in Sodo city. The studies employed the Binary logit retrogression model. In the model unemployment status of urban youth was taken as the dependent variable and thirteen explicatory variables were included. The result of the Binary logit models shows that eight of the explicatory variables were set up as significant determinants of urban youth unemployment; age, sex, times of education, access to job information, entrepreneurial skill, use of credit, and stakeholders' donation. The study set up that education position is significantly contributing to severance. Thus, the government and concerned bodies should review job request regulations to enhance educated youths to be employed which can help them to contribute their part to their country. Also, emphasis should be given when new education programs are opened; a detailed study is needed

to make a match between the demand and force of education since a match between individualities acquired skill and knowledge with the request demand factors of severance. It revealed that youth which have no access to credit use were more jobless. Therefore, intervention is needed to finance youth through sharing all private investor and government services. Also, the study recommended that the concerned bodies should try to produce access to information conditions by identifying employment openings. Finally, the government should grease stakeholders' donations to motivate further youth to engage in different conditioning which reduces the issue of youth severance, especially among professed and educated young people in urban areas sweats should be made to increase the vacuity of original working capital, the identification of profitable business areas and provision of practical training for urban youths to be engaged at their own business.

Recommendations

It's necessary to further policy directions grounded on the findings of the study to formulate strategies. Grounded on this understanding the ensuing recommendations have been made.

Consequently, econometric analysis of time of education had a positive influence on urban youth employment 1% significant level and since years of education matter for the employment status of the youth, programs and strategies that promote education and produce further job openings should be enforced. Thus, governments and policymakers should review job request laws and regulations to promote a smooth transition of youth from education to job requests. The concerned bodies should also give some job training for those youths who are illiterate or less educated.

The sex of the replier had a negative and significant influence on urban youth employment. This isn't only an employment issue since gender differences in access to coffers have far-reaching counter accusations on overall social weal given the part of women in public development. Thus, affirmative action should be considered for gender mindfulness; this is done by empowering women to engage in urban youth employment.

The use of credit services had a significant and positive influence on civic youth employment. Perfecting access to credit for civic youths should thus be precedence for perfecting job creation in civic areas. Thus, the government should invest in and encourage satisfaction with credit service providence in the way of working the problems like high interest rates, inadequate supply and bureaucracy which are related to the use of credit services. Since loan access to the youth matters for the employment status of the youth, concerned bodies should produce better access to loans. The information from the check shows different challenges related to lone to start youths their business. The concerned body, especially the government should also give installations-related breaks on the problem from MFIs on how they get the information to fulfil the attestation, the translucency related to getting the service, circulate the information by using access like mass media and magazines the important of how starting a business in the study area.

Entrepreneurial skills are explosively and appreciatively significant in youth employment. The government should invest in the skill development of youths. Thus, government and policy should play their part in expanding youths' entrepreneurial skills. Stakeholders' donations are appreciatively and significantly affecting youth employment. Thus, the government and concerned bodies should intensely invest in supporting the conditioning of civic youth job creation and youth employment.

Conflict of Interest

The authors declare that they do not have any conflict of interest.

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Appendices

Appendix Table 1 Result of Multicollinearity Test

Variables	VIF	1/VIF
AGEHH	1.07	0.935911
YEAREDC	1.07	0.937670
FRQJOBSR	1.02	0.979298
PRWREXP	1.01	0.986802

Appendix Table 2 Results of Heteroscedasticity

Testhettest Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of UREMP
chi^2 (1) = 29.33
Prob > chi^2 = 0.0000

Appendix Table 3 Results of Omitted Variable Test

Ovtest
Ramsey RESET test using powers of the fitted values of UREMP
Ho: the model has no omitted variables
F(3, 331) = 5.36
Prob > F = 0.0013

Appendix Table 4 Logistic Regression Results

Number of obs = 348
LR chi^2 (13) = 141.00
Prob > chi^2 = 0.0000
Log-likelihood = -154.93654
R-squared = 0.9686
Adj R-squared = 0.9670

Variables	Odds Ratio	Std. Error	Z	P > |z|	[95% Conf. Interval]	
AGEHH	1.122084	.0429436	3.01	0.003	1.040996	1.209489
SEXHH	9.138307	3.964241	5.10	0.000	3.904905	21.38558
YEAREDC	.7476743	.0379399	-5.73	0.000	.6768916	.8258587
MOST	1.943113	.6942781	1.86	0.063	.9646332	3.91412

ACCJBINF	.4045856	.1340627	2.73	0.006	.2113284	.7745742
FRQJOBSR	.9045328	.1085297	-0.84	0.403	.7149795	1.14434
ECFMBC	.6383891	.195614	-1.46	0.143	.3501562	1.163882
PRWREXP	.9401745	.1647994	-0.35	0.725	.666814	1.325599
ETRSK	.2566871	.1887012	1.85	0.064	.0607646	1.08432
USOCR	2.590813	.8952398	2.75	0.006	1.316159	5.099923
LNKUNYTPO	.9637034	.6723637	-0.05	0.958	.2455109	3.782823
STCTJB	5.186634	1.866914	4.57	0.000	2.561522	10.50203
JBPF	1.161517	.3667072	0.47	0.635	.6255892	2.156561
Cons	.1209427	.1378917	-1.85	0.064	.0129446	1.129976

Appendix Table 5 Marginal Effects After Logistic

y = Pr(UREMP) (predict) = .24768895							
Variable	**dy/dx**	**Std. Err.**	**Z**	**P>|z|**	**95%**	**C.I.**	**X**
AGEHH	.021464	.00709	3.03	0.002	.007567	.035361	22.6724
SEXHH	.3140639	.0429	7.32	0.000	.229984	.398143	.727011
YEAREDC	.0541852	.00916	-5.91	0.000	-.072146	-.036224	12.4713
MOST	.13587	.07837	1.73	0.083	-.017733	.289473	.183908
ACCJBINF	.1514844	.04932	3.07	0.002	.248147	-.054822	.281609
FRQJOBSR	-.0186966	.02232	-0.84	0.402	-.062446	.025053	2.68103
ECFMBC	-.0803977	.05283	-1.52	0.128	-.183948	.023153	.333333
PRWREXP	-.0114952	.0327	-0.35	0.725	-.075593	.052602	1.54885
ETRSK	.2224702	.10515	2.12	0.034	.428565	.016375	.324713
USOCR	.1848501	.06832	2.71	0.007	.050945	.318756	.396552
LNKUNY	-.0068719	.12934	-0.05	0.958	-.260366	.246622	.364943
STCTJB	.2667039	.04928	5.41	0.000	.170122	.363286	.655172
JBPF	.0281926	.05996	0.47	0.638	-.089321	.145706	.359195

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