

► Policy Brief

MAY 2026

Assessment of the registration, licensing and inspection mechanisms of private employment agencies in Ethiopia

► 1. Executive summary

Ethiopia is one of the largest labour-sending countries in East Africa. Overseas employment is vital for many households' livelihood and contributes significantly to the country's foreign exchange. Between 2018 and 2023, an estimated 839,000 Ethiopians migrated abroad for employment, with roughly 31 per cent going to Saudi Arabia. Other major destination countries include the United Arab Emirates (UAE), Qatar, Kuwait and Lebanon.

Labour migration contributes substantially to Ethiopia's macroeconomic stability. Annual remittance inflows exceed US\$5 billion, representing approximately 5 per cent of GDP. Ethiopian migrant workers are predominantly young, with a large proportion aged between 15 and 29 years, and are concentrated in domestic work, construction, security services and other low-skilled service-sector occupations. Women constitute a significant share of outbound migrants, reflecting the continued feminization of labour migration corridors, particularly into domestic and care work.

In recent years, Ethiopia has undertaken ambitious legal and institutional reforms to strengthen the governance of overseas employment. These include adopting a new Overseas Employment Proclamation and expanding digital oversight mechanisms through the Ethiopian Labour Migration Information System (ELMIS). While these reforms have strengthened regulatory clarity and transparency, persistent challenges remain in enforcement, informal recruitment, the quality of pre-departure training and the protection of overseas workers.

► 2. Migration context and trends

Labour migration in Ethiopia is driven by deep-rooted structural and demographic pressures. Rapid population growth, high youth unemployment, rural poverty and limited domestic job creation continue to push large numbers of Ethiopians to seek employment opportunities abroad. Each year, substantial cohorts of young people enter the labour market with limited prospects of formal employment, particularly outside major urban centres.

Migration flows are strongly gendered. Women account for a significant share of outbound migrants, especially in domestic work corridors to Saudi Arabia and the Gulf countries. Men are more often deployed in construction, security, logistics and service-sector roles. Migration decisions are often influenced by informal social networks, community recruiters and returnee narratives, which frequently overstate income potential while downplaying the risks of overseas employment.

Although Ethiopia has expanded formal deployment systems and tightened regulations, irregular migration remains widespread, particularly in rural areas. Many prospective migrants continue to rely on informal intermediaries or irregular routes because of limited access to licensed private employment agencies (PrEAs), high recruitment costs or a lack of awareness of formal procedures. This dual system, in which formal regulation coexists with informal recruitment, creates significant governance challenges and exposes migrant workers to heightened risks of deception, contract substitution, trafficking and exploitation.

► 3. National legal and institutional framework

3.1 Core legislation

Ethiopia's framework for managing overseas employment is anchored on a robust legal system, which includes:

- Overseas Employment Proclamation No. 1389/2025
- Labour Proclamation No. 1156/2019
- Relevant provisions of the Criminal Code addressing trafficking, forced labour and exploitation

The 2025 Proclamation represents a major reform milestone. It consolidates earlier legislation, strengthens licensing and inspection powers, regulates recruitment costs, mandates pre-departure training and formally embeds ELMIS as the national digital system for overseas employment governance. The Proclamation aims to reduce irregular migration, strengthen the accountability of recruitment agencies and enhance protection for migrant workers.

3.2 Institutional actors

Multiple institutions play interdependent roles within Ethiopia's overseas employment governance system. The **Ministry of Labour and Skills (MoLS)** is the lead authority responsible for licensing and supervising PrEAs, accrediting training centres, approving job orders and enforcing compliance through inspections and sanctions.

The **Ministry of Foreign Affairs (MoFA)** supports overseas employment governance through diplomatic engagement, negotiation of bilateral labour migration agreements (BLMAs) and consular protection for Ethiopian workers abroad. However, coordination between MoLS and MoFA remains largely ad hoc, particularly regarding complaint handling, employer engagement and repatriation processes.

