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Free Movement of Persons and Transhumance in the IGAD Region

Labour Market Assessment

ETHIOPIA

Country report

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:

Ethiopia country report

Free Movement of Persons and Transhumance in the IGAD Region: Improving Opportunities for Regular Labour Mobility

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Abbreviations and acronyms

ATA	Agricultural Transformation Agency
BoLSA	Bureau of Labour and Social Affairs
GDP	gross domestic product
GEM	Global Entrepreneurship Monitor
GNI	gross national income
GTP	Growth and Transformation Plan
HDI	Human Development Index
ICLS	International Conference of Labour Statisticians
ICT	information and communication technology
IGAD	Intergovernmental Authority on Development
IOM	International Organization for Migration
MoLSA	Ministry of Labour and Social Affairs
NEC	National Employment Council
NEPS	National Employment Policy and Strategy
NGO	non-governmental organization
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PPP	purchase power parity
SDPRP	Sustainable Development and Poverty Reduction Program
TVET	technical and vocational education and training
UN	United Nations
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: Ethiopia 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 Ethiopia 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 Ethiopia. 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 Ethiopia by migrant workers from IGAD Members and to improve labour migration governance in the region. We advise you consult, in addition to this Ethiopia 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 Ethiopia'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 440 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 Ethiopian communities and migrant workers. Data collection took place between March and April 2019 in Addis Ababa, Dire Dawa, Gambela and Jijiga. 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 labour market

Ethiopia is a country of origin, transit and destination for mixed migration flows, including being a major recipient of refugees. Ethiopia's location, bordering with six countries, positions it on a number of main migration routes in the region, including the Southern route, via Kenya and onwards to South Africa, and the Northern route, via Sudan and onwards to Northern Africa and Europe. Ethiopia is also on the Middle East route, for migration to Yemen and the Gulf States. These are channels for both Ethiopians migrating out of the country as well as for migrants from neighbouring countries transiting through Ethiopia. Ethiopia is also the second-largest recipient of refugees in Sub-Saharan Africa, hosting over 900,000 refugees and asylum-seekers in 2018, reflecting both the conflict and insecurity in neighbouring countries and also its open-door policy towards refugees (UNHCR 2019).

The majority of migration out of Ethiopia is irregular, that is, migration without any or appropriate visas and paperwork. There are two main types of irregular migration out of Ethiopia:

i. without any paperwork at all, which is via land borders and usually with assistance from traffickers – primarily via Djibouti; and

ii. on false pretences, via plane or land borders, often through obtaining tourist visas or temporary visas in order to exit legally, but then overstaying the visa to work informally in the country of destination, or continuing onward travel.

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

Migration into and through Ethiopia is also largely irregular, and presents substantial risks to migrants from human trafficking. An ILO report found that more than half of Ethiopian returnees had been in forced labour situations (Admassie, Nuru, and Ferede 2017).

Labour force characteristics suggest that Ethiopia's labour market is low-skilled and with high shares of workers in low-productivity agriculture. This is reflected in the high labour force participation rates for both men and women, lack of wage-paying and salaried jobs, and high shares working in agriculture, often in low-productivity subsistence activities. The ILO estimates that more than half the employed population and their families live below the poverty line (at the internationally moderately poor threshold of $3.10 PPP [2] per day). At the same time, the relatively low education base of the country bodes poorly for productivity growth.

Migrant worker characteristics from primary data

The lack of data on migrant workers in Ethiopia was addressed via primary data as part of this assignment, exposing differences by length of stay and migration status. Primary data identified migrant workers' migration status and length of stay, namely, those who were in the country for more than six months in terms of whether the migrant had official documentation (regular migration status) or not (irregular migration status). Migration status was not captured for those in the country for less than six months. While a migrant worker's work permit status can be attached to their migration status, it cannot be assumed in all cases, and so is only presented by migration status (right to be in the country), not migrant worker status (right to both be in the country and work in the country).

Migration in Ethiopia is highly dynamic. According to quantitative data collected as part of this study, around 53 per cent of migrant worker respondents stated that their main reason to leave their country of origin was for labour market or income opportunities, while around 24 per cent stated conflict-related reasons and 13 per cent family or personal reasons. This varied according to the type of migrant worker interviewed, for instance short-term migrants (less than six months) with regular or irregular migration statuses, were far more likely to have left their country for labour market or income opportunities (93 per cent), compared to 45 per cent of those who were in Ethiopia for more than six months with irregular migration status and 40 per cent of those in Ethiopia for more than six months and with regular migration status. The long-term regular migrants were most likely to have left for reasons of conflict (40 per cent), compared to 20 per cent of long-term migrants with irregular migration status.

More than two-thirds of migrant workers interviewed were in informal employment. The share was highest for short-term migrant workers (86 per cent), compared to 60 per cent for long-term migrant workers with irregular migration status, and 68 per cent for those with regular migration status. This suggests that those in Ethiopia for a shorter period are less likely to be able to find formal jobs with social security entitlement, paid sick leave entitlement and sick leave entitlement. However, the fact that 40 per cent of the long-term migrant workers interviewed were in formal jobs despite irregular migration status, suggests that formal job opportunities are available regardless of regularity of migration status.

There are often close socio-cultural ties between migrant workers and Ethiopians that facilitate job placement. This can make it difficult to identify and measure migrant workers. The situation is often facilitated by the by the various diasporas already established in Ethiopia who are able to provide jobs to migrant workers of their own socio-cultural background. The large informal sector also means that as firms lack registration and paperwork it makes it easier to hire workers informally.

2 Purchase power parity.

Job creation and the private sector

In the face of a shortage of jobs, job creation is now at the forefront of the Government's current strategy and is spearheaded by the Jobs Creation Commission. Accordingly, the Growth and Transformation Plan (GTP) II and the Homegrown Economic Reform Agenda have made clear the main goal is to achieve industrialization and the transition from low-productivity activities to higher-productivity activities. Given the country's low education base, this places some emphasis on encouraging foreign direct investment for job creation and technological transfer, and on attracting higher-skilled migrant workers, especially for knowledge transfer. The impressive GDP growth rate has not translated into a significant change in employment opportunities for the majority of Ethiopians because of the structure of the economy. Lack of an enabling environment for investment and private sector development is also an essential demand-side factor. The transaction costs of doing business in Ethiopia are relatively high, and therefore the country misses out on employment-generating opportunities that accompany such investment flows. Moreover, private sector promotion strategies are not sufficiently geared towards encouraging labour-intensive approaches and investment in labour-intensive sectors. There are also pervasive challenges for youth entrepreneurship and self-employment. However, over the past few years there has been a drive to facilitate start-ups and entrepreneurship by Ethiopians, particularly in the manufacturing sector. These initiatives, developed in tandem with improvements to the business environment, are encouraging economic growth to lead to job creation in the short, medium and long terms.

Current growth strategies, including GTP II, seek to improve entrepreneurship as a means of job creation, particularly for youth, but there is no explicit mention of migrant workers. The Regional Cluster Development for small- and medium-sized enterprises is an important component of Ethiopia's development and industrialization strategy. It targets youth in particular and seeks to provide technical and financial support to those graduating from technical and vocational schools to help start up small manufacturing enterprises. Another programme on micro and small enterprise development is also focused on addressing urban employment. The prevalence of informal employment among migrant workers in Ethiopia suggests that migrant workers are unable to tap into the formal resources available and likely have to seek informal sources of finance to set up businesses.

While the Jobs Creation Commission is establishing a labour market information system, gaps still remain. It is not yet clear the degree to which establishment or vacancies surveys' findings will be available to the public and/or integrated into the system to allow for evidence-based policymaking to shape TVET policies and other strategies, and to ensure that skills development matches current and future market needs. Ongoing work on the drivers of Ethiopian labour migration abroad, both regular and irregular, can help determine the mismatches between labour supply and labour demand in the Ethiopian economy, and help shape policy responses accordingly. [3]

Recommendations for decent and productive employment and jobs promotion in Ethiopia

Strategic recommendation 1: Step up implementation of the National Employment Policy and Strategy.

The National Employment Policy and Strategy (NEPS) 2016 is a comprehensive set of priorities and strategies. While the Jobs Creation Commission has implicitly taken responsibility for some components of the NEPS, the Commission's agenda only overlaps to a limited degree. For instance, labour governance is solely in the realm of the NEPS. In any case, the NEPS does not appear to have an implementation mechanism established: The NEPS advocated for the formation of a National Employment Council to steer implementation, yet there are no signs of its creation; and the Ministry

3 Relevant in this regard is the 2017–20 ILO project Improved Labour Migration Governance to Protect Migrant Workers and Combat Irregular Migration in Ethiopia, and the 2016–19 ILO project Addressing the Root Causes of Migration in Ethiopia.

of Labour and Social Affairs was responsible for monitoring, yet no benchmarks or targets have been established. If established, a National Employment Council could also more clearly assign and enforce roles and responsibilities across the Government and with regard to different social partners. Stepping up implementation of the NEPS is the first of the strategic recommendations:

- **POLICY:** Establish performance milestones and targets in the NEPS.
- **POLICY:** Align the NEPS with a labour migration policy.
- **POLICY:** Provide technical support on a range of areas, including migration and migrant workers.
- **INTERVENTION:** Support on the monitoring of current implementation of the revised Overseas Employment Proclamation (923/2016) by the Ministry of Labour and Social Affairs.
- **INTERVENTION:** Encourage and facilitate cooperation by employers and workers.
- **INTERVENTION:** Encourage, facilitate and disseminate third-party research on topics of relevance to the NEPS.

Strategic recommendation 2: Enhance the capacity and improved coordination of labour market information and analysis.

The lack of a consolidated and comprehensive system for labour market information has been a limiting factor for informed and evidence-based policymaking in Ethiopia. This applies to a range of areas, including skills, and developing a database of skills of migrant workers and Ethiopians going abroad to help inform migration policy as well as employment policy. It also includes the lack of a consolidated database of labour demand components in a consistent and comparable manner for analysis against labour supply information.

While the creation of a labour market information system is a major step forwards in this regard, the system is still in its infancy and it is not yet clear whether it will fulfil all the needs of a comprehensive system. In any case, there is still a need for more new data to be collected and for databases to be shared, requiring both increased capacity and further coordination. Enhancing the capacity and improving the coordination of labour market information and analysis is the second strategic recommendation.

- **POLICY:** Establish the design of a labour statistics framework that consolidates subnational estimates for key labour market indicators, including information on migrant worker flows and characteristics.
- **POLICY:** Provide technical support and expert advice and support for the improvement of labour market information and analysis.
- **INTERVENTION:** Incorporate a labour migration module into the Labour Force Survey.
- **INTERVENTION:** Implement and/or facilitate implementation of employers and vacancies surveys.
- **INTERVENTION:** Provide support for development of an integrated and user-centric labour market information system.
- **INTERVENTION:** Encourage, facilitate and disseminate third-party research on labour market information and analysis and on policy recommendations.

Strategic recommendation 3: Enhance the capacity and coordination of employment services within a wider national employment and jobs strategy.

Employment services play an integral role in the functionality of the labour market and also are an important source of information, particularly around labour demand. In Ethiopia, public employment services are focused on a narrow set of activities and are largely underutilized, leaving private employment agencies as the driving force of employment services. According to key informant interviews conducted as part of this report, migrant workers do not have access to any employment services, despite the Government of Ethiopia's focus on its migrant workers abroad.

As such, there are measures that can help make better use of employment services, in terms of their effectiveness and the information they capture, for the benefit of workers (and jobseekers), employers and the Government. Enhancing the capacity and coordination of employment services within a wider national employment and jobs strategy is the third of the strategic recommendations.

- **POLICY:** Improve coordination between the state and federal levels on employment services, with clear institutional roles.
- **POLICY:** Create an enabling environment to strengthen collaboration between public and private employment agencies.
- **POLICY:** External stakeholders working with relevant labour market actors, such as refugees, should work closely with employment services and private employment agencies.
- **INTERVENTION:** Provide sufficient resources to public employment services.
- **INTERVENTION:** Actively promote the use of public employment services through the encouragement of employers to advertise and seek candidates through these services.

Strategic recommendation 4: Adjust and redesign labour market governance mechanisms to better incorporate migrant workers.

An important message that emerges from the report is that migrant workers cannot only be looked at from the migration perspective. They contribute to the labour force and their needs and challenges have to be addressed as part of labour, employment and skills development policies that foster the utilization of their potential for inclusive and sustainable economic growth.

The final strategic recommendation is associated with migrant workers and the implications for labour market governance. At present, migrant workers in Ethiopia are largely irregular, partly a result of the difficulties of working officially and obtaining a work permit. The work permit system is biased towards the high-skilled, and even then, does not accommodate long-term arrangements. While this is seemingly consistent with the growth strategy towards industrialization and attracting investment, skills and capital from abroad, there is no labour migration strategy, nor sufficient data to inform it. Hence, it is likely that the Ethiopian labour market is not optimizing the value of migrant workers to its functionality nor to the benefit of Ethiopians and migrant workers. Therefore, the fourth strategic recommendation is to adjust and redesign labour market governance mechanisms to better incorporate migrant workers.

- **POLICY:** Revise the Labour Proclamation (1156/2019) for migrant workers, taking into account the IGAD regulatory framework.
- **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).
- **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 help 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 Ethiopia'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 jobs creation. It draws from available secondary data and new primary data and information collected as part of the study. This 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 seeks 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. Sector 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 level, 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:

iii. usual residents – International migrants who were in the labour force of the country of their usual residence, either in employment or in unemployment; or

iv. 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 sub-sections provide information of the data collection for each component. Primary data collection took place between March and April 2019.

2.3.1. Quantitative interviews

Quantitative interviews were conducted in Addis Ababa (114 interviews), Dire Dawa (100 interviews), Jijiga (113 interviews) and Gambela (113 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 Addis Ababa, Dire Dawa, Jijiga and Gambela were proposed for quantitative data collection during the inception phase of the study and agreed upon with the ILO. The locations were chosen on the combination of factors, such as the degree to which migrant workers were likely to be present, as well as the feasibility for timely data collection.

The questionnaire allowed for the identification of migrant workers from IGAD Member States, their migration status and length of stay. The migration status is only indicated for long-term migrant workers who have been in the country for more than six months and is assessed in relation to whether the migrant has official documentation (regular migration status) or not (irregular migration status). It was not captured for short-term migrant workers who have been in the country for less than six months. While typically a migrant worker's migration status is attached to his or her work permit status, this cannot be assumed in all cases, and so the data presented are by migration status, not migrant worker status.

2.3.2. Description of the sample

The sample sought to capture information on migrant workers from a range of basic demographic characteristics (see Section 2.6. for sampling process and limitations). The sample consisted of around 55 per cent male respondents; the median age was 28 years old; and around 50 per cent were married.

Table 2 provides an overview of the sample, by state and by sex, and by selected indicators.

Contrary to the other countries in the study, the sample was more or less balanced between men and women (242 and 198, respectively). Most of the sample (329 respondents out of 440) were adults (defined here as those above 25 years old). The sample contained almost equal numbers of long-term migrant workers with regular status and without regular status (178 against 173, respectively); although by sex, women are less likely than men to have regular status (46 per cent against 54 per cent, respectively). Short-term migrants are less present in the sample (89 people, or 20 per cent of the sample).

More than half of the sample (248 people, or 54 per cent) had at most a primary level of educational attainment, with women being less educated than men (73 per cent of women in the sample had at most attained primary educational attainment against 42 per cent of men).

In terms of labour force status, across the sample, 379 people (86 per cent) were classified as employed, 11 (3 per cent) as unemployed, and 50 (11 per cent) as out of the labour force. These percentages were relatively similar between men and women. However, the fact that 50 respondents were classified as being 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 for this study. 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.

Ethiopia is the country with the highest share of employers in its sample: 157 respondents (41 per cent) were classified as employers (35 per cent for women and 47 per cent for men). Conversely, the share of respondents who could be considered in vulnerable employment – that is, people working as contributing family workers or own-account workers – stood at 17 per cent (or 67 people), which is lower than most other countries in this series of reports, as only Somalia and Sudan have lower shares of vulnerable workers.

With regard to occupational skill level, the largest proportion of migrant workers in the sample (160, or 42 per cent) were engaged in medium-skilled occupations (including services and sales, skilled agriculture, and crafts and related activities); 110 (29 per cent) were engaged in high-skilled occupations (such as managers, professionals, and technicians and associates); and 82 (22 per cent) were in low-skilled, elementary occupations.

Informality is widespread, with 258 migrant workers in the sample (68 per cent) employed informally, and 159 (42 per cent) employed in informal units. The concurrent analysis of these two measurements indicates the blending of formality and informality in the world of work, as it shows that people are likely to be employed informally in formal units.

Table 2. Overview of the sample of migrant workers in Ethiopia, by sex, state and selected indicators

Location or indicator	Male	Female	Total
State	**242**	**198**	**440**
Addis Ababa	63	51	114
Dire Dawa	52	48	100
Jijiga	59	54	113
Gambela	68	45	113

Age	**242**	**198**	**440**
15–24	55	56	111
25+	187	142	329
Migration status	**242**	**198**	**440**
Less than 6 months	51	38	89
Irregular status (more than 6 months)	86	87	173
Regular status (more than 6 months)	105	73	178
Educational attainment	**242**	**198**	**440**
Less than primary	18	32	50
Primary	85	113	198
Secondary	92	43	135
Tertiary	46	10	56
Not stated	1	–	1
Labour force status	**242**	**198**	**440**
Employed	207	172	379
Unemployed	6	5	11
Out of labour force	29	21	50
Status in employment	**207**	**172**	**379**
Wage employed	72	54	126
Employer	97	60	157
Own account worker	17	34	51
Contributing family member	8	8	16
No response / unclassifiable	13	16	29
Occupational skills level	**207**	**172**	**379**
Low-skilled	28	54	82
Medium-skilled	86	74	160
High-skilled	81	29	110
Not elsewhere classified	12	15	27
Informality	**n.a.**	**n.a.**	**n.a.**
Informally employed	132	126	258
Working for an informal unit	78	81	159

– = 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 in Addis Ababa (24 interviews), Dire Dawa (7 interviews), Jijiga (7 interviews) and Gambela (2 interviews).

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.

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. 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		
Federal Government	5	Ministry of Labour and Social Affairs; Ministry of Foreign Affairs; National Intelligence and Security Agency, Immigration Office
State government	3	Airport Immigration; Head of Social Office Dire Dawa
Employers and employers' organizations	2	Business owners; Ethiopian Horticulture Production Exporter Association
Workers and workers' organizations	2	Migrant workers
Other		
International organizations	5	IGAD; World Food Programme; International Organization for Migration (IOM)
NGOs	6	Oxfam; Danish Refugee Council;

Type of stakeholder	No. of interviews	Examples of stakeholders interviewed
Civil society	2	Ethiopian Orthodox Church; Civil Service Institute
Academia	7	University of Jigjiga; Addis Ababa University
Other	8	Village Committee member; local unemployed; Expert on Ministry of Labour and Education

2.3.4. Focus group discussions

Focus group discussions were conducted in Addis Ababa (two group discussions), Dire Dawa (two group discussions), Jijiga (two group discussions) and Gambela (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 Ethiopia. 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 potentials. The main secondary statistics sources used are listed in table 4 (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.
Poverty and inequality	United Nations Development Programme (UNDP), "Ethiopia's Progress Towards Eradicating Poverty", 2018; World Bank – World Development Indicators.
Human development	UNDP – Human Development Indices and Indicators: 2018 Statistical Update.
Migrant stock	UNDESA. Population Division – Trends in International Migrant Stock: The 2017 Revision
Refugee stock	United Nations High Commissioner for Refugees (UNHCR) – UNHCR Population Statistics Database
Remittances	World Bank – Migration and Remittances database
4. Labour market supply	
Labour force	Ethiopia Labour Force Survey 2013; ILO modelled estimates
Skills composition	Ethiopia Labour Force Survey 2013
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.

