

Breaking the cycle of youth unemployment in Ethiopia



From "more jobs or more training?" to addressing information frictions between workers and firms

Ethiopia has one of the youngest populations in the world - but youth unemployment has remained a persistent challenge



70%+

of Ethiopia's population is under 30



25%

urban youth unemployment was recorded among 15-to-29-year-olds



For years, the policy debate focused on whether Ethiopia needed more jobs or more skills training. Ten years of IGC-supported research helped reframe the problem: many young people were not unqualified, they were simply disconnected from the information, networks, and signalling tools needed to access available work

1. The challenge

IGC-supported studies showed that:

- Job adverts were often concentrated in city centres, while many jobseekers lived on the outskirts
- Social networks shaped access to referrals
- Employers struggled to identify the right candidates from qualifications alone

One foundational study found that job application workshops improved employment outcomes by helping young people better signal their skills through CVs, interviews, and job search strategies. The research helped shift attention from increasing the supply of graduates towards improving how workers and firms are matched.

2. What changed?

IGC introduced some of Ethiopia's first rigorous, experimental labour market research, helping to position the labour market as a key area for reform. This work helped shift the discourse away from simply increasing the numbers of jobs toward improving fairness and access in hiring.

The IGC's work influenced:

- Government policy calling for structured, large-scale internship programmes to improve school-to-work transitions
- National conversations on how to improve employment services, vocational curricula, employer engagement, and data on the sector
- The World Bank's Urban Productive Safety Net Project, particularly the livelihoods component
- IGC was invited to be part of the advisory board of the Jobs Creation Commission (JCC) created by the government of Ethiopia
- The research also helped build momentum for more integrated labour market institutions and data systems

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"The research and advice that we got from IGC, from the Advisory Council (JPAC), helped us to manage and change the way we were going to conduct the apprenticeship programme"

H.E. Nigussu Tilahun (State Minister, Ministry of Labour and Skills)

3. The impact

60,000+

youth linked to wage-paying jobs through the Urban Productive Safety Net Project

2.4 million+

jobseekers reached through Ethiopia's Labour Market Information System

65%

of Labour Market Information System users are women

By identifying and addressing both information frictions in the labour market and structural barriers to employment, IGC research helped move Ethiopia's jobs agenda from fragmented interventions towards more coordinated, data-informed labour market systems.