The **Ethiopian Labour Migration Information System (ELMIS)** serves as the central digital platform for registering agencies, workers, contracts and job orders. Although ELMIS has improved transparency and traceability at the federal level, its integration with regional labour offices and embassies remains incomplete, limiting its effectiveness as a whole-of-government tool.

Social partners, including the **Ethiopian Overseas Employment Agencies Federation (EOEAF)**, trade unions and civil society organizations, contribute to

awareness-raising, worker support and advocacy. However, their involvement in monitoring, enforcement and policy reviews remains informal and uneven.

► 4. Regulation of private recruitment agencies

4.1 Licensing and inspection

As of 2024, over 1,200 active PrEA licences are registered in ELMIS, though this figure reflects destination-specific licensing rather than the number of unique companies. Licensing requirements include business registration, audited financial statements, pre-licensing inspections and a US\$100,000 security deposit.

Licences are issued for a two-year period. Inspections are conducted at multiple stages, including pre-licensing, renewal, routine monitoring and in response to complaints. While ELMIS enables digital tracking of inspections and sanctions, inspection coverage remains uneven, particularly in regions outside Addis Ababa, thereby limiting deterrence and enforcement consistency.

4.2 Business environment

PrEAs operate in a challenging business environment characterized by high regulatory and operational costs. Mandatory security deposits, compliance requirements, inspection fees and foreign exchange constraints significantly increase operating expenses, particularly for smaller and newly established agencies.

Agencies are also required to use Ethiopian Airlines for overseas deployments, limiting price flexibility and increasing costs relative to regional competitors. Delays in employer payments and foreign exchange shortages further strain cash flow. These pressures incentivize risk-averse behaviour, reduced deployment volumes or reliance on informal intermediaries to source workers more cheaply, undermining fair recruitment objectives.

► 5. Informal intermediaries and unethical recruitment

Informal intermediaries, locally known as *delalas* continue to play a dominant role in recruitment, especially in rural and peri-urban areas. These brokers often operate outside the regulatory framework, charging undocumented fees, misrepresenting job conditions and facilitating irregular migration.

Although unlicensed recruitment is criminalized, enforcement against brokers remains weak. Licensed agencies frequently rely on informal intermediaries to access the labour supply, blurring accountability and undermining regulatory integrity. The persistence of informal brokerage remains a major driver of migrant worker vulnerability in Ethiopia.

► 6. Pre-departure training and worker preparedness

Ethiopia mandates a 21-day pre-departure training programme covering language skills, workers' rights, destination-country laws, occupational safety and job-specific competencies. Despite this requirement, training quality and delivery remain inconsistent.

Reports indicate that training periods are often compressed, curricula are unevenly applied and certification fraud persists. Oversight of training providers is limited, and accreditation mechanisms remain weak. These gaps undermine workers' preparedness and contribute to disputes, contract misunderstandings and vulnerability abroad.

► 7. Complaints handling and protection abroad

Formal complaint mechanisms are available through MoLS offices, ELMIS and Ethiopian embassies. In practice, however, migrant workers face significant barriers in accessing timely remedies. Complaints often experience delays due to limited embassy staffing, unclear referral pathways and weak enforcement authority in destination countries.

Dedicated labour attachés are limited, and consular staff often lack specialized training in labour dispute resolution. Repatriation and emergency assistance remain largely ad hoc, straining government institutions and delaying support for distressed workers.

► 8. Bilateral labour agreements (BLAs)

Ethiopia has concluded both BLAs and memoranda of understanding (MoUs) with Saudi Arabia, the UAE, Qatar, Kuwait and Lebanon. These agreements establish frameworks for recruitment, contract recognition and worker protection. However, implementation monitoring remains weak, and there is

limited systematic tracking of employer compliance or of grievance resolution outcomes.

Stakeholder awareness of BLA provisions is uneven, which reduces their effectiveness as accountability instruments.

