Bureaucratic focus and service delivery Challenges of Tackling Unemployment in the Case of Gondar Town:

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Abstracts

Unemployment is a very determinant issue that plays a crucial role in the socioeconomic development of a nation. Unemployment has a discouraging effect on future participation in the labor force, earnings and welfare of the society in general. It gives to increased crimes, suicides, poverty rate, alcoholism, instability, and prostitution. The study was conducted in Amahar regional state Gondar town administration to assess the Bureaucratic focus and service delivery challenges of tackling unemployment. Qualitative research approaches with a cross-sectional study design was employed. Using multi-stage sampling technique, the subject and the research participants were chosen. Group consultation or Group interview, document analysis and filed observation methods were used. The data were analyzed using descriptive analysis. The researcher described the service delivery process is tedious and time demanding. The sector is fully dependent on the willingness and good service, delivery capability of another sector. The responsiveness, reliability, assurance, empathy, and tangibility of the service is questionable. In that respect is likewise a problem of finance or budget for the sector itself, government rules, office equipment, and infrastructure are the most vital problems which discouraging to the expertise. Hence, mechanisms should be forged to the TVED to make its natural action to some extent independently. Peculiarly, the credit opportunity should provide through TVED for credit seekers or for enterprises.

Key words: Bureaucratic focus, tackling unemployment, Technical and vocational enterprise development, service delivery

1. Introduction

1.1. Background of the study

The concept of unemployment is something everyone seems to understand but its measurement and definition is not straightforward, yet. Unemployment is a very determinant issue that plays a crucial function in the socioeconomic growth of a country (Aaronson, D., Mazumder, B., & Schechter, S. 2010). Unemployment has been seen as simply as the number of people actively looking for a job (Asif, K. 2013) and people have jobs that do not furnish them with equal means to assure their survival. Unemployment comprise all persons of working age who were without work during the acknowledgment period (Bernhard, S., & Kruppe, T., 2012). One can only be called as unemployed if she or he without work, one was not in paid employment or self-employment, the one who is currently available for work or ready for a paid employment in a certain reference period and seeking work, if he or she had taken specific steps in a specified recent period to seek paid employment or self-employment (Hussmanns, R., 2007). The International labor organization approach to defining unemployment rests on what can be termed the ‘labor force framework’, which at any point in time classifies the working age population into three mutually exclusive and exhaustive categories according to a specific set of rules: employed, unemployed, and out of the labor force; where the former two categories constitute the labor force, i.e. basically a measure of the supply of labor at whatever dedicated time (Byrne, D., & Strobl, E., 2004). Due to unemployment, we are seen different negative phenomena in the world. People are migrating, instability and political unrest are seen in different countries, the economic system of a country keeps stagnant (Dessie, W. A. 2015). Unemployment comes from different causes. The reason of unemployment is extensively
debated issue among economists. The Keynesian economics stress on the inadequate aggregate demand in the economic system is as the major cause, the failure of wages to adjust to labor supply labor demand. The other deciding factor in rising unemployment are a high and continuous unemployment benefits “high tax wages” and “stringent and anti-competitive product market regulation (Mafiri, M. I. 2002). The causes of unemployment can be also categorized in to five types. The first is Frictional unemployment refers when people are categorized as with no work while they are seeking to get a new line of work. The second is Cyclical Unemployment which makes people unemployed because of recessions of the economic system. As a matter of fact, it is not surprising that during economic recessions, the demand for commodities and services diminishes. When the supply of labor is more outstanding than the demand, unemployment results. Nevertheless, it is thought that such unemployment will disappear the economy recovers. The third is Voluntary unemployment. Under the economists’ view, people tend to participate in the work force. Unemployment is usually seen as involuntary. Even so, there are scenarios that people prefer not to go. Voluntary unemployment describes such phenomenon. It is functionally another type of frictional unemployment. It happens when people are not able to find employment that matches their expectations. Structural unemployment occurs when the skills, experience, and education of workers do not match job openings. Structural unemployment is a form of frictional unemployment, but it usually lasts longer. It may encourage voluntary unemployment. The fifth one is Institutional unemployment. The government is the most common instigator of institutional unemployment. Governments can set taxes, create price floors or price ceilings, and indirectly support other factors of institutional unemployment such as labor union (Mafiri, M. I. 2002).

Unemployment is the worry in both developed and developing areas but its impact and degree might take issue. Unemployment has been the most consistent problem in both advanced and poor countries (Abeba, 2011). As indicated in the world bank database (2011), the general unemployment rate from the sum of labor force stood at 20.5%. Recently unemployment has increased due to the recent economic crises of 2007/2008 which collapsed the mass output and led to job cuts (Ibid).

