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**Free Movement
of Persons and
Transhumance
in the IGAD Region**



DJIBOUTI

Country report

▶ **Labour
Market
Assessment**

*with focus on migrant
workers from the
IGAD region*



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Labour market assessment with focus on migrant workers from the IGAD region:

Djibouti country report

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► Abbreviations and acronyms

ANEFIP	National Agency for Employment, Training and Job Placement (Agence Nationale de l'Emploi de la Formation de l'Insertion Professionnelle)
CEACR	Committee of Experts on the Application of Conventions and Recommendations
DISED	Directorate of Statistics and Demographic Studies (Direction de la Statistique et des Études Démographiques)
EBRD	European Bank for Reconstruction and Development
EDAM4-IS	Fourth Djiboutian Household Survey for Social Indicators (Quatrième Enquête Djiboutienne Auprès des Ménages pour les Indicateurs Sociaux)
CEACR	Committee of Experts on the Application of Conventions and Recommendations
DISED	Directorate of Statistics and Demographic Studies (Direction de la Statistique et des Études Démographiques)
EBRD	European Bank for Reconstruction and Development
EDAM4-IS	Fourth Djiboutian Household Survey for Social Indicators (Quatrième Enquête Djiboutienne Auprès des Ménages pour les Indicateurs Sociaux)
EDESIC	Survey on Employment, the Informal Sector and Household Consumption (Enquête sur l'emploi, le secteur informel et la consommation des ménages)
GDP	gross domestic product
ICLS	International Conference of Labour Statisticians
ICT	information and communication technologies
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IOM	International Organization for Migration
ISIC	International Standard Industrial Classification
MOL	Ministry of Labour in Charge of Administrative Reform
NSDS	National Strategy for the Development of Statistics
NGO	non-governmental organization
ONDT	National Tourism Office (Office National de Tourisme)
SCAPE	Strategy for Accelerated Growth and Employment Promotion
SME	small and medium-sized enterprises
TVET	technical and vocational education and training
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees

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► Foreword

The ILO in close collaboration with the Intergovernmental Authority on Development (IGAD) Secretariat has produced this report titled ***Labour Market Assessment with a Focus on Migrant Workers from the IGAD Region: Djibouti Country Report*** as part of the project on Free Movement of Persons and Transhumance in the IGAD Region: Improving Opportunities for Regular Labour Mobility financed by the European Union. The report forms part of the knowledge-generation component of the project, and provides an evidence base for improving labour migration and mobility governance in the IGAD region.

This Djibouti country report sheds light on the overall economic, labour, employment and migration dynamics in the country. The report differs from typical labour market assessments, as it focuses on the participation of migrant workers from IGAD Member States in the labour market in Djibouti. It draws on available secondary data and primary information collected as part of the study, including through quantitative interviews, focus group discussions and key informant interviews with migrant workers, government officials, employers' organizations, workers' organizations, international organizations, non-government organizations and other relevant stakeholders.

The report examines labour force characteristics, current and future demand for skills, and job creation patterns, and identifies sectors that have high potential for job creation for nationals and migrants in an integrated regional labour market. It also looks at labour market efficiency and functionality by reviewing institutional arrangements and processes, including policies, legislation, labour market information systems and employment services, among other things. The report then identifies key challenges and opportunities related to improving labour market and labour migration governance and to supporting employment and job promotion for nationals and migrants in the IGAD region. At the end, the report proposes a number of key strategic recommendations to improve access to the labour market in Djibouti by migrant workers from IGAD Members and to improve labour migration governance in the region. We advise you consult, in addition to this Djibouti country report, the regional report covering an analysis of the IGAD labour market and its inclusiveness of migrant workers from Member States.

We believe that this series of labour market assessments focused on migrant workers will be instrumental towards the implementation of the road map of the IGAD Protocol on Free Movement of Persons. Understanding the challenges migrant workers face and implementing the recommendations proposed in these reports will also pave the way for increased opportunities for regular labour mobility and regional integration.



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► Executive summary

The ILO is implementing the European Union Emergency Trust Fund-financed project entitled Free Movement of Persons and Transhumance in the Intergovernmental Authority on Development (IGAD) Region: Improving Opportunities for Regular Labour Mobility. The overall objective of the project is to improve opportunities for regulated labour mobility and decent work within the IGAD Member States through the development of models of intervention. In the long term, the project is expected to extend decent work opportunities to current and potential migrants within the region, as well as contribute to regional integration; strengthen links between economic growth, climate change and job creation; and enhance the social and economic integration of migrants.¹

This report is an analysis of the Republic of Djibouti's labour market with a focus on migrant workers from IGAD Member States. The report is one of a series undertaken in IGAD Member States (Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda) to understand the overall economic, labour, employment and migration dynamics in these countries. It focuses on migration-prone areas, particularly places of origin, transit and destination. This analysis falls under a knowledge-building component of the ILO project, which seeks to deepen understanding of migration and labour market dynamics in the region.

The analysis presented in this report looks at labour force characteristics, job creation patterns, and challenges and opportunities for improved labour market governance to support employment and job promotion. It considers labour market information, employment services and migrant workers, as well as labour market efficiency in the wider socio-economic context. Primary data was collected to help inform the analysis, consisting of 403 quantitative interviews with migrant workers from IGAD Member States; 40 key informant interviews with government officials, employers' organizations, workers' organizations, international organizations, non-government organizations and other relevant stakeholders; and eight focus group discussions with Djiboutian communities and migrant workers. Data collection took place between March and May 2019 in Djibouti City, Ali Sabieh, Dikhil and Tadjourah. The report concludes with recommendations at the strategy, policy and intervention levels, with respect to each of the social partners.

► Overview of migration trends and the labour market

Djibouti is establishing itself as a regional transport and logistics hub, and its location results in it serving as a significant migration hub. Djibouti is situated in a highly strategic position between the Red Sea and the Gulf of Aden, a gateway to the Suez Canal. Much of its economic potential lies in its strategic location as a trade and logistics hub. National development strategies, most notably Vision 2035, have been shaped around expanding this sector. Due to its location, Djibouti is also a major country of transit and destination for migrants, particularly those from the IGAD region headed for the Gulf States.

Most migration either transits through or ends in Djibouti, with total migrant numbers outweighing the Djiboutian labour force. Compared to inbound migration, outbound migration by Djiboutians is relatively minimal. Some bilateral labour agreements are in place but have resulted in few outward migrants. There are around 16,000 Djiboutians abroad, according to United Nations (UN) estimates, compared to 116,000 migrants in Djibouti in 2017 (UNDESA 2017b). Key informants estimate that around 100,000–150,000 migrants transit through Djibouti each year, while a further 200,000 migrants reside awaiting transit. This suggests that there are more migrants in Djibouti than the 112,000 Djiboutians estimated to be in the labour force (DISED 2018).

¹ For more information see the project landing page at: https://www.ilo.org/africa/technical-cooperation/WCMS_631153/lang--en/index.htm.

Mixed migration is common, including migrants changing plans and refugees entering the labour market. Transit migrants often have to work for six months to a year in order to pay for the onward travel. Further, it is common for migrants who were planning to stay long term instead moving on after failing to find work. Key informants reported that it is common for young refugees to leave camps to try and find work in Djibouti City, often congregating in areas outside the city where they are vulnerable to exploitation and trafficking. The vast majority of migrants are from Somalia. UN estimates suggest that around 82 per cent of migrant stock is from Somalia, with around 10 per cent from Ethiopia (UNDESA 2017b).

Low labour force participation and high unemployment suggest a lack of productive opportunities. The labour force (ages 15+) is estimated at around 112,000 in 2017. Djibouti has a labour force participation rate of 32.3 per cent.² The male labour force participation rate was considerably higher than the female rate, at 47 per cent and 18.3 per cent, respectively. The overall unemployment rate is estimated at 26.3 per cent in 2017 (36.4 per cent for women versus 22.1 per cent for men).³ In addition, 42,000 people are available and willing to work, but not actively seeking work (and therefore not classified as unemployed according to international definitions). This is equivalent to more than half the total employed population and 37 per cent of the labour force.

► Selected migrant worker characteristics from primary data

The educational attainment of interviewed migrant workers is even lower than that of the Djiboutian labour force. Around 76 per cent of the Djiboutian employed population have a primary or less level of education, compared to around 90 per cent of migrant workers interviewed as part of this study. Only 2.2 per cent of migrant workers have a tertiary level of education, compared to 15 per cent for the whole of the labour force.

Short-term migrant workers are more likely to hold higher-skilled occupations. Only 27 per cent of short-term migrant workers are in low-skilled occupations, with 54 per cent in medium-skilled occupations and 15 per cent are in higher-skilled occupations. This may be explained by the fact that higher-skilled migrant workers are favoured under labour migration governance mechanisms (see Section 6.4.), but also that the 2006 Labour Code seeks to only provide work permits until a Djiboutian with the same skills is able to replace the migrant. Consequently, one expects migrant workers in higher-skilled roles to not be able to hold onto those roles over the long term. However, it is important to note that the employment outcomes of short-term migrant workers from the sample are based on just 27 observations.

In terms of status in employment, there was little difference among migrant workers based on their migration status. Around 71 per cent of employed migrant workers were in wage and salaried employment. For long-term migrant workers, there was little difference to note between their employment status in relation to having regular or irregular migration status. The lack of differences between migrants with regular and irregular migration status suggests that the integration of migrant workers in the labour market is largely unaffected by whether or not a migrant has the appropriate authorization to enter the country. This has bearings on the impact of migration, on labour migration and employment policies, as well as the enforcement of those policies on migrant workers.

The vast majority (95 per cent) of migrant workers interviewed were in informal employment, meaning they did not have access to social security entitlements or forms of paid leave. However, own-account workers may buy access to health cover against a payment equal to 7 per cent of their revenue. A slightly lower share (57 per cent) was working for informal enterprises. This means that many of those in informal employment were working for formal enterprises (that is,

2 The definitions used in this report comply as much as possible with International Conference of Labour Statisticians (ICLS) recommendations and therefore differ from Djibouti's official estimates. These figures should not be considered substitutes for the official data, but the analysis in this report was based on different definitions.

3 The official data estimates the unemployment rate to be at 47 per cent. Analysis of microdata from the Fourth Djiboutian Household Survey for Social Indicators (EDM4-IS), 2017, suggests that this may be due to the use of a definition of unemployed does not include the criteria of actively looking for work, which is included in the ICLS recommendations. The official data therefore considers the unemployed to be those who are available for work and willing to work, but not necessarily actively seeking work, whereas the ICLS recommendations require all three criteria and is therefore considered a stricter definition.

registered firms, compliant with tax and other regulations). According to key informant interviews, employers may seek to lower the risk of labour disputes and pay lower wages through employing people, including migrant workers, informally. However, this blurring of the lines between formality and informality, made evident by formal units employing workers (migrant or not) informally, is a current in all countries with widespread informality, including all seven IGAD countries covered by this series of reports.

▶ Job creation and the private sector

Private sector growth is central to the Government's strategy for growth and job creation under Vision 2035 and the Strategy for Accelerated Growth and Employment Promotion (SCAPE). The strategy includes developing small- and medium-sized enterprises in key sectors by promoting a culture of entrepreneurship and providing support mechanisms – for example, through the Chamber of Commerce – to increase employment in the private sector (Government of Djibouti 2015a). Gaps between education outcomes and skill demands are to be reduced, and innovation to be promoted through national centres of excellence (Government of Djibouti 2014a). Such plans do not acknowledge or incorporate migrant workers; however, expansion of key sectors is likely to still result in job creation for and driven by migrant workers, particularly indirect job creation, such as through expanded production linkages and spending in the economy.

The Government has made strides in recent years, with reforms that have helped improve the business environment. Reforms are reflected in changes in the World Bank's Doing Business Index, where Djibouti ranks 112th out of 190 economies for 2019/2020, representing an improvement from 154th in 2017 (World Bank 2019e). A number of business environment constraints cited in policy documents and other research echo those with the Doing Business indicators, including access to electricity, corruption, access to finance, and macroeconomic stability. Reducing reliance on the public sector would assist private sector growth. Foreign investment is encouraged, with foreign investors expected to follow many of the same rules and regulations as Djiboutian investors, including rules about hiring migrant workers.

▶ Recommendations for decent and productive employment and jobs promotion in Djibouti

The Government of Djibouti recognizes the need for job creation and for the protection of its workers. While the National Employment Policy and SCAPE contain relevant focal areas to these ends, the glaring omission is around migrant workers and their role in the labour market. With estimates of total migration equal or greater to the total number of Djiboutians employed, attention has to be given to the role of migrant workers in Djibouti's labour market. Labour market governance, in particular, is designed only to address the needs of Djiboutian nationals and regular migrant workers only, despite the prevalence of irregular migrant workers. There are a range of different labour market governance mechanisms that can be adjusted to facilitate the functionality of the labour market and result in job creation and employment for both Djiboutians and migrant workers. Three strategic recommendations are outlined below:

Strategic recommendation 1: Adjust the National Employment Policy and job creation strategy to better incorporate migrant workers in Djibouti, especially in the informal sector.

The Government's emphasis is on reducing unemployment among Djiboutians, in part by limiting migrant workers' access to the formal labour market. Such a blanket measure immediately obstructs opportunities for job creation (for Djiboutians and migrant workers) from informal enterprises run by migrant workers. As a result, there is a need to acknowledge migrant workers in these strategies and to explore avenues to allow for improved labour market functionality. Recommended actions include:

- ▶ **POLICY:** Revise the National Employment Policy and Job Creation strategy in a tripartite-plus setting, and in alignment with a labour migration policy.

- ▶ **POLICY:** Recognize the role of the informal sector as a source of job creation and reduce barriers to formalization.

- ▶ **INTERVENTION:** Increase competition and jobs in the private sector by easing restrictions on migrant worker permits for those looking to establish a business.

- ▶ **INTERVENTION:** Increase support for sector growth interventions in job-rich sectors.

Strategic recommendation 2: Support data collection on migrant workers within a wider labour statistics framework.

While there are plans to enhance the national statistical system under the National Strategy for the Development of Statistics and there are signs that a specific survey may be developed to capture information on migrant workers, improvements can be made to the current data collection frameworks to capture information on migrant workers. The estimated 200,000 migrants in Djibouti should be captured in representative data. This entails an up-to-date Population Census upon which to base the sampling framework. Further efforts are required to allow for detailed information on migrant workers for evidence-based policymaking. Recommended actions include:

- ▶ **POLICY:** Prioritize the establishment of an up-to-date Population Census that captures the range of migrants in Djibouti.

- ▶ **POLICY:** Align labour modules of household surveys with International Conference of Labour Statisticians (ICLS) recommendations.

- ▶ **POLICY:** Establish the design of a labour statistics framework to capture key information on migrant workers.

- ▶ **INTERVENTION:** Support the systematic sharing of information on migrant workers.

Strategic recommendation 3: Adjust and redesign labour market governance mechanisms to better incorporate migrant workers.

Migrant workers do not appear to be well integrated into the labour market for the purposes of both labour market functionality – particularly given the job creation potential of migrant workers establishing enterprises – and equal treatment of migrant workers and Djiboutians. While discrimination does not appear explicit, there is clearly an advantage in hiring migrant workers informally. This is likely a reflection of administrative hurdles related to formally hiring migrant workers. As the Ministry of Labour in Charge of Administrative Reform is committed to reducing illegal and informal employment (as stated in its Recovery and Resilience Plan), including among migrant workers, there is a necessity to implement an inclusive employment policy benefitting migrant workers explicitly. Recommended actions include:

- ▶ **POLICY:** Embed the integration and protection of migrant workers into the national development agenda.

- ▶ **POLICY:** Ratify and comply with the ILO Migration for Employment Convention (Revised), 1949 (No. 97) and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143). These will entail developing an appropriate labour migration policy.

- ▶ **INTERVENTION:** Provide sufficient resources for labour inspections of migrant worker workplaces and ensure cooperation with inspections.

Chapter 1

▶ Introduction

The Intergovernmental Authority on Development (IGAD) region is characterized by a range of migratory movements driven by political, economic and environmental factors, and encompassing different categories of migrants, including economic migrants, refugees and forcibly displaced persons. To date, IGAD and its Member States have already taken numerous steps to govern and address the issue of migration in the region, including adoption of the IGAD Regional Migration Policy Framework and the Migration Action Plan and promising steps taken towards the adoption of the IGAD Protocol on Free Movement of Persons. Both the Regional Migration Policy Framework and the Migration Action Plan have identified the facilitation of labour mobility, transhumance and free movement of persons as a strategic priority. In addition, in 2013, the Summit of IGAD Heads of State and Government adopted a Minimum Integration Plan to serve as a roadmap for regional integration, in which the free movement of persons is a key pillar. To this end, IGAD Member States endorsed in February 2020 a Free Movement and Transhumance Protocol, and steps are underway to accelerate the adoption of a roadmap for implementation of the protocol.

In order to support IGAD and its Member States aspiration towards a free movement regime, the ILO is implementing the European Union Emergency Trust Fund-financed project Free Movement of Persons and Transhumance in the IGAD Region: Improving Opportunities for Regular Labour Mobility. The overall objective of the project is to improve opportunities for regulated labour mobility and decent work within IGAD Member States through the development of models of intervention, in the broader context of free movement of persons and labour mobility in the region. In the long term, the project is expected to extend decent work opportunities

to current and potential migrants within the region, as well as contribute to regional integration; strengthen links between economic growth, climate change and job creation; and enhance the social and economic integration of migrants. The project has two major components: (i) knowledge-building and (ii) operational implementation. One of the main focal areas of the project is to deepen understanding of migration and labour market dynamics in the region, including the constraints and opportunities for employment creation and causes of skills shortages. As part of this knowledge generation component of the project, labour market analyses have been undertaken in IGAD Member States to understand the overall economic, labour, employment and migration dynamics in the countries, focusing on migration prone areas, particularly places of origin, transit and destination.

In this regard, the ILO has commissioned MarketShare Associates to conduct these labour market analyses in IGAD Member States: Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. These are captured in country reports and a regional synthesis report. Each report consists of an analysis of labour force characteristics, job creation patterns, and challenges and opportunities for improved labour market governance to support employment and job promotion. It considers labour market information, employment services and migrant workers, as well as labour market efficiency in the wider socio-economic context. Notably, each of these areas is focused on their relevance to employment and jobs promotion. Finally, the reports provide recommendations on each of these components, at the strategy, policy and intervention levels, respective to each of the social partners. Both primary and secondary data are used in this analysis.

Chapter 2

▶ **About
the report**

This chapter is structured as follows: Section 2.1. outlines the study objective and structure of the report; Section 2.2. provides an overview of definitions and concepts used in the study; Section 2.3. provides an overview of the primary data approach; Section 2.4.

provides an overview of the secondary data approach; Section 2.5. addresses the stakeholder consultation concerning the finalization of the report; and Section 2.6. presents limitations of the study.