The main source of labour market information was the Ethiopia Labour Force Survey 2013. Although 2013 is relatively out of date for representing the labour market dynamics of the country in 2019, Labour Force Surveys need to be used in preference to other types of household surveys (such as, income and expenditure surveys, censuses and assessments), particularly as the sampling is specific for the labour market and the Labour Force Survey questionnaire complies with ICLS standards. For this reason, the Ethiopia Labour Force Survey 2013 was the primary source for labour market data, but it does not claim to fully represent the 2019 situation.

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 Ethiopia labour market analysis is and what it is not. This Ethiopia report is one of a series undertaken in select IGAD Member States (Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Uganda) to understand the overall economic, labour, employment and labour migration dynamics in the countries, and focuses on migration-prone areas, particularly places of origin, transit and destination. As mentioned earlier, it contributes to the ILO project's efforts to deepen understanding of migrant workers and labour market dynamics in the region, including the constraints and opportunities for employment creation and causes of skill shortages.

Firstly, owing to the focus on migrant workers, this study is not a standard labour market analysis. This labour market analysis 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 Ethiopia.

Secondly, while a labour force survey exists for Ethiopia and provides descriptive information of the labour force, data and information on migrant workers in Ethiopia are complemented through new primary data and information collected on migrant

workers as part of this study, providing new and unique insights into the characteristics, drivers and motivations of labour migration in Ethiopia.

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 439 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 An Assessment of Labour Migration and Mobility Governance in the IGAD Region: Country Report for Ethiopia (ILO 2020a). With this in mind, this Ethiopia labour market analysis seeks to complement, not replicate, this other report. The two reports should be seen as accompanying each other. It should also be noted that in this Ethiopia labour market analysis, migrant workers are considered from the perspective of the labour market and not from a migration perspective. The aforementioned ILO (2020a) report also looks at labour migration governance in the context of wider migration policy and should be consulted to get more information related to this angle.

Chapter 3

Socio-economic context

3.1. Context

Located in the Horn of Africa, Ethiopia is a landlocked country that borders Djibouti, Eritrea, Kenya, Somalia, South Sudan and Sudan. Ethiopia's population was estimated at 100 million in 2015 and continues to grow rapidly (UNDESA 2017a). The population is anticipated to grow by 2.6 million per year (equivalent to 1.9 per cent growth per annum) between 2015 and 2050. Ethiopia has a very young population, with 63 per cent under the age of 25 (forecast to decrease to 44 per cent by 2050). At the same time, urbanization is steadily increasing, with 40 per cent of the population forecast to be living in cities by 2050. In 2015, around 19 per cent of the Ethiopian population were living in urban areas, up from 10 per cent in 1980 and 13 per cent in 1990 (UNDESA 2018). This is forecast to increase to 40 per cent by 2050.

With no direct access to the sea, the country has been reliant on ports in Djibouti and Sudan, and now has options in Somaliland and potentially Eritrea (Kennard and Einashe 2019). The country is endowed with considerable natural resources, including gas reserves, gold (and other minerals) and cash crops – for instance, Ethiopia produces around 4 per cent of the world's supply of coffee (Global Coffee Platform 2016). In recent years Ethiopia has been lauded as an emerging market to watch: the African economy exhibiting double-digit economic growth rates. [4] Over 2008–18, GDP growth averaged 9.8 per cent per annum, according to the IMF – higher than all countries in the IGAD region with comparable data over that period. In 2018, GDP growth was estimated at 7.5 per cent, slightly down from the historical average and driven by infrastructural expansion (including air transport), manufacturing exports and agricultural output (IMF 2018). The country is targeting average economic growth of 11 per cent per annum until 2019/20 under the Growth and Transformation Plan (GTP) II (Government of Ethiopia 2015). Although Ethiopia is the second-largest economy of the IGAD Member States, it is classified as a low-income economy according to the World Bank Atlas method. Ethiopia's GDP is estimated at $84 billion in 2018, slightly lower than Kenya at $90 billion (IMF 2019). For the fiscal year 2019, lower-income economies were categorized as those with a gross national income (GNI) per capita in 2017 of less than $995 (World Bank 2019b). Ethiopia's GNI per capita (current US$) was estimated at $740 in 2017 (latest year with data available), one of the lowest levels of all countries worldwide (World Bank 2019a).

3.2. Agriculture is the most important purveyor of jobs

Agriculture accounted for around a third of GDP in 2017, nearly two-thirds of exports (World Bank 2019a) and around 80 per cent of the total employed population (CSA 2015). This ratio of low output to high employment reflects the largely subsistence and low productivity nature of agriculture in the country. Despite the low productivity, agricultural commodities accounted for 62 per cent of exports in 2017, with cash crops – namely coffee, tea, cocoa and spices – accounting for a quarter of all exports by value (down from more than 50 per cent in 2000); vegetables and fruits accounted for a further 16 per cent; oil seeds and oleaginous fruits 13 per cent; and crude animal and vegetable materials another 9 per cent (UNCTAD 2019). Agricultural growth has contributed to poverty reduction over the past decade (World Bank 2015), in part reflecting productivity gains

4 See, for instance, Gray 2018 and Pfeiffer 2016.

from increased uptake in agricultural inputs, such as fertilizers, that have been distributed via the country's thousands of cooperatives (Bernard, Gabre-Madhin, and Taffesse 2007).

Pastoralism accounts for the majority of livestock production, and pastoralists account for around 12 per cent of the population, yet these are a highly vulnerable group. Around 60 per cent of the total landmass of Ethiopia is lowlands (Yimer 2015). Without irrigation, these areas are largely dry lands that are unsuitable for reliable crop production, given low levels of rainfall. They are, however, suitable for pastoralists that are able to move in response to the conditions to find grazing areas for their livestock. Estimates suggest that pastoralists account for around 12 million people in Ethiopia, yet they are highly marginalized and highly vulnerable to desertification, famine, food and social insecurity, and conflict and insurgency. Many of the pastoralist areas border with neighbouring countries, including the Afar region with Djibouti and Eritrea; the Somali region with Somalia and Kenya; areas of Oromia, the SNNPR [5] and Gambela bordering with Kenya and South Sudan; and Beneshangul-Gumuz with Sudan. As a result, cross-border movements are common, both as a coping mechanism for finding grazing areas, often in response to climatic conditions and in search of grazing areas and natural resources, and also for cross-border trade and sharing of information to manage drought and other risks (Pavanello 2010).

In 2017, export of live animals accounted for around 3 per cent of total official merchandise exports. However, this figure is likely to be heavily undervalued due to the cross-border nature of pastoralist livestock trading. Estimates suggest that around 30 per cent of cattle, 50 per cent of sheep, 45 per cent of goats and the vast majority of camels in Ethiopia are raised by pastoralists (COMESA 2009). As a reference point, UNCTAD (2019) estimates that live animal exports were estimated at around $40 million in 2009; however, other estimates suggest that cross-border trade (formal and informal) to Somalia, Djibouti and Kenya alone, was likely to be between $250 and $300 million during that same year (COMESA 2009).

3.3. The GDP share of manufacturing has more than doubled in the last ten years

To achieve low middle-income status, GTP II seeks to build on outcomes under the previous Plan (GTP I), in terms of infrastructure expansion and social development, in order to enhance productivity in agriculture and manufacturing, including improving the quality of production and bolstering domestic-led growth and markets. The industrial sector has already more than doubled its share of GDP from 13.5 per cent in 2009 to 28.5 per cent in 2017. This was driven particularly by the construction sector, which in 2015/16 accounted for more than half of industrial output, largely due to infrastructure development including railways, energy and telecommunications (Government of Ethiopia 2015).

Ethiopia's approach has been to leverage agriculture, focusing on the garment and leather sectors, and food processing. Notably, agro-based manufactures accounted for more than half of manufactured merchandise exports, a partial reflection of the agricultural development-led industrialization (UNCTAD 2019). Industrial park development has been an important component of this strategy, with several major industrial parks focusing exclusively on these sectors. For instance, the Bole Lemi II and Hawassa industrial parks are almost exclusively focused on garments and leather (EIU 2019). The industrial parks have been a source of foreign direct investment, which as a share of GDP has increased from around 17 per cent in 2015 to 25 per cent in 2017 (UNCTAD 2019).

5 The Southern Nations, Nationalities, and Peoples' Region.

3.4. The service sector is the first contributor to GDP

The services sector accounted for around 37 per cent of total GDP in 2017, slightly down from 41.4 per cent in 2011 (World Bank 2019b). This does not reflect a slowing of service sector growth, which in fact grew on average 10.2 per cent per annum between 2011 and 2017, but instead, the faster growth of other sectors – predominantly industry. The service sector has not received the same focus as industry and agriculture in the country's development strategy. However, growth in these other sectors and rising incomes will create spillovers in the services sector via spending. Transport has been an important part of the service sector's growth and is likely to continue expanding, particularly with expected privatizations in aerospace, telecommunications and other key sectors.

3.5. Human development

Poverty has dropped from around 45 per cent in 2000 to 23.5 per cent in 2016, according to the Household Consumption Survey 2015/2016 and national poverty lines (UNDP 2018). Poverty rates by region are correlated with agricultural rainfall and therefore reflect the vulnerability of smallholder farmers and pastoralists in these areas. While available poverty data by region is only from 2011, it serves to demonstrate the correlation between poverty incidence and rainfall. The Afar region has the highest rate of poverty of all regions, at around 36 per cent in 2011, and is also the area with the lowest annual levels of rainfall. The Somali region had the second highest poverty rate at 32.8 per cent, also with low levels of rainfall for much for the region. The more central regions have a mix of rainfall levels, which likely reflect disparities in poverty incidence within the provinces.

Inequality, as measured by the Gini Index, increased between 2004 and 2015, but is still relatively low by global standards. The Gini Index for Ethiopia in 2015 was estimated at around 0.391 (where 1 is perfect inequality and 0 is perfect equality). This has increased from 0.332 in 2010 and 0.298 in 2004, denoting increasing inequality (World Bank 2019a). According to the World Bank, inequality has worsening over recent years in urban areas, whereas rural inequality has remained relatively stagnant despite poverty improvements as a result of the Government's pro-poor policies, which have helped raise the livelihoods of the poorest (World Bank 2015).

According to the UNDP Human Development Index (HDI), Ethiopia ranks 173rd out of 189 countries, and qualifies as a "low human development" country (UNDP n.d.). With a score of 0.463, Ethiopia is below the average for all countries in the low human development category (average 0.504). Within this, Ethiopia scores particularly poorly on education variables, despite incremental improvements in the average years of schooling, from an average of 1.5 years in 2000 to 2.7 years in 2017. Notably when adjusted for inequality, the HDI drops further to 0.331, as a reflection of inequalities within the HDI indices, particularly in female access to education and health.

3.6. Ethiopia, a country at the centre of migration routes

"Most migrants coming to Ethiopia are from South Sudan, Eritrea, Somalia, and a few from the Turkana area in Kenya. Often, migrants do not come to Ethiopia necessarily for work since meeting the requirements to work legally is very difficult. For instance, in the case of Eritrean migrants, unless they claim refugee status in the country they can simply mix among the population and find their way of obtaining a job in the informal sector." – Key informant

Ethiopia is a country of origin, transit and destination for migration. Ethiopia's location, bordering with six countries, positions the country on a number of main migration routes for the region, including the Southern route, via Kenya and onwards to South Africa, and the Northern route, via Sudan and onwards to Northern Africa and Europe. Ethiopia is also on the Middle East route, for migration to Yemen and the Gulf States. These are channels for both Ethiopians migrating out of the country as well as for migrants from neighbouring countries transiting through Ethiopia.

Migration into and through Ethiopia is also largely irregular and presents substantial risks to migrants from human trafficking. Ethiopia is a Tier 2 country according to the US Trafficking in Persons Report, which means it does not fully meet the minimum standards for the elimination of trafficking, however, it is making significant efforts to do so (US State Department 2017). Migrants are known to pay smugglers to enter or leave Ethiopia, raising the risk of human trafficking and forced labour. The irregular nature of their migration means they are unlikely to report abuses due to fear of retaliation by an employer or arrest or deportation by government authorities. An ILO report found that more than half of returnees had been in forced labour situations (Admassie, Nuru, and Ferede 2017).

3.6.1. Outmigration

There are five main exit points for Ethiopians migrating out of the country – one via plane and four main land-border crossing points. According to key informant interviews, in the South, the main checkpoint of Moyale sees Hadya and Kenbata populations, mostly men, crossing into Kenya and onwards to Tanzania and South Africa. In the East, the main checkpoint of Wajaele primarily sees Amhara and Tigray populations exiting via Somaliland and onwards to Yemen and Saudi Arabia. In the North-west, Jimm and Arsi populations, usually men, go via Metema into Sudan and onwards to Libya (Northern route). Exit via the North-east is considered the main route for migrants, and is primarily through Galafi and via Djibouti, which sees Ethiopians, often from Tigray, headed to Yemen and Saudi Arabia. This is a known and typical route for traffickers.

According to UNDESA estimates, there were around 800,000 Ethiopians abroad in 2017, representing an increase from 620,000 in 2010 (UNDESA 2017b). According to the latest statistics, the majority of Ethiopian migrants are located in the United States of America (29 per cent), followed by Saudi Arabia (18 per cent). Around 17 per cent are located in Europe. Around 19 per cent of official Ethiopian migrants were in the IGAD region. The exact number of Ethiopians abroad is unknown due to the difficulties in assessing irregular migration flows, however the Ministry of Foreign Affairs estimates an Ethiopian diaspora of more than 2 million. [6] Further, the Ministry of Labour and Social Affairs (MoLSA) suggest that between September 2008 and August 2013, 460,000 Ethiopians migrated to the Gulf States. The Government of Ethiopia also indicated that of the 167,000 Ethiopians to migrate to Saudi Arabia alone in 2012/13, 95 per cent were women.

6 Secondary statistics, cited from ILO n.d.-c.

"A majority of Ethiopians leave through the north-eastern part of country – usually illegally and with help of traffickers through Semera, Afar region. Taking about 300 people at once through the jungles." – Key informant

The majority of migration out of Ethiopia is irregular, that is, migration without any or appropriate visas and paperwork. There are two types of irregular outward migration:

i. without any paperwork at all, which is via land borders and usually with assistance from traffickers – primarily via Djibouti; and

ii. on false pretences, via plane or land borders, often obtaining tourist visas or temporary visas in order to exit legally, but then outstaying visas to work informally in the country of destination, or continuing onward travel. For instance, Ethiopians who migrate via Metema typically obtain visas for Sudan from the Sudanese Embassy but then continue onward travel to Chad, Libya and Europe; while exit through the South is facilitated by a visa-free agreement with Kenya. Entry into Somalia and Somaliland can also be facilitated through visas.

3.6.2. A complex mix of inbound migration, both in terms of flows and of stocks

"Migrants come here through informal arrangements but only to transit to other countries, since the prospect of getting a job in Ethiopia is not really in the head of migrants." – Key informant

There are a range of different types of migrants who enter Ethiopia – refugees and asylum-seekers, pastoralists seeking water and food for their livestock, farmers moving due to changing climatic conditions, and a range of other economic migrants – and these can largely be considered mixed migration flows, that is, flows involving non-exclusive and changing types of migration. However, refugees and asylum-seekers make up the largest share of total migrant stock, accounting for around 65 per cent of migrant stock in 2017, up from 27 per cent in 2010 (UNDESA 2017b). Conflict, political factors and security are drivers of inflows from Somalia, South Sudan, Eritrea and Sudan.

According to the latest UN migrant stock estimates, Ethiopia hosted around 1.2 million migrants in 2017 (UNDESA 2018). The largest shares of migrant stock in Ethiopia are from Somalia (41 per cent), South Sudan (36 per cent) and Eritrea (19 per cent), many of whom are refugees or asylum-seekers.

According to key informant interviews, a number of Somalis are engaged in seasonal migration, consisting of entry into Ethiopia during the winter, often to refugee camps (Somalis accounted for around 30 per cent of refugees in Ethiopia in 2018), and returning to Somalia in the summer to farm and to receive ration handouts. There is also circular migration, with Somalis going back and forth from Ethiopia to Somalia for business and trade purposes. In the Gambela and Benshangul regions, there is also seasonal migration with South Sudanese migrants entering for work and returning to South Sudan after the work has finished. Seasonal migration also takes place in the North-west to work on cotton farms, and in other northern areas for seasonal agriculture work.

3.6.3. Refugees

Ethiopia is the second-largest recipient of refugees in Sub-Saharan Africa, hosting over 900,000 refugees and asylum-seekers in 2018, reflecting both the conflict and insecurity in neighbouring countries and also its open-door policy towards refugees (UNHCR 2019).

In 2018, the UNHCR estimated that there were around 420,000 refugees from South Sudan, 260,000 from Somalia and 170,000 from Eritrea (UNHCR 2019). According to key informants, Eritreans tend to stay in the camps while they await visas or paperwork for transfer to other countries, which can be an extended period of time. Due to socio-cultural similarities, those Eritreans who do not register as refugees are able to integrate relatively easily with the general population. South Sudanese, who account for around 46 per cent of refugees, sometimes return to South Sudan when the security situation improves.

3.6.4. Remittances

Migration outside of the IGAD region is a major source of remittance inflows and underscores the importance of effectively managing migration. Remittances accounted for around US$816 million in 2017, equivalent to around 1 per cent of GDP (World Bank 2018c). Remittances in nominal terms increased steadily in the years up to 2012 to around UU$938 million (current US$), before peaking in 2014 at US$1.8 billion and subsequently declining. The United States accounted for around 31 per cent of all official remittance inflows to Ethiopia in 2017, followed by Saudi Arabia (23 per cent) and Israel (10 per cent).

3.7. COVID19 and migrant workers in Ethiopia

As of November 2020, the Ethiopian Ministry of Health has reported 96,169 coronavirus cases and 1,469 fatalities in the country. More than 1.4 million samples have been collected and tested throughout the country as part of a nation-wide Community-Based Activities and Testing campaign (ComBAT).

With regard to migrants and refugees, the Ministry of Health and its UN partners have adopted a coordinated approach, and are working in the areas of contact tracing, case investigation, case management, prevention and control of infections. For example, the Government's Agency for Refugees and Returnees Affairs and UNHCR, together with the Regional Health Bureaus and other health partners, have scaled up preparedness and the response to COVID-19 in refugee camps and other locations sheltering migrants, refugees and asylum-seekers. They have increased communication on hygiene and are continuously working to reduce overcrowding to curb the spread of the virus. Supplies of water and soap were enhanced, together with the installation of hand-washing stations, strengthening of health services, equipping of isolation and quarantine centres, and the provision of personal protective equipment for healthcare workers, first responders and others (UNHCR 2020).