The paradigm shift suggests (rapid urbanization, technology and rapid population) is changing the composition of employment. Especially for developing countries, a large percentage of the population is expected to move or holdout in an urban city before 2020. With the avail of globalization, industrial nations are transformed from primary and manufacturing industries toward services and knowledge intensive activities. At the same time, advancement of technology changes the direction of playing. Production tasks can take place irrespective of the positions. Multinational companies can enter local markets by establishing an integrated value chain. Such structural changes, which take decades in industrial lands, have now transformed in a multiplication. Although such structural changes bring improvement in effectiveness and efficiency, social clubs and people may not be able to catch up the tempo of growth. As a resolution, structural mismatch lies between the labor market as well as the labor supply (Albert Rees, 1957).

Unemployment in developing nations like those in East Africa is an outcome of urban to rural migration motivated by the high wage differentiation (Serneels, P., 2004). According to Abefasikere (2011) the major cause of rising unemployment in urban area in less developing countries is education expansion, urbanization which results in rural urban migration, population increase and job aspiration. A resolution of the study conducted by world bank in 2007 the potential cause of unemployment in Ethiopia including urban area is the rising figure of the young labor force, the rising internal migration and literacy rate. Whatever the reason is for the unemployment, the pace is very gamey. Unemployment is sometimes advocated in some extent, mostly up to 5%, for the entrepreneurship process and economic resilience. To tackle unemployment the bureaucratic (refers to a system of rational administration and organization that has written rules, hierarchical authority, procedural specifications, and meritorious advancement and the service delivery process is very important.)
1.2. Statement of the problem

Generating decent employment must be a primary developmental objective (Isbel Qrtize, 2007). Unemployment results in a waste of economic resources such as the productive labor force and affect the long run growth potential of the economy (Baah-Boateng, W., Ansu, Y., & Amoako-Tuffour, J. 2013). Unemployment has a discouraging effect on future participation in the labor force, earnings and welfare of the society in general. Unemployment increased crimes, suicides, poverty rate, alcoholism, instability, and prostitution. These evils in turn cost our resource to their prevention rather than using for other development purpose (Abeba Fikre, 2011). Children are affected by the unemployment situation of their parents, they tend to perform less in their education. Unemployment has an adverse effect on health and mortality via its economic, social and psychological effect on the unemployed (Isabel Qrtiz, 2007). The problem has a serious effect not only on the living standards of the people but also on the socio-economic status of a notion. In Urban Ethiopia, the labor force grows with an increasing proportion, while the opportunity of employment is inadequate to absorb the labor market entrants and thus, unemployment presents a particular challenge (Fisume D. keberet, 2014).

Although creating jobs are the universal common goal, challenges to tackle unemployment is different everywhere. Therefore, there are no-size-fits all solution is available. A modernized Public Employment Service is a key instrument in the business of channeling job offers to workers. It should be properly staffed and funded, with private agencies free to compete with it. Further policies are needed to deal with regional unemployment. In particular, the decentralization of wage setting and measures aimed at improving the external environment where firms operate are also essential. Labor supply reducing policies such as early retirement, as well as uncontrolled access to invalidity pensions, and reforms of pensions systems should be phased out as the welfare-to-work approach makes it possible to deal with redundancies without having to implement (high cost) early retirement for older workers (Jackman, R., Layard, R., & Nickell, S. J., 2005).

To tackle unemployment the government of Ethiopia has trying to reduce the unemployment and poverty. For example, the Federal Democratic Republic of Ethiopia constitution Article 41(6)...states that “the state shall pursue policies which aims to expand job opportunities for the unemployed and the poor and shall accordingly undertake programs and public work projects”. Moreover, Article 41 (7) of the FDRE constitution also states that “the state shall undertake all measures necessary to increase opportunities for citizens to find the gainful employment” (FDRE constitution, 1993). In pursuit of realizing Ethiopia’s vision of becoming a middle-income country in about 20 years’ time from now (1999) and job creation has been articulated as one of the eight pillar strategies of its MDGs-based five years Development plan entitled plan for accelerated and sustained development to end poverty (MoLSA, 2009).

The government also developed unemployment policy and strategy with the broad three important dimensions. This are enhancing social welfare, accelerating economic growth and achieving political stability. Despite, Ethiopia has issued proclamation in the effort to improve employment outcomes through improving employment relations. Currently, the unemployment problems become a cause for different national and private issues. It is more serious problem in creating political instability (Andresen, M. A., 2015).