▶ 2.1. Objective and structure of the report

This labour market assessment (henceforth also referred to as “the report”) aims to deepen understanding of the labour migration and labour market structures and dynamics in the IGAD region. Against this backdrop, the report provides an analysis of Djibouti’s labour market, paying particular attention to labour migration and opportunities for productive employment for migrants and nationals.

Accordingly, the report provides an analysis of labour force characteristics, an overview of job creation and private sector development, and areas for improved governance for

employment and job creation. It draws from available secondary data and new primary data and information collected as part of the study. These primary data and information consist of quantitative information collected through a questionnaire and qualitative data from interviews and focus group discussions with key stakeholders, and seek to fill information gaps and validate secondary data findings. The structure of the main body of the report and the main source of information are as follows in table 1:

▶ **Table 1. Structure of main body of report and types of data used**

Section of report	Type of data
3. Socio-economic context	
3.1. Socio-economic context	Secondary data
4. Labour force characteristics	
4.1. Labour force	Secondary data
4.2. Migrant workers	Secondary data and primary data
4.3. Skills composition	Secondary data and primary data
5. Job creation and the private sector	
5.1. Sectoral growth	Secondary data
5.2. Private sector development	Secondary data
6. Labour force characteristics	
6.1. Employment policy and legislation	Secondary data and primary data
6.2. Labour market information	Secondary data and primary data
6.3. Employment services	Secondary data and primary data
6.4. Migrant workers	Secondary data and primary data

The report concludes with recommendations and next steps at the strategy, policy and intervention levels, addressed at each of

the social partners, that is, the Government, employers' groups and workers' groups.

▶ 2.2. Concepts and definitions

Appendix IV provides a glossary of definitions and concepts used in the study. As detailed in this section, the labour market definitions are consistent with the 19th International Conference of Labour Statisticians (ICLS)

resolution on statistics of work, employment and labour underutilization (ILO 2013, and see box 1 below). For clarity, the definition of migrant workers as used in this study is presented below.

▶ Box 1. The importance of compliance with ICLS definitions and guidelines

The ICLS is the global standard-setting body in the area of labour statistics that convenes every five years. The ICLS sets guidelines for concepts and definitions that allow for consistent measurement and use of terms for all social partners, including labour ministries and national statistics offices, employers' groups and workers' groups. In the context of this study, secondary sources of labour market statistics and primary data and information were collected and compiled. It is important to highlight that these statistics and information are consistent with ICLS standards to allow for effective policymaking in Djibouti and comparability of findings among IGAD Member States.

Source: ILO 2018b.

"Migrant worker" or "international migrant worker" refers to all persons of working age (in this case, aged 15+ is used) present in the country of measurement, who were during the specified reference period in one of the following two categories:

- i. usual residents – International migrants who were in the labour force of the country of their usual residence, either in employment or in unemployment; or
- ii. Not usual residents (or "non-resident foreign workers") – Persons who, during

a specified reference period, were not usual residents of the country, but were present in the country and had labour attachment to the country, that is, were either in employment supplying labour to resident producer units of that country or were seeking employment in that country.

Given the primary data collection element of this study, this definition is in line with the 20th ICLS Guidelines Concerning Statistics for International Labour Migration (ILO 2018b).

▶ 2.3. Primary data collection

Under the terms of reference for this assignment, primary data collection was prescribed at 400 quantitative interviews, 40 key informant interviews and eight focus group discussions, per country. Data collection focused on migrant-prone locations. These quotas were fixed, and a sampling process and fieldwork plan were devised to maximize the value of the data gathered for both for the objectives of this study and for the wider research community. The following subsections provide information of the data collection for each component. Primary data collection took place between March and May 2019.

▶ 2.3.1. Quantitative interviews

Quantitative interviews were conducted in Djibouti City (300 interviews), Ali Sabieh (43 interviews), Dikhil (30 interviews) and Tadjourah (30 interviews). Enumerators were trained as part of the fieldwork process in each site and were briefed on the objectives of the assignment, the data collection tools and the selection process. Pilots were conducted in each location and verified by team leaders.

Interviews were conducted face-to-face with a standardized questionnaire (provided in Appendix II). The questionnaire was designed to capture the necessary information to be able to calculate variables that complied with ICLS-adopted labour statistics concepts and definitions (see Section 2.2.). It should be noted that the structure of the questions is similar to a Labour Force Survey questionnaire in order to allow comparability; however, the primary data collection was fundamentally different in that it was conducted as an individual assessment and not a household survey, and was focused only on a subset of variables, with additional questions to capture information on migrant workers. The questionnaire contained four modules to capture information in the following areas:

- ▶ **Module 1:** Socio-economic characteristics of migrant workers
- ▶ **Module 2:** Labour force status of migrant workers

- ▶ **Module 3:** Characteristics of employed migrant workers

- ▶ **Module 4:** Nature of labour migration

The locations of Djibouti City, Ali Sabieh, Dikhil and Tadjourah were proposed for quantitative data collection during the inception phase of the study and agreed upon with the ILO. Each location was selected because it was a major recipient of migrant workers.

▶ 2.3.2. Description of the sample

The questionnaire allowed for the identification of 403 migrant workers from IGAD Member States, their migration status and length of stay, distinguishing between those who were in the country for more than six months (long-term migrant workers) and less than six months (short-term migrant workers). Long-term migrant workers were broken down into those who had official documentation (regular migration status) and those who did not (irregular migration status). The migration status was not captured for those in the country for less than six months. The data are only presented by migration status (right to be in the country), not by migrant worker status (right to both be in the country and to work in the country).

The sample sought to capture information on migrant workers from a range of basic demographic characteristics (see Section 2.6. for the sampling process and limitations). There were 257 men (64 per cent of respondents) and 146 women (36 per cent); the median age was 30 years old, making it one of the oldest samples from the seven countries reviewed; and roughly 55 per cent were single (table 2). Most of the migrant workers that were interviewed as part of the study originated from Ethiopia (62 per cent), followed by Somalia (36 per cent). Those from Kenya and Eritrea only represented a small portion of the sample.

With 289 respondents (72 per cent of the sample) with irregular status, and just 27 respondents (7 per cent of the sample) with short-term migrant worker status, this sample has the smallest number of migrant

workers with regular status from all seven countries reviewed in this series of reports. Yet, taken together, long-term migrant workers represented 93 per cent of the sample, indicating that migrants meet severe difficulties in regularizing their situation in Djibouti.

In terms of educational attainment, this sample had one of the lowest levels of educational attainment among all the samples studied: 343 migrant workers had a primary level of education or less, leaving just 24 with a secondary educational attainment (6 per cent) and 9 with a tertiary educational attainment (2 per cent), with comparable shares for men and women.

In terms of labour force status, 358 respondents (89 per cent) were classified as employed, just 3 as unemployed, and 42 (10 per cent) as out of the labour force. The fact that 42 people were classified as outside of the labour force may seem surprising considering that the methodology specifically targeted migrant workers. This can be explained by the fact that a strict definition of unemployment has been used to classify respondents. According to this definition, three criteria need to be fulfilled to define a situation of unemployment: not having a job, being actively searching for a job, and being immediately available to start a job should an opportunity arise. In labour markets that are largely informal, these criteria cannot always be fully observed, and the application of the strict definition results in classifying

more people as out of the labour force than if a relaxed definition were to be applied.

Wage employment was the main status in employment (255 respondents, or 71 per cent), with 14 respondents classified as employers, 80 as own account workers and 2 as contributing family workers. Added together, these latter three categories totalled 96 respondents (27 per cent) and depict a situation of vulnerability among migrant workers in the sample, which as shown below, is further confirmed by the low occupational skill level of the sample and very high incidence of informality.

The occupational skill level of the sample was indeed low, with 159 respondents (44 per cent of all those employed) engaged in low-skilled activities and 177 (49 per cent) engaged in medium-skilled activities, such as occupations in services and sales, skilled agriculture, and crafts and related activities. Only 16 respondents were engaged in high-skilled activities (such as managers, professionals and technicians and associates).

The incidence of informality further underlines the likelihood of vulnerability among the migrant workers from this sample: 341 (95 per cent of all those employed) were employed informally, and 205 (57 per cent) were working for an informal unit. The concurrent analysis of these two measurements indicate the blending of formality and informality in the world of work, as it shows that people were likely to be employed informally in formal units.

► **Table 2.** Description of the sample of migrant workers in Djibouti, by sex, region and selected indicators

Region or indicator	Male	Female	Total
Region	257	146	403
Ali Sabieh	31	12	43
Dikhil	25	5	30
Djibouti City	180	120	300
Tadjourah	21	9	30
Age	257	146	403
15–24	43	36	79
25+	214	110	324

Migration status	257	146	403
Less than 6 months	18	9	27
Irregular status (more than 6 months)	182	107	289
Regular status (more than 6 months)	57	30	87
Educational attainment	257	146	403
Less than primary	94	63	157
Primary	128	60	188
Secondary	18	6	24
Tertiary	6	3	9
Not stated	11	14	25
Labour force status	257	146	403
Employed	227	131	358
Unemployed	2	1	3
Out of labour force	28	14	42
Status in employment	227	131	358
Wage employed	170	85	255
Employer	9	5	14
Own account worker	44	36	80
Contributing family member	-	2	2
No response / unclassifiable	4	3	7
Occupational skills level	227	131	358
Low-skilled	83	76	159
Medium-skilled	128	49	177
High-skilled	12	4	16
Not elsewhere classified	4	2	6
Informality	n.a.	n.a.	n.a.
Informally employed	217	124	341
Working for an informal unit	121	84	205

- = nil; n.a. = not applicable.

Source: Primary quantitative data collection

2.3.2. Key informant interviews

A total of 40 key informant interviews were conducted for Djibouti (25 interviews in Djibouti City; 5 interviews in Dikhil; 5 interviews in Tadjourah; and 5 interviews in Ali Sabieh).

Interviews were conducted face-to-face in a semi-structured format (see Appendix III). However, interviewers were encouraged to probe outside of the semi-structured guides depending on the type of stakeholder and depending on how the interview was going. A core semi-structured interview guide was focused on identifying key drivers of labour migration in the broader economic context, including economic disparities and decent and productive work deficits; formal and informal rules around labour migration governance; and the role of employment services to facilitate labour migration. Each interview lasted a maximum of one hour. The topic was sometimes perceived to be sensitive, and key informants occasionally were reluctant to

elaborate on or provide detailed answers to questions.

Interviews were conducted with a wide range of key labour market stakeholders at local, regional and national levels. Consultations with government officials in each locality were also used to identify respondents who could provide information. Respondents included government officials; economists and specialists focusing on rural development and migration; employers across a variety of sectors; community members who are economically active or part of the potential labour force; as well as civil society organizations and non-governmental organizations (NGOs) working in this area. Few workers and workers groups were available or willing to speak, and the perspectives in this regard were mostly obtained from focus group discussions. Table 3 below presents an overview of the types of stakeholders interviewed and the full list of interviewees is presented in Appendix I.

► **Table 3.** Overview of stakeholder interviews

Type of stakeholder	No. of interviews	Examples of stakeholders interviewed
Social partners		
Government	21	Ministry of Labour in Charge of Administrative Reform (MOL); National Agency for Employment, Training and Job Placement (ANEFIP); Ministry of Interior; National Regional Office
Employers and employers' organizations	4	Importers and exporters
Workers and workers' organizations	1	President of Fishing Association
Other		
NGOs and civil society	3	German Agency for International Cooperation (GIZ); United Nations High Commissioner for Refugees (UNHCR); International Organization for Migration (IOM)
Academia	8	Professors of economics; professor of logistics and transport
Other	3	Community leaders

▶ 2.3.4. Focus group discussions

Focus group discussions were conducted in Djibouti City (two group discussions), Dikhil (two group discussions), Tadjourah (two group discussions) and Ali Sabieh (two group discussions).

Discussions were conducted in groups of eight to ten people, with a facilitator who used a semi-structured guide to steer conversations

around specific areas. The discussions were conducted with host communities and migrant workers, in male and female split groups to prevent social-cultural norms from undermining open discussions. The discussions sought to gather perspectives around labour migration, including the perceived impact on the economy and local community. Each discussion lasted on average one hour.

▶ 2.4. Secondary data collection

▶ 2.4.1. Desk review

A comprehensive desk review of secondary information was conducted to understand the situation and trends related to labour markets and labour migration in Djibouti. The labour market analysis took into consideration information published in key planning documents as well as recent labour market analyses and research conducted. It also reviewed labour migration-relevant legislation and policies as well as institutional mechanisms related to employment services. A full list of resources reviewed as part of this study is provided in the bibliography.

▶ 2.4.2. Secondary statistics

A wide range of available secondary statistics were compiled from key statistics sources to support the identification of socio-economic issues, labour market dynamics and labour migration corridors that offer decent and productive employment growth potential. The main secondary statistics sources used are listed in table 4 below (please note this does not include primary data or reports that were not focused on statistics).

▶ **Table 4.** Structure of main body of report and sources of secondary statistical data used

Section of report and type of data	Main source(s) of secondary statistics
3. Socio-economic context	
Gross domestic product (GDP)	International Monetary Fund (IMF) – World Economic Outlook Database – April 2019.
Population	United Nations Department of Economic and Social Affairs (UNDESA), Population Division – World Population Prospects: The 2017 Revision.
Urbanization	UNDESA, Population Division – World Urbanization Prospects: The 2018 Revision.
Human development	United Nations Development Programme (UNDP) – Human Development Indices and Indicators: 2018 Statistical Update.
Migrant stock	UNDESA, Population Division – Trends in International Migrant Stock: The 2017 Revision

Refugee stock	UNHCR – Population Statistics Database
Remittances	World Bank – Migration and Remittances database
4. Labour market supply	
Labour force	Fourth Djiboutian Household Survey for Social Indicators (EDAM4-IS); ILO modelled estimates
Job creation	World Bank Enterprise Survey 2013
Skills composition	EDAM4-IS
5. Job creation and private sector	
Economic growth and trends	IMF – World Economic Outlook Database, April 2019; United Nations Conference on Trade and Development (UNCTAD) – UNCTADstat database.

ILO modelled estimates were used sparingly for regional and country comparisons. The modelled estimates use a combination of data from available household surveys applied to other wider datasets, including United Nations (UN) World Population Projections. Nonetheless, data from ILO modelled

estimates are not always comparable with underlying labour force survey data due to deviations in definitions, among other considerations. Therefore, these modelled estimates are not presented in a comparable manner and footnotes have been applied as needed to draw attention to this.

► 2.5. Final technical revision and virtual consultation

In its finalization phase, the report underwent a technical revision exercise and was presented to a broad group of stakeholders during a virtual workshop. The technical revision addressed the fact that, due to exceptional circumstances, such as the advent of the COVID-19 pandemic, the publication date of the report was delayed, with the effect that some of the data and information informing the socio-economic and policy sections of the report had to be updated. However, this delay allowed the technical review team (composed of two national and one international experts) to include some last-minute information

about country responses to the pandemic (see Section 3.5.).

The report was then further enriched with comments collected during a final consultation workshop, which brought together a large group of stakeholders. In line with restrictions adopted in the wake of the COVID-19 pandemic, the workshop was held virtually. It was organized around four parallel sessions, giving participants the opportunity to intervene in structured discussions along the themes of the report.

▶ 2.6. Limitations and considerations to the study

The above sections have listed the limitations according to each methodological component of the study; however, it is necessary to clarify what this Djibouti labour market assessment is and what it is not.

Firstly, it should be noted that owing to the focus on migrant workers, it is not a standard labour market assessment. This labour market assessment places emphasis on the role of migrant workers in the wider labour market and socio-economic context, and considers how migrant workers can contribute to improved, decent and productive employment in Djibouti.

Secondly, the shortage of data and information on migrant workers in Djibouti is addressed through new primary data and information collected on migrant workers, providing new and unique insights into the characteristics, drivers and motivations of labour migration in Djibouti.

Thirdly, it was initially envisioned that the quantitative interviews would be conducted with migrant workers and national workers in order to allow for comparison between the two groups. This would have been conducted using a random sampling process. However, the required sample of 400 interviews was considered too small to have statistical significance in analysing the differences between the two groups, especially when disaggregating the data further. It should also be underscored that a representative sample

was not feasible with 400 interviewees. As a result, the sample targeted migrant workers only using purposeful sampling. Enumerators with local context were able to identify individuals who were engaged in some form of work or actively looking for and available to work, and then to conduct interviews. Oversampling (a total of 413 interviews were eventually conducted) allowed for the eventuality that some of those who were interviewed would ultimately not be classified as migrant workers according to the ICLS guidelines. Those who were classified as out of the labour force are still included in the dataset for analysis of labour underutilization.

Finally, labour migration governance is very relevant to this analysis, however a parallel study was also commissioned entitled “Djibouti: An Assessment of Labour Migration and Mobility Governance” (ILO 2020a). With this in mind, this Djibouti labour market analysis seeks to complement rather than replicate this other report. The two reports should be seen as accompanying each other. It should also be noted that in this Djibouti labour market analysis, migrant workers are considered from the perspective of the labour market and not from a migration perspective. The aforementioned ILO (2020a) Assessment of Labour Migration and Mobility Governance also looks at labour migration governance in the context of wider migration policy and should be consulted for more extensive information related to this angle.

Chapter 3

- ▶ **Socio-economic context**

Djibouti is situated between Eritrea, Ethiopia and Somalia. It sits across from Yemen on the other side of the Bab al Mandab strait. This is a highly strategic position between the Red Sea and the Gulf of Aden, a gateway to the Suez Canal – one of the most important

shipping routes globally. As a result of its strategic location, it is host to a number of military bases, including those of the United States, Japan and China; all of which contribute significantly to the country's GDP.

► 3.1. Economic potential of Djibouti

Djibouti is the smallest economy among the IGAD Member States but has the highest GDP-per capita. Djibouti's GDP was estimated at US\$2.2 billion in 2018. However, with a population of less than a million, it equates to GDP per capita of US\$2,100 per person, higher than Kenya – the next highest – at \$1,900 per person (IMF 2019a). This reflects degrees of income inequality in the country and demonstrates a lack of inclusive growth that fails to benefit the population equitably (Kireyev 2017). Djibouti is classified as a lower middle-income economy, which are those with a gross national income per capita between \$1,026 and \$3,995 (World Bank 2019a).

Much of Djibouti's economic potential lies in its strategic location as a trade and logistics hub. GDP grew at 6.3 per cent per annum between 2013 and 2019, and is forecasted to grow at 6 per cent per annum until 2024 (IMF 2019a). National development strategies, most notably Vision 2035, have been shaped around expanding this component, and the sustainability of Djibouti's economic growth lies largely in its ability to expand and leverage this comparative advantage.

Djibouti envisions diversifying its economy. The country embarked on an ambitious renewable energy development strategy by heavily investing in geothermal exploratory projects. Recently the World Bank approved a

loan for a big wind project to be implemented in the Goubet region near Lake Assal. On the other hand, a number of small-scale solar projects are also ongoing in several locations in the country. Per its 2020 energy vision, Djibouti intends to produce sufficient energy for domestic use and especially for its future light industry sector. If the geothermal explorations are conclusive, Djibouti could sell electricity to its neighbouring countries, as the country's geothermal capacity is abundant.