Furthermore, to improve responses to COVID-19 outbreaks in refugee settings, over 2,150 trained health and community outreach workers are actively engaged in awareness raising, case investigation and management, as well as mitigation, prevention and control of the virus. They include 410 healthcare workers, 16 laboratory technicians and 1,719 community outreach workers who are serving both the refugees and the communities that host them. In addition, refugee representatives; Refugee Outreach Volunteers; women, youth and child committees; and other community representatives were trained and are actively engaged to ensure that basic preventive measures are observed in the communities (UNHCR 2020).

In spite of these efforts, the most vulnerable segments of the population, such as migrants in irregular situations and migrant workers with precarious livelihoods or working in the informal economy, who normally already suffer from compromised access to health services due to legal, language, cultural or other barriers, are particularly affected by the COVID-19 crisis. The crisis is also likely to exacerbate anti-foreigner sentiment, as reported by the US Embassy in Addis Ababa (2020), who has recounted instances of harassment and assault of foreigners in Addis Ababa and other cities in the country, linked to the outbreak of COVID-19.

The other important issue related to the impact of COVID-19 on migrant workers was the situation of Ethiopian labour migrants in the Middle East. Ethiopian migrant workers constitute a large proportion of domestic workers in the Middle East region, whose tasks range from cooking and cleaning to caring for children, the elderly and the sick. Before the coronavirus pandemic, the domestic work sector was already one of the most vulnerable and least protected employment sectors, with the working conditions of many Ethiopian domestic workers characterized by insecurity, violence and other abuses. While travel restrictions and social distancing have become interventions widely used to contain the pandemic, domestic workers have often been placed in even more precarious positions. Due to fear of possible transmission of COVID-19, many Ethiopian labour migrants were being dismissed from their job and were being deported, particularly from Saudi Arabia.

According to an IOM (2019) report, even before the COVID-19 pandemic, there were between 10,000 to 20,000 migrants deported from the Middle East to Ethiopia per month, which has continued during the pandemic. The Government has faced great difficulty in assisting large numbers of returnees, especially with matters relating to housing, financial resources, employment, health and psycho-social support so as to ensure that returnees safely and sustainably integrate into their host community.

Cognizant of the potential impact of the COVID crisis on jobs, welfare and incomes, the Ethiopian Government declared a state of emergency on 11 April 2020. One of the provisions on the state of emergency prohibits firms from terminating employment contracts and from laying-off workers. This provision aims to protect jobs and workers, and to reduce the risk of a sharp increase in poverty in the economy.

The Government has also taken fiscal and monetary policy measures to reduce the impact of COVID-19 on the economy. For instance, the National Bank of Ethiopia availed 21 billion birr to support banks and address the liquidity shortage. Moreover, the Government has also taken tax measures to support affected businesses. These tax measures include waiving of corporate income tax for four months and a tax exemption for the import of materials and equipment to be used in the prevention and containment of COVID-19, and postponement of VAT returns, to mention a few.

Furthermore, the Government, in collaboration with the UN in Ethiopia, is developing a framework for prioritized interventions, such as: sustaining businesses and protecting jobs; agriculture and the rural economy; and social sectors (including social protection) for socio-economic response and recovery in the aftermath of COVID-19.

Chapter 4

Labour force characteristics

This chapter provides an analysis of labour force characteristics in Ethiopia 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, as derived from primary data collected as part of this study as well as secondary data; Section 4.3. examines the skills and education composition of the Ethiopian labour market including migrant workers in Ethiopia; and Section 4.4. summarizes the findings of the chapter in relation to labour force characteristics in Ethiopia.

4.1. Labour force

According to the latest available Labour Force Survey data, Ethiopia had a labour force of 36.3 million in 2013. [7] The labour force is estimated to have grown at 3.6 per cent per annum between 2005 and 2013. The labour force participation rate is relatively high at 81.3 per cent, particularly in comparison to other countries in the IGAD region (ILO 2019b). The relatively high rate is driven in part by a high rate of female participation at 74.3 per cent – 14 percentage points lower than the male rate of 88.4 per cent.

There are marked regional differences in labour force participation, with the highest rate recorded in Benishangul-Gumuz at 85.8 per cent, and the lowest in Addis Ababa at 61.3 per cent. High labour force participation rates typically correspond with higher rates of working poverty, as the lack of household income forces all members of the household to engage in any form of productive activity (Kapsos and Horne 2011). High rates are also observed in the Amhara region (83.7 per cent) and Oromia (83.9 per cent).

Unemployment is commonly cited as a major challenge in Ethiopia and is largely an urban phenomenon. Ethiopia's unemployment rate was recorded at 2.3 per cent in 2013, the lowest of all the IGAD Member States. [8] Women were more likely to be unemployed than men at 2.9 per cent compared to 1.7 per cent, respectively. The rural unemployment rate is estimated at 0.7 per cent, significantly lower than the 9.2 per cent in urban areas. The urban unemployment rate was higher for youth (ages 15–24) at 15 per cent, compared to 7 per cent for adults (ages 25-plus).

> ***"The main reason for the country's unemployment is a mismatch between a rapidly growing labour force and the rate of growth of productive employment and income generation opportunities of the economy." – Key informant***

Long-term unemployment represents a large share of the total unemployed. In 2013, around 40 per cent of the unemployed population in urban areas had been unemployed for more than 24 months. According to World Bank (2016), centrally located job boards were the primary means of finding a job in Addis Ababa according to a survey, which is consistent with the Labour Force Survey data that showed around a quarter of the unemployed used vacancy advertising boards as their principle means of searching for work, with a further 15 per cent checking at work sites. Long-term unemployment is also associated with discouragement and dropping out of the labour force altogether, that is, persons being willing and available to work, but no longer looking for work, which are otherwise classed as inactive. [9]

7 All labour market statistics provided in Section 4.1. are from the Labour Force Survey 2013 (CSA 2015), unless otherwise stated.

8 The unemployment rate cited is from the Labour Force Survey 2013, but the comparisons with IGAD Member States use ILO modelled estimates (ILO 2019c).

9 Accordingly, a wider measure of labour underutilization helps gauge the extent of this phenomenon. ILO modelled estimates (ILO 2019c) suggest that this group (known as the potential labour force) may account for a similar amount as the total unemployed.

The latest Labour Force Survey estimated that 36 million people were employed in Ethiopia in 2013, with an employment-to-population ratio of 79.4 per cent. Taking into account population growth and other variables, ILO modelled estimates suggest that total employment may be as high as 50 million as of 2018 (ILO 2019c).

4.2. Employment by sector

Ethiopia's growth and development strategies have had a significant focus on employment outcomes, both as part of the agricultural development-led industrialization and as a means of poverty reduction. The result has been a steady decline in agricultural employment, from around 78 per cent of total employment in 2005 to 71 per cent in 2013, as industry has risen from 7.4 per cent to 8.4 per cent over the same period (ILO 2019d). [10] At the same time, employment in services is estimated to have risen from around 15 per cent to 21 per cent. While this is undeniably progress, the fact remains that seven out of every ten workers in Ethiopia are in the agricultural sector and mostly in low-productivity farming. [11]

Mixed farming of crops and livestock is the most common form of agricultural activity, accounting for around 64 per cent of all agricultural employment in 2013. This was followed by the cultivation of non-perennial crops, which account for around 20 per cent of all agricultural employment. Non-perennial crops require replanting each season, usually annually, and require considerable inputs, such as fertilizers and pesticides. The final large category for employment was exclusive animal production, including cattle, horses and goats, which accounts for a further 8 per cent.

Much of the growth of industrial employment over the past decade has been driven by investment in infrastructure. This is expected to continue as employment in construction benefits from further infrastructure development. Employment in construction has risen from an estimated 1.6 per cent of employment in 2005, to 2.3 per cent in 2013 (ILO 2019d). Meanwhile, employment in manufacturing has remained relatively unchanged as a proportion of total employment at around 5 per cent; however, with a drive to bolster the country's manufacturing industry as part of the GTP II, in particular textiles and food processing, employment in manufacturing is likely to grow.

While 20.6 per cent of total employment was in the service sector in 2013, women were much more likely to be employed in the sector than men. A total of 27.4 per cent of women were in services, compared to 14.7 per cent of men. Notably, of the men working in the services sector, around 56 per cent were working in market services, such as retail and wholesale trade, whereas 58 per cent of women in the services sector were working in non-market services, such as education, public administration, health and social work.

10 ILO modelled estimates used in order to depict the change in sectoral composition over time (ILO 2019c).

11 Note that under the 19th ICLS recommendations, subsistence workers are treated in a separate category of employment. In this case the data was processed according to earlier ICLS recommendations, and not the 19th ICLS guidelines.

4.3. Status in employment

While wage and salaried employment has been on the rise, only around one in ten workers are in wage and salaried jobs. In 2013, around 11.5 per cent of the employed population were in wage and salaried employment (that is, working as employees). According to ILO modelled estimates, Ethiopia has one of the lowest shares of wage and salaried workers of all the IGAD Member States (ILO 2019d). The share of wage and salaried workers in the total employed population is likely to go hand-in-hand with further structural development, as expansion in industry and services provides paid employment opportunities outside of agriculture.

Nearly 70 per cent of all wage and salaried employees are found in urban areas. Cities and towns are more likely to host manufacturing plants and offer paid construction jobs; for instance, manufacturing accounted for around 11.7 per cent of all urban wage and salaried employment in 2013, followed by construction at 10.5 per cent. While jobs in the services sector are also more prevalent in urban areas, employment in the services sector is still more likely to be informal and own-account work. Despite this, the education sector offers a number of paid employment opportunities, accounting for 14.7 per cent of urban employees, as well as public administration and human and social health, accounting for 8 per cent and 6 per cent respectively.

Many wage and salaried workers in the private sector work as irregularly paid employees, with casual contractual arrangements and low wages. For instance, employee wages in the agricultural sector are less than half that of those working in market activities in the services sector. At the same time, female employees consistently have lower average earnings than men across all sectors, earning around two-thirds of what their male counterparts earn. This is not adjusted for hours worked, so may reflect some combination of comparatively lower working hours and lower compensation. At the same time, around 46 per cent of all paid employee jobs are on temporary contracts, with around 16 per cent working for informal enterprises.

Those categorized as being in vulnerable employment according to the ILO definition (that is, own-account workers and contributing family workers), are less likely to have the regular incomes and job security of their paid employment counterparts. Around 87.4 per cent of all jobs in 2013 were classified as vulnerable. Women were more likely to be in vulnerable employment than men, with rates of 90.3 per cent and 84.8 per cent, respectively. However, the composition of the vulnerable employed population differs substantially between the sexes, with women more likely to be in contributing family work, while men are more likely to be in own-account work. A total of 61 per cent of all male employment is as own-account workers, compared to 31.7 per cent of women.

Both male and female contributing family members are typically engaged in agriculture, with the sector accounting for 93.2 per cent of male contributing family workers and 77.9 per cent of female contributing family workers. Even so, women still account for 63.8 per cent of all contributing family workers in the agriculture sector.

Apart from the formal employment sector, the informal sector represents an important part of the economy and certainly of the labour market in Ethiopia, and plays a major role in employment creation, production and income generation. In Ethiopia, the informal sector tends to absorb most of the growing labour force in the urban areas. For example, according to the Central Statistical Agency of Ethiopia (CSA) Statistical Report on the 1999 National Labour Force Survey, 50.6 per cent of the total national urban labour force of the country was employed by the informal sector in 1999. After four years, this figure grew close to 60 per cent (CSA 2003). Subsequent CSA surveys show that this figure dropped to 38.5 per cent in 2005 (CSA 2006) and fell further to 25.8 per cent in 2012 (CSA 2013).

4.4. Working poverty

Around 56 per cent of the employed population of Ethiopia are classified as living in working poverty in 2018, earning less than the international threshold for the moderately poor (less than $3.10 PPP [12] per day in 2018) according to ILO modelled estimates (ILO 2019e). While there has been a steady decline in working poverty, it underscores the lack of decent and productive jobs available to the population. The same holds for the extreme working poverty rate (less than $1.90 PPP per day), which was estimated at around 22 per cent for 2018.

4.5. Migrant workers

4.5.1. Estimating labour migration movements in Ethiopia

There is a shortage of readily available information on international migrant workers in Ethiopia. There exist data and analyses on internal migrant workers, that is, Ethiopian migrant workers working in different areas of Ethiopia – this information is available in the Labour Force Survey. Identification of foreign-born migrant workers was not possible in the Labour Force Survey. Work permit databases are another form of data on migrant worker numbers; however, the prevalence of irregular migration and informal employment of foreigners mean that work permit data is insufficient to understand the extent or nature of migrant workers in Ethiopia. The latest Population and Housing Census was conducted in 2007, and although this contains modules on employment and also on migration, the focus was again on internal migration. The final sources of data on migration workers are statistics and information published in secondary research. The main source of data in this regard was from the "Migrating out of Poverty" project, but while this project looks at migration out of Ethiopia, in terms of data collection, it was weighted more towards returnee migration and internal migration. [13]

Collecting information on migrant workers is complicated by the mixed migration nature of flows into and through the country. This is particularly the case with refugees, especially in light of the Refugees Proclamation (1110/2019). Primary data collected from interviewed migrant workers and key informants as part of this study underscore the range of motivations for migrant workers choosing to be in Ethiopia.

- **Motivations vary and correspond to different lengths of stay and migration statuses:** According to quantitative data collected as part of this study, around 53 per cent cited that the main reason to leave their country of origin was for labour market or income opportunities, while around 24 per cent stated conflict-related reasons, and 13 per cent stated family or personal reasons. This varied according to the type of migrant worker; for instance, those who were considered short-term (less than six months) with regular or irregular migration statuses were far more likely to have left their country for labour market or income opportunities (93 per cent), compared to 45 per cent of those who were in Ethiopia for more than six months with irregular migration status and 40 per cent of those in Ethiopia for more than six months and with regular migration status. The long-term regular migrants

12 Purchase power parity.

13 For more, see: http://www.migratingoutofpoverty.org.

were most likely to have left for reasons of conflict (40 per cent) compared to 20 per cent of long-term irregular migration status workers and a negligible amount of short-term migrant workers.

- **Refugees are often engaged in work, with or without permits:** While the details of what the Refugees Proclamation (1110/2019) will entail for refugees' access to work is still unfolding, it is understood that refugees will gain some degree of greater access to employment, including via industrial park quotas (see Section 6.4.1.). Regardless, it was and is also common for refugees to engage in work on an informal basis. At the same time, it is common in refugee camps to engage in the reselling of rations and other small-scale activities for pay or profit, which technically would classify as being employed according to ICLS definitions.

- **Many migrants work while transiting in Ethiopia before leaving the country:** As affirmed by key informants, Ethiopia is a major country of transit for migrants, many of whom do not have the means to pay for the entire period of travel and therefore need to find informal employment en route. These migrant workers may not have entered Ethiopia with the intention to work, but work has become a necessity and is typically of short nature.

4.5.2. Characteristics of the migrant workers interviewed

Primary data collected as part of this study identified migrant workers' migration status and length of stay. Namely, those that were in the country for more than six months in terms of whether the migrant had official documentation (regular migration status) or not (irregular migration status). Migration status information was not captured for those respondents who had been in the country for less than six months. While a migrant worker's work permit status can be attached to their migration status, it cannot be assumed in all cases, and so is only presented by migration status (right to be in the country), not migrant worker status (right to both be in the country as well as work in the country).

Characteristics of the migrant workers in the sample are represented in figure 1. This chart is designed to put a spotlight on the salient characteristics of the sample in review. Some of the labour market indicators are expressed out the total employed (379 respondents from the sample), such as status in employment, occupational skill level, and formal or informal employment. Other indicators are expressed out of the whole sample (440 respondents): age, migration status and educational attainment.

Starting with informality, the graph shows that 68 per cent of respondents were informally employed, which, although high, is the lowest share of all countries covered in this series of report. Data seem to show an imbalance between levels of educational attainment, which was mainly primary or less (56 per cent of respondents), and occupational skills level, which tend to be mid-level (45 per cent of employed respondents) to high-level (31 per cent).

For long-term migrant workers, migration status was broadly split between regular (40 per cent of respondents) and irregular (39 per cent), while short-term migrant workers only represented 20 per cent of the sample.

Figure 1. Selected characteristics of the migrant workers sampled

OAW = wn-account worker. Note: The sample group for occupational skills level, status in employment, and informality only includes employed respondents (n=379). All respondents (n=440) are considered for education attainment, migration status, and age. Source: Primary quantitative data collection.

Status in employment of migrant workers interviewed

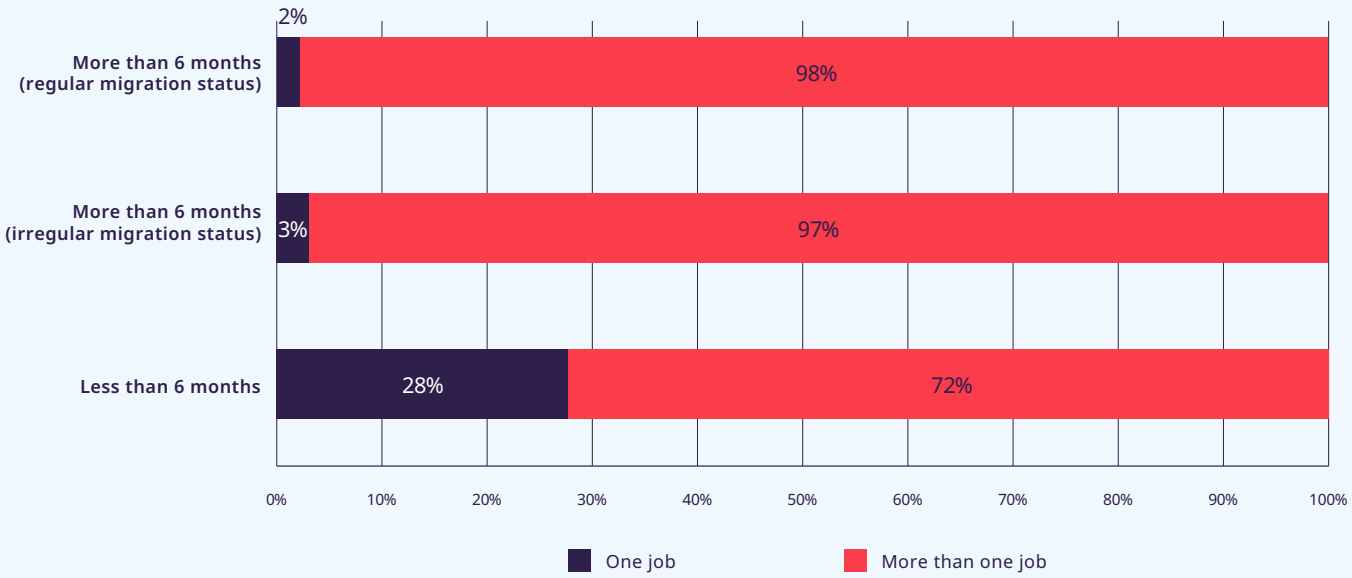
Among the employed migrant workers interviewed as part of this study, 36 per cent were employees, 45 per cent were employers, 14 per cent were own-account workers and 5 per cent were contributing family workers. The remainder were unclassifiable. However, this should be treated as a sampling characteristic, rather than a reflection of the composition of the whole of the migrant worker population in Ethiopia.