► 9. Key gaps and challenges

- Persistent dominance of informal intermediaries
- High recruitment costs and exposure to debt
- Uneven inspection and enforcement capacity
- Weak quality assurance of pre-departure training
- Limited overseas protection mechanisms
- Inconsistent monitoring of BLAs

► 10. Priority recommendations

The following recommendations address the structural, operational and protection gaps identified in Ethiopia's overseas employment system.

10.1 Strengthen and operationalize the National Migration Governance Coordination Framework

The National Partnership Coalition (NPC) and its Technical Working Groups (TWGs) should be formally recognized, adequately resourced and mandated to coordinate the implementation of labour migration policy. Clear mandates, reporting lines and accountability arrangements should be established between federal institutions and Regional Partnership Coalitions (RPCs), with quarterly coordination meetings institutionalized to support joint planning and information sharing.

Strengthening the NPC secretariat is critical to enable systematic data sharing, performance tracking and monitoring across stakeholders, including oversight of PrEAs. Labour migration indicators and PrEA compliance data should be integrated into existing monitoring and reporting frameworks to avoid the creation of parallel coordination structures and to promote evidence-based decision-making across the migration governance system.

10.2 Expand overseas worker protection through labour attachés and embassy-based monitoring

Ethiopia should significantly strengthen post-deployment protection mechanisms by deploying labour attachés to priority destination countries with high deployment volumes and reported grievances, namely Saudi Arabia, the United Arab Emirates, Oman and Qatar. At least four labour attachés should be appointed in the first phase.

Labour attachés should be mandated to conduct regular welfare check-ins, verify employers and contracts, facilitate dispute resolution and collect field-level data to inform domestic policy and enforcement actions. Their work should be institutionally embedded within embassies and closely coordinated with MoLS.

In parallel, technical labour migration units should be established within embassies to strengthen monitoring of bilateral labour agreements (BLAs). These units should validate PrEA contracts prior to deployment, assess employers' compliance with agreed standards and track grievances through an embassy-linked ELMIS dashboard.

10.3 Upgrade ELMIS for transparency, accessibility and post-deployment monitoring

ELMIS should be upgraded from a primarily administrative system to a comprehensive governance and accountability platform. Enhancements should include role-based public access for key stakeholders, with aggregated data on recruitment trends, agency performance and destination-country risk indicators.

To improve accessibility, particularly for rural users, ELMIS should incorporate mobile-friendly interfaces and local-language support. These upgrades would improve transparency, enable community-level verification of licensed PrEAs and support evidence-based oversight.

In addition, post-deployment monitoring modules should be integrated into ELMIS, including embassy-based worker check-ins, employer review tools and mobile complaint submission forms. PrEAs should be required to update post-deployment data as a condition of licence renewal, thereby embedding overseas monitoring within domestic compliance systems.

10.4 Introduce a digital reporting and grievance redress system

A dedicated digital reporting and grievance redress mechanism should be introduced within ELMIS to enable migrant workers to report recruitment experiences, contract violations and abuse, and to track the resolution of complaints in real time.

As part of this system, licensed PrEAs should be required to declare all intermediaries and recruiters involved in sourcing workers. These intermediaries should be digitally registered in ELMIS, creating transparency across recruitment chains and enabling enforcement action against unregistered brokers.

This approach would strengthen accountability, reduce information asymmetry and provide MoLS with actionable data to identify high-risk agencies, corridors and employers.

10.5 Standardize and enforce pre-departure and skills training

Ethiopia should consolidate existing training requirements into a unified, mandatory pre-departure training curriculum applicable to all migrant workers, regardless of destination or sector. All recruits should be required to attend accredited training centres, with completion digitally tracked through ELMIS.

Enforcement mechanisms should be strengthened, including penalties for PrEAs that bypass or abbreviate training requirements. Quality assurance should include routine inspections, digital attendance tracking and independent assessment of training outcomes.

To support safer and higher-value migration pathways, TVET programmes should be aligned with PrEA recruitment, particularly for semi-skilled migration. This includes mapping sectoral demand, developing tailored curricula, recruiting exclusively from accredited technical and vocational education and training (TVET) institutions for sector-specific job orders and partnering with international certification bodies to enhance skills recognition abroad.