Despite this, investment in infrastructure has contributed to rising fiscal debt, with total public and public guaranteed debt equivalent to 71 per cent of GDP in 2018 (IMF 2019a). Debt sustainability remains one of the key challenges to Djibouti's outlook, according to a recent assessment by the IMF (2019b). Meanwhile, economic growth has been insufficiently inclusive to translate into equivalent gains in poverty reduction and improved livelihoods. About 20 per cent of the population lives below the poverty line, and a chronic shortage of jobs has resulted in an official unemployment rate of about 47 per cent (DISED 2018). The country lacks natural resources, including arable land, and its current capital-intensive growth model (heavy infrastructure investments and construction) bodes poorly for those with less than basic levels of education.

► 3.2. Demographics and human development

The current population is estimated at 986,000 in 2019, and is forecast to grow to 1.3 million by 2050 (UNDESA 2017a). The country's population is relatively young, with around half the population below 25 years as of 2015. Population growth combined with rural

poverty incidence is contributing to migration to urban areas, in a context where Djibouti is already highly urbanized. Around 77 per cent of the population were estimated to reside in urban areas in 2015, and this is forecast to reach 85 per cent by 2050 (UNDESA 2018).

From a macroeconomic perspective, the accumulation of human capital improves labour productivity, facilitates technological innovations, increases return on capital and makes growth more sustainable – which, in turn, supports poverty reduction. UNDP’s

Human Development Index (as a proxy for human capital development) suggests Djibouti is in the low human development category, positioned at 171 out of 189 countries and territories (UNDP 2018).

▶ 3.3. Inequality

Inequality, as measured by the Gini Index, has increased since 2002, but reduced in more recent years (World Bank 2019b). According to a study by the IMF on the inclusivity of Djibouti’s growth, growth benefited the richest more than the poorest in the 2000s, contributing to an increase in inequality (Kireyev 2017). The Gini Index for Djibouti

was estimated at around 0.400 in 2000, and deteriorated to 0.451 in 2012 (where 1 is perfect inequality and 0 is perfect equality), but subsequently decreased to 0.416 according to 2017 data (World Bank 2019b). More recent improvements coincide with a more concerted effort towards inclusiveness under Vision 2035.

▶ 3.4. Poverty

Poverty has decreased in recent years but remains markedly high. According to the latest available data, about 21 per cent of the population were living below the national poverty line as of 2017 (DISED 2018). The poverty rate was lower in Djibouti City (13.6 per cent) than in the rest of the country (45 per cent). As these numbers represent a new poverty rate applied to the 2017 data, they are not comparable to poverty rates calculated in previous years; however, the World Bank’s international poverty line presents a consistent methodology that is comparable over time. According to the World Bank, the poverty rate at \$1.90 per day (purchasing power parity terms, constant 2011 US\$) was estimated at 17.3 per cent for 2017, down from 22.7 per cent in 2013 and 20.6 per cent in 2002 (World Bank 2019c). At the \$3.20 per day level, which is considered the lower-middle-income poverty rate threshold, the poverty rate was estimated at 40.2 per cent (down from 44.6 per cent in 2013 and 47.8 per cent in 2002). At both levels,

the World Bank forecast a substantial drop, to 13.5 per cent and 32 per cent, respectively, by 2021 (World Bank 2019d).

Poverty is considerably higher in rural areas than in urban areas (62.6 per cent versus 14.8 per cent at the national poverty level in 2017) (DISED 2018). This is largely a reflection of the limited arable land in Djibouti, estimated at around 2,000 hectares in 2016 (World Bank 2019b) – less than 10 per cent of the total land area. This tends to be occupied by pastoralists and agro-pastoralists (accounting for as much as 20 per cent of the population, and the majority of the rural population), including those from neighbouring countries, and who are highly vulnerable to drought and erratic rainfall (IGAD n.d.). As a result, Djibouti has to import the vast majority of its food, exposing it to changing international market prices. High food prices contribute to food insecurity and reduced household purchasing power (USAID 2019).

► 3.5. Migration

Migration in Djibouti is most prominent with regard to its role as a country of destination and transit.

► 3.5.1. Out-migration

Compared to inbound migration, outbound migration by Djiboutians is relatively minimal. Bilateral labour agreements are in place – for instance, one that facilitates Djiboutians going to Canada to work in the poultry sector on fixed-term contracts, and another with Qatar that facilitates migration of Djiboutian drivers for public transport. However, key informants have highlighted that the numbers behind these agreements are small, with reports of up to 300 Djiboutians in the first wave to Canada, and around 100 drivers to Qatar. Key informant interviews also suggest that the Qatar agreement has recently ended on the basis of reports of exploitation of Djiboutian migrant workers, while a bilateral agreement that was in place with Saudi Arabia to facilitate migration of Djiboutian domestic workers also ceased following reports of exploitation. Migration of Djiboutians is relatively low, and according to key informants this is partly due to the language barrier. It is for this reason that the largest concentrations of Djiboutian migrant stock are in French-speaking countries, such as France, Canada and Belgium.

To put this outbound migration in perspective, there are around 16,000 Djiboutians abroad, according to UN estimates, compared to 116,000 migrants in Djibouti in 2017 (UNDESA 2017b). Key informants estimate that the total number of Djiboutians abroad may be closer to 50,000, however, while estimates for migrants in Djibouti are also touted to be much higher. Despite this, remittances are an important source of income and contribute around 1.5 per cent of GDP per annum (according to key informants citing Central Bank estimates). Relatedly, the Ministry of Foreign Affairs and International Cooperation is looking to improve engagement with the Djiboutian diaspora, including in collaboration with the IOM on the project: Engaging the Djiboutian Diaspora through the Development of a National Strategy and Mapping. According to UN estimates of migrant stock, the largest share of Djiboutians abroad were in France (42 per cent), Ethiopia (25 per cent), Canada

(10 per cent), Libya (10 per cent) and Belgium (3.2 per cent) (UNDESA 2017b).

► 3.5.2. Inbound migration

Instead, inbound migration is a more significant phenomenon. There are two main categories of inbound migration:

- i. migrants that intend to stay in Djibouti – often going to Djibouti City where there are more opportunities for work – or refugees, initially staying in the camps; and
- ii. migrants that intend to pass through Djibouti, often taking a temporary stay for as long as six months to a year, but with the ultimate aim of onward travel to the Gulf States, Europe or elsewhere. This category also includes refugees and other groups of migrants, and is commonly referred to as a mixed migration flow.

A number of areas in Djibouti used to be frequented by migrants from common ethnic groups, such as the Afar ethnic group in Ethiopia and Eritrea going to Tadjourah to conduct business and trade. However, according to key informants, migrants are almost solely in transit on the way to Obock. Key transit points in Djibouti include Galafi, Ali Sabieh and Dikhil, from which migrants later go on to Djibouti City for work or in search of work, and often to Obock, a small port in the north of the country where migrants can be taken to Yemen by boat. Key informants have stated that while the vast majority used to go via Obock, since a boat sank in January 2019, alternative routes have been established.

According to key informants, inward migration trends have changed substantially. In the past, migration was often seasonal, with migrants from Ethiopia and Somalia (especially Somaliland) coming to Djibouti during the cool season (November to April), particularly to work as manual labourers, such as in the construction sector, and returning to their home country during the hot season. However, it is now more common for migrants from Ethiopia and Somalia to stay in Djibouti regardless of the season, and to work all year around (long-term migration). At the same time, seasonal and cross-border

migration for business and family visits used to be the most common type of migration among migrants from Ethiopia. This included migrants who would import and export salt produced in Tadjourah and goods coming from Yemen. More recently, and largely a reflection of Chinese-funded investments, it is common for specialist migrants from Asian countries (China, India) to work in construction, transport logistics and the free zone; while a number of Kenyans work for private contractors in military bases.

According to key informant interviews, the vast majority of migrants are from Somalia, sometimes sharing ethno-cultural connections. UN estimates suggest that around 82 per cent of migrant stock are from Somalia, with around 10 per cent from Ethiopia (UNDESA 2017b). A small share is from Yemen, which has been increasing as a result of the war there. The majority of migrants are in Djibouti City, as it offers more economic opportunities; however migrants can also be found in a number of other areas of the country, such as Dikhil, where agricultural workers come to live and work on farms, including livestock farms, bringing their families and with the intention to reside long term. In 2018, it was estimated that Djibouti hosted around 30,000 refugees and asylum-seekers (UNHCR 2019).

3.5.3. Refugees

Djibouti hosts refugees in two main refugee camps: Ali Addé in the south near Ali-Sabieh, and Markazi in the north in Obock. Ali Addé is a long-standing refugee camp (having opened in 1992), which historically has been home to thousands of Somalis who had fled famine and civil war in their country, though it now also shelters Eritrean and Ethiopian refugees. The second refugee camp shelters Yemeni refugees.

3.5.4. Trafficking

Entry points to Djibouti are used for both regular and irregular migration channels. One irregular route includes being dropped on the Ethiopian border, and then walking through valleys and mountains to avoid the Djiboutian border immigration posts (including the Dawaleh post in the Ali Sabieh region, Kalafi post in the Dikhil region, and Balho post in the Tadjourah region). According to key informant interviews, smuggling and trafficking networks exist to facilitate movements and arrange

onward travel, typically involving temporary residence in Djibouti before arrangements are put in place to travel onwards. The result is that there are clusters of thousands of migrants in different areas awaiting transit out of Djibouti. According to key informants, the Government and the IOM are attempting to control and manage the transit of migrants by constructing medical centres, water points or centres for transit along the migration corridors.

While much of the migration, including through the use of smugglers, is voluntary, there are reports of widespread trafficking, according to key informant interviews. Risks of human trafficking, abduction and abuse are widely reported along the routes taken by refugees and migrants in Djibouti (UNHCR 2015). The US Department of State (2018) Trafficking in Persons Report, for instance, noted the prevalence of exploitation of minors, including in sex trafficking and forced prostitution in Djibouti City, along the Ethiopia–Djibouti trucking corridor and in Obock.

3.5.5. Transit migration

It is difficult to distinguish between those who are in transit and those who are looking to work long-term, in part because transit migrants often have to work for six months to a year in order to pay for their onward travel. Further, it is common for migrants to look for a long-term arrangement in Djibouti, but then leave the country following extensive periods with insufficient work opportunities. Key informants reported that it is common for young refugees to leave camps to try and find work in Djibouti City, often congregating in areas outside the city where they are vulnerable to exploitation and trafficking. Key informants estimate that around 100,000–150,000 migrants transit through Djibouti each year, while a further 200,000 migrants reside in the country awaiting transit.

According to key informant interviews, migrant inflows also increase during the two Eid festivities, with the objective of collecting the Zakat al-Fitr (a donation provided for the poor at the beginning of Ramadan) and Zakat normal (a tax of 2.5 per cent of one's net assets, for redistribution) as well as the Sadaqa (a voluntary tax, also for redistribution) offered by more wealthy local people during the month of Ramadan. It coincides particularly with seasonal migrants from Ethiopia who will stay for the duration of Ramadan and often longer.

▶ 3.6. COVID-19 and migrant workers in Djibouti ⁴

▶ 3.6.1. Assessment of vulnerability of the country

Djibouti identified its first COVID-19 infection on 17 March 2020, and has the highest prevalence of COVID-19 in Africa. Djibouti introduced lockdown measures on 23 March, during which non-essential workers had to stay at home and schools and non-essential businesses were closed. On 18 March, commercial flights to and from Djibouti were stopped, and borders were closed on 23 March. As a result of these measures, movements through and from Djibouti fell sharply, with virtually no departures by sea from the country.

Lockdown measures started to be lifted from 17 May, with most business activities allowed to reopen and commercial flights allowed to resume. Travelers arriving in Djibouti are tested for COVID-19 at ports of entry. Those who test positive are treated and required to isolate or asked to leave Djibouti on the next flight without leaving the airport. Djibouti's real GDP in 2020 is expected to contract by 3.8 per cent due to the impact of the pandemic.

Djibouti is among countries benefiting from the US\$20 million TradeMark East Africa Safe Trade Emergency Facility, which is funded by Canada, Denmark, the European Union, Finland, the Netherlands and the United Kingdom of Great Britain and Northern Ireland. Its support includes measures to enhance food security and access to vital medicines, and avert job and income losses. Moreover, Djibouti aims to facilitate trade by boosting the safety of ports, borders and critical supply chains through a number of measures, including:

- ▶ rapid Covid-19 tests at ports, airports and borders;
- ▶ ensuring quarantine facilities and health offices are available at crucial borders;

- ▶ setting up joint border committees to ensure effective implementation of Covid-19 regulations; and
- ▶ uniform safety and hygiene protocols.

These measures are especially important to ensure economic activity, the flow of goods and the maintaining of supply chains, while protecting public health.

▶ 3.6.2. Migrant workers specific measures

Several institutions have launched some initiatives to the benefit of migrant workers in Djibouti, in response to the COVID-19 crisis. The Ministry of Labour in Charge of Administrative Reform (MOL) has indicated that all migrants in Djibouti City have access to free COVID-19 testing and healthcare, as well as to the quarantine centre that has been set up in the southern part of the country. The Ministry of Interior is leading support for stranded migrants, who are mostly Ethiopians, and they have been provided with food, cash transfers and medical assistance. This is done through a quarantine centre supported by the IOM and other partners, and is a unique initiative of this kind in the region. The National Human Rights Commission created posters that educate everyone on COVID-19 precautionary measures through pictures.

Other government measures include the suspension of the payment of electricity bills in June, which migrant workers also benefit from, and a 30 per cent support to salaries of formal businesses (for example, in the shape of paying their taxes).

⁴ This section is based on ILO, Assessment on the Impact of COVID-19 on Migrant Workers in and from the IGAD Region, forthcoming.

Chapter 4

- ▶ **Labour force characteristics**
-

This chapter provides an analysis of labour force characteristics in Djibouti and is structured as follows: Section 4.1. outlines the overall labour force including the state of employment by sector and status; Section 4.2. provides a snapshot of the labour market characteristics of migrant workers in Djibouti, as derived from primary data collected as part of this study as well as secondary data; Section 4.3. examines the skills composition of the Djibouti labour market including migrant workers in Djibouti; and Section 4.4. summarizes the findings of the chapter in relation to labour force characteristics.

Notably, as detailed in chapter 2, the most recent survey with data available on the labour market is the Fourth Djiboutian Household Survey for Social Indicators (EDAM4-IS, or *Enquête Djiboutienne auprès des ménages pour les indicateurs sociaux*) in 2017, and prior to that the 2015–2016 Survey on Employment,

the Informal Sector and Household Consumption (EDESIC, or *Enquête sur l'emploi, le secteur informel et la consommation des ménages*). However, there is little information available on the methodology used to calculate the labour market indicators that are published in the official reports. Some sources have suggested that the definitions do not always comply with international standards (for example, World Bank 2018). Access to the microdata for EDAM4-IS was, however, granted by the World Bank as part of this research, and analysis confirmed that the definitions used did not comply with ICLS recommendations. This chapter therefore presents an analysis of the labour market in accordance with ICLS recommendations, and explanations are provided where substantial differences exist with the official figures. This should not be considered a substitute for the official data, but an analysis based on different definitions.⁵

► 4.1. Labour force

The Djiboutian labour force (ages 15+) was estimated at around 112,000 in 2017, which corresponds to a labour force participation rate of 32.3 per cent.⁶ The male labour force participation rate was considerably higher than the female rate, at 47 per cent to 18.3 per cent, respectively. This 18.3 per cent female labour force participation rate is very low in both regional and global terms.⁷

► 4.1.1. Employment

A total of 83,000 people of working age (aged 15+) were in employment in 2017, equivalent to an employment-to-population ratio of 24 per cent.⁸ The share was exceptionally low for women at 11.3 per cent, compared to 34.8 per

cent for men. The majority of the employed were in Djibouti City (81 per cent); although the city was also home to an even higher share of the unemployed (89 per cent).

The largest share of employment was in public administration (43.4 per cent), followed by retail and wholesale trade (16.8 per cent), and private administration (12.8 per cent). A relatively low share of the employed population was engaged in agriculture (1.1 per cent), and 4.3 per cent were employed in the industrial sector, the majority of whom worked in construction. The composition by industry reflects the relative lack of economic diversification in Djibouti and the reliance on a handful of sectors. The share of employers as part of total employment was estimated at 20.4 per cent.

5 The source for all labour market data presented in this chapter is the EDAM4-IS microdata, unless otherwise stated.

6 This is the first of the major differences with the official data. The official data estimates the labour force participation rate to be around 45 per cent. The main reason for the discrepancy is in the more expansive definition of unemployment used in the official data (given that the labour force consists of the employed and the unemployed).

7 Labour force participation rates give an indication of the quantity of labour supply in the economy and can be used as an important planning instrument in the design of human resource development policies and employment and training policies, in particular. However, it is not possible to reliably monitor labour force participation trends in Djibouti over time due to weaknesses in the available data.

8 The definition includes seasonal workers who are temporarily absent, which deviates slightly from the ICLS recommendations.

Informal employment is estimated at around 50 per cent, a relatively low level, which can be explained by the low level of labour force participation and high share of public sector employment. Key informants interviewed as part of this study implied that it was common to have a formal enterprise with a number of informally employed staff, such as those in security and cleaners, and that these would often be migrant workers.

4.1.2. Unemployment, labour underutilization and labour market attachment

The unemployment rate was estimated at 26.3 per cent in 2017, for which the rate for women was recorded at 36.4 per cent versus 22.1 per cent for men.⁹ The unemployment rate was highest in Djibouti City, at 28 per cent, followed by Obock at 24.5 per cent, and then Ali-Sabieh and Dikhil, both at 18.3 per cent. Of these, 71 per cent reported that they had been unemployed for more than 12 months. This unemployment rate, while compliant with ICLS recommendations, is nonetheless based on a strict definition¹⁰ that fails to capture those that do not meet all the criteria; for instance, those that are not in employment, are available to work, but have stopped actively looking for work due to discouragement. Additional indicators, such as labour underutilization and the degree of labour market attachment can help assess and capture those who are without work but not necessarily counted among the unemployed according to the ICLS definitions.

Degrees of labour market attachment look at the distribution of those who are either looking for work, or available for work and willing to work despite being

unemployed, disaggregating these three criteria. This measurement is highly relevant to policymakers working with labour market issues in countries where informality or underemployment are prevalent. In the case of Djibouti, this measurement shows that 42,000 people are available and willing to work, but not actively seeking work. This is equivalent to more than half the total employed population and 37 per cent of the labour force. It suggests that a high share of the population is on the margins of the labour market but is seemingly discouraged from actively looking for work. This is most common in circumstances where there is a shortage of formal jobs available, rather than a mismatch between the educational attainment of jobseekers and the skills requirements of the labour market.