It is worth noting that focus group discussions and key informant interview findings suggested that the close socio-cultural ties between migrants and Ethiopians mean that there can be a seamless integration of migrant workers into the labour market. This is often facilitated by the various diasporas already established in Ethiopia, which are able to provide jobs to migrant workers of their own socio-cultural background. The informal economic sector in Ethiopia lacks established employment rules and regulations, and the majority of enterprises are not officially registered and recognized. Labour migrants who do not have work permits largely depend on such sectors to earn income.

"Migrants who come to Ethiopia will find an already existing community of fellow countrymen here, be it from Djibouti, Somalia, Eritrea or Sudan. Those communities are also connected among each other and with the local Ethiopian population as well. So labour migrants who come to Ethiopia have the same right to live and work as locals." – Key informant

Notably, the overwhelming majority of employed migrant worker respondents interviewed in Ethiopia claimed to hold more than one job (93 per cent). This was most common for long-term migrant workers (regardless of migration status), which is consistent with the lack of decent job opportunities available in Ethiopia, and therefore the difficulties involved in finding regular and decent employment. Attesting to this, two-thirds of respondents were classified in time-related underemployment, for which this was highest among long-term migrant workers with irregular migration statuses (80 per cent). For short-term migrant workers, it was more common to have only one job (28 per cent), which would also be consistent with short-term seasonal work. Less than a third of these workers were classified as being in time-related underemployment.

▶ **Figure 2.** Single or multiple job holders, by migration status and length of stay (n=379)



Source: Primary quantitative data collection.

Consistent with relatively high-shares of time-related underemployment (73 per cent overall), as well as the prevalence of multiple jobs per migrant worker, it was common for employed migrant worker respondents to be looking for other work. More than half (53 per cent) stated to be looking for another job, a share that was highest among long-term migrant workers with irregular migration status (61 per cent) (figure 3). This is further testament to the lack of decent and productive opportunities available for migrant workers in Ethiopia.

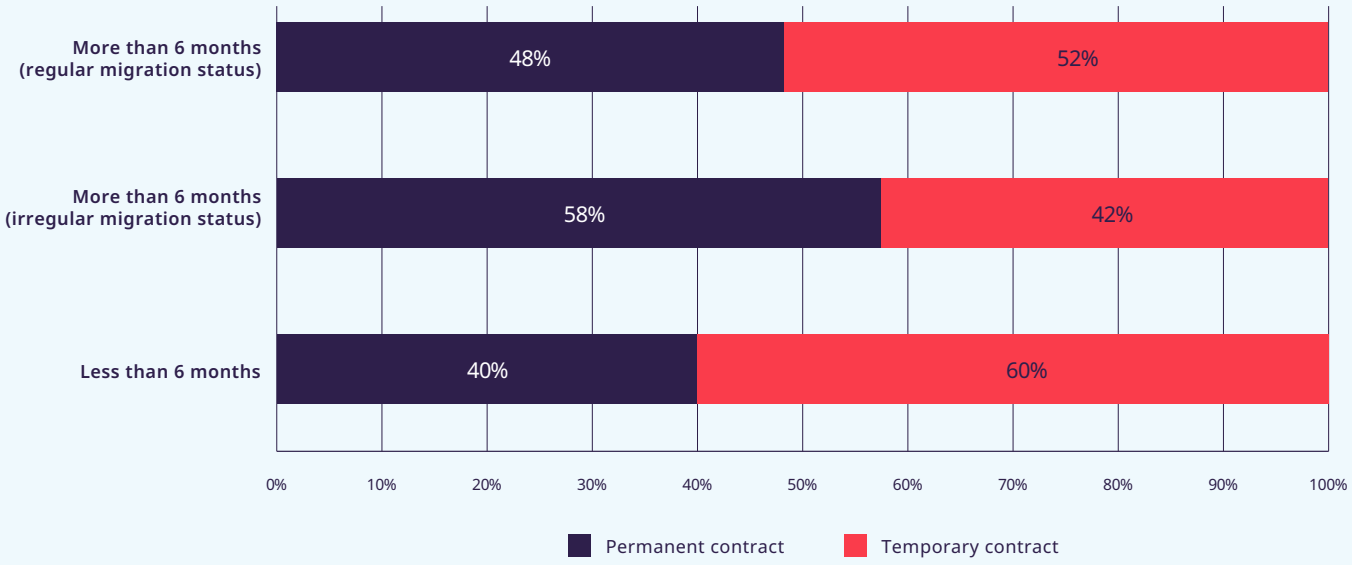
Figure 3 Looking for another job, by migration status and length of stay (n=379)

Source: Primary quantitative data collection.

Type of employment contracts for migrant workers interviewed

A breakdown by type of employee contract suggests that a relatively high share of employed migrant workers with regular migration status were on temporary contracts (52 per cent). Among short-term migrant workers, it was also more likely that employees were on temporary contracts (60 per cent). However, for long-term migrant workers, particularly those with irregular migration status, it was more common to have a permanent contract in their main job (58 per cent for those with irregular migration status).

▶ **Figure 4.** Type of employee contract, by migration status and length of stay (n=126)

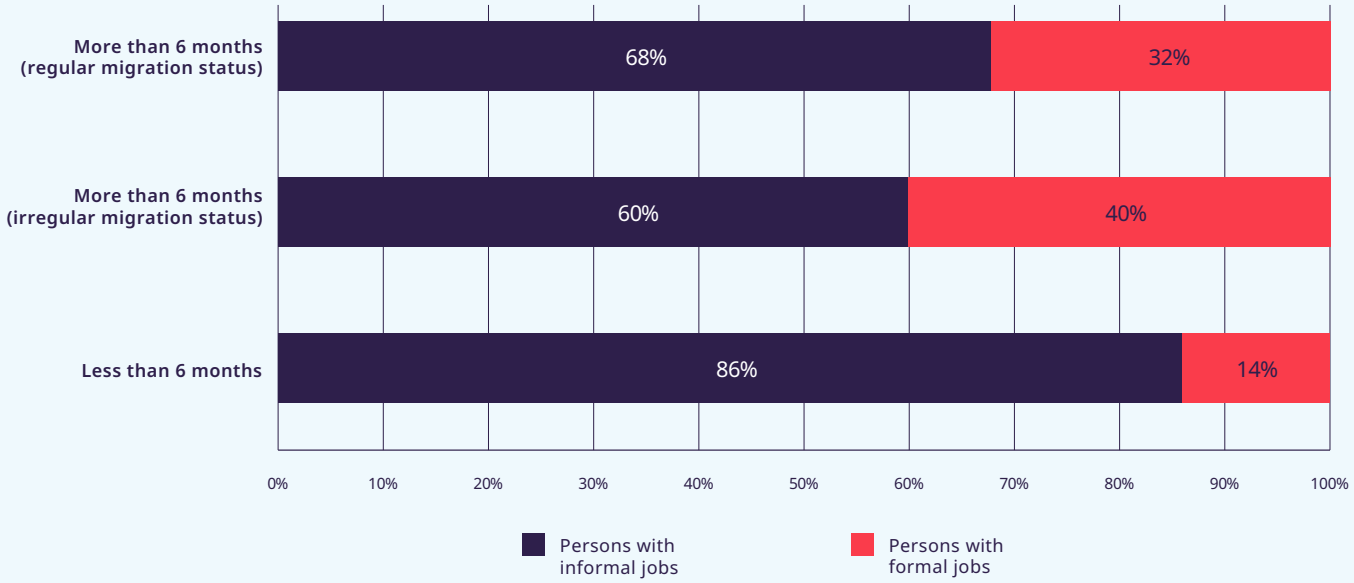


Source: Primary quantitative data collection.

Informal employment among migrant workers interviewed

In terms of informality, around two-thirds (68 per cent) of the employed portion of the sample were in informal employment. The share was highest among short-term migrant workers (86 per cent), compared to 60 per cent for long-term migrant workers with irregular migration status, and 68 per cent for those with regular migration status (figure 5). This suggests that those in Ethiopia for a shorter period are less likely to be able to find formal jobs with social security entitlement, paid sick leave entitlement and sick leave entitlement. However, the fact that 40 per cent of long-term migrant workers were in formal jobs despite irregular migration status suggests that formal job opportunities are available regardless of regularity of migration status.

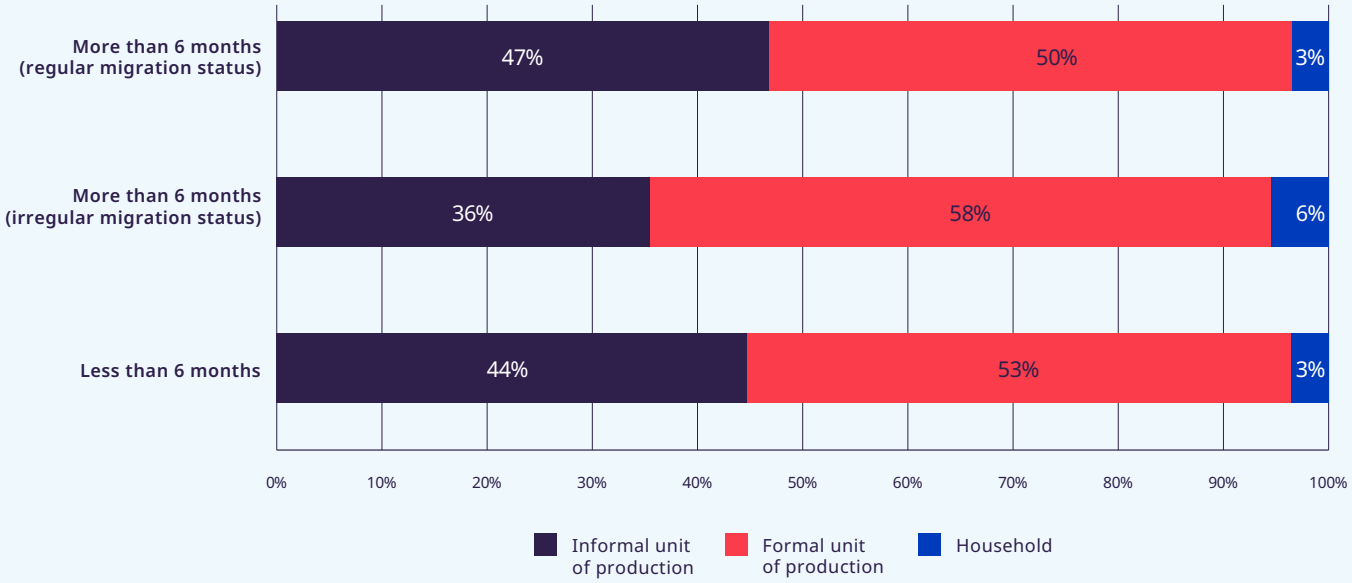
Figure 5. Informal employment, by migration status and length of stay (n=379)



Source: Primary quantitative data collection.

Consistent with the previous point that the regular or irregular migration status bore little impact on access to formal employment, the share of employment in formal enterprises (units of production) was also similar across all migration statuses analysed and even slightly higher for long-term migrant workers with irregular migration status (58 per cent). Around 54 per cent of all employed respondents were working in informal units of production (figure 6). Notably short-term migrant workers working in the formal sector were more likely to be in informal employment – that is, without access to social security or paid employment and/or sick leave – than longer-term migrant workers (more than six months). This suggests that short-term migrant workers are more likely to lack access to formal employment regardless of the formal nature of the enterprise.

▶ **Figure 6.** Informal economy (unit of production), by migration status and length of stay (n=379)



Source: Primary quantitative data collection.

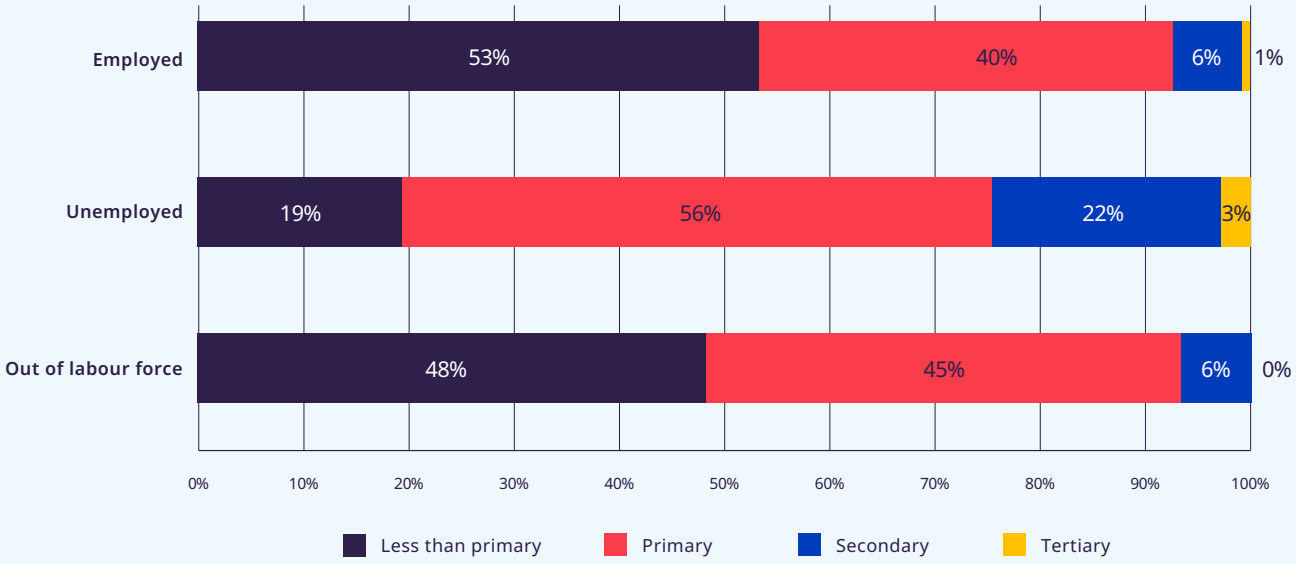
4.6. Skills and education composition of the labour force in Ethiopia

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. It also highlights some implementation issues around the provision of technical and vocational skills training, as drawn from key informant interview findings.

4.6.1. Educational attainment of the population in Ethiopia

According to latest available Labour Force Survey data, an overwhelming share of the employed population has a very low level of educational attainment, as 93 per cent of those employed have attained a primary level of education or less. Just 6 per cent of the employed population had a secondary level of education, and 1 per cent had a tertiary level of education (figure 7). Between the three different labour force statuses – employed, unemployed and out of the labour force – those in unemployment showed higher levels of education, as 22 per cent had a secondary level of education (compared to 6 per cent for both the employed and those out of the labour force). The likelihood is that this is a reflection of those who can afford to stay longer in education and also to be able to stay out of employment longer during the hunt for a suitable job; while those with a less than primary education are less able to afford to be out of a job and are forced to work in any economic activity.

Figure 7. Educational attainment in Ethiopia, by labour force status



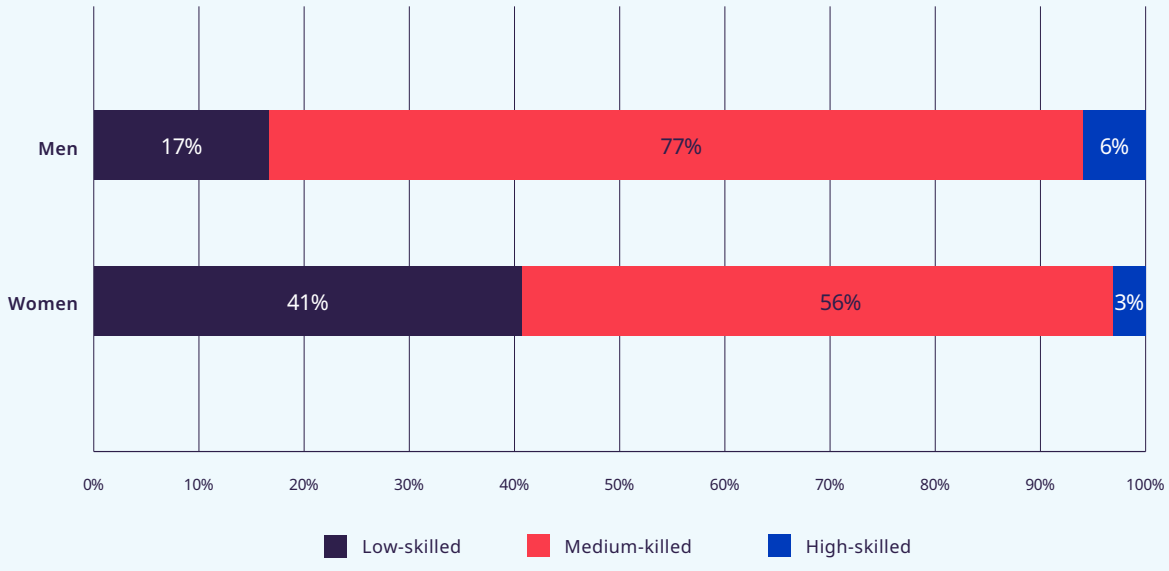
Source: CSA 2013.

There is a significant difference in educational attainment by sex. Around 65 per cent of the female employed population in 2013 had not completed primary education, compared to 41.5 per cent of men. A further 29.3 per cent of employed women had attained a maximum of primary school attainment, compared to 46.9 per cent of men. A total of around 12 per cent of employed men had a secondary education or above, compared to around 6 per cent of women. Gender gaps in educational attainment have direct implications for the types of occupations men and women have access to and therefore their earnings and likelihood of obtaining wage and salaried work.

4.6.2. Occupational skill level of the employed population in Ethiopia

According to the 2013 Labour Force Survey, the majority (67 per cent) of Ethiopia's employed population were in medium-skilled occupations, including services and sales, skilled agriculture, and crafts and related activities. Only 5 per cent were in higher-skilled occupations, namely managers, professionals, and technicians and associates. The remainder (28.3 per cent) were in low-skilled occupations, namely elementary occupations. The share of employed women in low-skilled occupations was considerably higher than men, at 41 per cent compared to 17 per cent, respectively (figure 8). Instead, women exhibited lower shares in medium- and high-skilled occupations.

▶ **Figure 8.** Occupational skill levels in Ethiopia, by sex



Source: CSA 2013.