It should be possible for governments to promote private sector development and employment creation through providing business development sector, especially to small and micro-enterprise and informal sector operators (Castles, F. G. 2003). In Ethiopia, the government has already established the institution called micro and small-scale enterprise development agencies at all level to reduce unemployment with training, finance, and accessing infrastructures. According to Ethiopian national employment policy and strategy (2009) and Marta kibru (2012), employment generation has two important dimensions i.e. the demand and the supply side. It also promotes promotes the private sector, in the pubic sector and also in terms of promoting self-employment and entrepreneurship in urban and semi-urban areas. (Haile, G. A. 2005).

The strategy put the goal of providing the credit service, entrepreneurship and business management, training, appropriate technology research, market support, information and consulting, business development service, and infrastructure provision including roads, electricity, and water and...
access to land and work place (Castles, F. G. 2003). Despite, activities have been taken to reduce unemployment, the unemployment is high in the country and in Amahar region as well. According to Batu, M. M. (2016) The highest level of unemployment rate is observed in Addis Ababa City Administration (27.4%) followed by Amhara (25.3%) and Tigray (24.2%) regional states. Whereas regional states like Gambela (12.04%), Benshangul Gumuz (12.9%) and Afar (17.1%) have lower level unemployment rate. Gondar is one of the largest towns in Amahar Region- Ethiopia, affected by the problem of unemployment. According to data obtained from ministry of labor and social affairs (MoLSA), In Gondar town administration in 1996 a total of 3771 job seekers were registered (Ephrem, 2009). The cause of the unemployment will be different kinds but the objectives of the research is to identify what activities have been taken to tackle unemployment the case of Gondar town.

1.3. Objectives of The Research

1.3.1. General Objectives of The Study

The general objective of the study is to assess the activities have been taken to tackle unemployment in Amhara region the case of Gondar Town.

1.3.2. Specific Objectives of The Study

- To identify the service delivery procedure in Technical and Vocational Enterprises Development sector for job seekers.
- To identify the problems of Technical and Vocational Enterprises Development sector.

2. Methods of The Study

The researcher used qualitative research approaches with cross sectional study design. It has been used because it is a fact-finding study with adequate and accurate interpretation of the finding. It describes what the reality is and what actually exists within a situation, such as current practices, situations, etc., of different aspects of the research (Creswell, J. W., & Creswell, J. D., 2017). The data were collected using group-interview, filed observations, documents, reports, literature, and books.

There is a total of 11 Zonal administration in Amhara regional state. The researcher used multi-stage sampling to select population of the study. Using multistage Sampling technique, the North Gondar Zone was selected. A total of 10 sub cities are found in North Gondar Zone, Gondar town. In the multi-stage sampling process two sub cities were selected purposively with sub cities that have urban and semi-urban kebeles. These sub-cities are Azezo one sub-city and Azezo two sub-city. These two sub cities have their own Technical and Vocational Enterprise Development sectors which works on reducing unemployment. Each sub-city has eight expertise. All expertise of the sector in each sub-city were participated in the group interview because all expertise in the sector have their own identified role in the process of delivering service for tackling Unemployment. The researcher believed that all expertise has decisive role and incorporating all the expertise makes the researcher trustworthy, and the expertise are not much to manage. Hence, all expertise was interviewed in the group interview. During the data collection process the documents from the sector were used and observation has been performed in the field. Qualitative thematic analysis was employed to analysis the data.

3. Data Analysis

The research employed document analysis, field observation and group interview to collect data. Through document analysis the researcher found information and facts about the organization like the organizational structure and framework, the procedure employed by the organization to create job opportunities for unemployed, and the problem that challenges the sector in the process.
3.1. Service Delivery Procedure

Figure-1: The organizational structure of TVED sector at sub-city level

Source- Field Survey -2018

The sector is very important for the growth of the country, especially at this movement the sector plays decisive role because the country has high number of unemployed people which results instability and migration of youths in different part of the world for the search of better job.

As we can see in the above figure the process of creating jobs by the Admission Procedure.

“To create job opportunities for job seekers the Technical and Vocational Enterprise Development sector make an admission those people who seeks job using different ways like posting notice during summer time, through doo r to door registration and using other mechanisms to engaged them either in the area of urban-agriculture, trade, service, construction or manufacturing.

The next procedure is capacity building for the new enterprise those who are in urban-agriculture, trade, service, construction or manufacturing.

“The capacity building officer gives training for the newly organized enterprise. In capacity building positions the sector has only one officer, he or she can give training for those enterprise engaged on the area listed, above. A single expert can't provide service satisfactorily, couldn't satisfied the customers. Mostly, in our case one expert has only one expertise capacity. A person with a single professional skill and knowledge could not address the training needs of the enterprise.