4.1.3. Youth employment challenges

Djibouti has a relatively young population and population growth may see as many as 5,000 new graduates entering the labour market every year (World Bank 2018). This places increasing pressure to provide jobs for all new labour market entrants. The situation is already particularly stark, with a youth unemployment rate of 73 per cent. Moreover, the number of those aged 15–24 not in employment, education or training is estimated at more than 20,000, equivalent to just under 20 per cent of the total youth population. Another way to view the situation for youth is that only 4 per cent of the population aged 15–24 are in employment. There is, therefore, a particularly pressing need to focus on youth initiatives to prevent the marginalization of a generation.

⁹ This represents the second of the major differences with the official data. The official data estimates the unemployment rate to be at 47 per cent. Analysis of the microdata suggests that this may be due to the use of a definition of “unemployed” that does not include the criteria of “actively looking for work”, which is included in the ICLS recommendations. The official data therefore considers the unemployed to be those who are available for work and willing to work, but not necessarily actively seeking work; whereas the ICLS recommendations require all three criteria and is therefore considered a stricter definition.

¹⁰ The definition can be found in Appendix IV.

► 4.2. Migrant workers from the IGAD regions

This section focuses on the role that migrant workers from IGAD Member States play in Djibouti, drawing from secondary and primary research. There is a shortage of information on international migrant workers in Djibouti. The EDAM4-IS captures information on non-Djiboutians and labour market characteristics; however, the number of observations is too low for analysis to be reliable. Besides this, data held by the MOL is limited to work permit applications, and therefore covers regular migrants only. This is likely to be insufficient, particularly as key informants interviewed as part of this research emphasized the high propensity of employment of migrant workers in the informal economy.

► 4.2.1. Main characteristics of the migrant workers sampled

Primary data was collected on migrant workers via a structured questionnaire (see Appendix II). The data allowed for the identification of migrant workers from IGAD Member States, their migration status and length of stay, distinguishing between those who had been in the country for more than six months (long-term migrant workers) and less than six months (short-term migrant workers). Long-term migrant workers were broken down into those who had official documentation (regular migration status) and those who did not (irregular migration status). The migration status was not captured for those who had been in the country for less than six months.¹¹

The salient characteristics of the migrant workers in the sample are represented in figure 1 below. This chart is designed to put a spotlight on the main characteristics of the sample in review. Some of the labour market indicators are expressed out the total employed (358 respondents), such as status in employment, occupational skill level, and formal or informal employment. The remaining indicators – age, migration status

and educational attainment – are expressed out of the whole sample (403 respondents).

The vast majority of the migrant workers interviewed were Ethiopian (62 per cent) or Somali (36 per cent), and while Ethiopian migrant workers were more likely to have come for income opportunities or jobs (82 per cent) than Somalis (60 per cent), Somalis were more likely to have come for family or personal reasons (17 per cent) or for reasons related to conflict (20 per cent). The majority of respondents (74 per cent) came in search of better income opportunities or jobs.

In terms of migration status and length of stay, the vast majority of those interviewed (93 per cent) were long-term migrants, of whom 77 per cent were with irregular status and only 23 per cent had regular status. Only 7 per cent of respondents were short-term migrants, and therefore did not have their migration status probed. While these findings may be biased by sampling, key informant interviews supported the notion that migrant workers tended to stay for more than six months, regardless of whether they were in transit or looking for long-term work, and that migration to and through Djibouti was typically done via irregular channels. There was little difference in migration status and length of stay between Ethiopian and Somali migrant workers.

Four-fifths of the sample were adult migrant workers aged above 25 years, and an overwhelming share (91 per cent) had at most attained a primary level education.

The share of employers among respondents was low (4 per cent), but combined with the high share of own account workers, the low educational level of the sample and the high levels of informality depict a situation of high vulnerability in employment.

Informality in employment was the norm for virtually all migrant workers sampled (95 per cent), but only 57 per cent indicated working for informal units. This indicates a

¹¹ Please note that regular and irregular migration status is not synonymous with regular and irregular migrant workers.

wide utilization of informal employment by formal units, a situation that was alluded to by key informants. According to key informant interviews, employers may seek to lower the risk of labour disputes associated with low pay and unfair dismissal through the informal employment of migrant workers.

By occupational skill level, half of the migrant workers of the sample were found to work mainly in mid-level occupations, such as in services, sales or trade, and a very large amount (45 per cent) worked in low-level occupations.

► **Figure 1.** Selected characteristics of the migrant workers sampled



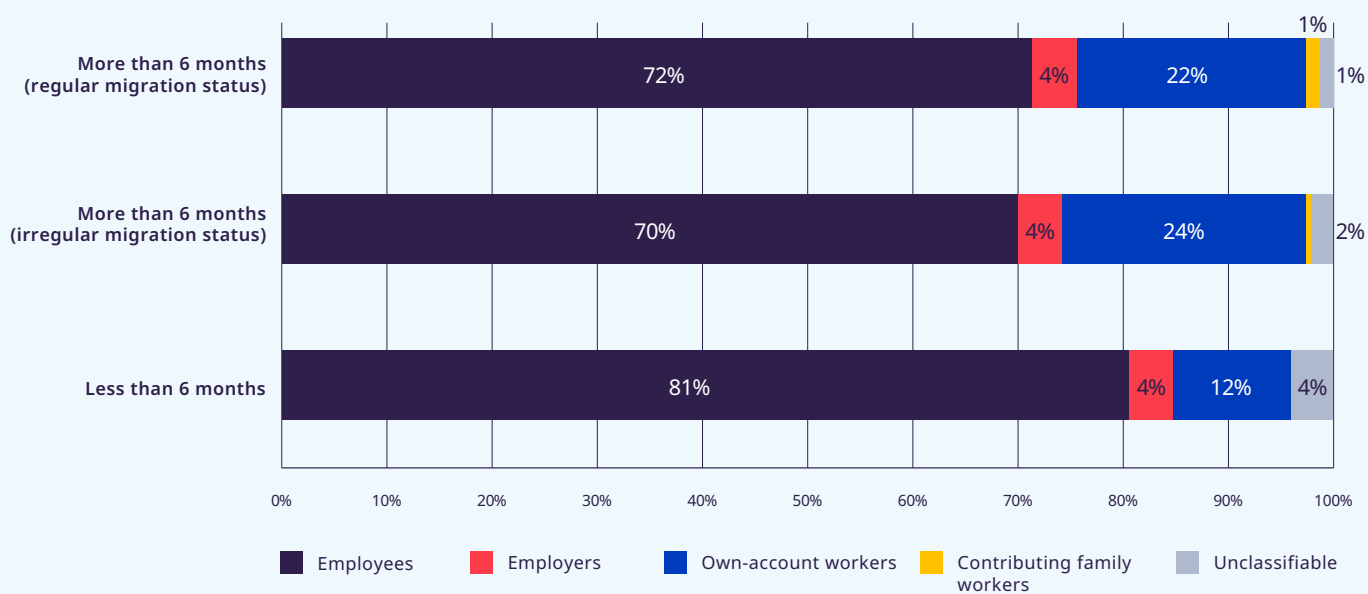
OAW = own-account worker. Note: The sample group for occupational skills level, status in employment, and informality only includes employed respondents (n=358). All respondents (n=403) are considered for education attainment, migration status, and age. Source: Primary quantitative data collection.

Status in employment of the migrant workers interviewed

Turning to employment, figure 1 and figure 2 show that most (73 per cent) of the respondents classified as employed were in wage employment, slightly more for men (75

per cent) than women (65 per cent). Women were more likely to be in own-account work (27 per cent) than men (19 per cent). Key informants confirmed that long-term migrant workers were likely to set up small shops and run their own businesses.

▶ **Figure 2.** Migrant worker status in employment, by migration status and length of stay (n=358)



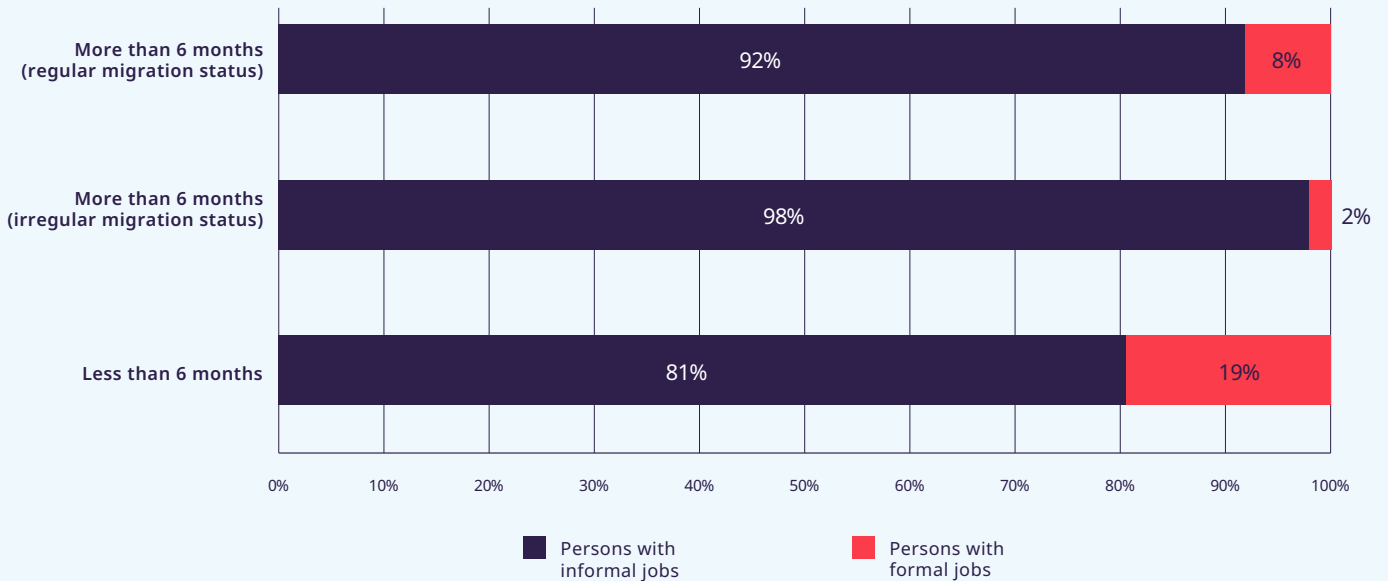
Source: Primary quantitative data collection.

Informal employment among migrant workers interviewed

There were small differences in the degree of informal employment by migration status and length of stay (figure 3). Although the data show that, among those classified as employed, long-term migrant workers were more likely to be in informal employment than short-term migrant workers (90 per cent versus 81 per cent), the situation defined by these figures is one where informality is generally widespread, and that practically the only employment opportunities available

to migrant workers are in the informal sector. This is to be compared to informal employment levels of around 50 per cent for the national labour force, who has access to public employment opportunities. In any case, it suggests that for most migrants, the only work available is informal employment. Also, the fact that short-term migrants are marginally more likely to be in formal employment reflects the short-term nature of work permits for migrant workers (see Section 6.4.).

► **Figure 3.** Informal employment versus formal employment, by migration status and length of stay (n=358)

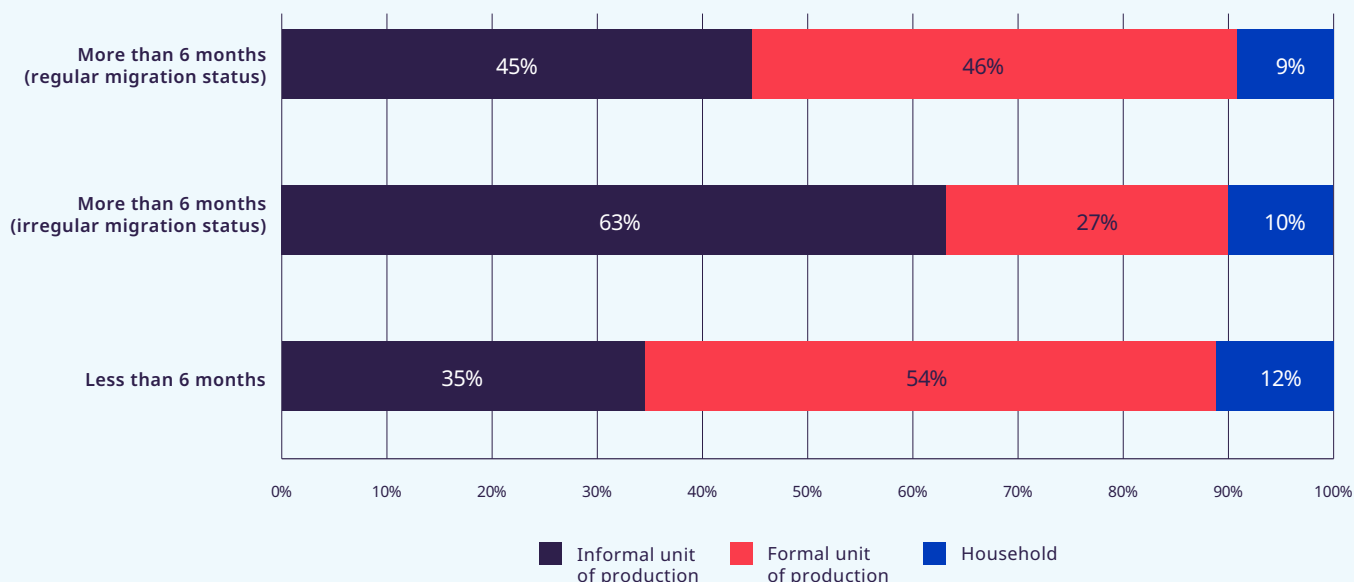


Source: Primary quantitative data collection.

Similarly, in terms of employment in formal or informal units, short-term migrant workers were again those most likely to be in formal settings (54 per cent), with, this time, a more marked difference between long-term migrant workers with regular status (46 per cent) and those with irregular status (27 per

cent). A comparison of the data from figure 3 and figure 4 further underlines the blurred lines between formality and informality, as formal units of production are shown to be very likely to employ migrant workers informally.

▶ **Figure 4.** Employment in informal enterprises versus formal enterprises, by migration status and length of stay (n=358)



Source: Primary quantitative data collection.

▶ 4.3. Educational attainment and occupational skills composition

This section provides an overview of the skill and education composition of the labour force. It looks at the education and skill composition as per the labour force survey and presents

findings on the skills composition of migrant workers, as per the primary quantitative data collected and key informant interview findings.

4.3.1. Educational attainment and skill composition of the labour force at the national level

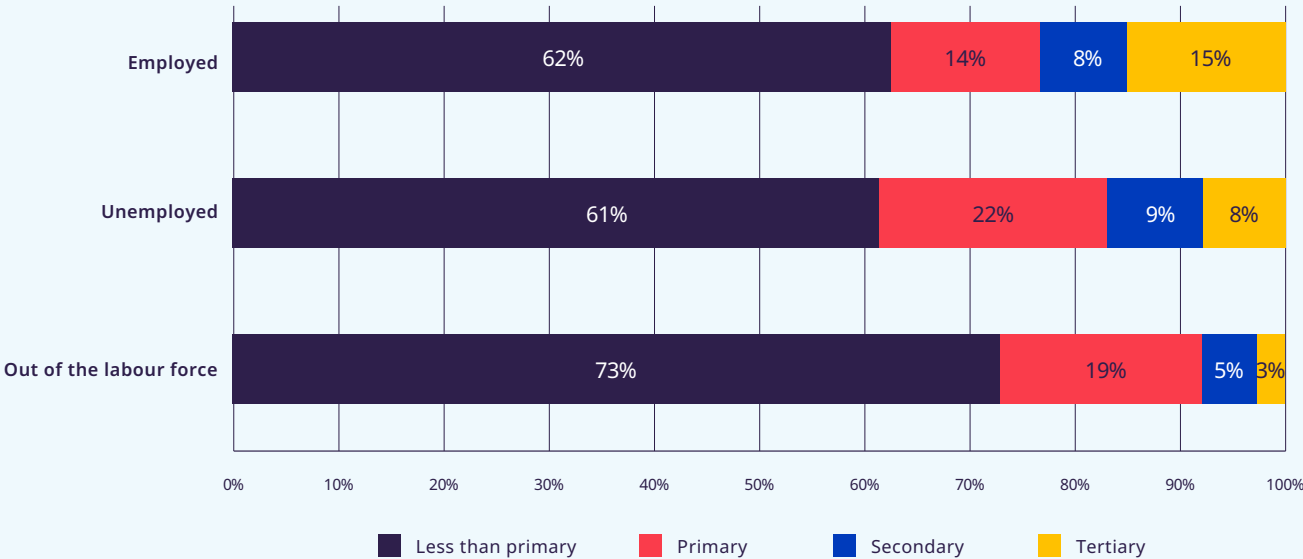
The educational attainment of the Djiboutian labour force is very low

The Djiboutian labour force has very low levels of educational attainment. According to the EDAM4-IS, around 70 per cent of the total working-age population (aged 15+) had less than a primary level of education. Typically, those with less than basic levels of education are engaged in some form of activity in order to make a basic income; due to the very low productivity of the work they are engaged in, they would also often be found to be working poor. However, to have such a high share of the population be inactive but also with less than basic levels of education is unusual, and likely a reflection of the absence of opportunities

to be engaged in subsistence level farming, or it is a reflection of the incapacity of labour statistics to take into account low-productivity economic activities or situations of work. Updating labour statistics collection to the new framework adopted by the 19th ICLS may be of value, as the framework has been designed to better capture situations of work even when they do not have a defined economic value.

Looking at the EDAM4-IS data for the labour force and those outside of the labour force confirms this state of under-education (figure 5). Among the employed, 76 per cent have a primary or less level of education, with just 8 per cent with a secondary education level and 15 per cent with a tertiary education level. The unemployed population has a similar profile, although 83 per cent of unemployed people have a primary or less level of education. As for those outside of the labour force, 92 per cent have a primary or less level of education.

Figure 5. Level of educational attainment, by labour force status (n=403)



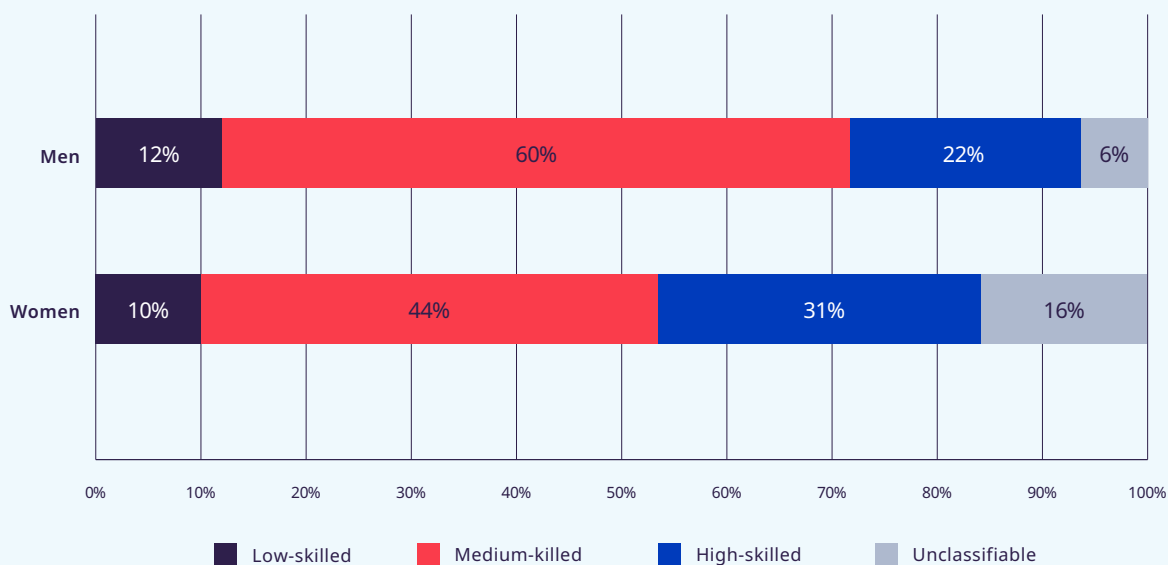
Source: DISED 2019.