4.6.3. Educational attainment of migrant workers from the sample

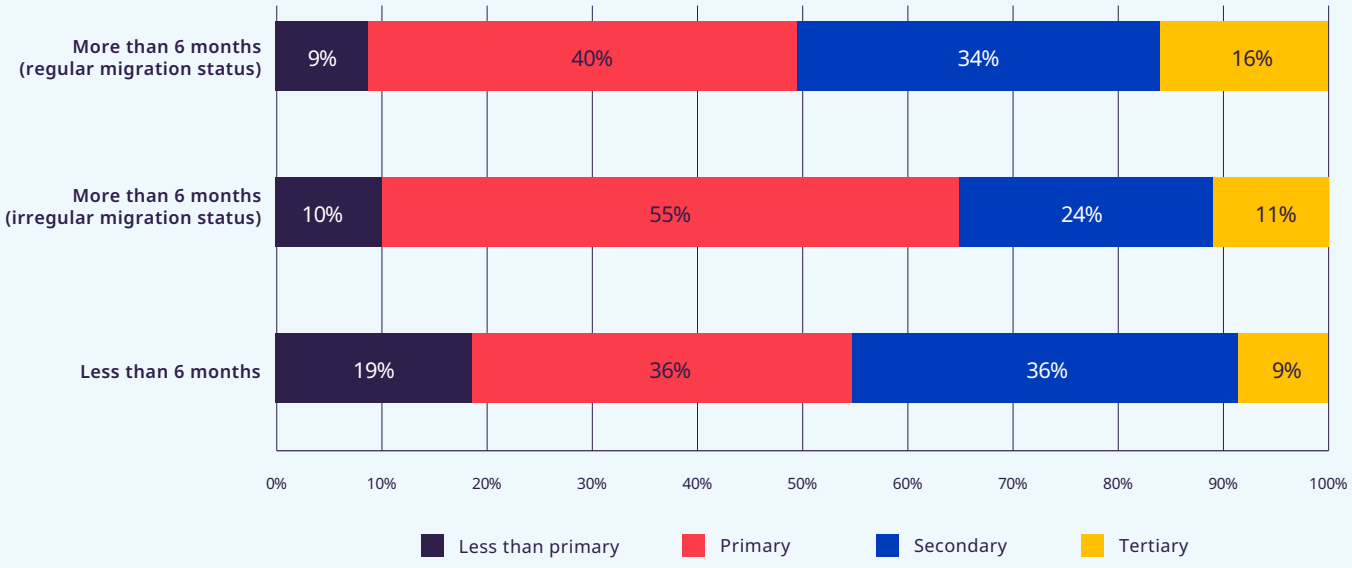
According to the primary data collected on migrant workers, there is again a substantial difference in the educational composition of the sample of migrant workers interviewed as part of this study (figure 9) and the educational composition of the Ethiopian employed population (figure 7). The migrant worker educational attainment displayed a more substantial share of those with higher levels of educational attainment (secondary and tertiary levels) at 43 per cent, compared to less than 10 per cent for the Ethiopian employed population according to the 2013 Labour Force Survey. However, again, this should be seen more as the representation of a trait of the sample of migrant workers used in this study rather than a representation of all migrant workers in Ethiopia.

"Migrants may have different skills than the local population. Most mechanics who fix cars are migrants from Eritrea. They are skilled. Anything that cannot be fixed by local individuals is done by the Eritrean migrants, specifically on the electric part of the car." – Focus group discussant.

By migration status and length of stay, there were some differences, with a higher share of migrant workers in Ethiopia for less than six months having a less than primary level of education (19 per cent), and a higher share of migrant workers in Ethiopia for more than six months and with irregular migration status having a primary level of education (55 per cent). Whereas the group with the highest share of secondary and above levels of education were those migrant workers in Ethiopia for more than six months and with regular migration status, suggesting that higher-levels of education may facilitate the process of regular migration entry.

"I don't have any statistics on whether migrants, especially from IGAD countries, are highly skilled or low-skilled. There are highly skilled migrants from Eritrea. They are young and at least high school graduates, also engineers. The refugees coming from South Sudan and Somalia are likely low-skilled. Ethiopia is not a destination for skilled migrants. It's mostly the low-skilled migrants from Ethiopia who go to Sudan. So, we don't have much experience with [a] skilled migrant workforce who are employed in organizations or companies." – Key informant

▶ **Figure 9.** Migrant workers' educational attainment, by migration status and length of stay (n=440)

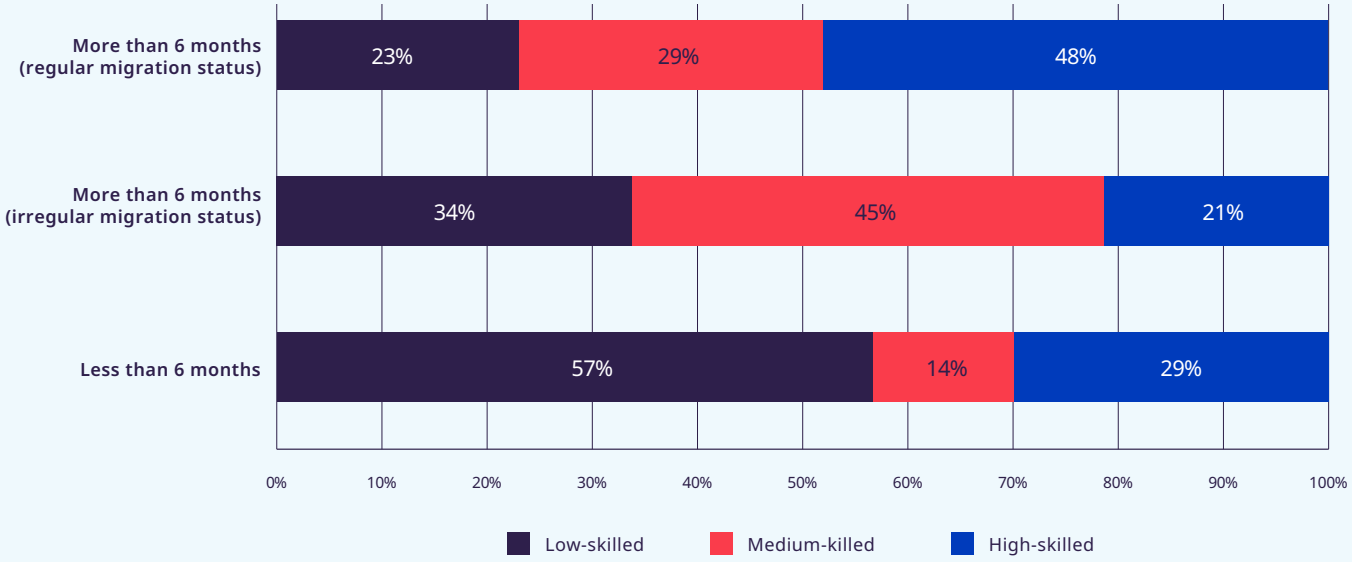


Source: Primary quantitative data collection.

4.6.4. Occupational skill composition of migrant workers from the sample

Consistent with the education profile of the migrant workers interviewed, long-term migrant workers with regular migration status were more likely to be in high-skilled occupations (48 per cent), than those with irregular migration status (21 per cent) or than short-term migrant workers. Instead, these latter two groups were more likely to be in low-skilled occupations than their long-term, regular migration status counterparts. A total of 57 per cent of employed short-term migrant workers were in low-skilled occupations, as were 34 per cent of employed long-term migrant workers with irregular migration status – compared to 23 per cent of employed long-term migrant workers with regular migration status.

Figure 10. Employed migrant workers occupational skill composition, by migration status and length of stay (n=379)



Source: Primary quantitative data collection.

According to the ILO (2020b), public demand for vocational education and training (TVET) in Ethiopia is substantial. Despite government TVET institutes attempting to rise to meet demand by offering a range of services – including daytime, evening and short courses – often on a subsidized basis and often without admission requirements, there are substantial mismatches between TVET courses and market demand. [14]

"The Ethiopian Government is trying to develop capacities by providing trainings to the citizens to prepare them for better jobs in other countries. The trainings are on household care, care-giving services or farming. The citizens need to take a test after the trainings, and if they have passed, they will be put on a waiting list and sent to Saudi Arabia or Qatar on request." – Key informant

4.7. Conclusions

Labour force characteristics presented in this section suggest that Ethiopia's labour market lacks sufficient availability of decent and productive opportunities. This is reflected in the high labour force participation rates for both men and women, lack of wage-paying and salaried jobs, and high shares of working in agriculture, often in low-productivity subsistence activities. Notably, the ILO (2019c) estimates that more than half the employed population and their families live below the poverty line (at the internationally moderately poor threshold of $3.10 PPP per day). At the same time, the relatively low education base of the country bodes poorly for productivity growth. It altogether highlights the need for expansion of job creation and skills development that corresponds to market demand.

With regard to migrant workers, there is no clear single-most common type of migrant worker in Ethiopia, with inbound migration instead being clouded among different nationalities, mixed migration flows and Ethiopia's position as a transit country. Further, the lack of labour market information on migrant workers (see Section 6.2.) makes it difficult to assess the education and skills composition of migrant workers. Nonetheless, the data about migrant workers captured as part of this assessment suggest that migrant workers tend to be underutilized and to lack stability in their employment, as shown by an excessively high number of migrant workers working multiple jobs, many looking for other work when they already have a job, and underemployment among those with jobs. For those in Ethiopia longer-term (more than six months) and with regular migration status, the situation was marginally less severe than their irregular or shorter-term counterparts. The findings are consistent with the difficulties of being able to work officially in Ethiopia, with or without work permits (see Section 6.4.).

There were a large number of migrant worker respondents with higher skill levels, and key informants often emphasized the skill range of migrant workers. Yet, while Ethiopia's policy stance towards encouraging higher-skilled migrant workers (see Chapter 6) would be consistent with this, the high share of irregular migrant workers suggests that the work permit scheme may be too restrictive for all gains to be exhibited. This would only be confirmed if there existed a consolidated database of skills, particularly for irregular migrant workers, along with a database of skills in demand.

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

Chapter 5

Job creation and the private sector

As detailed in the previous sections, despite Ethiopia's high levels of economic growth the country is still heavily reliant on agriculture, even with major advances in industry and services. As Ethiopia seeks to become a middle-income country by 2025, industrialization has become the focus for recent growth strategies. Significantly, the need to provide jobs in urban areas is well recognized in the face of widespread rural-to-urban migration, and development strategies have been shaped with this in mind. A shift away from public investment-driven growth, to private investment mobilization, trade and a focus on technological transfer opens the door to high-skilled migrant workers with technological capabilities alongside job creation for Ethiopians.

While job creation and the composition of labour demand is most accurately gauged by vacancies or employer surveys and information collected by public employment services and labour ministries, such information is not readily available. It is therefore necessary to use proxies, such as the state of the business environment and the conduciveness for job creation, as well as forecasts and analysis to gauge the potential expansion of sectors and their potential for job creation.

This chapter is structured as follows: Section 5.1. outlines what sectors are likely to see expansion in the medium term; 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 forecasts and predictions 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 the job creation potential by sector. Ethiopia is targeting low middle-income country status by 2025, and its current development and growth strategies are shaped with this in mind, namely how best to achieve and facilitate the process of industrialization. In 2019, the Government of Ethiopia outlined the Homegrown Economic Reform Agenda: A Pathway to Prosperity as a "blueprint to propel the country's economic progress" (Government of Ethiopia 2019a). This is one of a number of initiatives that seek to bolster specific sectors with an eye towards job creation as an outcome. The Reform Agenda specifies a number of focal sectors identified for their growth potential, including agriculture, manufacturing, mining, tourism, information and communication technology (ICT), and creative industries. These focal sectors are consistent with other initiatives, including the Investment Commission and the Jobs Creation Commission.

In terms of how this is relevant with regards to migrant workers, there are two main avenues:

i. the degree to which migrant workers are able to establish businesses in these sectors and result in job creation for both Ethiopians and migrant workers; and

ii. the degree to which there is potential for job creation for migrant workers, and whether or not this results in competition with locals.

The Jobs Creation Commission has been established to facilitate the creation of 3 million jobs per annum, a number reflective of the country's relatively young population and the number of new entrants into the labour market each year. Specifically, the objectives of the Jobs Creation Commission are to establish: (i) a clear institutional framework; (ii) dignified and fulfilling employment opportunities, and (iii) a competitive and productive workforce (Government of Ethiopia 2019c). A National Plan of Action was released on 31 October 2019 that outlines the Jobs Creation Commission's approach, which is understood to focus on 11 prioritized sub-sectors with untapped potential for the creation of more jobs. Among the Jobs Creation Commission's outputs, the establishment of a labour market information system has already been set in motion.

A concurrent development strategy to the Homegrown Economic Reform Agenda is the second Growth and Transformation Plan (GTP II) 2015/16–2019/20. This reflects the lessons of its predecessor Plan, the Growth and Transformation Plan (GTP I) 2010/11–2015/16,

which was focused on food security, education and infrastructure, and sought to address barriers and bottlenecks to manufacturing growth. GTP I in turn was designed to take into account learnings from the Plan for Accelerated and Sustained Development to end Poverty (PASDEP) 2005/06–2009/10, which was introduced with a focus on urban development and on public investment in social and economic infrastructure (UNDP 2018). The PASDEP represented a shift from the Sustainable Development and Poverty Reduction Program (SDPRP) 2002/03–2004/05 towards demand-driven growth, following the demand-side shortfalls that undermined the effectiveness of the largely supply-side, agriculture development-led industrialization approach of the SDPRP.

5.1.1. Industry

Industry has become the foremost characteristic of GTP II and the Homegrown Economic Reform Agenda. The primary objective is to ensure that industry becomes the main driver of economic growth, underpinned by productivity growth, driving export earnings and technological transfer and resulting in the creation of job opportunities. While mining potential is duly recognized, including formalization and support for artisanal and small-scale mining, the main focus is on manufacturing. However, in light of foreign exchange constraints and other challenges around provision and sourcing of raw materials from within Ethiopia under GTP I, there is a focus in the new Plan on improving the backward linkages of emerging manufacturing value chains through the encouragement of domestic production of primary and intermediate industrial inputs.

Specific areas of focus include manufacturing sectors with strong local content, such as agro-processing and leather products. The use of industrial parks is also fundamental to the industrialization strategy. The industrial park strategy implemented by Industrial Parks Development Corporation seeks to attract foreign direct investment in key strategic manufacturing industries, with an eye to bolstering export earnings, creating jobs and particularly facilitating technological transfer. Integrated agro-industrial parks alongside agro-ecological zones of the country will also help bolster domestic supply of raw materials. In terms of migrant workers, the most relevant component is the "Jobs Compact", which is a high-level government pledge committing to the creation of economic opportunities, including in industrial parks, with 30,000 jobs for refugees (World Bank 2018b).

5.1.2. Agriculture

Agricultural development-led industrialization has underpinned development strategies since 1995. GTP II and the Homegrown Economic Reform Agenda continue this to some degree. Agriculture has decreased as a share of GDP from 46 per cent in 2009 to a third in 2017 (World Bank 2019a). This represents the structural transformation that has been facilitated by back-to-back development strategies that have focused to some degree on agricultural development-led industrialization. The fundamental of the agriculture-led industrialization strategy is an approach that builds industrialization upon a solid agricultural base, while ensuring close linkages between industry and agriculture by using agro-processing as a priority manufacturing sector. Moreover, these strategies have been largely pro-poor in nature, reflecting the small-holder nature of farming that characterizes the industry, and the need to bolster food security in light of exposure to drought and climate-related shocks that impact both crop growing and livestock rearing. While the Ministry of Agriculture is responsible for overall agricultural policy, the Agricultural Transformation Agency (ATA) seeks to accelerate the growth and transformation of the agricultural sector and is also focused on improving the livelihoods of smallholder farmers (ATA n.d.). Migrant workers are not explicitly recognized in these initiatives.

i. GTP II and the Homegrown Economic Reform Agenda are focused on a number of key initiatives, including:

ii. bolstering productivity of smallholder farmers and pastoralists through the provision of modern inputs and services;

iii. development of a legal framework around land rights;

iv. modernizing research and development and establishing linkages with other sectors;

v. bolstering economic linkages between agricultural producers and commodity markets;

vi. mobilizing private sector investment; and

vii. enhancing access to finance for rural areas.

The ATA's focus also includes bolstering off-farm rural employment, which accompanies a wider GTP I and GTP II objective to facilitate rural-to-urban migration through enhanced job creation in urban areas.

5.1.3. Services

Growth in services has accounted for much of the economic growth in recent years. Tourism has become an increasingly important sector for the Ethiopian economy, particularly as a source of job creation. According to the World Travel and Tourism Council (2019), Ethiopia's tourism sector now accounts for 2.2 million people and grew by nearly 50 per cent from 2017 to 2018. The Jobs Creation Commission claims that of the 2.3 million target jobs to be created per annum, nearly 90,000 will be created in the tourism sector. The Homegrown Economic Reform Agenda also specifies the objective to improve linkages to Ethiopia's agricultural sectors by promoting the use of local produce at hotels and restaurants.

A major focus for productivity and job creation is anticipated to be through the ICT sector. Improvements and investments in ICT are expected to bolster the capacity and efficiency of public and private services, facilitate technological advancement and Ethiopia's digital economy, and especially, provide jobs for young entrants into the labour market. Notably, ICT service enterprises are expanding, and can be found in industrial parks, including in Addis Ababa.

While it is unclear what the expansion of these sectors means for migrant workers, the lack of explicit mention of migrant workers, besides refugee jobs in the Jobs Compact, suggests that the focus is on domestic labour. The most likely implications for migrant workers will be in indirect jobs created as a result of economic expansion, both through production linkages (where a firm expands as a result of investment and increases demand for materials and services in its supply chain) and through consumption linkages (such as when a large project or any expanded sector results in more consumer spending that goes into the economy, creating induced jobs, that is those created from increased demand for goods and services). Examples of induced jobs are small-scale food kiosks and basic services around industrial parks servicing those working in the parks. These are more likely to be informal jobs and therefore easier for migrant workers to be engaged in.

5.2. The private sector and the business environment

Ethiopia's growth over previous years has been characterized by public-investment demand-driven growth. It is widely acknowledged in GTP II, the Homegrown Economic Reform Agenda, and other agendas, including national economic competitiveness and job creation agendas, that the private sector is fundamental to economic growth and industrialization – and particularly to job creation. A broad range of private sector initiatives include investment promotion, wider macroeconomic reform initiatives to promote and achieve macroeconomic stability, and notably, the regional cluster development for small- and medium-sized enterprises designed to facilitate entrepreneurship.

Public spending in Ethiopia as a share of GDP is relatively high, with total spending amounting to nearly 20 per cent of GDP in recent years (Ahmed 2017). This is despite efforts to decentralize and shift away from government-run enterprises, as per the objectives within GTP II. However, some infrastructure spending has resulted in crowding-in by private sector investors. GTP II focuses on catalysing private investment and improving the investment climate. Private investment is expected to climb from 14 per cent of GDP in 2017/18 to 30 per cent

by 2022/23, as public expenditure decreases from 24 per cent to 10 per cent over the same period (IMF 2018).

A significant channel for attracting foreign investment is into the industrial parks. Foreign investors are awarded favourable visa terms, including multiple entry visas of up to five years for foreign investors and of up to three years for employees, including service providers, managers, board members and senior experts (EIC 2017). The Investment Proclamation (769/2012) permits foreign investors to employ foreign employees in top management positions without restriction.

Job creation requires – among other prerequisites – a business environment that facilitates private sector growth. Improving ease of doing business has been an integral part of the mid-term reform roadmap (Government of Ethiopia 2019b). Improving ease of doing business reform focuses on:

i. entrepreneurship and start-ups;
ii. formalization of businesses;
iii. competitiveness and productivity of local businesses;
iv. investment attraction and retention;
v. more and better job creation;
vi. transparency and accountability in public service delivery; and
vii. efficient tax administration/domestic revenue mobilization.

Ethiopia aims to be in the top 100 of the World Bank Doing Business rankings in 2021 (Government of Ethiopia 2019b). According to the World Bank's Doing Business Report 2019, Ethiopia ranked 169th out of 190 countries for ease of doing business. It scored particularly poorly on starting a business (ranked 167th), getting credit (ranked 175th), dealing with construction permits (ranked 168th), and protecting minority investors (ranked 178th) (World Bank 2018a). Better rankings are for enforcing contracts (ranked 60th), getting electricity (ranked 131st) and paying taxes (ranked 130th).