As we can understand from the interview there is a high training need from the new enterprises and the already established enterprise we should improving customer services and meeting the expectations of client departments to deliver the programs for which they were accountable, with accuracy and assurance(Whatcott, W. E.,1974).

The next activity is creating credit opportunity by the finance officer. Amahar credit and saving institute (ACSI) is the only institution that can bring credit service for the new enterprise in the town and the sub-city as well for those enterprise organized by Technical and Vocational Enterprise Development sector.

In principle, the enterprises have three types of credit opportunity to start their job. The first one is a credit service with 8 percent interest rate. The source for this credit service is the world bank for youth’s employment via the credit and saving institutes. The second one is a credit service with 18 percent interest rate. In this type of credit service, the enterprise should save 20 percent of the credit service they request and set in their business plan. As the same time this type of credit opportunity is directly from Amahar Credit and Saving Institute, not from world bank or any other financial institution. The third type of credit opportunity is called group collateral. They do not expect to have collateral the maximum amount of credit is about 30,000.00 Ethiopian birrs. There are many problems
in the entire process to get either of the three-credit service opportunity starting from the sector itself to the financial institutions.

The process is tiresome and time taking. These makes the customers dissatisfied. When they need credit service from the Amara Credit and Saving Institute they have to have the following documents-

- Credit application
- 20 percent Saving certificate as per the request of their business plane
- Contact agreement for work place
- Business plane
- Tine number and Trade license in their respective area
- Minute of the registration committee from TVED sector
- Collateral like house building, family and other fixed assets
- Letter of approval from the TVED sector that mention as they can have credit opportunity
- If they are not new and need additional credit, they should provide audit report
- Training certificate of each members of the micro and small-scale enterprises.
- certificate whether they are married or not
- academic document certificate.

In the process each members of the enterprises should communicate the sector where the above documents are found in. This show that the process is tiresome and the customer become dissatisfied and they tried to have another option like having credit in the black market and from other financial institution which exposed them for other unnecessary expense and embezzlement. The other is the industry extension and technology transfer officer.

“Under the industry extension and technology transfer the Technical and Vocational Enterprise Development sector expertise at sub-city level has the duty to identify the level in to where the enterprise should be transform. There are three main stages of Enterprise. The first stage is- Micro enterprise with the initial capital of less than 100,000.00-birr, Small call enterprise with the initial capital between 100,000.00-500,000.00 birrs and Middle level enterprise with capital of more than 1.5 million birr”.

Totally, tackling unemployment in the Technical and vocation enterprise development sector is cyclical.

Having passthrough the above tiresome and long procedure and bureaucracies the enterprise did not get immediately the finance and Credit service they requested. This is due to the delay in budget release from the government and the management problem of the respective branches of finical institutions.

“... For example, in year 2017/18, the government financed 10 billion Ethiopian birr, which is donated by world bank, at national level which could serve for job creation for unemployed people and micro and small-scale enterprises. But the budget rich to the town after 6 months later to the budget year that was during march 2018.”

As the same time, they raised the question of fairness. The budget should be assigned for the regions and town base on the numbers of unemployed people they have in. Service is more than task performance. service delivery as the right services provided to the right customer through the right channels’. It was expected that by 2005 ‘the key elements of service…for Centrelinkcustomers will be access, choice, value, integration, connecting and brokering’. Service deliveryarrangements were reviewed to meetseveral aims: maintenance of quality customer service principles; better accesssto services for customers; improved quality in decision making; and greaterefficiency in operations’. Serving customers typically involves both a task and a contextual component. Successful service may depend on contextualperformance and extra-role behaviors because service employees are typically beholden to multiple stakeholders even in entry-level,individual contributor (non-management) positions, and eachtype of stakeholder may have different requirements, needs, and preferences. When a customer enters into a customer service relationshipwith an organization, he brings along certain expectations.”“customers are generally aware, oreasily become aware of what they expect” (Schneider and Bowen ,1995).
Drawing on experiences from similar situations, the customer develops expectations for such things as response time, courtesy, empathy, and reliability. If these expectations are not met during the service encounter, the customer is likely to judge the service as poor and is likely to feel dissatisfied (Salas, E., 2006). Service quality dimensions are measured in various ways. The best-known measure of service quality is SERVQUAL (Parasuraman, Zeithaml, and Berry, 1985, 1988). Based on research conducted in a number of service settings, SERVQUAL uses the “met expectations” paradigm to measure service against an ideal service provider. The most variance in overall ratings of service quality: reliability (the ability of the organization to perform the promised service dependably and accurately), customers consistently rate reliability as more important than the other dimensions), responsiveness (the organization’s willingness to help customers and provide prompt service. Examples include waiting time, or the time it takes to complete a transaction), assurance (the knowledge and courtesy of the employees and their ability to inspire trust and confidence in the customers of the organizations. Examples include greeting and thanking customers for their business), empathy (the caring and individualized attention the organization provides to its customers), and tangibles (the physical facilities, equipment, and appearance of personnel in the organization) (Salas, E., 2006).