The occupational skill level composition of the employed population reflects the high share of public sector employment

In terms of occupational skills composition, around 28 per cent of the employed population were engaged in higher-skilled occupations. The largest share (48 per cent) were in medium-skilled occupations (such as service and sales workers), and only 10.2 per cent were in low-skilled occupations (such as elementary occupations); the remaining 13.3 per cent were unclassifiable by skill level and

include military personnel. This suggests that while 62 per cent of the employed population had less than basic levels of education, many were working in medium-skilled occupations. By sex, a higher share of women were in higher-skilled occupations, at 31 per cent, compared to 22 per cent of men (figure 6). Despite this, due to low levels of female labour force participation, women only accounted for around 20 per cent of those in higher-skilled occupations.

▶ **Figure 6.** Occupational skill level of the employed population, by sex (n=358)



Source: DISED 2019.

4.3.2. Educational attainment and skill composition of the migrant workers in the sample

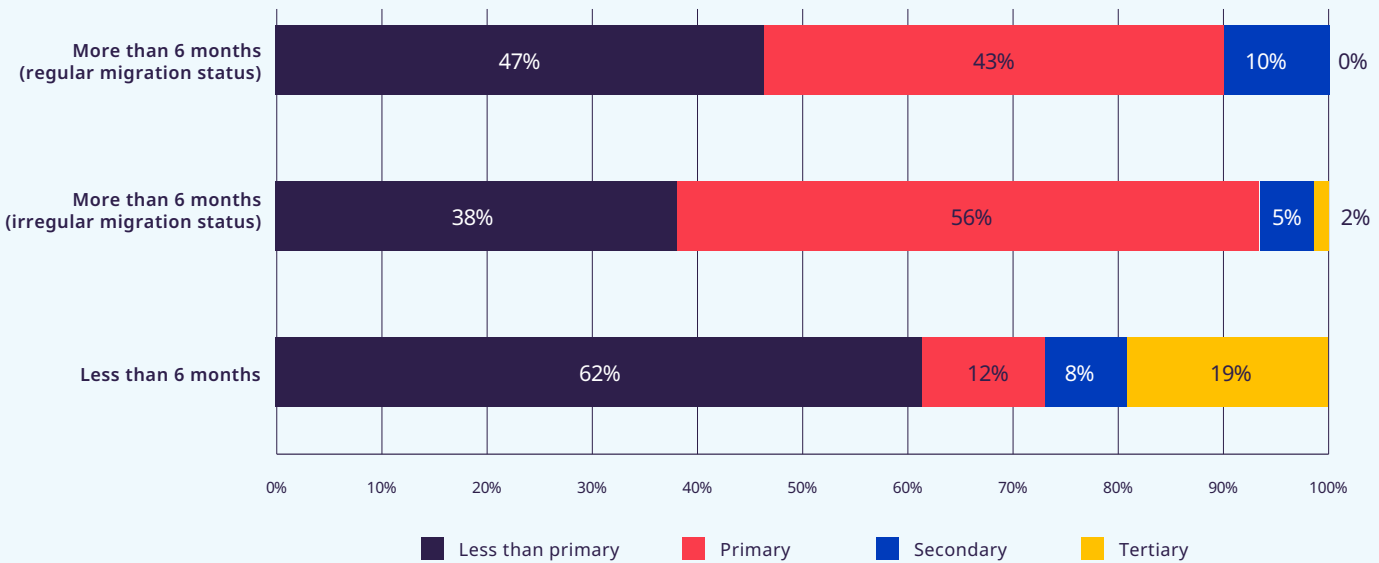
Levels of educational attainment among migrant workers in the sample were also very low

The educational attainment of migrant workers interviewed as part of this research were not that different from that observed for the Djiboutian labour force. A vast majority of the sample had a very low (primary or less) educational achievement: this was the case for 91 per cent of long-term migrant workers

with regular status and 94 per cent for those with irregular status. Short-term migrant workers fared better, with 73 per cent having a primary or less level of education (figure 7).

At the level of the sample, only 2.2 per cent had a tertiary level of education, and the vast majority of the higher-educated respondents were short-term migrant workers¹². This study did not observe any long-term migrant workers with regular migration status who had attained a tertiary level of education, and only a handful with irregular migration status had a tertiary education. Short-term migrant workers were most likely to have higher levels of education, with 19 per cent of them among the sample with a tertiary level of education.

Figure 7. Educational attainment of migrant workers, by migration status and length of stay (n=403)



Source: Primary quantitative data collection.

¹² It is, however, important to note that there were only 27 short-term migrant workers in the sample.

Occupational skill level

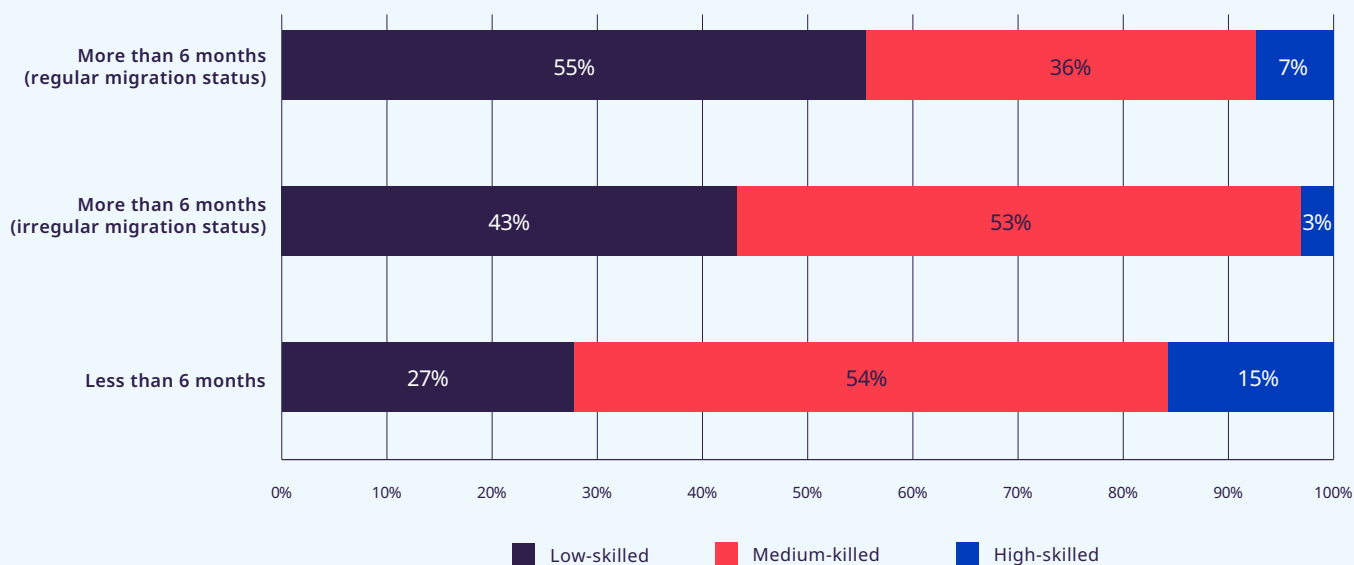
The occupational skill level profile of the sample was also rather low. As shown in figure 8, there were notable differences by migration status and length of stay. Only 27 per cent of short-term migrant workers were in low-skilled occupations, 54 per cent in medium-skilled occupations, and 15 per cent in higher-skilled occupations. For long-term migrant workers, there were differences according to migration status: those with regular migration status were more likely to be in elementary occupations (55 per cent) than those with irregular migration status (43 per cent).

Higher-skilled migrant workers are favoured under labour migration governance mechanisms (see Section 6.4.), but the fact that the 2006 Labour Code seeks to only provide a work permit to a migrant worker until a Djiboutian with the same skills is able to replace the migrant may explain the observed outcomes of shorter-term placements even for higher-skilled migrants.

It remains that the largest proportion of employed migrant workers – whether men (37 per cent) or women (58 per cent) – were engaged in elementary occupations (the low-skilled category); 34 per cent of men and 32 per cent of women were engaged in service and sales work (a medium-skilled category); and just 5.5 per cent of men and 3 per cent of women in the sample were engaged in highly skilled occupations as managers, professionals and technicians. In terms of access to education and training for migrant workers, most initiatives are shaped around refugees. For instance, the ILO (2020b) highlights that since August 2017 refugee children are allowed to be taught in local schools.¹³

“The migrants coming to Djibouti are mainly low-skilled labour with qualifications in the areas of car repairing, large construction, hotels and catering, etc.” – Key informant

▶ **Figure 8.** Occupational skill level of migrant workers, by migration status and length of stay (n=358)



Source: Primary quantitative data collection.

¹³ See ILO 2020b for a more detailed overview of migrant workers’ access to services and recognition of qualifications and skills.

► 4.4. Conclusions

Employment rates and labour force participation are exceptionally low, which makes Djibouti's labour market relatively unique. Usually, such rates are relatively high as a result of the population having little alternatives but to engage in some form of economic activity in order to survive. However, due to the composition of the economy and the lack of arable land, there is little scope for subsistence-level farming, which typically would be a common source of income in other countries. Instead, there is low-productivity employment in the services sector, but the majority of Djiboutians remain outside of the labour force. Unemployment and labour underutilization in Djibouti are high – particularly so for youth. This bodes poorly for the medium to long term, as a young and rapidly growing population will continue to put pressure on the labour market. The informal economy is also rife, and migrant workers are found to contribute substantially to informal employment, even in formal enterprises, with the majority of migrant workers interviewed as part of this

research being in informal employment. While formal employment is evident in Djibouti, much of it is driven by employment in the public sector.

According to the primary data collected on migrant workers, the education and occupational skills composition of the migrant workers from the sample are not too different from those of the Djiboutian labour force. However, due to the access Djiboutians have to public sector employment – and therefore to higher-skilled occupations – the migrant workers interviewed as part of this study were more likely to be working in low-skilled occupations. At the same time, short-term migrant workers from the sample were more likely to engage in higher-skilled engagements than longer-term migrant workers, probably as a result of migration governance mechanisms favouring higher-skilled migrant workers (see Section 6.4.), and of the 2006 Labour Code, which only provides work permits until a Djiboutian with the same skills is able to replace the migrant.

Chapter 5

- ▶ **Job creation
and the private
sector**

Information on job creation and labour demand in key sectors of the economy is vital to guide policy interventions that can strengthen the business environment, foster private sector development, and enable job growth – all of which are needed to absorb the growing labour force in the country. Measuring the creation of job opportunities is most accurately assessed with the help of regular, employer-based vacancy surveys and up-to-date administrative information. Djibouti does have some information on job

creation and labour demand components, but lacks systematic data collection through which to achieve effective evidence-based policymaking.

This chapter is structured as follows: Section 5.1. outlines the potential for job creation by the main sectors; Section 5.2. presents an overview of the private sector and the business environment in the country and the capacity for creating jobs; Section 5.3. concludes.

► 5.1. Sectoral growth initiatives and prospects

Sectoral growth initiatives in development plans and trends in investment can help identify where job creation may occur in the medium to long term. When considered in the context of industrialization, these can shed further light on job creation potential by sector. In terms of how this is relevant with regards to migrant workers, there are two main avenues: first, the degree to which migrant workers are able to establish businesses in these sectors and thereby spur job creation for both Djiboutians and other migrant workers; and second, the degree to which there is potential for job creation for migrant workers, and whether or not this will result in competition with locals.

► Agriculture

Agriculture contributes relatively little to the Djiboutian economy; largely because of the shortage of arable land in the country. Further, low rainfall and desert-like conditions limit agricultural production, which has created a reliance on food imports. The agriculture that does exist is largely nomadic pastoralism – raising sheep, goats and camels – much of which is highly vulnerable to climatic shocks, such as the 2016–17 drought. Many of those who are most food insecure are pastoralists in south-eastern Djibouti who have suffered diminishing herd sizes as a result of losses in recent years (USAID 2019). The contribution of agriculture to GDP is relatively low, at 2 per cent on average between 2013 and 2017 (World Bank 2019b), lagging behind the

government-set targets of 4.1 per cent by 2022 and 5 per cent by 2035 – targets that had been established in part with an eye to improving food security (Government of Djibouti 2014a). However, unlike in other countries, where the agricultural sector provides livelihoods for large numbers of subsistence farmers and therefore holds potential for productivity growth and job creation in value-added sectors, these opportunities do not exist in Djibouti. There is therefore little potential for job creation for both Djiboutians and migrant workers in agriculture.

The Government has nevertheless identified fishing as a potential growth sector. The Strategy for Accelerated Growth and Employment Promotion (SCAPE) acknowledges the untapped fishing resources at Djibouti's disposal and the potential for job creation. It estimates that this industry could create between 2,500 and 5,000 jobs in a sustainable manner without depleting resources. SCAPE advocates the creation of a national fishing policy and a detailed governance mechanism to help regulate the industry. Fishing has traditionally been mostly small-scale and artisanal. While there is potential for industrializing the sector, a major constraint is electricity for refrigeration (World Bank 2018). There is little information to ascertain the role of migrant workers in fishing, however, the small-scale nature suggests that fishermen are likely to be involved in operations with few hired staff, thereby more likely presenting opportunities for job creation among Djiboutians rather than migrant workers.

Industry

Instead, Djibouti's potential for job creation lies in its ability to expand a range of industrial and services sectors. Industry accounted for around 15–17 per cent of GDP in 2013–17 (World Bank 2019b). The sector's growth has been driven by large-scale investments in infrastructure as part of Vision 2035, with its goal of transforming the country into a logistics and commercial hub. This includes development of ports, a major water pipeline, and construction of an electric railway connecting with Ethiopia. Ethiopian imports and exports already account for around 80 per cent of the country's port activities and are a major source of income for Djibouti (World Bank 2018). Construction has been a significant contributor to job creation in recent years as a result of these activities, and also through the development of a new major free trade zone. According to an analysis of the World Bank's Enterprise Surveys, construction firms accounted for around 10 per cent of all private sector full-time jobs in 2013. However, many of these projects are only labour intensive in the developmental phase and do not contribute to sustained and long-term direct job creation. They do, however, have the potential to expand economic opportunities that in turn create jobs. Key informant interviews and focus group discussions highlighted construction as one sector where there is employment of migrant workers; however, while this suggests that expansion of construction could create jobs for migrant workers, it also suggests that such employment would be without paperwork and informal.

Trade

According to World Bank (2018), the free trade zones should have allowed Djibouti to enter into global value chains, but they have so far resulted in little job creation, in part due to the high costs of inputs from both importing production equipment and accessing electricity. Light manufacturing does, however, offer potential for structural transformation and job creation. According to the World Bank Enterprise Survey, data manufacturing firms accounted for around 9.5 per cent of full-time jobs in the private sector in 2013. The free trade zones were intended to attract manufacturing industries,

but they have been used mostly for storage and created only around 1,000 jobs. Light manufacturing in industrial zones around the ports would allow for activities such as re-export of manufactures, but input costs remain a pivotal factor.

Services

Services on the other hand are the main contributor to GDP, and due to the low capital intensity, are likely to hold the greatest job creation potential. The services sector accounts for around 70 per cent of GDP and around 80 per cent of employment (World Bank 2019b). Much of this economic activity is tied to the port, with transport and related services accounting for the majority of jobs. However, automation replacing low-skilled tasks and occupations is reducing the job creation potential of the ports, transport and logistics sectors (World Bank 2018). Two areas that are recognized for their potential by the Government are telecommunications and tourism (Government of Djibouti 2015a).

Telecommunications has been identified as a crucial sector both for its direct growth and job creation potential, particularly around skills development and jobs for young people, but also as an enabler for wider economic activity (Government of Djibouti 2015a). Internet penetration is low at around 7 per cent, and services are weak. The high cost of basic infrastructure – including for both electricity and information and communication technology (ICT) – is identified as a major constraint to private sector growth. However, the digital sector has the potential to create as many as 5,000 new jobs in three years, more than three times more than current employment in the sector (World Bank 2018). Enhanced ICT education in schools would also help equip future labour market entrants with the skills that are likely to be in demand. The Government of Djibouti recently enacted a telecom law to move from the state monopoly status to a semi-private one where the Government would remain the majority shareholder.

The World Bank sponsored a roundtable in 2014 in Djibouti whose topic was "What type of development for Djibouti?" The recommendations from that roundtable noted the importance of telecom as a major development sector.

Tourism

Tourism is one of the focal sectors under SCAPE for both economic growth and job creation. According to SCAPE, around 4,500 jobs are in the tourism sector, with a large share in the informal sector (Government of Djibouti 2015a). It anticipates that tourist entries may amount to up to 500,000 by 2030 (recent estimates were at around 50,000 in 2010), but only if certain prerequisites are in place, including:

- i. the creation of a master plan for the development of primary touristic areas;
- ii. the establishment of a suitable airport policy;
- iii. the enhancement of the capacity of the National Tourism Office's (Office National du Tourisme);
- iv. the improvement of training for jobs in tourism; and
- v. the deployment of efforts to classify the remarkable sites of Djibouti on the UNESCO World Heritage List.

There are however a number of constraints to tourism expansion, including underdeveloped accommodation options for tourists (World Bank (2018). Tourism revenues accounted

for around 1.5 per cent of GDP in 2010 (Government of Djibouti 2015a), which is significantly lower than other small African states, such as Cape Verde (22.4 per cent) and Mauritius (5.7 per cent) (World Bank 2018). Simulations estimate that tourism could contribute up to 10 per cent of GDP and as many as 30,000 direct jobs (World Bank 2018), many of which are inclusive for women and youth. The degree to which it could impact job creation for migrant workers was less clear.

Key informant interviews and focus group discussions cited that it was common for migrant workers to be employed in a range of sectors, from construction, to domestic work and shopkeeping, either as paid employees or by setting up businesses. However, they often noted that such employment was typically in the informal sector (Section 6.4. provides some elaboration on this point). This suggests that sectoral initiatives will primarily favour Djiboutians in terms of job creation, with migrant workers less able to capitalize directly as a result of operating in the informal sector, but with potential job creation resulting from indirect and induced impacts from these initiatives. For instance, informal services that are established near large scale projects benefit from the spending of those who operate in those projects.