Private sector development in Ethiopia has been inhibited by a number of factors that compromise the business environment and the conduciveness to private sector growth. This includes crowding out of private sector capital, infrastructural bottlenecks, access to reliable electricity and energy, macroeconomic stability, foreign exchange, and corruption (UNDP 2017; World Bank 2018a; Government of Ethiopia 2019b). Migrant workers are equally affected by factors such as infrastructural bottlenecks; however, for access to capital, it is likely that the informal nature of employment leads many to seek informal channels of finance.

A report on the private sector in IGAD also specifically highlighted access to capital as a major constraint for private sector growth, underscoring the nascent domestic banking system and the public sector's dominance in both supply and demand of credit. For instance, the state-owned Commercial Bank of Ethiopia accounts for around 70 per cent of the banking sector's assets, while state-owned enterprises absorb two-thirds of available credit (Ahmed 2017). According to the World Bank Findex Surveys, access to finance has increased over the last few years, but the majority of the population are unbanked because lack of money, distance, fixed costs and documentation are important obstacles in Ethiopia. Around 35 per cent of adults had some form of bank account in 2017, up from 22 per cent in 2014 (Bessir 2018). It is noted, however, that informal sources of capital are still the main option over formal financial institutions. Further, there is a significant gender gap, with women's access to finance being considerably lower than men's access.

"A considerable number of permanent and temporary employment opportunities are being created as a result of the appropriate investment policy of the country attracting the private sector." – National Employment Policy and Strategy, 2016, p. 1

Current growth strategies, including GTP II, are looking towards improving entrepreneurship as a means of job creation, particularly for youth. The Global Entrepreneurship Monitor (GEM), which looks at key entrepreneurial indicators, examined Ethiopia in 2012 and found that the country scored above average – when compared to the regional average and income-group average – for entrepreneurial motivation and perceived opportunities and capabilities,

but more pessimistic than average about outcomes, such as job creation expectations and the share of the population engaged in early stage entrepreneurial activities (GEM 2012). Notably, GEM survey respondents stated that there is a significant social status associated with successful entrepreneurship, and a relatively high share of respondents stated that entrepreneurship is viewed socially as a good career choice. According to the GEM, Ethiopia's government policies that support entrepreneurs and government entrepreneurship programmes are more relevant than both the regional average and the income-group average. Notably, however, Ethiopia scores particularly poorly for access to entrepreneurial finance.

In terms of migrant workers starting a business, the focus is mostly on large-scale foreign investors, rather than on small-scale migrant workers starting a business. The informal nature of migrant workers, as portrayed in the primary data collected as part of this study and from key informants, suggests that small-scale informal enterprises are established by migrant workers, but mostly on an own-account worker basis with little opportunity for job creation. This, however, could be more accurately gauged from an establishment survey that collects data on micro-, small- and medium-sized enterprises, including in the informal sector.

The regional cluster development programme for small- and medium-sized enterprises is an important component of Ethiopia's development and industrialization strategy. This programme targets youth in particular and seeks to provide technical and financial support to those graduating from technical and vocational schools to help start up small manufacturing enterprises. Another programme on micro and small enterprise development is also focused on addressing urban employment.

"Small and micro enterprises have strategic relevance for employment creation, poverty reduction, rural–urban linkage, and for the growth of the private sector." – National Employment Policy, 2016, p. 1

5.3. Conclusions

There is a shortage of decent and productive employment opportunities in Ethiopia. However, job creation is at the forefront of the Government's current strategy, and is to be spearheaded by the Jobs Creation Commission. Accordingly, GTP II and the Homegrown Economic Reform Agenda have made clear that the main drive is around achieving industrialization and the transition from low-productivity activities to higher-productivity activities. Given the country's low education base, this places some emphasis on foreign direct investment for job creation and technological transfer, and on attracting higher-skilled migrant workers, especially for knowledge transfer. At the same time, there is a drive to facilitate start-ups and entrepreneurship for Ethiopians, particularly for those in the manufacturing sector. These initiatives, developed in tandem with improvements to the business environment, are encouraging for economic growth to lead to job creation in the short, medium and long terms.

While the Jobs Creation Commission is establishing a labour market information system (see Section 6.2.) it is not yet clear the degree to which establishment or vacancies survey findings will be available to the public and/or integrated into the system to allow for evidence-based policymaking to shape TVET policies and other strategies to ensure that skills development matches current and future market needs. Ongoing work on the drivers of Ethiopian labour migration abroad, both regular and irregular, can also help give insights into the labour dynamics in the Ethiopian economy and how to shape policy responses accordingly. [15]

15 Relevant in this regard is the 2017–20 ILO project Improved Labour Migration Governance to Protect Migrant Workers and Combat Irregular Migration in Ethiopia and the 2016–19 ILO project Addressing the Root Causes of Migration in Ethiopia.

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, but they also occupy a space that is covered by labour migration governance. This chapter provides a critical assessment of selected 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 Ethiopia'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 Constitution's commitment to gainful employment for its citizens underpins the national growth strategies of the country. Article 41 of the 1995 Constitution stipulates the government position to "pursue policies which aim to expand job opportunities for the unemployed and the poor and shall accordingly undertake programmes and public works projects" and to "undertake all measures necessary to increase opportunities for citizens to find gainful employment". Government policy has largely been consistent with these statements – for instance, with the Productive Safety Net Programme (a rural public works programme) and with an employment component being included in the various rounds of growth and development strategies. This became

most explicit with the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) 2005/06–2009/10, which focused on employment expansion through small- and medium-sized enterprise development as well as job creation through the construction of low-cost houses in Addis Ababa (MoFED 2007).

A new National Employment Policy and Strategy (NEPS) was adopted in 2016, replacing the previous NEPS from 2009. The NEPS outlines five priority areas within which it covers a comprehensive number of areas, focusing on:

i. mainstreaming employment policies through the country's development strategies;

ii. bolstering labour market information;

iii. promoting and facilitating the transition of the informal to formal sector;

iv. enhancing industrial relations; and

v. a specific focus on a number of vulnerable groups, including:

   a. women in the labour market;
   b. those impacted by climate change;
   c. domestic and international migrant workers;
   d. youth; and
   e. people with disabilities, among others (Government of Ethiopia 2016).

While the NEPS was adopted prior to Prime Minister Abiy's term starting in April 2018 and the subsequent reform agenda implemented under his Government, a number of the NEPS priorities have continued to be taken into account. For instance, the creation of the Jobs Creation Commission is complementary to the NEPS and has explicitly addressed the priority of "creating a conducive environment for employment creation by improving labour market information and employment related services" (see sections 5.2., 6.2. and 6.3.). NEPS Goal 2.5.6.2.1 on International Labour Migration includes "protecting the safety and rights of international labour migrants from Ethiopia in order to make them competitive and ensure their benefits from their employment engagements", and the strategies towards this goal, including around bilateral agreements and protection of Ethiopian migrants abroad, have been implemented, particularly via the Overseas Employment Proclamation (923/2016). See Section 6.4. for NEPS considerations on migrant workers in Ethiopia.

There exists a platform – the National Job Creation Council, which is chaired by the Deputy Prime Minister and of which the MoLSA is a member – that brings multiple federal and regional stakeholders together periodically to review and monitor progress made in creating jobs/employment and to give oversight on the future of work. Furthermore, six technical working groups or committees have been organized under the Council in the following thematic areas:

i. Private sector Participation and Job Creation

ii. Public Sector Jobs Creation

iii. Urban Job Creation

iv. Rural Job Creation

v. Overseas Employment and

vi. Behavioural Change, Training and Skills Development.

In the NEPS, the MoLSA is mandated with the responsibility of NEPS implementation and with assessing the effectiveness of the measures taken; however, the ministry appears largely focused on labour governance rather than employment policy and strategy, and any role of mainstreaming employment policies and strategies through wider governmental strategy is not evident in the ministry's mandate.

It is worth noting that Ethiopia has not ratified the Employment Policy Convention, 1964 (No. 122); however, the 2019 General Survey on Certain Instruments Related to the Strategic Objective of Employment report 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 Ethiopia and the application of the NEPS

fulfils the various components of Convention No. 122 and other employment-related Conventions and Recommendations. [16]

International labour standards are incorporated into proclamations governing private sector and public sector employees and employers. The Labour Proclamation (1156/2019) is the principal source of labour governance in the country. It was adopted in 2019 and covers the rights and obligations of the employees and employers, and provides guidelines around termination of contracts and severance pay, wages and compensation, occupational health and safety rights, and other factors related to working conditions and the contractual relationship between the employee and the employer. The revised Proclamation repeals previous Labour Proclamations No. 377/2003, No. 466/2005, and No. 494/2006, and includes changes for increased maternity period coverage and longer probation periods for employees. Public sector employment is regulated by the Federal Civil Service Proclamation at the federal level and the Regional Civil Service Administration at the regional level (ILO 2014). The Labour Proclamation (1156/2019) applies to Ethiopian nationals and regular migrant workers in Ethiopia (see Section 6.4. for elaboration).

Ethiopia has ratified all eight ILO fundamental Conventions, with rights of labour protected constitutionally, but these standards are not always complied with. Most notably, the Constitution states that workers "have the right to express grievances, including the right to strike", which is consistent with the ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). However, there are a number of obstacles that prevent this provision being fully realized. For instance, to be able to strike one has to first attempt formal reconciliation with the employer, which can take months, and obtain two-thirds support from the workers concerned. At the same time, strikes are not permitted among providers of essential services, and the list of occupations classified as "essential services" goes beyond the ILO definition (US State Department 2017).

Insufficient institutional capacity for monitoring and handling violations of workplace rights undermines the ability to comply with international labour standards. The MoLSA has a mandate to protect against occupational health and safety risks, as well as enforce a number of other workplace rights, though some sources have highlighted the limited capacity of the MoLSA and its sub-national Bureaus of Labour and Social Affairs (BoLSAs) to conduct inspections on the enforcement of workplace standards. The US State Department (2017) has highlighted this limited capacity and the lack of an effective mechanism for identifying and dealing with violations. Child labour, for instance, exists in a number of industries in both rural and urban areas and often in hazardous work environments. The CEACR "notes with concern the high number of working children in the informal economy" in Ethiopia (ILO 2019a).

16 Specific international instruments related to the strategic objective of employment include the:

- Employment Policy Convention, 1964 (No. 122);
- Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159);
- Home Work Convention, 1996 (No. 177);
- Vocational Rehabilitation and Employment (Disabled Persons) Recommendation, 1983 (No. 168);
- Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169);
- Home Work Recommendation, 1996 (No. 184);
- Employment Relationship Recommendation, 2006 (No. 198); and
- Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

Table 5. Ethiopia's ratification of ILO Conventions

Fundamental Conventions	Status
Forced Labour Convention, 1930 (No. 29)	In force (2003)
Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	In force (1963)
Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	In force (1963)
Equal Remuneration Convention, 1951 (No. 100)	In force (1999)
Abolition of Forced Labour Convention, 1957 (No. 105)	In force (1999)
Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	In force (1966)
Minimum Age Convention, 1973 (No. 138)	In force (1999)
Worst Forms of Child Labour Convention, 1999 (No. 182)	In force (2003)
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)	In force (1999)
Domestic Workers Convention, 2011 (No. 189)	Not ratified

Source: ILO n.d.-b.

6.2. Labour market information

A subset of labour market governance, labour market information provides the foundation for effective and evidence-based labour market governance and for labour migration and mobility governance. Systematic labour market information and analysis refers to institutional mechanisms that:

i. collect and compile data and information relevant to the labour market;

ii. act as a repository for such information;

iii. provide analytical capacities and tools; and

iv. facilitate institutional arrangements and networks. [17]

The establishment of such an institutional mechanism was highlighted as a priority, including the need to develop an effective labour market information system (Government of Ethiopia 2016).

In 2019, the Jobs Creation Commission, in partnership with the MasterCard Foundation and Dalberg, established a Labour Market Information System that seeks to help "understand the drivers, barriers, needs and aspirations of the people of Ethiopia through data and insights" (Government of Ethiopia 2019c). It is split into two parts:

17 Adapted from ILO n.d.-a.

i. an online portal known as the Labour Market Insights component, which provides labour supply and demand information from a range of different data, including data from Labour Force Surveys, administrative data, and trade and enterprise data;;

ii. a mobile app known as the Labour Market Services component, which offers digital solutions for workers and employer intermediaries, including recruitment agencies and public employment service centres.

Both components are still under development at the time of this analysis.

The main source of nationally representative data on labour supply is the Labour Force Survey. A Labour Force Survey is conducted every five years, with the latest conducted in 2013. The next was due in 2018 but has been postponed. Labour Force Surveys cover all sectors of the economy and all categories of worker, in line with the ICLS standards – although notably not with the 19th ICLS as a result of difficulties in applying the guidelines around subsistence workers. The survey provides information on the labour market structure of Ethiopia and helps gauge changes in the sector, occupation and skills composition of the labour market over time. The Central Statistics Agency (CSA) is responsible for the Labour Force Survey.

Some alternative data sources exist outside of the Labour Force Survey. An Urban Employment Unemployment Survey is conducted annually and paints a detailed picture of the urban labour market. While informative, the survey is limited by its focus on urban areas only. Another household survey is the Household Income, Consumption and Expenditure Survey that is conducted every five years (the last one was 2015/16). While this survey can be used to calculate working poverty, the questions do not meet the requirements for full compliance with ICLS definitions and recommendations. Comprehensive reports are produced for each of the surveys. The CSA is responsible for the Urban Employment Unemployment Survey and the Household Income, Consumption and Expenditure Survey.

The Labour Force Survey and other household surveys are samples that are reweighted according to population data, namely Population and Housing Census data. Ethiopia's census is conducted every ten years, with the latest being 2007 and the next being due to be conducted in 2019. This will help rebase labour market estimates for the country, particularly given the association of overpopulation with urban unemployment and lack of jobs in rural areas. The CSA is also responsible for the Population and Housing Census. Notably, the next census is likely to include information on international migration, including country of birth and previous country of residence.

The MoLSA also provides and disseminates bulletins of labour relations information. The latest was released for 2015/16 and contained information on trade unions by industry, number of employees covered by unions, employer organizations by industry, and number of collective agreements by industry. It also includes numbers of labour disputes and work-related accidents. These bulletins also contain information on work permits issued to non-Ethiopians, by occupation, industry, country of origin and other breakdowns.

In terms of labour supply data on migrant workers, the Labour Force Survey allows for the identification of those who have migrated internally or from outside of Ethiopia, as well as the reasons for migration, but it is not possible to identify the nationality of these migrants, which limits the scope for analysing characteristics and trends related to migrant workers. There are also no modules to capture information on return migration. The Urban Employment Unemployment Survey allows for some information on international migration, namely nationality; whether they plan to go abroad; and migrant returnees.

"There are some policies that migrants who enter the country legally have to follow. Regarding these migrants, the Government knows exactly their personal information and know for which organization or company they will work for and for how long will they stay in the country. On the contrary, migrants the Government does not have control over [are] migrants who enter the country illegally and there are no rules or legislations to cover them." – Key informant

The Large and Medium Manufacturing Survey is also conducted by the CSA, and it captures information on establishments that have more than ten people. There is also a Small Scale Industry Survey. The Large and Medium Manufacturing Survey captures information on labour input, including number of employees, wages and other production indices, but it does not capture information on hours worked or hourly compensation, making it difficult to calculate labour input metrics, such as annual work units or full-time equivalents, to use in the calculation of productivity (Yilak 2018). Further, the survey does not use the same occupational breakdown as the Labour Force Survey, thereby reducing the opportunity for comparisons.

The MoLSA and BoLSAs provide information on vacancies and registered jobseekers extracted from public employment agencies' data. Bulletins on labour market information are produced and disseminated at the federal and regional levels. These bulletins contain information on jobseekers and job placements. However, such information does not provide a breakdown of skills needs and therefore of shortages and mismatches. While other industry surveys are conducted periodically, the information held by the MoLSA and BoLSAs are the main sources of labour demand information. Initiatives under the Jobs Creation Commission, such as the Labour Market Services mobile app, may facilitate the processing and dissemination of labour demand information.

A distinct shortfall on the demand-side is the lack of a skills anticipation mechanism by which to forecast future skills needs and therefore to use this information in economic policy, education policy and migration policy. This undermines the ability to design active labour market programmes, to inform curriculum development and TVET programmes, and to better manage both the inflows and outflows of migrant workers according to skill needs and mismatches.

In terms of migrant workers, while the Government collects information on those with work permits in Ethiopia and keeps a database on Ethiopians abroad with work permits, there is seemingly no sharing of information with the emerging labour market information system being developed by the Jobs Creation Commission nor is there an indication that any such sharing will take place. An even greater gap is around data and information on irregular migrant workers, both foreign nationals in Ethiopia and Ethiopians abroad.

6.3. Employment services

While legal provisions are in place to govern employment services, a number of key functions are overlooked. Ethiopia has ratified the Employment Service Convention, 1948 (No. 88), and the Private Employment Agencies Convention, 1997 (No. 181), and issued proclamations including the Employment Exchange Services Proclamation (No. 632/2009) and the Overseas Employment Proclamation (No. 923/2016), which has helped clarify governance on a number of areas. Yet a number of functions remain overlooked (Yilak 2018). For instance, although the roles of public employment services around job matching and overseas employment management are acknowledged and relatively explicit, other areas such as labour market information and local employment service provision are not well accounted for. This has resulted in the under-provision of these services.

There are a large number of private employment agencies in Ethiopia operating on the basis of providing of job matching services through advertising employers' job vacancies and providing placement services on behalf of employers. Current trends indicate that job matching services are provided using digital services via online platforms. Private employment agencies will register jobseekers regardless of whether they are unemployed or employed; that is, their services extend to those looking to change jobs or who want

more than one job. The newly formed Jobs Creation Commission is also now publishing a list of digital vacancy sites, linking jobseekers with these private employment agencies (Government of Ethiopia 2019c).

For private employment agencies facilitating placements abroad, there have been a number of recent changes and tightening of legislation and licensing. These changes stem largely from the Government's awareness of the exploitation and poor treatment of Ethiopian migrant workers abroad. Despite this, according to key informants, there are still no shortage of options for leaving the country without the required permits.

The Urban Employment Opportunity Creation and Food Security Agency and the Rural Employment Opportunity Creation and Food Security Agency (formerly the Federal Micro and Small Enterprises Development Agency) are involved in the registration of jobseekers that would like to engage in self-employment and provide necessary support to help registered jobseekers start micro or small enterprises. These efforts are coordinated with TVET agencies as well as other government offices and microfinance institutions. Registration was conducted via door-to-door registration and via one-stop service centres (Yilak 2018). The agencies' efforts are aligned with the GTP II industrialization strategy and focus on helping graduates from TVET start new businesses in the manufacturing industry.

The effectiveness of public employment services is compromised by overlapping roles and responsibilities and lack of coordination between different agencies and offices. The MoLSA is responsible for managing policy around employment services at the federal level, with local BoLSAs responsible for implementation at the regional level, and with public employment service centres operating at the city/woreda administrative level under the guidance and responsibility of the BoLSAs. While seemingly hierarchical and systematic in structure, there is a lack of cooperation and coordination between the different agencies, resulting in fragmented, overlapping and convoluted information that minimizes the value and effectiveness of employment services and labour market information at the local, regional and federal levels. For instance, there are inconsistent approaches to jobseeker registration, and information is not centrally managed.