3.2. Challenges Face the Technical and Vocational Enterprise Development Sector

Among these problems the nature of the activity and the unemployment issue is very complex, the organizational structure and framework (the sector could not do its activity independently and its role is intersectoral), the Unwillingness of the Stakeholders and inter-sectors like Land Administration, Trade and industry, Amhara Credit and Saving Institute, etc. determines its result and output. Sometimes the interest of the unemployed people and the available resource do not much, the members (those who need jobs) enterprises are not interested to take the training provided by the Technical and Vocational Enterprise Development sector, Conflict among the members of the enterprise, misuse of resources of the enterprise and being unwilling to be audited and the process of organizing new enterprise and supporting the already organized enterprise by the Technical and Vocational Enterprise Development sector is very long and tiresome. For example, in organizing new micro and small-scale enterprise, they are expected to contact different institutions such as ACSI, Municipality, kebeles where they live in, trade and transport office, revenue and custom office, land administration, Ethiopian electricity, Ethiopian road authority, and power authority in their respective region.

The other issue or problems that should be considered is the arrangement of the office. The government tried to make the office suitable to provide service in the way for one-stop-shopping but it lacks many things like office equipment, stationaries, office desks, promotion and rewards for the expertise etc. as all agreed that the sector has a great implication to the socio-economic development of a notion but the town administration and all other stakeholder did not give the right position in the city relative with other sectors.

A frequently changing policy agenda required constant changes to processes in Centrelink, requiring staff to develop new skills and knowledge and adopt new ways of working. Training and development became high priorities for the organization (Whatcott, W. E., 1974).

The sector has a vertical and horizontal relations and it needs the cooperation of the other sector like trade and transport, municipality, investment agencies, micro-finance institutions and others. This means the role of the Technical and Vocational Enterprise Development sector is intersectoral and interdependent. Its effectiveness is based on the willingness of the other sectors. For instance, If the ACSI delays in providing credit opportunities, the enterprises will not be sustained. Being dependent on the other sector and lack of enforcement mechanism is the great challenge.

The attitude of the unemployed people towards the job created by the TVED sector. Under the structural-employment college and university graduates are some of the unemployed people those who are searing and ready for job but these graduates are loofward jobs from the government because of this reason graduates those who seek are not ready and
courageous to create new micro and small-scale enterprises and use the opportunity created by the TVED sector.

The overall socio-economic and political situation in a country is a key determinant in the growth of small business. Solymossy and Penna (2000) and Ivy (1997) grouped problems of small enterprises into five clusters: Finance, government rules, marketing, labor, equipment and infrastructure are the most critical problem.

Monk (2000) and Stevenson, L., & St-Onge, A. (2005) also found that deficiencies in working capital, poor market access and rapidly changing market conditions were the main reasons for the failure of small enterprises. Despite the numerous determinants of growth and expansion in small enterprises, the Ethiopian government has identified finance, market factors, working premises, policy and legal factors and institutional linkage-related problems as major obstacles in the way of optimal performance of the small enterprise sector.

Unemployment is one of the major problems of market-oriented economies across the globe. It is evident that insufficient employment opportunities amidst a rapidly growing young labor force can lead to social unrest and political instability. The difficulties faced by young people in most developing countries in finding work are attributed to limited expansion of employment opportunities, skills mismatches and limited or no work experience (Batu, M. M., 2016).

4. Conclusion and Recommendation

4.1. Conclusion

From the data that are collected from the expertise and from field observation, it is possible to conclude that the motive from the government side is good. The budget that is allocated to reduce unemployment from the government and the international organization is huge. But the procedure of the service delivery is very tiresome and time taking. This makes the customers dissatisfied and the way of implementing tackling unemployment is not appropriate. There is also finance or budget for the sector itself, government rules, marketing, labor, equipment, and infrastructure are the most critical problems which discouraging to the expertise.

4.2. Recommendation

From the finding, the researcher recommends that mechanism should be devised the TVED sector to do its activity independently to minimize delay in providing service of activities and to reduced grievance of customers and the public and private sectors should recognize that the budget for TVED sector is an investment, not a cost, with significant returns, including the well-being of workers, enhanced productivity and international competitiveness.

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Unemployment, Gondar