► 5.2. The private sector and the business environment

Private sector growth is central to the Government's growth strategy and for job creation under Vision 2035 and SCAPE. The strategy includes developing small- and medium-sized enterprises (SMEs) in key sectors by promoting a culture of entrepreneurship and providing support mechanisms, for example, through the Chamber of Commerce, to increase employment in the private sector (Government of Djibouti 2015a). Gaps between education outcomes and skill demands are to be reduced, and innovation to be promoted through national centres of excellence (Government of Djibouti 2014a). The SCAPE strategy also includes reforming the taxation of enterprises, as well as the consolidation of

support mechanisms for businesses in a central platform. In addition, in 2012 a National High Council for Public-Private Dialogue was created under the authority of the Head of State as a platform for consultation between the public and private sectors, with the goal of improving the business environment for private sector development (EC 2017).

The plan has made strides in recent years, with reforms that have helped improve the business environment, which is reflected in changes in Djibouti's rankings in the World Bank's Doing Business Index (IMF 2019b). Djibouti ranks 112th out of 190 economies in the Index for 2019/2020, representing a slight

worsening after the dramatic improvement from 154th in 2017 to 99th in 2018 (World Bank 2019e). Of the ten indicators covering different aspects of starting and conducting a business, Djibouti ranks among or close to the lowest third of countries in six: trading across borders (147th), enforcing contracts (144th), paying taxes (133rd), getting credit (132nd), starting a business (123rd), and getting electricity (121st). Indicators with relatively higher rankings include registering property (117th) and protecting minority investors (103rd), and Djibouti is ranked in the upper half of all countries for dealing with construction permits (87th) and resolving insolvency (44th).

A number of business environment constraints cited in policy documents and other research echo those stated above, including the following:

Access to electricity: According to the World Bank Enterprise Survey data for 2013, nearly half of all firms surveyed identified electricity as the primary obstacle in the business environment (EBRD, EIB, and World Bank 2016). As a result, around 69 per cent of firms surveyed had their own generators, which reduced the incidences of electricity outages. The IMF (2019b) also identified the challenges with access to electricity and cited how Djibouti had below-average access compared to low-income countries. A major challenge is in improving efficiency in the national electricity company.

Corruption: This is also cited as an obstacle by more firms in Djibouti than the regional average (EBRD, EIB, and World Bank 2016). Djibouti has a National Anti-Corruption Commission and regulations to combat corruption, including the anti-corruption framework. However, the IMF (2019) cites the need to enhance the capacity of law enforcement agencies and courts to enforce against corruption offenses and the need to enhance implementation of the asset declaration system.

Access to finance: While there has been reform progress in this regard, such as the creation of a national register of loan guarantees, the perception of access to

finance as an obstacle to the business environment differs depending on the source. Notably, only 2 per cent of firms surveyed in the World Bank Enterprise Survey 2013 identified access to finance as an obstacle to the business environment. However, the World Bank (2018) also highlights how SMEs have difficulty accessing finance in the domestic market, and that only 5 per cent of formal SMEs have access to bank loans, with loans to SMEs representing only 12 per cent of total bank loans to enterprises. This is also partly due to the lack of information on access to credit. Yet, this has improved in recent years as displayed in the Doing Business rankings for getting credit, which increased from 183rd to 132nd from 2018 to 2019 (World Bank 2019e). There is little information on access to credit for migrant workers, but due to the informal nature of migrant workers' employment, it can be assumed that the finance channels available are equally informal with little access to formal services and institutions.

Macroeconomic stability: Large scale investments have increased the cost of servicing debt, and therefore raised debt vulnerabilities in the country. Public and publicly guaranteed debt increased from 34 per cent of GDP in 2013 to around 71 per cent in 2018 (IMF 2019b). Reducing debt vulnerabilities is identified as a major priority for the country's macroeconomic stability and by consequence its ability to attract foreign investment that will lead to job creation.

Migrant workers and foreign investors in general are subject to the same rules and guidelines for investment, as per the Law N°58/AN/94/3-rd L on the Investment Code (ILO 2020a). The rules around the hiring of migrant workers also apply equally, thereby likely having little implication with regard to the hiring of migrant workers whether or not a company is foreign or locally owned. Despite this, key informant interviews and focus group participants mentioned the small-scale business activities of migrant workers and how this results in job creation. It is possible that job creation potential from migrant worker activity in business creation is overlooked due to its largely informal nature.

► 5.3. Conclusions

As reflected in the high unemployment and labour underutilization in Djibouti, as shown in Chapter 4, there are insufficient jobs available in the economy for the labour force and for the growing population. This is recognized by the Government, and a number of initiatives are in place to bolster the potential for structural transformation in a manner that will create new jobs. Efforts around industry have contributed to job creation in recent years, particularly through investment in infrastructure; however, the labour-intensive construction phases of this infrastructure development are not a sustainable source of jobs for the long term. Instead, these infrastructures may help facilitate wider economic activity and job growth. At the same time, certain key sectors have been identified for their job creation potential, including tourism and ICT in the services sector. In both cases, investment and support is needed to bolster the sectors and their job creation potential. The degree to which migrant workers are implicated is not clear, on the basis that most migrant workers are operating in the informal sector. It is likely that expansion of various sectors will indirectly create jobs in the informal sector, for both Djiboutians and migrant workers, even if the sectoral initiatives themselves are more likely to result in job creation for Djiboutians.

Improving the business environment by addressing obstacles to private sector development has been underway for a number of years, particularly since 2013 and under the current Vision 2035 strategy. Improvements have been reflected in the World Bank's Doing Business Indicators, but substantial gaps still remain. Macroeconomic stability from debt vulnerabilities also remains a major factor that has implications for foreign investment and job creation thereof. A major challenge for developing the private sector is Djibouti's public sector control of major industries and monopolization of large firms, which has crowded out private investment and also contributed to less efficient running of major industries (for example, electricity) (World Bank 2018). Key informant interviews have cited how migrant workers often establish small business and create jobs themselves. This, however, is largely in the informal sector and reflects the difficulties in operating formally for migrant workers. Access to finance is likely to be limited to informal channels for migrant workers, and exposure to the wider challenges of macroeconomic stability will likely impact migrant workers and Djiboutians indiscriminately.

Chapter 6

- ▶ **Improved governance for employment and job promotion**

Effective and appropriate labour market governance is imperative to the good functioning of labour markets (see box 2). The effectiveness of labour market governance rests largely on the availability of regular, up-to-date and comprehensive labour market statistics and information. Migrant workers are also a crucial consideration in labour market governance, as well as in labour migration governance, with the potential

for overlap and coordination issues. This chapter provides a critical assessment of select labour market governance mechanisms (employment policy, labour market information, employment services and migrant workers) related to employment and job promotion, and how each can contribute to improved productive opportunities.

► Box 2. Labour market governance

Labour market governance refers to both employment governance and labour governance. The former is focused on pro-employment management and strategy and how to create decent and productive jobs; while the latter is focused more on the relationship between employers and employees, encompassing workers' rights, social protection, occupational safety and health. The traditional approach is to focus on:

- i. human capital development, including skills development and improved capacity of the workforce, and/or
- ii. private sector development, including business environment reforms and other policies designed to facilitate business growth.

These two approaches can be considered as supply-side and demand-side, respectively. Labour market governance is imperative to the success of each of these approaches and helps to find the appropriate balance.

This chapter is structured as follows: Section 6.1. provides an overview on Djibouti's employment policy; Section 6.2. provides a critical assessment of labour market information; Section 6.3. presents an overview of the effectiveness of employment

services with regard to job-matching; Section 6.4. looks at migrant workers in a labour market governance context and in relation to employment and job creation; and Section 6.5 concludes.

► 6.1. Employment policy and legislation

The government of Djibouti has laid out its plans to address the employment challenge in its long-term development blueprint: Vision 2035. Vision 2035 incorporates a number of strategies, action plans and frameworks, including SCAPE 2015–2019 (Government of Djibouti 2015a). SCAPE sees employment as a critical element to foster structural transformation of the economy towards higher-productivity employment. Specific

targets of Vision 2035 that SCAPE contributes to include reduction of the unemployment rate from 48 per cent in 2012 to 10 per cent in 2035, and the creation of more than 200,000 jobs between 2013 and 2035 (Government of Djibouti 2014a).

SCAPE outlines a number of focal sectors and strategic areas of importance for economic growth (see chapter 5). However, it is more

than an economic plan: it explicitly notes that economic growth alone is insufficient for factors such as poverty reduction, improved livelihoods and job creation. SCAPE builds on outcomes and learnings of previous development plans – Poverty Reduction Strategy Papers and the National Initiative for Social Development – and is partly in line with the latter regarding certain essential objectives (sustained growth, poverty reduction and attainment of the Sustainable Development Goals, strengthening of governance) and the consolidation of various ongoing programmes and reforms.

As part of this, there is the National Employment Policy 2014–2024, which seeks to consolidate and shape the various elements that lead to the creation of decent jobs (Government of Djibouti 2014b). According to key informant interviews, the ultimate focus of the policy is on reducing unemployment. It contains seven strategic goals:

- i.** increase and improve technical and vocational education and training (TVET) opportunities;
- ii.** improve employability and the integration of jobseekers, particularly women and youth;
- iii.** develop SMEs and small- and medium-sized industries with an eye towards job creation opportunities;
- iv.** promote productive job opportunities in the primary sector;
- v.** promote labour market functionality;
- vi.** promote social protection; and
- vii.** build the capacities of new entrants to the labour market.

These objectives cover a range of labour supply (skills development, employability), labour demand (SME and primary sector promotion) and labour market governance components (labour market functionality). For the policy to be effective, it is important that labour supply components are developed in response to the needs of the labour market. While agriculture has been identified to some degree, it appears to be with an eye to improving Djibouti's food security situation. Notably, key informants highlighted that there was a reliance on migrant workers, particularly from Ethiopia, in the agriculture

industry. With regards to SME development, the SCAPE document outlines current challenges, but there is a lack of clear strategy as to how addressing them will promote sustained employment creation.

Key informants have highlighted the fundamental role of migrant workers in the informal sector, and while there is no reliable data on total numbers of migrant workers, it is clear that they account for a sizable share of the labour force. Yet, migrant workers are not featured in the National Employment Policy (and there is no labour migration policy). Instead, the approach is shaped towards limiting opportunities for migrant workers under the notion that this will safeguard employment opportunities for Djiboutians. While key informants have emphasized that there can be nepotism and favouritism within ethno-cultural groups, they also emphasize the fundamental role of migrant workers in establishing enterprises and contributing to local economic activities. Migrant workers undoubtedly have a role to play in job creation.

Djibouti has ratified the Employment Policy Convention, 1964 (No. 122). The forthcoming report 2019 General Survey on Certain instruments related to the strategic objective of employment to be published by the Committee of Experts on the Application of Conventions and Recommendations (CEACR), will provide an opportunity to assess the degree to which Djibouti complies with components of Convention No. 122 and other employment-related conventions.

Djibouti has ratified all eight of the fundamental ILO Conventions (see table 5). These and other ratified Conventions are reflected in labour governance legislation and regulations. The main legal framework is the Labour Code, 2006, which outlines all the regulations for the labour market, including around the employment of migrant workers (see Section 6.4.). It covers hiring, contracts, working conditions, working time, suspensions and terminations, wages and bonuses, vocational training, collective agreements, staff representatives, health and safety, controls and litigation. It sets the minimum and maximum obligations applicable to employees. Many of the obligations incumbent on employers are accompanied by penal sanctions, such as offenses relating to health and safety, the administration of the company, and the individual rights of employees, such as sexual

harassment, legislation on hours of work and holidays with pay, and the collective rights of employees (offense of obstruction, right to collective bargaining).

It is difficult to gauge compliance with ILO Conventions, particularly as Djibouti has not provided comments to the CEACR for more than five years (ILO n.d.-b). With respect to collective bargaining, however, key informants have noted that despite ratification of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), there has been little development. Key informant findings also note that migrant workers have been known to form their own informal collective agreements, which are usually formed on the basis of nationality or ethno-cultural ties.

The MOL is responsible for implementing Government policy in the areas of labour, employment, professional integration, social relations, management of state agents and social protection. It prepares and implements the rules relating to working conditions, collective agreements and employee rights. It is also mandated with the preparation and

implementation of administrative reforms and the management of social security organizations.

While the Labour Code is a comprehensive document, it is limited in that it focuses only on the formally employed. Further, according to key informant interviews, even formal enterprises employ people informally, suggesting the Labour Code is not always respected, even in the formal sector. The Inspector General of Labour and Social Laws (under the MOL) is responsible for resolving all legal and illegal conflicts between employers and employees, and all employees (both locals and regular migrant workers) can submit complaints to the National Employment Inspection Department of the MOL.

“The problem is the fact that the majority of workers do not know that they have the right to have a contract, and the employer profits from this lack of knowledge. Thus, only [a] few workers take actions against the employer during unfair situations.” – Key informant

► **Table 5.** Djibouti’s ratification of ILO Conventions

Fundamental Conventions	Status
Forced Labour Convention, 1930 (No. 29)	In force (1978)
Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	In force (1978)
Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	In force (1978)
Equal Remuneration Convention, 1951 (No. 100)	In force (1978)
Abolition of Forced Labour Convention, 1957 (No. 105)	In force (1978)
Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	In force (2005)
Minimum Age Convention, 1973 (No. 138)	In force (2005)
Worst Forms of Child Labour Convention, 1999 (No. 182)	In force (2005)

Other relevant Conventions	Status
Migration for Employment Convention (Revised), 1949 (No. 97)	Not ratified
Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)	Not ratified
Private Employment Agencies Convention, 1997 (No. 181)	Not ratified
Domestic Workers Convention, 2011 (No. 189)	Not ratified

Source: ILO n.d.-b.

▶ 6.2. Labour market information

The National Strategy for the Development of Statistics (NSDS), 2011–2015, was established under Decree No. 124/AN/1/6th L and called for a revitalization of the National Statistical System (Government of Djibouti 2010). This included the establishment of a system of labour market information. However, such a system has not yet come to full fruition, in part a reflection of wider shortfalls under the NSDS 2011–2015 (Government of Djibouti 2015b). An evaluation of the implementation of the NSDS 2011–2015 highlighted that insufficient funds and coordination issues, among other problems, contributed to the lack of implementation success. The roadmap for NSDS II, 2016–2020, seeks to address the shortcomings of the previous strategy, and explicitly outlines the objective of meeting the information needs of SCAPE and the National Employment Policy 2014–2024 in order to provide the data necessary for monitoring policies and programmes. The roadmap outlines plans to establish a Technical Steering Committee that contains five sectoral committees, including a sectoral committee for “demographic, social and judicial statistics” that will be responsible for issues related to the labour market. Key informants indicated that a new High Council for Statistics (Haut Conseil de la Statistique) is planned, which will report directly to the Prime Minister and is anticipated to bring together various stakeholders involved in the collection and sharing of data.

Improvements in labour market statistics are much needed in Djibouti. Data exists for labour supply characteristics and even labour demand, but these are deeply insufficient. In terms of labour demand, information is gathered by ANEFIP in terms of vacancies and job profiles in the private and public sector, but this information is provided voluntarily and is by no means representative or systematic enough to create a reflection of the state of labour demand or skills demand. ANEFIP also collects information on jobseekers, including their characteristics, such as level of education. Among other uses, this database is used for the authorization assessments for foreign workers to ascertain whether any Djiboutians are registered that meet the qualification requirements for a particular job.

The Department of Statistics and Demographic Studies (DISED) under the supervision of the Planning Commission in Charge of Statistics is responsible for collecting labour supply information through household surveys. The most recent survey that contained a detailed labour module was the aforementioned EDAM4-IS (Fourth Djiboutian Household Survey for Social Indicators), which was conducted in 2017. This survey was funded by the Trust Fund for Statistical Capacity Building of the World Bank and conducted with technical support from the World Bank’s Poverty and Equity Unit (DISED 2017).

The EDAM4-IS includes questions to enable the identification of labour force status, status in employment, labour underutilization, and occupation and industry, among other labour market variables. However, the classifications do not always align with ICLS standards. For instance, the unemployment rate of 47 per cent that is published in the official results report and used as a reference in official documents, while not explicitly defined, appears to be based on those who are without work, available for work and willing to work – and therefore includes those who are not actively seeking work. The ICLS standards, however, only include those actively seeking employment as being among the unemployed; instead, those who are not actively seeking work would be classified as part of labour underutilization under ICLS standards. At the same time, industry classifications, while close, do not fully comply with the breakdowns of the International Standard Industrial Classification (ISIC), thereby rendering them incomparable at a detailed level with the ICLS recommendations. The main report of the EDAM4-IS findings was released in June 2018 and indicated that it was the first of a series that would be released drawing on different topics. Therefore, it is anticipated that a report on the labour force findings will be released in due course.

Prior to the EDAM4-IS, the last survey to contain labour market information was the Djiboutian Survey on Employment, the Informal Sector and Household Consumption (EDESIC), 2015–16, conducted in late 2015 (DISED 2016). The survey was conducted in collaboration with ANEFIP, the Economic and Statistical Observatory of Sub-Saharan Africa (AFRISTAT) and the African Development Bank. The EDESIC is considered Djibouti's first labour force survey, however it does not fully comply with international standards for labour market definitions.

Other sources of labour supply data include the Population Census, but the most recent census was conducted in 2009, and the next is due in 2020. While censuses tend not to have questionnaires designed to capture labour market variables in a manner that is consistent with ICLS recommendations, they provide an opportunity to update the sampling framework for other household surveys to allow for a more accurate representation of the population. The Population Census 2009 did not capture information on international migrants, and it is not yet clear whether the next census will capture any information in this regard.

There is a distinct lack of information on migrant workers in Djibouti. While information is available for regular migrant workers through work permit applications held by the MOL, very little information is known about the migrant population in general. Some information was captured in the EDAM4-IS, which asked questions about household members who have migrated abroad, but again the number of interviewees who provided answers is too small to allow for analysis with any statistical significance.

The EDAM4-IS does identify migrants through information on place of birth and last residence (if different from place of birth). While this allows for the analysis of labour market variables for migrant workers, the sample only includes a very small number of migrants that does not satisfy statistical significance. Questions are also not compliant with international standard definitions for labour market statistics established by the 13th or 19th ICLS. The Ministry of Interior collects data on migrants seeking residence permits, but this is limited to regular migrants.

According to interviews conducted with ANEFIP as part of research by the ILO (2020a) there is no database on Djiboutian migrant workers abroad. However, ANEFIP plans to create an office for this purpose.

► 6.3. Employment services

Employment services are believed to be one of the major conduits for job matching, enhancing employability, addressing skill mismatches and linking support directly to employers and workers through the operation of various active labour market programmes.