Public employment services are focused on registering jobseekers, but lack the resources and coordination to do this effectively and overlook other key labour market service functions (Yilak 2018). The lack of a digital system in the public employment services system results in a cumbersome manual process for jobseeker registration and a highly limited capacity to facilitate job matching. On top of the lack of a digital database to effectively manage information, there is evidence that employers are reluctant to use public employment services, preferring private services instead; while the general public are also relatively unaware of the public services available due to lack of promotion. When jobseekers do use the services, there is little by way of job search assistance, and approaches to placements and other services tend to be informal and inconsistent. As employers prefer to use private agencies, it suggests a lack of trust and confidence in the public employment system.

Holding the potential to reverse the negative perception of public employment services and also improve their efficiency and enhance their integration into a centralized labour market information system, the Jobs Creation Commission is also developing digital services as part of the Labour Market Services module to facilitate job matching. This will include the development of computer software to be used by public employment service agents to register jobseekers. The Commission is also developing a mobile app to be used by private individuals to start the registration of a new company. While these services already exist, they have not been made fully digital yet. Ultimately these services will also be better integrated into a wider labour market system that will include pension management (Government of Ethiopia 2019c).

6.4. Migrant workers

For a comprehensive overview of labour migration and mobility governance in Ethiopia, detailed information is provided in the parallel study An Assessment of Labour Migration and Mobility Governance in the IGAD Region: Country Report for Ethiopia (ILO 2020a). Certain key findings from this publication are highlighted in this section.

6.4.1. Labour market governance

According to the ILO (2020a), Ethiopia does not have a labour migration policy or a migration policy, and instead, labour migration policy objectives are spread across different laws and policy frameworks. The National Employment Policy and Strategy (NEPS) 2016 is perhaps the clearest reflection of how international migrant workers are to be considered with regards to labour market functionality. The NEPS acknowledges that migrant workers are sometimes necessary where there are skill gaps, however, the priority in this space is that the country be able to benefit from knowledge, technology and skill transfer. The NEPS seeks to facilitate this through periodic labour market assessments for skill gaps and by establishing mechanisms to ensure the country benefits from these migrant workers. This stance is mirrored in key informant interview findings, which regularly stressed the importance and priority of attracting higher-skilled migrant workers to the Ethiopian economy.

> ***"The country wants to focus on allowing only skilled migrants to enter the country, so that they could help [with] its development. However, there we also have skilled locals who are leaving Ethiopia because there are no job opportunities, so I personally think that the Government should focus on helping them and not in facilitating qualified migrants' access to our country." – Key informant***

The focus on higher-skilled migrant workers is also consistent with the Government's economic growth strategies, in that the success of the industrialization policy rests largely on the ability to obtain technological transfers from abroad. This can be derived from foreign direct investment or from migrant workers. The issuing of work permits also reflect this tendency towards higher-skilled migrant workers for their perceived benefit to the economy. The Labour Proclamation (1156/2019) states that a work permit is required for the employment of any foreign national and that it is for a maximum of three years. The permit is to be renewed every year, and the MoLSA reserves the right to cancel the permit if they deem the foreign national is no longer needed. According to the ILO (2020a), the reality is that only higher-skilled migrant workers will obtain a work permit, once the necessary steps have been taken to show there are no Ethiopians able and available to do the work.

> ***"[Migrant workers] have to be particularly skilled, a company has to sponsor them, the visa is only for a year and foreigners can stay for a maximum of three years. Further, if someone wants to invest in the country, they have to bring minimum US$200,000 in foreign exchange." – Key informant***

While there is little data on domestic workers in Ethiopia, key informants highlighted the significance of the industry for female migrant workers. Key informants further note the vulnerability of these migrant workers, as domestic workers are not covered by the Labour Proclamation, and Ethiopia has not ratified Convention No. 189. Despite this, key informants highlighted that there has been national dialogue on domestic workers over the last three years, resulting in a taskforce on domestic work. Further information is needed to comprehend the scale of the domestic work sector, particularly for migrant workers, and

to gauge the rights afforded to domestic workers and the quality of their world of work.

The situation for refugees working in Ethiopia is different from the general stance taken towards migrant workers. The Refugees Proclamation (1110/2019) reflects Ethiopia's commitments under the UN Comprehensive Refugee Response Framework and the IGAD Declaration on Durable Solutions (IGAD 2017). The Proclamation is focused on increased integration of refugees and affords refugees with the rights to employment and to engage in business, with equal rights as nationals under labour laws. In addition, the law includes the allocation of agricultural land for cultivation by refugees, as well as quota systems in industrial parks. Key informants highlighted how the implementation is not yet clear.

> ***"Linkage systems will help refugees to develop skills needed in the labour market. However, if refugees would obtain a right to work, how will it be communicated? Will companies know they can hire based on refugee documents, or will the refugee have to get new working documents?" – Key informant***

The Refugees Proclamation (1110/2019) is relevant to the Jobs Compact, which is a high-level Government pledge committing to the creation of economic opportunities, including in industrial parks, with a percentage dedicated to refugees. This percentage has been revised to a total of 30,000 jobs for refugees (World Bank 2018b). While tying this to the country's industrialization strategy, it does not appear to be consistent with the wider policy in terms of a focus on skills development, technological transfer, higher-skilled migrant workers and investment. According to the World Bank (2018b, para. 5), "the government's pledge is regarded as providing a global public good in terms of addressing universal challenges linked to forced displacement, human security, and development". Nonetheless, key informants stressed the seeming contradiction given the existing shortage of job opportunities for Ethiopians.

> ***"But recently, in relation to the Refugee Proclamation, questions have been asked about why refugees are being allowed to work. This [question] arises from the fact that there are plenty of unemployed people in Ethiopia and yet refugees are allowed to work." – Key informant***

The outflow of migrant workers from Ethiopia tends to receive greater attention by the Government of Ethiopia. Much of this attention is on protecting the safety and rights of Ethiopian migrant workers abroad (see Section 6.4.2. below), but as articulated by the NEPS, priority is also on ensuring Ethiopian migrant workers have the required information and skillset to be competitive in international labour markets and also on "devising and implementing mechanisms that control and curb illegal labour migration" (Government of Ethiopia 2016, 17).

The outflow of Ethiopian migrant workers has a number of implications for the functionality of the Ethiopian labour market. Firstly, outbound migrant workers are largely low-skilled, although key informants highlight that higher-skilled migrants often leave also. While there is data on regular migrant workers, there is very little information on the skills composition of irregular Ethiopian migrant workers. Secondly, Ethiopian migrant workers, particularly those going to the Gulf States, often return to Ethiopia voluntarily after a time. Further, there has been mass expulsion of Ethiopian migrant workers in recent years, including from Saudi Arabia. Both these components have implications for returnees and reintegration into the labour market. [18]

18 A number of international agencies and NGOs are working with Ethiopian returnees and on reintegration. A helpful source of information is the ILO programme that ran from 2015–2018 entitled: "Support to the Reintegration of Returnees in Ethiopia". Programme webpage is available at: https://www.ilo.org/africa/technical-cooperation/WCMS_402981/lang--en/index.htm.

Labour migration governance should in theory be able to support the labour market by allowing for management of the mismatches between labour supply and demand, particularly around skills. As detailed in the previous section, while there are signs of marked improvements with regards to labour market information, there still is no indication as to whether a consolidated database of skills can be established. Moreover, there is a shortage of information on the skills composition of irregular migrant workers – both among Ethiopians abroad and migrant workers in Ethiopia. Such information would need to feed into labour migration management. Harmonization of qualifications, curricula and accreditation across IGAD Member States would facilitate regional labour migration management.

"Even if [migrant workers] have proper knowledge, if they don't have documents to show that they are educated it's useless." – Focus group discussant

6.4.2. Equal treatment of migrant workers

For migrant workers to contribute positively to the Ethiopian labour market and successfully integrate into Ethiopian society, there is a need for protection of and equal treatment of migrant workers. Regular migrant workers have the same rights as Ethiopian nationals under the Labour Proclamation (1156/2019). A number of mechanisms are in place, including:

- regulation on the entry and departure of foreigners;
- work permits, visas and the responsible authorities;
- rules, rights and obligations of refugees and asylum-seekers; and
- recruitment, placement, conditions, costs and awareness raising for those seeking and going abroad for employment.

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.

The NEPS 2016 outlines the need for "providing legal protection to avoid employment and occupational discrimination" towards international migrant workers, and "ensuring that the rights and safety of foreigners employed in Ethiopia are protected as per the Ethiopian Labour law" (Government of Ethiopia 2016, 17). However, as mentioned previously, given the difficulty of obtaining work permits and the focus on higher-skilled migrant workers, the vast majority of migrant workers in Ethiopia are instead more likely to be irregular and outside the scope of the Labour Proclamation and the NEPS objectives.

What this means is that only a small proportion of migrant workers – that is, regular migrant workers – have access to any legal recourse and rights. This leaves irregular migrant workers highly vulnerable to exploitation and poorer working conditions than their regular migrant and Ethiopian counterparts. Despite this, a number of key informants interviewed as part of this assignment highlighted that for a number of migrant workers, particularly those with shared socio-cultural ties with areas of Ethiopia – including Somalians in the Somali region of Ethiopia, and Eritreans and sometimes South Sudanese in the Tigray and Gambela regions – it was easier for them to achieve societal integration. One key informant suggested that law enforcement officers would often not bother with migrant workers. Nonetheless, despite any perceived hospitality towards migrant workers, under the rule of law, these workers do not have access to legal recourse.

"Migrant workers without documents are likely not treated equally. Undocumented migrant workers and refugees are not treated equally because they aren't under protection of the labour law, in terms of benefits like maternity leave. If they are exploited or mistreated, there is no legal recourse for them."– Key informant

The Government has not ratified the Migration for Employment Convention (Revised), 1949 (No. 97), nor the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), which are concerned with migrations involving abusive conditions and the promotion of equality of opportunity and treatment of migrant workers (see box 3). Ethiopia has also not ratified the International Convention on the Protection of the Rights of all Migrant Workers and Members of Their Families, 1990. Key informant interviews conducted before the release of the revised Labour Proclamation (1156/2019) suggested that amendments were being considered for the treatment and integration of migrant workers. However, the latest Proclamation did not contain any revisions in this regard.

The CEACR published an in-depth General Survey on ILO Member States' national law and practice on migrant workers instruments in 2016. According to the report, Ethiopia suggested that ratification was not possible for Conventions Nos 97 and 143 "as it was mainly a country of origin, it would need to examine national law and practice for conformity with the instruments; and, in any case, the prevalence of high unemployment rates in the country prompted it to give preference to nationals over foreign labour" (ILO 2016, para. 573). Despite not ratifying these Conventions, Ethiopia also claimed that the rights of all workers, irrespective of nationality, were ensured through regular labour inspection services at the enterprise level. The ILO (2020a, xiii), however, notes, "While the inspection of migrants' workplaces is taking place, the extent to which it is regular and aids the enforcement of migrants' rights is unclear."

Despite Ethiopia's protectionist stance towards migrant workers in Ethiopia, it recognizes the need to safeguard Ethiopian migrant workers abroad. The NEPS 2016, for instance, states as a goal to protect the safety and rights of international labour migrants from Ethiopia in order to make them competitive and ensure they benefit from their employment engagements. From a strategic perspective, the NEPS also seeks to establish and implement a system to protect the rights of international labour migrants from Ethiopia and to ensure their benefits, and to establish bilateral and multilateral agreements with labour-receiving countries and other relevant bodies to ensure equitable employment opportunities for international labour migrants from Ethiopia. In addition, the Government has sought to engage in awareness raising with potential Ethiopian migrants, reporting to the CEACR

that "as Ethiopian migrant workers were predominantly domestic workers subject to abuse and exploitation in the process of recruitment and placement, [the Government had] made efforts to provide information for prospective migrants on migration realities" (ILO 2016, 264).

Ethiopia's approach to managing outward migration underwent a major overhaul over the past few years to help protect the rights of Ethiopians officially abroad. A cessation of all overseas employment lasted for five years as certain safeguards were set in place. The Overseas Employment Proclamation (923/2016) was issued, and is being implemented by the Inter-ministerial Committee on Overseas Employment. This Proclamation marked a major advancement in the governance of outward labour migration. For instance, through the Proclamation, the Government made it mandatory to have a bilateral agreement with the destination country in place in order to send migrants to that country. New bilateral labour agreements were established with Jordan, Qatar and Saudi Arabia in the months prior to the resumption of overseas employment. The Overseas Employment Proclamation (923/2016) sought to align labour law and social security to international standards. As part of this process, licenses for recruitment agencies were reassessed and issued, while other trainings were conducted for relevant authorities as well as jobseekers. Medical check-ups were conducted, and insurance policies were revisited. In addition, in the year prior to the issuing of Proclamation 923/2016, new legislation was put place to combat trafficking in persons and smuggling of migrants in line with international standards (Prevention and Suppression of Trafficking in Persons and Smuggling of Migrants Proclamation No. 909/2015).

A number of ministries are involved with labour migration management, with an inter-ministerial committee supporting the coordination of outward migration governance. Relevant ministries working with labour migration include the MoLSA, Ministry of Foreign Affairs, Administration for Refugee and Returnee Affairs, and the Office of the Attorney General. In addition, the inter-ministerial Committee on Overseas Employment is responsible for implementation of Proclamation 623/2016. Other relevant parties include the Security, Immigration and Refugee Affairs Authority and the National Anti-Trafficking Council and Task Force. [19]

6.5. Conclusions

In terms of labour market governance, while there is a National Employment Policy and Strategy (NEPS) with comprehensive content, it is not clear the degree to which it is being implemented. For instance, the NEPS advocated for the creation of a National Employment Council to ensure that employment-related issues are mainstreamed consistently through macroeconomic and sectoral policies in a coordinated and integrated manner, but no such Council has been established and it is not clear if one will be created. Also, the MoLSA is responsible for implementation of the NEPS, but its mandate appears more focused on labour governance rather than employment creation.

The NEPS 2016 also outlines a monitoring and evaluation component as part of its implementation, however, besides a job creation target as part of the Jobs Creation Commission, there are no explicit targets that accompany the NEPS. Part of this may be down to the fragmented collection of labour market information by different entities up until recently. A newly established labour market information system under the Jobs Creation Commission does have the potential to consolidate the collection and dissemination

19 For more information see ILO 2020a.

of labour market information. The system is in its early stages and so it is not yet clear the degree to which this will be achieved, but there are clear signs of improvement.

Another key area that would benefit from and contribute to improved labour market information are employment services, particularly for improved matching between labour demand and supply. At present, employment services are largely left to the private sector, with public employment services limited to certain areas around job matching and overseas employment management. Other areas such as labour market information and local employment service provision are not well accounted for and are largely left to private agencies. Governance of private employment agencies specializing in overseas placement has been stepped up, but unlicensed operators are still widely used. Another promising development is under the Jobs Creation Commission, which is establishing software platforms that are facilitating employment service provision and data collection. Again, this is in the early stages of implementation.

Improved collection, consolidation, dissemination and analysis of labour market information would also facilitate labour migration governance. At present, there is no labour migration policy and Ethiopia's labour governance covers regular migrant workers only. As documented in earlier sections, the lack of information on skills composition, especially among irregular migrant workers (both foreign nationals in Ethiopia and Ethiopians going abroad), hampers effective and appropriate labour market governance of migrant workers in order to improve the functionality of the labour market and thereby provide better opportunities for migrant workers and Ethiopians and serve the Government's growth strategy.

Chapter 7

Conclusions and recommendations

This report has presented a labour market study with a focus on migrant workers. 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.

Strategic recommendation 1: Step up implementation of the National Employment Policy and Strategy.

This report has shown that Ethiopia's labour market suffers from a shortage of job creation. At the same time, the labour force is characterized by low levels of education and the majority of the employed are working in agriculture – often in low-productivity and subsistence activities. This means that with a rapidly growing population combined with job creation shortfalls, concerted efforts are required to find the balance between skills development and an investment and growth strategy that creates appropriate jobs for the labour supply in Ethiopia. Initiatives by the Government to bolster job creation, namely through the newly created Jobs Creation Commission, are an encouraging sign. A number of the Jobs Creation Commission's activities are appropriate based on the findings in this report (such as, digitalization and improved facilitation of employment services, creation of a labour market information system).

The National Employment Policy and Strategy (NEPS) 2016 is a comprehensive set of priorities and strategies. While the Jobs Creation Commission has implicitly taken responsibility for some components of the NEPS, the Commission's agenda only overlaps to a limited degree. For instance, labour governance is solely in the realm of the NEPS. In any case, the NEPS does not appear to have an implementation mechanism established: The NEPS advocated for the formation of a National Employment Council to steer implementation, yet there are no signs of its creation; and the MoLSA was responsible for monitoring, yet no benchmarks or targets have been established. If established, a National Employment Council could also more clearly assign and enforce roles and responsibilities across the Government and with regard to different social partners. Stepping up implementation of the NEPS is the first of the strategic recommendations:

Recommended action	Anticipated benefit	Relevant bodies
POLICY: Establish performance milestones and targets in the NEPS.	Accountability and effective monitoring and evaluation, and update and adjustment of the NEPS in future years in response to findings.	Government, MoLSA
POLICY: Align the NEPS with a labour migration policy.	Inputs from all social partners and external stakeholders (particularly those working with migrants and migrant workers, such as the ILO and UNHCR) are necessary to ensure that government investments towards employment and job creation are targeted to the areas with the greatest potential return in job creation and employment, from the perspective of both employers and workers, and to maximize the benefits of migrant workers to the labour market.	Government in a tripartite-plus setting

Recommended action	Anticipated benefit	Relevant bodies
POLICY: Provide technical support on a range of areas, including migration and migrant workers.	To ensure technical backstopping and to facilitate knowledge transfer of international best practice.	Other stakeholders, including IOM and ILO
INTERVENTION: Support the monitoring of current implementation of the revised Overseas Employment Proclamation (923/2016) by the MoLSA.	Regulate the working conditions by issuing directives and supervise overseas employment services.	All social partners
INTERVENTION: Encourage and facilitate cooperation by employers and workers.	All social partners have a responsibility in components of labour market governance, for instance, labour inspections require cooperation of Government, employers and workers.	All social partners
INTERVENTION: Encourage, facilitate and disseminate third party research on topics of relevance to the NEPS.	Other key stakeholders, particularly those working in specific areas and sectors, should disseminate and share findings in the public sphere and with all social partners to allow for improvements and changes to be made to labour market governance.	Other stakeholders

Strategic recommendation 2: Enhance the capacity and improved coordination of labour market information and analysis.

The lack of a consolidated and comprehensive system for labour market information has been a limiting factor for informed and evidence-based policymaking in Ethiopia. This applies to a range of areas, including skills, and developing a database of skills of migrant workers and Ethiopians going abroad to help inform migration policy as well as employment policy. It also includes the lack of a consolidated database of labour demand components in a consistent and comparable manner for analysis against labour supply information.

While the creation of a labour market information system is a major step forwards in this regard, the system is still in its infancy and it is not yet clear whether it will fulfil all the needs of a comprehensive system. In any case, there is still a need for more new data to be collected and for databases to be shared, requiring both increased capacity and further coordination. Enhancing the capacity and improving the coordination of labour market information and analysis is the second strategic recommendation.