The National Agency for Employment, Training and Professional Integration (ANEFIP) is Djibouti's public employment agency, and was created through the Law No. 203/AN/07/5th L of 22 December 2007. According to key informant interviews, the creation of ANEFIP was in response to the Government's desire to provide the country with a tool for designing, monitoring and evaluating employment and vocational integration policies under the supervision of the MOL.

ANEFIP's main mission is the implementation of the Government's employment promotion policy (that is, under SCAPE), and it is responsible for:

- i. facilitating the functionality of the labour market at the national, regional, local and sectoral levels, notably through a network of ANEFIP offices;
- ii. developing information on employment and professional qualifications for businesses and jobseekers;
- iii. implementing programmes to promote employment and young people's integration into the labour market;
- iv. providing professional information and guidance for training applicants with a view to their integration into the labour market;
- v. organizing the placement of the Djiboutian workforce abroad and ensuring their realization; and
- vi. providing work permits for foreigners.

Accordingly, ANEFIP targets jobseekers; entrepreneurs, particularly those working on start-ups; young people seeking vocational training; as well as companies looking for workers and for certain skill sets. While the objectives of ANEFIP are sweeping and appropriate, the reality is that with

widespread shortages of jobs – particularly outside of Djibouti City – ANEFIP offices are sometimes resigned to the role of registering jobseekers and adding them to the national database. Further, with the large number of jobseekers, it is often not possible to assist with placements and professional trainings (such as in languages and soft skills), which falls under its mandate. Migrants are also not eligible to access any trainings or internships.

In terms of working with migrants and migrant workers, ANEFIP's main focus is assessing whether or not a position can be filled by a Djiboutian, and on that basis, denying or issuing authorization for the hiring of a foreign worker. The Immigration Police (under the Ministry of Interior) delivers the residence card for foreigners legally recruited in Djibouti after having obtained this authorization from ANEFIP.

Rather than seeking employment through ANEFIP, migrant workers are instead more likely to work with private employment agencies. The Labour Code, 2006, gives freedom to the employer to recruit staff directly or, if useful, to request the assistance of private recruitment agencies. However, private employment agencies are considered employers and must still comply with the ANEFIP authorization process if they want to recruit foreigners on behalf of their clients.

Beyond the ANEFIP authorization process for foreign workers and compliance with rules and regulations (including Decree No. 2018-103/PR/MTRA), private employment agencies operate independently of public authorities. Private employment agencies apply for permits with the MOL and are registered in the Registry of Commerce and Companies. They provide job-matching services and employ workers to make them available for a third person or firm, referred to as a "user enterprise", who determines the employees' duties and supervises the execution of those duties. According to key informant interviews, private employment agencies do not discriminate between migrants and Djiboutians, and instead consider only skills profiles in order to recruit the people that companies need.

There are some specific private employment agencies that work mainly with military bases in Djibouti to find candidates for their job vacancies. Others – such as Djib Lean, AGS, and Harmony – specialize in finding local workers for certain types of jobs, such as security guards and cleaners. In addition, some private employment agencies focus on deploying Djiboutians for work abroad. These agencies are subject to additional regulations around protection of migrant workers, including the necessity of having

a counterpart in the country of destination (ILO 2020a) and other conditions to ensure their responsibility for and the protection of migrant workers going abroad.

Despite this, Djibouti has not ratified the Private Employment Agencies Convention, 1997 (No. 181). Doing so would provide additional guidance in alignment with international standards for regulation of private employment agencies.

► 6.4. Migrant workers

For a comprehensive overview of labour migration and mobility governance in Djibouti, detailed information is provided in the parallel ILO study *Djibouti: An Assessment of Labour Migration and Mobility Governance* (ILO 2020a). Certain key findings from that study are highlighted in this section.

Djibouti does not have a labour migration policy. Despite the prominence of migrant workers in the country, labour migration does not feature in Vision 2035, SCAPE or the National Employment Policy. Nonetheless, the need for a labour migration policy is recognized and the Government has requested assistance from the IOM in the development of such a policy. Despite this, the MOL has indicated that in any such policy the focus would remain on reducing unemployment and ensuring Djiboutians have the technical and vocational skills to work abroad, thereby placing a greater emphasis on providing jobs for Djiboutians abroad rather than considering the potential for job creation stemming from well-managed labour migration into Djibouti. Findings from key informant interviews support the notion that the priorities of the Government are around regulating the number of migrant workers in Djibouti as a means of protecting the Djiboutian labour force. The current system favours highly skilled migrants, which, according to key informants, is the surest way to benefit the Djiboutian economy and labour market. However, this outlook disregards the contributions to the economy – including the job creation potential – of medium- and lower-skilled migrant workers

A number of key informants interviewed as part of this research stressed the positive outcomes from migrant workers in Djibouti in terms of job creation from business activities. Migrant workers were cited as participating in a broad range of economic activities, including construction, electronics, tailoring, cooking, shop keeping, domestic work, teaching and mechanics. Migrant workers were commonly considered to benefit the development of these economic areas, even if only in the informal sector. Oftentimes, the activities of migrant workers were considered not to be commonly practiced in Djibouti; therefore the migrant workers were thought to be introducing new skills and know-how into the labour market. This includes farming, where a number of key informants highlighted the need for and even reliance on migrant workers' experience in the sector.

The Law No. 153 of 2004 on the Creation and Functioning of Free Trade Zones has resulted in increased foreign investment, which has attracted many migrant workers, often working informally. This law includes provisions for the hiring of migrant workers with specific skills sets, with a target of 70 per cent foreign labour and 30 per cent national labour in the free trade zones. Key informants suggested there are goals to reverse this ratio. A training fund has been set up to facilitate the training of local staff. Monies for the training fund are collected by ANEFIP, with financing coming through working permit fees of around US\$1,200 (normally, outside the free trade zones, the cost of the working permit is only around US\$120). Since 2018, Law No. 221 has imposed that the 2006 Labour Code be applied

in the free trade zone. The Ministry of Interior has a presence in the free trade zones, but ANEFIP does not, which means that although stay permits could be delivered, work permits were not monitored; as a result, there is a gap concerning the monitoring of migrant workers in free trade zones.

In the absence of a labour migration policy, labour migration governance is applied through two frameworks:

- i. the Labour Code, 2006, which targets employers, and is predominantly focused on stemming the flow of low-skilled migrants into the country, while benefiting from the expertise provided by higher-skilled migrants; and
- ii. Act No. 40/AN/19/8th L of January 2019, which contains a set of articles on the conditions of entry and residence of foreigners in Djibouti.

The Labour Code contains all procedures and regulations for the employment of migrant workers in Djibouti. However, this only covers regular migrant workers, that is, those with official paperwork for both entry into the country and authorization to work. The Labour Code therefore omits the vast majority of migrant workers, who typically have irregular migration status and are most commonly working in the informal sector. While irregular migrant workers do not have access to the same labour protections and regulations, the National Commission for Human Rights is mandated to protect the human rights of all those present in Djibouti. This includes the defence of migrant workers who are victims of any rights violation. In addition, the Djiboutian State technically provides free legal aid to anyone, including migrant workers, which also includes a court-appointed lawyer to defend their position.

The wider regulatory system is generally more beneficial for regular migrant workers; however, irregular migrant workers still have access to a number of benefits regardless of their migration status. For instance, migrants can usually access government-funded health services, education and vocational training at the same rate as Djiboutian citizens and regardless of their migration status. Act No. 201/AN/07/ 5th L of 22 December 2007 (amended) on the Conditions of Entry and Stay in the Republic of Djibouti does not specifically mention access to

healthcare except in article 6, which provides a healthcare framework for migrants.

Nonetheless, only long-term residents and residents on family reunion permits or certain categories of residents on temporary work permits have access to social protection. Since 2014, universal health insurance has been established for all those living in Djibouti, covering additional medical care services and covering migrants, regardless of their legal status. With regards to retirement and unemployment insurance, only regular migrant workers that contribute by paying taxes are entitled. Therefore, all regular migrants or refugees holding a formal job are eligible for retirement and unemployment benefits – while migrants who work informally are not eligible. According to key informant interviews, the State Secretariat for Social Affairs, in collaboration with the MOL, are developing a National Social Protection document that would also cover the population that does not formally pay taxes.

Holders of a temporary residency permit (that is, of less than one year) and holders of a residence permit must still obtain a work permit to take over a vacant post. Labour Code articles 24–30 stipulate the rules around the hiring of migrant workers, namely that the employer must prove that a Djiboutian national cannot do the job. ANEFIP will conduct a verification process through the use of the jobseekers database to search for a Djiboutian profile that meets the criteria. If no such Djiboutian can be found, ANEFIP will issue authorization for a work permit. The employer submits an application with the employment contract and must clearly outline all the services and activities that the migrant worker will implement. According to key informant interviews, the process is more relaxed for certain industries, including construction and logistics.

“The Minister of Labour may refuse the issue or renewal of the work permit when the professional qualification of the worker does not meet, or no longer [meets], the needs of the national economy or when the searched profile is available in the labour market of the country.” – article 28, Labour Code, 2006

► Box 3. Equality of opportunity and treatment for migrant workers with nationals

Article 6(1) of the ILO Migration for Employment Convention (Revised), 1949 (No. 97), provides that each Member for which this Convention is in force undertakes to apply, without discrimination in respect of nationality, race, religion or sex, to immigrants lawfully within its territory, treatment no less favourable than that which it applies to its own nationals in respect of: remuneration, membership of trade unions and rights to collective bargaining, accommodation, social security, employment taxes and legal proceedings related to matters referred to in this Convention.

Article 10 of the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), (Part II on Equality of Opportunity and Treatment) provides that: "Each Member for which the Convention is in force undertakes to declare and pursue a national policy designed to promote and to guarantee, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, of social security, of trade union and cultural rights and of individual and collective freedoms for persons who as migrant workers or as members of their families are lawfully within its territory."

Source: ILO Conventions Nos 97 and 143.

Djibouti has not ratified ILO Conventions Nos 97 and 143 (see box 3) nor the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. However, according to the ILO (2020a), the MOL has indicated that it will do so once it has established a labour migration policy.

The Djiboutian Government has implemented a number of initiatives to protect Djiboutian

migrant workers abroad. For instance, as detailed in this section, recruitment through private employment agencies for positions abroad has a number of provisions in place for the protection of Djiboutian migrant workers. Also as described above, bilateral labour agreements have been established and sometimes receded on the basis of reports of exploitation of Djiboutian workers, such as agreements with Qatar and Saudi Arabia.

▶ 6.5. Conclusions

The Government of Djibouti recognizes the need for job creation and for the protection of its workers. While the National Employment Policy and SCAPE contain relevant focal areas to these ends, the glaring omission is around migrant workers and their role in the labour market. Labour governance in particular is shaped around Djiboutian nationals and regular migrant workers only, despite the prevalence of irregular migrant workers. The Government's emphasis seems to be on reducing unemployment among Djiboutians, in part by limiting migrant workers' access to the formal labour market.

While public employment services are available, the lack of jobs limits the portfolio of services that can be provided, often reducing them to registering jobseekers. While private employment agencies are more proactive and involved in job matching and securing candidates for firms, their activity is likely limited to medium- and higher-skilled occupations, with little services available for the low-skilled. Similarly, the process is cumbersome for hiring migrant workers, who have to prove that no Djiboutian can do

the job, and then receiving permits that are limited in duration and that can be rescinded.

Migrant workers do not appear to be integrated into the labour market for the purposes of both labour market functionality – particularly given the job creation potential of migrant workers establishing enterprises – and equal treatment of migrant workers and Djiboutians. Integration is largely informal, and data shortages mean that gauging job creation potential is largely reliant on key informant findings and the sample of quantitative data collected as part of this study. While it is not possible to claim with certainty that migrant workers are regularly creating job opportunities in Djibouti, there are signs that this is the case, which highlights the need to examine further the role of migrant workers in the labour market and their contribution, particularly to job creation. While discrimination does not appear explicit, there is clearly a preference to hiring migrant workers informally and therefore denying them the protection offered under the Labour Code. At the same time, this is a reflection of the regulatory difficulties related to formally hiring migrant workers.

Chapter 7

- ▶ **Conclusions and recommendations**
-

This report has presented a labour market study with a focus on labour migration from and to IGAD Member States, or more specifically on migrant workers from IGAD Member States in a labour market context. On the basis of the findings of this report, key recommendations are proposed at the strategy, policy and intervention levels. Each level of recommendation is broken down according to the responsibility of different social partners, namely Government, employers' groups and workers' groups, as well as other key stakeholders.

Employment rates and labour force participation are exceptionally low, which makes Djibouti's labour market relatively unique. Usually, such rates are relatively high as a result of the population having little alternatives but to engage in some form of economic activity in order to survive. Due to the composition of the economy and the lack of arable land there is little scope for subsistence level farming, which would otherwise likely be a common source of income. Instead, low-productivity employment in the services sector is predominant, but the majority of Djiboutians remain outside of the labour force. Unemployment and labour underutilization in Djibouti are high and particularly so for youth. This bodes poorly for the medium to long term, as a young and rapidly growing population will continue to put pressure on the labour market. The informal economy is also rife, and migrant workers often hold jobs in the informal sector, with the majority of migrant workers interviewed as part of this research having been in informal employment. While formal employment is evident in Djibouti, much of this is driven by employment in the public sector.

According to the primary data collected on migrant workers, the education and occupational skills composition of migrant workers is markedly different to the composition of the Djiboutian labour force. While the overall level of educational attainment was marginally higher for migrant workers (that is, there was a lower share of migrant workers with "less than primary" and "primary" levels of education than the average in the labour force), migrant workers were more likely than nationals to be working in low-skilled occupations. At the same time, short-term migrant workers tended to also be more likely to engage in higher-skilled engagements than their longer-term migrant worker counterparts.

The insufficient number of jobs for the labour force and for the growing population is recognized by the Government, and a number of initiatives are in place to bolster the potential for structural transformation in a manner that will create new jobs. Efforts around industry have contributed to job creation in recent years, particularly through investment in infrastructure; however, the labour-intensive construction phases of this infrastructure development are not a sustainable source of jobs for the long term. Instead, these infrastructures may help facilitate wider economic activity and job growth. At the same time, certain key sectors have been identified for their job creation potential, including tourism and ICT in the services sector. In both cases, investment and support is needed to bolster the sectors and their job creation potential.

Improving the business environment by addressing obstacles to private sector development has been underway for a number of years, particularly since 2013 and under the current Vision 2035 strategy. Improvements have been reflected in the World Bank's Doing Business Indicators, but substantial gaps still remain. The threat to macroeconomic stability posed by debt vulnerabilities also remains a major factor that has implications for foreign investment and any job creation spurred by that investment. A major challenge for developing the private sector is Djibouti's public sector control of major industries and monopolization of large firms, which has crowded out private investment and also contributed to less efficient running of major industries (for example, electricity) (World Bank 2018).

Strategic recommendation 1: Adjust the National Employment Policy and job creation strategy to better incorporate migrant workers in Djibouti, especially in the informal sector.

The Government of Djibouti recognizes the need for job creation and for the protection of its workers. While the National Employment Policy and SCAPE contain relevant focal areas towards these ends, the glaring omission is around migrant workers and their role in the labour market. With estimates of total migration equal or greater to the total number of Djiboutians employed, attention has to be given to the role of migrant workers in Djibouti's labour market. Labour governance

in particular is designed to address the needs of Djiboutian nationals and regular migrant workers only, despite the prevalence of irregular migrant workers. The Government's emphasis is on reducing unemployment among Djiboutians, in part by limiting migrant workers' access to the formal labour market. Such a blanket measure immediately

obstructs opportunities for job creation (for both Djiboutians and migrant workers) by enterprises run by migrant workers. As a result, there is a need to acknowledge migrant workers in these strategies and to explore avenues to allow for improved labour market functionality.

Recommended action	Anticipated benefit	Relevant bodies
<p>POLICY: Revise the National Employment Policy and Job Creation strategy in a tripartite-plus setting, and in alignment with a labour migration policy.</p>	<p>Inputs from all social partners and external stakeholders (particularly those working with migrants, such as ILO, UNHCR) are necessary to ensure that government investments towards employment and job creation are targeted to the areas with the greatest potential returns in job creation and employment from the perspective of employers and workers, and to maximize the benefits migrant workers offer to the labour market.</p>	<p>Government in a tripartite-plus setting</p>
<p>POLICY: Recognize the role of the informal sector as a source of job creation and reduce barriers to formalization.</p>	<p>The informal sector is an important source of jobs in Djibouti and needs to be recognized as such, particularly given that the vast majority of migrant workers are engaged in the informal sector. While formalization of informal jobs is important, understanding reasons for informality – such as high levels of bureaucracy and regulations – can help prioritize areas for reform. Regulatory reforms that promote business growth, especially in the informal sector should be prioritized. At the same time, there is a need to recognize the implications that hiring migrant workers have on both market competition and worker rights.</p>	<p>Government in a tripartite-plus setting</p>
<p>INTERVENTION: Increase competition and jobs in the private sector by easing restrictions on migrant worker permits for those looking to establish a business.</p>	<p>Given the role of migrant workers in the informal sector, the restrictive work permit process likely makes it more difficult for migrant workers to establish businesses and become employers. Reducing these restrictions, particularly for those looking to establish businesses in key sectors, would help promote business growth and job creation.</p>	<p>Government with employers' and workers' groups</p>
<p>IMPLEMENTATION: Increase support for sector growth interventions in job-rich sectors.</p>	<p>Leverage governmental resources and international aid financing to support inclusive market system development in sectors where Djibouti has a comparative advantage and that can create jobs suitable to its population's skillset.</p>	<p>Government, international aid partners</p>

Strategic recommendation 2: Support data collection on migrant workers within a wider labour statistics framework.

While there are plans to enhance the national statistical system under the NSDS and there are signs that a specific survey may be developed to capture information on migrant workers, improvements can be made to

the current data collection frameworks to capture information on migrant workers. The estimated 200,000 migrants in Djibouti should be captured in representative data. This entails an up-to-date Population Census upon which to base the sampling framework. Further efforts are required to allow for detailed information on migrant workers to support evidence-based policymaking.

Recommended action	Anticipated benefit	Relevant bodies
<p>POLICY: Embed the integration and protection of migrant workers into the national development agenda.</p>	<p>Integrate labour migration policies into the next round of development strategies under Vision 2035. Such policies should support long-term labour force dynamics, both for regular and irregular migrant workers and those in the formal and informal sector.</p>	<p>Government in tripartite setting</p>
<p>POLICY: Ratify and comply with the ILO Migration for Employment Convention (Revised), 1949 (No.97), and the ILO Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143). These will entail developing an appropriate labour migration policy (see ILO 2020a for recommendations in this regard).</p>	<p>This would help align rights and policies for migrant workers with international best practice and ILO recommendations. Through dialogue, social partners have a responsibility to draw on international best practice and to highlight sectoral priority areas to ensure they are included and reflected in labour market governance, as well as to ensure that policies are perceived by all social partners as efficient, equitable and fair, including for migrant workers.</p>	<p>Government in tripartite setting</p>
<p>INTERVENTION: Provide sufficient resources for labour inspections of migrant worker workplaces and ensure cooperation with inspections.</p>	<p>Ensure compliance with labour market governance around migrant workers, including enhancing capacity for labour inspections of migrant worker workplaces, and ensuring that relevant actors have sufficient resources and capacity to ensure compliance with legislation and regulation.</p>	<p>social partners and other stakeholders</p>

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► Appendix I. List of key informants

No.	Position and/or organization	Location
1	Administrative Officer – Ministry of Labour in Charge of Administrative Reform (MOL)	Djibouti City
2	Director of Labour and Employment – MOL	Djibouti City
3	General Inspector of Labour and Social Laws – MOL	Djibouti City
4	Businessman – Import and Export	Djibouti City
5	Labour Inspector – MOL	Djibouti City
6	Lawyer	Djibouti City
7	National Police Department	Djibouti City
8	Technical Advisor – MOL	Djibouti City
9	Private Attorney	Djibouti City
10	Professor of Cartography – University of Djibouti	Djibouti City
11	Professor of Economy – University of Djibouti	Djibouti City
12	Professor of Economy – University of Djibouti	Djibouti City
13	Professor of Law – University of Djibouti	Djibouti City
14	Professor of Logistics and Transport – University of Djibouti	Djibouti City
15	Professor of Maritime Law – University of Djibouti	Djibouti City
16	Program Coordinator – GIZ	Djibouti City
17	Programme Associate – UNHCR	Djibouti City
18	Programme Director at the Faculty of Law – Uni of Djibouti	Djibouti City
19	Sociologist and Director of the Faculty of Law – Uni of Djibouti	Djibouti City
20	Director of ANEFIP (Observatoire National des Emplois et des Qualifications)	Djibouti City
21	Programme Senior Associate – IOM	Djibouti City
22	Employee – Ministry of Interior	Djibouti City
23	Sub-area Community Leader	Djibouti City
24	Businesswoman – Khat Importer	Djibouti City

25	Businessman – Import and Export	Djibouti City
26	Deputy Governor – Dikhil	Dikhil
27	Head of ANEFIP's Regional Office	Dikhil
28	Retiree from Ministry of Interior	Dikhil
29	Head of Sub-office, Secretary of State in charge of Social Affairs	Dikhil
30	Deputy President of the Regional Council of the Dikhil Region	Dikhil
31	Deputy President of the Regional Council of Tadjourah	Tadjourah
32	Governor of the Tadjourah Region	Tadjourah
33	President of the Regional Council of Tadjourah	Tadjourah
34	Former member of the National Parliament	Tadjourah
35	President of the Fishing Association in Tadjourah	Tadjourah
36	Chief of ANEFIP's Regional Office	Ali Sabieh
37	Deputy President of the Regional Council of Ali Sabieh	Ali Sabieh
38	General Director of Arrey – Cement Company	Ali Sabieh
39	Governor of Ali Sabieh	Ali Sabieh
40	Prefect Deputy of the Region of Ali Sabieh	Ali Sabieh

▶ Appendix II. Quantitative interview questionnaire

The following questionnaire is consistent with the 19th ICLS resolution on statistics of work, employment and labour underutilization and the 20th ICLS statistical guideline on labour migration. It seeks to capture the nature of

labour migration between IGAD countries, and collects information on the characteristics of labour migrants and their labour force status.

▶ Module 1 - Socio-economic characteristics of labour migrants

OBJECTIVES AND SCOPE Covers basic demographics on sex, age, marital status, education level, field of study and current educational attainment of labour migrants	
IMPLEMENTATION NOTES The module should be asked to pre-selected labour migrants regardless of labour force status. The module should be asked to labour migrants 15 years old and over.	
A01 Full Name	
A02 Marital Status 1=Single 2=Married 3=Divorced 4=Widowed	
A03 Sex 1 Male 2 Female	
A04 How old are you currently? (Record age in completed years or estimated years)	
A05 What is your highest level of educational attainment (finalized education level) 1=No formal education 2= Primary education 3=Lower secondary education (O-level) 4= Upper secondary education (A- level) 5= Post-secondary (TVET and TVET college) 6= Tertiary education (University) 7= Other (Specify)	
A06 Did you study in a public institution? Yes/No	
A07 Did you learn any specialized trade or profession? Yes/No	
A08 What type of trade or profession did you learn? Specify (e.g. Driver, electrician, doctors, teacher)	
..... ISCO	CODE

<p>C10. Was your main activity carried out in...? (READ)</p> <p>1= Government (federal, state, local)</p> <p>2= State owned enterprise</p> <p>3=Private business or farm</p> <p>4= International org., foreign embassy</p> <p>5=Others</p>
<p>C11. Is the enterprise/business where you work? (READ)</p> <p>1= An incorporated company</p> <p>2= An independent, personal family business</p> <p>3= Do not know</p>
<p>C12. Is the enterprise/business where you worked registered with (relevant authority)?</p> <p>1=Yes</p> <p>2=In the process of being registered</p> <p>3=No</p> <p>4=Do not know</p>
<p>C13. Does the business keep a book of accounts (assets and expenditures)?</p> <p>1=Yes</p> <p>2=No</p> <p>3= Do not know</p>
<p>C14. How many persons, including the owner, work at your place of work?</p> <p>1= 1 persons</p> <p>2= 1-4 persons</p> <p>3= 5-9 persons</p> <p>4= 10-19 persons</p> <p>5= 20-49 persons</p> <p>6= 50+</p>
<p>C15. In what type of place do you usually work?</p> <p>1=At home</p> <p>2=Structure attached to the home</p> <p>3= At the client/employer's home</p> <p>4= At an office, shop factory, or other fixed place of work</p> <p>5= Fixed stall in market/mobile</p> <p>6= Land, forest, sea, ...</p> <p>7=Without fixed location/mobile</p> <p>8= Construction site</p> <p>9= Other (specify)</p>
<p>C16. How long have you worked for this employer/in this business?</p> <p>1= Less than 6 months</p> <p>2= 6 months to less than 1 year</p> <p>3= 1 year to less than 3 years</p> <p>4= 3 years to less than 5 years</p> <p>5= 5 years or more</p>
<p>C17. What is the net daily/weekly/monthly earnings of (NAME) from his/her business or activity? (Please round up and specify currency unit)</p> <p>C16a=Daily</p> <p>C16b= Weekly</p> <p>C16c= Monthly</p>

Module 4- Nature of labour migration

OBJECTIVE AND SCOPE

To capture international migration status
Captures basic essential characteristics needed to identify the foreign-born and foreign populations in the country of destination. This includes: country of birth, date of last arrival to country of current residence, reason for move, and country of citizenship.
It allows distinction between recent and long-term international migrants.
The module covers also transit migration, short-term -, circular, and irregular migration.
The module does not cover internal migration and returnees.

IMPLEMENTATION NOTES

Aligned with the latest 20th ICLS guidelines concerning international labour migration
Aligned with the recommendations included in the Handbook on Measuring International Migration through Population Censuses (UN 2017).
The module should be asked to labour migrants 15 years old and over.

D01 In which country were you born? (please specify)

NAME OF COUNTRY *CODE OF COUNTRY*

D02 What is the country of your citizenship/nationality (please specify)? If you have dual citizenship please name both countries

D02a=Country 1.....

D02b=country 2.....

D03 What is your current resident status in this country?

1=Non-usual resident¹⁴ (short-term business) (e.g. frontier workers, seasonal workers, other short-term migrant workers, volunteer workers and nomads)

a=Yes b=No

2=Usual residents¹⁵ but have no official documentation of residence a=Yes b=No

3=Usual resident a=Yes b=No

D04 In what month and year did you [did NAME] leave your country of birth?

Interviewer: Use 2 digits for the month and 4 digits for the year; Record 00 if the month is unknown

D04a= Month: MM

D04b=Year: YYYY

D05 In which month and year did (you/NAME) most recently arrive to live in [COUNTRY]?

MONTH YEAR

97=DONT KNOW 9997=DON'T KNOW

¹⁴ Less than 6-months

¹⁵ More than 6-months

► Appendix III. Key informant semi-structured interview template

The following key informant interview guide was provided to field researchers conducting interviews with government officials, non-governmental organizations and relevant stakeholders from international organizations

(such as the IOM) and others, for capturing information specifically around the legal framework for labour migration, perspectives towards migrant labour rights from a policy perspective, and other information.

INFORMATION TO BE CAPTURED
<ul style="list-style-type: none"> ► Perspectives on labour migration trends ► Legal framework and structural arrangements ► Perspectives on labour migration management ► Perspectives around rights of migrant workers
A01 Full Name and position in organization
A02 Please briefly outline the characteristics and trends of labour migration as well as the positive and negative impacts of labour migration in your country. Is your country a country of destination, origin or both?
A03 What is the most common type of labour migration in your country (in and outbound). For example, circular migration, seasonal migration, long-term, qualified workers or low skilled workers migration? [field researcher to explain the difference as needed]
A04 What do you think are the main driving forces of labour migration? (past, present and future)
A05 Does your country have bilateral or regional labour migration agreements/schemes? Please briefly outline its content and purpose.
A06 What are the priorities of the national policy concerning labour migration in your country?
A07 What is the main legal framework for labour migration management (governance) in your country. If possible, please also present the background to the existing legislation in terms of labour needs, employment/job creation, and political/historical linkages to other countries
A08 Are migrant workers and the general population treated any differently in your country?
A09 Do you think it is necessary to have provisions or a system in place to allow migrant workers to have equivalent or equal treatment to workers from the general population? If so, how would you ensure equal treatment of migrant workers?
A10 Are there international agreements (or other forms of cooperation) on rights of labour migrants has your country concluded with other IGAD countries?
A11 What are the roles of the national employment services (or equivalent bodies) and private recruitment agencies (if existent) in the process of migrant employment?
A12 What are the challenges in your current local content laws that would require adjustments to promote labour mobility?
END OF INTERVIEW:

▶ Appendix IV. Glossary of terms

Bilateral labour agreements refer to agreements between two entities which create legally binding rights and obligations governed by international law and are usually more specific and action-oriented, non-binding memoranda of understanding which set out a broad framework of cooperation to address common concerns, as well as other arrangements, including between specific government ministries or agencies in destination and origin countries.¹⁶

Domestic worker refers to a person engaged in domestic work within an employment relationship. A person who performs domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker.¹⁷

Employment by education refers to those in employment by level of educational attainment, which is classified according to International Standard Classification of Education (ISCED) levels, namely: less than primary education (ISCED level 0); primary education (ISCED level 1); secondary education (ISCED levels 2 and 3); and tertiary education (ISCED levels 5 to 8).¹⁸

Employment by occupation refers to employed persons classified according to the International Standard Classification of Occupations (ISCO).

Employment by sector refers to employed persons classified according to the International Standard Industry Classification (ISIC), Revision 3.

Employment by skill level refers to employed persons classified according to low (skill level 1), medium (skill level 2) and high (skill levels 3 and 4) skill levels that correspond to ISCO guidelines.

Employment in the informal economy refers to those employed in the informal sector and those in informal employment (that is, it also includes informal employment outside of the informal sector).

Employment in the informal sector (informal enterprises): According to the international standards adopted by the 15th ICLS, the informal sector consists of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. The informal sector is a subset of unincorporated enterprises not constituted as separate legal entities independently of their owners. They are owned by individual household members or several members of the same or different households. Typically, they are operating at a low level of organization, on a small scale and with little or no division between labour and capital as factors of production.¹⁹

Forced labour refers to all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.²⁰

Informal employment: The concept of informal employment refers to jobs as observation units. In the case of own-account workers and employers, the informal employment status of the job is determined by the informal sector nature of the enterprise. Thus, own-account workers (without hired workers) operating an informal enterprise are classified as in informal employment. Similarly, employers (with hired workers) operating an informal enterprise are classified as in informal employment. All contributing family workers are classified as having informal employment, irrespective of whether they work in formal or informal sector enterprises.²¹

16 ILO, Addressing Governance Challenges in a Changing Labour Migration Landscape, ILC.106/IV (2017), para. 68.

17 ILO Domestic Workers Convention, 2011 (No. 189), Article 1(b–c).

18 UNESCO Institute for Statistics, International Classification of Education 2011, 2012.

19 ILO, Women and Men in the Informal Economy: A Statistical Picture, 2018, box 2.

20 ILO Forced Labour Convention, 1930 (No. 29), Article 2(1).

21 ILO, Women and Men in the Informal Economy: A Statistical Picture, 2018, box 2.

Irregular migrant worker refers to a migrant worker considered to be in an irregular situation or non-documented situation if they are unauthorized to enter, to stay and to engage in a remunerated activity in the State of employment pursuant to the law of that State and to international agreement to which that State is a party.²²

Labour force refers to the current supply of labour for the production of goods and services in exchange for pay or profit.

Labour mobility refers to temporary or short-term movements of persons for employment-related purposes, particularly in the context of the free movement of workers in regional economic communities.²³

Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. Measures of labour underutilization include, but may not be restricted to, time-related unemployment, unemployment and the potential labour force.

Less than primary education: Less than primary education (ISCED-A level 0) refers to a broad level of educational attainment covering no participation in education, some participation in early childhood education and/or some participation in primary education.

Migrant worker or international migrant worker refers to all persons of working age (in this case, those aged 15+) present in the country of measurement, who were during the specified reference period in one of the following two categories:

- i. Usual residents: International migrants who were in the labour force of the country of their usual residence, either in employment or in unemployment; or
- ii. Not usual residents (or “non-resident foreign workers”): Persons who, during a specified reference period, were not usual residents of the country but were present in the country and had labour attachment to the country, that is, were either in employment supplying labour to resident producer units of that country

or were seeking employment in that country.

Given the primary data collection element of this study, the definition is in line with the 20th ICLS Guidelines Concerning Statistics for International Labour Migration.

Mixed migration lacks a standard definition however the principal characteristics of mixed migration flows include the multiplicity of factors driving such movements and the differentiated needs and motivations of the persons involved. Many migration streams include people who are on the move for different reasons but share the same routes or modes of travel. They may include refugees, asylum-seekers, forcibly displaced persons, smuggled persons, economic migrants, victims of human trafficking and stranded migrants. People may also move between these categories during the course of their migration. Increasing recognition of these complex migration dynamics has led to the rise of the notion of “mixed migration”.²⁴

Permanent migrant refers to a person who enters with the right of permanent residence or with a visa or permit which is indefinitely renewable. Permanent immigrants would generally include marriage immigrants, family members of permanent residents, refugees, certain labour migrants, etc.²⁵

Persons in employment are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit.

Persons in time-related underemployment are defined as all persons in employment who, during a short reference period, wanted to work additional hours, whose working time in all jobs was less than a specified hours threshold, and who were available to work additional hours given an opportunity for more work.

Persons in unemployment are defined as all those of working age who were not in employment, carried out activities to seek employment during a specified recent period, and were currently available to take up employment given a job opportunity.

22 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Article 5.

23 ILO, Addressing Governance Challenges in a Changing Labour Migration Landscape, ILC.106/IV (2017), para. 6, footnote 8.

24 ILO, “Media-Friendly Glossary on Migration: Middle East Edition”.

25 ILO, “Media-Friendly Glossary on Migration: Middle East Edition”.

Persons outside the labour force are those of working age who were neither in employment nor in unemployment in the short reference period.

Potential labour force refers to persons not in employment who express an interest in this form of work but for whom existing conditions limit their active job search and/or their availability.

Primary education: Primary education (ISCED level 1) provides learning and educational activities typically designed to provide students with fundamental skills in reading, writing and mathematics (that is, literacy and numeracy) and establish a solid foundation for learning and understanding core areas of knowledge and personal development, preparing learners for lower secondary education. It focuses on learning at a basic level of complexity with little, if any, specialization.

Private employment agencies refer to any private individual or enterprise (that is, independent of the public authorities) which provides one or more of the following labour market services: (i) services for matching offers of and applications for employment; (ii) services consisting of employing workers with a view to making them available to a third party; or (iii) other services relating to jobseeking.²⁶

Public employment services are usually the primary government institution responsible for implementing a variety of active labour market programmes including the provision of career guidance and labour exchange services. The basic mandate of Public Employment Services is to facilitate the adjustment of firms and workers to changing labour market conditions.²⁷

Recruitment agencies are used for the purpose of this report synonymously with the term “labour recruiter”, and refer to both public employment services and to

private employment agencies and all other intermediaries or subagents that offer labour recruitment and placement services. Labour recruiters can take many forms, whether for profit or non-profit, or operating within or outside legal and regulatory frameworks.²⁸

Refugee refers to someone who has been forced to flee his or her country because of persecution, war or violence. A refugee has a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership in a particular social group. A person is an asylum-seeker until they are determined to be a refugee in accordance with national and international law.²⁹

Seasonal worker refers to a migrant worker whose work by its character is dependent on seasonal conditions and is performed only during certain part of the year.³⁰

Secondary education: Secondary education (ISCED levels 2 and 3) provides learning and educational activities building on primary education and preparing for labour market entry, post-secondary non-tertiary education, and tertiary education. Broadly speaking, secondary education aims at learning at an intermediate level of complexity. ISCED distinguishes between lower and upper secondary education.

Smuggling of migrants is defined as the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or a permanent resident.³¹

Status in employment refers to employed persons classified according to the International Standard Classification of Employment (ISCE)-93 as either an employee, employer, own-account worker, contributing family worker or member of producer’s cooperative or employee, depending on the characteristics of the job.

26 Adapted from Private Employment Agencies Convention, 1997 (No. 181), Article 1.

27 ILO, “Public Employment Services”.

28 ILO General Principles and Operational Guidelines for Fair Recruitment.

29 UN Convention Relating to the Status of Refugees, 1951; see also ILO, Background Paper and Draft ILO Guiding Principles for Discussion at the ILO Tripartite Technical Meeting on the Access of Refugees and Other Forcible Displaced Persons to the Labour Market, TMARLM/2016 (2016).

30 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Article 2(1)

31 Protocol against the Smuggling of Migrants by Land, Sea and Air, Supplementing the United Nations Convention Against Transnational Organised Crime, Article 3(a).

Temporary migrant refers to a person of foreign nationality who enters a country with a visa or who receives a permit which is either not renewable or only renewable on a limited basis. Temporary immigrants are seasonal workers, international students, service providers, persons on international exchange, etc.³²

Tertiary education: Tertiary education (ISCED levels 5 to 8) builds on secondary education, providing learning activities in specialized fields of education. It aims at learning at a high level of complexity and specialization. Tertiary education includes what is commonly

understood as academic education but also includes advanced vocational or professional education.

Trafficking in persons is defined as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.³³

32 OAS and OECD, *International Migration in the Americas: Third Report of the Continuous Reporting System on International Migration in the Americas (SICREMI)*, 2015, 3; ILO, *Addressing Governance Challenges in a Changing Labour Migration Landscape*, ILC.106/IV (2017), para. 21

33 Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organised Crime, Article 3(a)



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