Recommended action	Anticipated benefit	Relevant bodies
POLICY: Establish the design of a labour statistics framework that consolidates subnational estimates for key labour market indicators, including information on migrant worker flows and characteristics.	To allow for consolidation of subnational estimates for key labour market indicators, including information on migrant worker flows and characteristics.	Government (led by the CSA)
POLICY: Provide technical support and expert advice and support for the improvement of labour market information and analysis.	To help ensure compliance with international standards and international best practice, for the improvement of labour market information and analysis.	Other stakeholders
INTERVENTION: Incorporate a labour migration module into the Labour Force Survey.	To allow for identification of migrant workers' countries of origin as well as a more comprehensive set of statistics and information.	Government
INTERVENTION: Implement and/or facilitate implementation of employers and vacancies surveys.	Needed to help gauge labour market demand; support and assist the sharing of labour market information with a technical working group or committee on labour market information.	Employers' groups
INTERVENTION: Provide support for development of an integrated and user-centric labour market information system	To provide an essential basis for employment and labour policies, and inform the design, implementation, monitoring and evaluation of policies that are better focused and targeted.	MoLSA; Job Creation Commission; All social partners
INTERVENTION: Encourage, facilitate and disseminate third party research on labour market information and analysis and on policy recommendations.	Other key stakeholders, particularly those working with the labour market and with statistics and analysis, should disseminate and share findings in the public sphere and with all social partners to allow for improvements and changes to be made to labour market governance.	Other stakeholders

Strategic recommendation 3: Enhance the capacity and coordination of employment services within a wider national employment and jobs strategy.

Employment services play an integral role in the functionality of the labour market and also are an important source of information, particularly around labour demand. In Ethiopia, public employment services are focused on a narrow set of activities and are largely underutilized, leaving private employment agencies as the driving force of employment services. According to key informant interviews conducted as part of this report, migrant workers do not have access to any employment services, despite the Government of Ethiopia's focus on its migrant workers abroad.

As such, there are measures that can help make better use of employment services, in terms of their effectiveness and the information they capture, for the benefit of workers (and jobseekers), employers and the Government. Enhancing the capacity and coordination of employment services within a wider national employment and jobs strategy is the third of the strategic recommendations.

Recommended action	Anticipated benefit	Relevant bodies
POLICY: Improve coordination between the state and federal levels on employment services, with clear institutional roles.	To encourage the coordination of employment services' and private employment agencies' objectives and information sharing with employment, migration and labour migration policymakers, including as part of the NEPS and any other strategies around employment and jobs promotion.	All social partners, led by Government
POLICY: Create an enabling environment to strengthen collaboration between public and private employment agencies.	To facilitate the sharing of labour market information, including skills composition of jobseekers looking for employment abroad, engage in regular communication with employment services. Such communications should include skills development needs according to worker and employer perspectives, and the sharing of information on workers' rights, including migrant workers' rights.	Line ministries, social partners
POLICY: External stakeholders working with relevant labour market actors, such as refugees, should work closely with employment services and private employment agencies.	To facilitate knowledge transfer, international best practice and other information from those working closely with these topics and who are outside of government or other social partners.	Other stakeholders
INTERVENTION: Provide sufficient resources to public employment services.	To ensure and allow for capacity building of staff for improved access to employment services.	Government

Recommended action	Anticipated benefit	Relevant bodies
INTERVENTION: Actively promote the use of public employment services, through the encouragement of employers to advertise and seek candidates through these services.	Greater promotion of public employment services would allow for more confidence and understanding of the services available, and would allow for improved job matching if companies advertise through the services more and jobseekers are encouraged to use the services.	Workers' and employers' groups

Strategic recommendation 4: Adjust and redesign labour market governance mechanisms to better incorporate migrant workers

An important message that emerges from the report is that migrant workers cannot only be looked at from the migration perspective. They contribute to the labour force and their needs and challenges have to be addressed as part of labour, employment and skills development policies that foster the utilization of their potential for inclusive and sustainable economic growth.

The final strategic recommendation is associated with migrant workers and the implications for labour market governance. At present, migrant workers in Ethiopia are largely irregular, partly a result of the difficulties of working officially and obtaining a work permit. The work permit system is biased towards the high-skilled, and even then, does not accommodate long-term arrangements. While this is seemingly consistent with the growth strategy towards industrialization and attracting investment, skills and capital from abroad, there is no labour migration strategy, nor sufficient data to inform it. Hence, it is likely that the Ethiopian labour market is not optimizing the value of migrant workers to its functionality nor to the benefit of Ethiopians and migrant workers. Therefore, the fourth strategic recommendation is to adjust and redesign labour market governance mechanisms to better incorporate migrant workers.

Recommended action	Anticipated benefit	Relevant bodies
POLICY: Revise the Labour Proclamation (1156/2019) for migrant workers, taking into account the IGAD regulation framework	To allow for more rights for migrant workers, including around the strictness of work permits and more explicit provisions for equal treatment of migrant workers. Labour market governance components on migrant workers need to be developed in a tripartite-plus setting, with inputs from other relevant stakeholders, including the UNHCR and IOM.	All social partners and other stakeholders (tripartite-plus setting)

Recommended action	Anticipated benefit	Relevant bodies
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).	To help align rights 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.	All social partners and other stakeholders (tripartite-plus setting)
INTERVENTION: Provide sufficient resources for labour inspections of migrant worker workplaces and ensure cooperation with inspections.	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.	All social partners and other stakeholders

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Appendix I. List of key informants

No.	Position and/or organization	Location
1	Assistant Professor – Sociology Department, Addis Ababa University	Addis Ababa
2	Country Director – Danish Refugee Council	Addis Ababa
3	Deputy Head – Airport Immigration	Addis Ababa
4	Deputy Head of the Department of Foreign Affairs Service and Control	Addis Ababa
5	Director for Safety and Security of Labour – Ministry of Labour and Social Affairs	Addis Ababa
6	Director of Department of Land Border – National Intelligence and Security Agency Immigration Office	Addis Ababa
7	Director of Development and International Cooperation – Ethiopian Orthodox Church	Addis Ababa
8	Employment Promotion Leader – Ministry of Labour and Social Affairs	Addis Ababa
9	Ethiopian construction worker	Addis Ababa
10	Ethiopian business owner	Addis Ababa
11	Foreign Ministry of Ethiopia – IGAD director	Addis Ababa
12	Head of Advocacy and Governance – Oxfam	Addis Ababa
13	Head of Department of Law – Addis Ababa University	Addis Ababa
14	Head of the Economics Department – Addis Ababa University	Addis Ababa
15	IGAD Affairs Officer – Ministry of Foreign Affairs	Addis Ababa
16	Logistics Contracting – World Food Program	Addis Ababa
17	Pillar, Head Transnational Organized Crime – IGAD Security Sector Program	Addis Ababa
18	Professor of Political Science and International Relations – Addis Ababa University	Addis Ababa
19	Programme Councillor – IOM	Addis Ababa
20	Program Director – Digital Opportunity Trust (NGO)	Addis Ababa
21	Public Information Reporting Officer – Strategy Communication Unit, United Nations Office for the Coordination of Humanitarian Affairs	Addis Ababa
22	Senior Trainer – Ethiopian Horticulture Production Exporter Association	Addis Ababa
23	Vice-President – St Mary University	Addis Ababa
24	Village Committee Member	Addis Ababa

25	Advisor – Ministry of Finance	Jigjiga
26	Area Manager – Havoyoco	Jigjiga
27	Area Manager – NRC	Jigjiga
28	Professor – University of Jigjiga	Jigjiga
29	Ethiopian student	Jigjiga
30	Unemployed Ethiopian	Jigjiga
31	Vice Ministry Chairman – Civil Service Institute	Jigjiga
32	Economist	Dire Dawa
33	Economist	Dire Dawa
34	Expert – Ministry of Labour and Ministry of Education	Dire Dawa
35	Head of Social Office – Expert in Social Labour	Dire Dawa
36	Manager – ADPA (local NGO)	Dire Dawa
37	Ethiopian student	Dire Dawa
38	Unemployed Ethiopian	Dire Dawa
39	Professor Assistant Journalism and Mass Media – University of Awassa	Gambela
40	Migrant worker	Gambela

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 migrant workers 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 migrant workers
IMPLEMENTATION NOTES The module should be asked to pre-selected migrant workers regardless of labour force status. The module should be asked to migrant workers 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

Module 2 - Labour force status

OBJECTIVES AND SCOPE
Determines the labour force status of migrants according to the 19th ICLS standards on work, employment and underutilization

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.

B01. During the reference week, did you do any work for wage, salary, commission, tips or any other pay, even if only for one hour?
1=Yes >> B10
2=No

B02. During the reference week, did you run or do any kind of business, farming or other activity to generate income, even if only for one hour?
1=Yes>>>B04
2=No

B03. During the reference week, did you work without pay in a business owned by a household member, even if only for one hour?
1=Yes
2=No>>B06

B04. Was this work in agriculture or fishing?
1=Yes
2=No >>B10

B05. In general, are the products obtained from this activity for sale or for family use?

1=Only for sale >>>>>>>>>>>>>>>>>>>>>>>>>>> B10
2=Mainly for sale >>> >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>B10
3=Mainly for family use
4=Only for family use

B06. During the reference week, did you have a paid job or a business from which you were temporarily absent and for which you expect to return?
1=Yes
2=No >>> B17

B07. What was the main reason you were absent from work during the reference week?
1=Sick leave due to own illness or injury >>>>>>>>>>>>B10
2=Public holidays, vacation or annual leave >>>>>>>>>>>>B10
3=Maternity or paternity leave as specified by legislation >>>>>>>>>>>>B10
4=Parental leave
5=Educational leave
6=Care for others and other personal absences
7=Seasonal work >>>>>>>>>>>>B17
8=Strikes or lockouts
9=Reduction in economic activity (e.g. temporary lay-off, slack work)
10=Disorganization or suspension of work (e.g. due to bad weather, mechanical, electrical or communication breakdown, problems with information and communication technology, shortage of raw materials or fuels)
11=Other, specify ______

B08. When will you return to work (same job/activity)? Include the time that you have been absent up to now.
1=Within 3 months or less >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>B10
2= After 3 months
3= Not sure to return to work (Interviewer not to read)

B09. Do you continue receiving an income from your job during your absence?
Yes >>B10
No >>> B17

B10. Did you have any business or performed any secondary activity for at least one hour during the reference week?
Yes
No

B11. How many hours do you usually work per week?
1=Main job _____ hours
2=Secondary job(s) _____ hours

B12. During the reference week, how many hours did you actually work?

	M	T	W	T	F	S	S	Total
1. Main job								
2. Secondary job(s)								

B13. INTERVIEWER. How many hours did the person work during the reference week at all jobs combined?
1=Less than 35 hours
2= 35 hours or more

B14. During the last 4 weeks, did you look for additional or other work?
1=Yes
2=No

B15. Would you want to work more hours per week than actually worked, provided the extra hours are paid?
1=Yes
2=No >> Module 3

B16. If an opportunity for additional work became available, could you start working more hours within the next two weeks?

1=Yes >>> Module 3
2=No >>> Module 3

B17. During the last 4 weeks, did you look for any kind of paid job or try to start any kind of business?

1=Yes >>> B19
2=No

B18. Have you already found a job or arranged to start a business in the future? 1=Yes >>> B23 2=No >>> >>B21
B19. What did you do in the last 4 weeks to find a job or start a business? [Mark all that apply] 1=Arranging for financial resources, applying for permits, licenses 2=Looking for land, premises, machinery, supplies, farming inputs 3=Seeking the assistance of friends, relatives or other types of intermediaries 4=Registering with or contacting public or private employment services 5=Applying to employers directly, checking at worksites, farms, factory gates, markets or other assembly places 6=Placing or answering newspaper or online job advertisements 7=Placing or updating resumes on professional or social networking sites online 8=Other, specify ______ 9=No method >>> >>>B23
B20. For how long have you been without work and trying to find a paid job or start a business? 1=Less than 1 month 2=1 month to less than 3 months 3=3 months to less than 6 months 4=6 months to less than 12 months 5= years or more
B21. Would you want to work if a job or business opportunity became available? 1=Yes 2=No
B22. What is the main reason you did not try to find a paid job or start a business in the last 4 weeks? 1=Own illness 2=Disability 3=Studies 4=Pregnancy 5=Presence of small children 6=Refusal by family 7=Past failure to find suitable job 8=Lack of experience, qualification or jobs matching skills 9=Lack of jobs in the area 10=Considered too young or too old by prospective employers 11=Lack of infrastructure (assets, roads, transportation, employment services) 12=Other sources of income (pension, rent) 13= Estrangement 14=Other, specify _______
B23. If a job or business opportunity were available, could you have started work during the reference week or within the next two weeks? 1=Yes 2=No
B24. What is the mean reason why you are not available to start working in the next two weeks? 1=In studies, training 2=Maternity leave, child care 3=Injury, illness 4=Family member(s) consider that you should stay at home 5=Other, specify ______

Module 3 - Characteristics of employed labour migrants

OBJECTIVE AND SCOPE To capture the nature of employment of labour migrants Captures the sector of employment, status of employment, occupation, informal employment and informal/formal sector employment.
IMPLEMENTATION NOTES Aligned with the latest 19th ICLS guidelines concerning employment Should be asked to all labour migrants 15 years old and older that could be identified as employed in Module 2.
C01. What is the name of your place of work? 1= Domestic worker in private household 2= Without name 3= Name: .....
C02. What are the main goods or services produced at your place of work or its main function? Examples: selling fish, teaching children to read and write, caring for the sick, livestock farming *ISIC CODE*
C03a In the main job / business that you had last week, what kind of work do you usually do? Examples: policeman, primary school teacher, registered nurse, domestic worker, truck driver)
C03b What are your main tasks and duties? ISCO *ISIC CODE*
C04. In this job, are you: Working for someone for pay 1=Employee 2=Paid apprentice/Intern Working as an 3=Employer (with regular employees) >>>>>>>>>>>>>>>>>>>>>>>>>> C10 4=Own account worker (without regular employees) >>>>>>>>>>>>>>>>>>>>>>>>> C10 5=Helping without pay in household/family business >>>>>>>>>>>>>>>>>>>>>>>>> C10 6=Other (please specify) >>>>>>>>>>>>>>>>>>>>>>>>> C10
C05. Have you been employed on the basis of: 1=Written contract 2=Oral agreement
C06. Is your contract or agreement a: 1= Permanent arrangement 2= Temporary arrangement
C07. Does your employer pay contributions for social security on his/her behalf (e.g. pension fund, etc.)? 1=Yes 2=No 3= Do not know
C08. Do you benefit from paid annual leave or /payment compensation for leave not taken? 1=Yes 2=No 3= Do not know

C09. Do you benefit from paid sick leave in case of illness or injury? 1=Yes 2=No 3= Do not know
C10. Was your main activity carried out in...? (READ) 1= Government (federal, state, local) 2= State owned enterprise 3=Private business or farm 4= International org., foreign embassy 5=Others
C11. Is the enterprise/business where you work? (READ) 1= An incorporated company 2= An independent, personal family business 3= Do not know
C12. Is the enterprise/business where you worked registered with (relevant authority)? 1=Yes 2=In the process of being registered 3=No 4=Do not know
C13. Does the business keep a book of accounts (assets and expenditures)? 1=Yes 2=No 3= Do not know
C14. How many persons, including the owner, work at your place of work? 1= 1 persons 2= 1-4 persons 3= 5-9 persons 4= 10-19 persons 5= 20-49 persons 6= 50+
C15. In what type of place do you usually work? 1=At home 2=Structure attached to the home 3= At the client/employer's home 4= At an office, shop factory, or other fixed place of work 5= Fixed stall in market/mobile 6= Land, forest, sea, ... 7=Without fixed location/mobile 8= Construction site 9= Other (specify)
C16. How long have you worked for this employer/in this business? 1= Less than 6 months 2= 6 months to less than 1 year 3= 1 year to less than 3 years 4= 3 years to less than 5 years 5= 5 years or more
C17. What is the net daily/weekly/monthly earnings of (NAME) from his/her business or activity? (Please round up and specify currency unit) C16a=Daily C16b= Weekly C16c= Monthly

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 resident[20] (short-term business) (e.g. frontier workers, seasonal workers, other short-term migrant workers, volunteer workers and nomads)
a=Yes b=No
2=Usual residents[21] 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

D06 How long have you been living in this [COUNTRY]...?
1=Three months or less
2=Three to 12 months
3=One year to less than 5 years
4=Five years to less than 10 years
5=Ten years or more

20 Less than 6-monhts

21 More than 6-months

D07 What was the main reason for you to leave your home country? 1= In search for an opportunity to make money 2= In search of establishing a business 3= Promised a job 4= To take up a new job 5= Job transfer 6= Study/Training 7= Marriage 8= Family moved/ to live with a relative/dependent 9= Health reasons 10= Natural disaster/ environment 11= Conflict 12= Others (specify)
D08 Have you ever lived in another country than this one continuously for 3 months or more? 1 = Yes, in another country 2= No, except my birth place >>>>>>>>>>>>>>>>>>D12 3= No >>>>>>>>>>>>>>>>>>D12
D09 In which country did you live before moving here?
D10 What was the main reason for you to move here? 1= In search of job for pay 2= In search of establishing a business 3= Promised a job 4= To take up a new job 5= Job transfer 6= Study/Training 7= Marriage 8= Family moved/ to live with a relative/ dependent 9= Health reasons 10= Natural disaster/ environment 11= Conflict 12= Others (specify)
D11 Have you ever travelled outside of this country even if only for a short period? 1= Yes 2= No
D12 In the past 12 months, how many times did you travel abroad? 1= Every day 2= Every week 3= Few times a month 4= Once every month 5= Few times a year 6= Only travelled once/ once a year
D13 When travelling abroad, how long do you usually stay there? 1= One week or less 2= More than 1 week but less than 1 month 3= 1 month to less than 3 months 4= 3 months to less than 6 months 5= 6 months to less than 12 months 6= 12 months or more

D14 What is the usual reason for your frequent travel? 1= Job search 2= For business 3= To visit family and friends 4= Other
D14 Did you [did NAME] pay any fees to a recruitment agency, employment service, employer, relatives, friends, or any other person in your country to obtain a job here in this country? 1=No >>>>>>>>>>>>>>>>>>D18 2= Yes
D15 To whom did you [did NAME] pay any fees? 1= Recruitment agency (private agency) 2= Employment service (public agency) 3= Employer 4= Relatives or friends 5= Other (specify)
D16 How much did you [did NAME] pay? (Please round up and specify currency unit)
D17 From where did you [did NAME] get the money to pay for the fee? 1= Personal savings 2= Loan from family/ relatives 3= Loan from government agency 4= Loan from charity institutions/ NGOs 5= Contracted a personal loan 6= Loan by a recruitment agency 7= Other (Specify)
D18 Did you [has NAME] send any money or goods from here to your home country during the last month? 1= Yes, cash only 2= Yes, goods only 3= Yes, both cash and goods 4= No >>>>>>>>>>>>>>>>>>>>>>>> End interview
D19 What is the total value of any money or equivalent value of goods you sent to your home country during the last month? (Please round up and specify currency unit)

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 ▶ **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. [22]

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. [23]

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). [24]

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. [25]

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. [26]

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. [27]

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

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

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

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

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

27 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. [28]

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. [29]

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". [30]

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. [31]

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.

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

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

30 ILO, "Media-Friendly Glossary on Migration: Middle East Edition".

31 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. [32]

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. [33]

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. [34]

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. [35]

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. [36]

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. [37]

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.

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

33 ILO, "Public Employment Services".

34 ILO General Principles and Operational Guidelines for Fair Recruitment.

35 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).

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

37 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. [38]

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.[39]

38 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

39 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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