10.6 Expand and strengthen one-stop centres (OSCs)

One-stop centres (OSCs) should be expanded and strengthened as frontline hubs for labour migration governance. PrEA services should be integrated into OSCs to enable real-time job matching, contract vetting and training validation.

OSCs should be expanded into high-migration zones using a hub-and-spoke model, to ensure access for rural and peri-urban communities. Strengthening OSCs would reduce reliance on informal intermediaries and improve early-stage protection for prospective migrants.

10.7 Leverage digital financial and telecommunications infrastructure for worker protection

Ethiopia should leverage national digital infrastructure, particularly Ethio Telecom, to strengthen wage monitoring and improve worker communication. All recruits should be pre-registered on Telebirr prior to deployment to enable salary tracking and reduce wage theft.

Automated alerts should be implemented for missed or delayed salary payments, and a dedicated helpline should be embedded to route grievances directly into the ELMIS complaint system. This integration would provide an additional layer of protection and real-time visibility of employer compliance.

10.8 Launch targeted public awareness campaigns on fair migration

Sustained public awareness campaigns should be launched to educate communities about the risks of informal recruitment and the benefits of using licensed PrEAs. Campaigns should promote official ELMIS listings, one-stop centres and legal recruitment pathways.

These efforts should be coordinated with civil society organizations and local governments and tailored to high-migration areas through radio, community dialogues and digital platforms. Strengthening community-level awareness is essential to reducing reliance on informal intermediaries and on irregular migration.

► 11. Annex: Action plan matrix

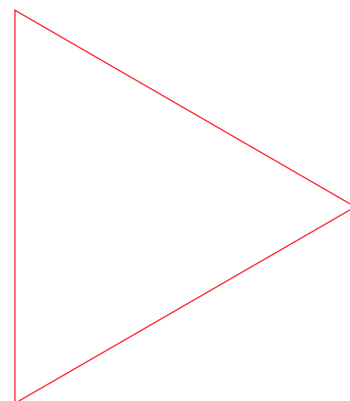
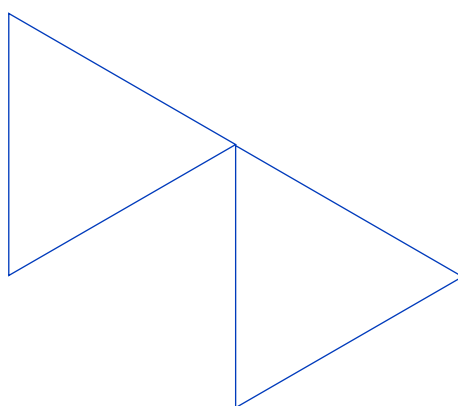
Recommendation area	Key actions	Responsible entity	Timeline
National migration governance coordination	Strengthen and operationalize the National Partnership Coalition (NPC) and its Technical Working Groups (TWGs); clarify mandates and reporting lines between federal and regional structures (RPCs); institutionalize quarterly coordination meetings; strengthen secretariat capacity; integrate labour migration indicators and PrEA oversight into existing monitoring frameworks	MoLS, MoFA, PrEAs, trade unions, civil society	12 months
Digital governance (ELMIS)	Strengthen legal anchoring; develop standard operating procedures; train users	MoLS, MoFA	12–24 months
PrEA inspections	Recruit inspectors; digitize inspections; enforce sanctions	MoLS, PrEAs	12–36 months
Broker regulation	Register intermediaries; criminalize unregistered activity; public blacklist	MoLS, police	12–24 months
Pre-departure training	Standard curriculum; third-party certification	MoLS, training centres	6–18 months
Labour attachés	Deploy focal officers; establish embassy labour desks	MoLS, MoFA	12–36 months
Worker protection	Establish protection mechanisms; clarify repatriation funding	MoLS	18–36 months
BLAs	Stakeholder review; publish agreements; monitor compliance	MoFA, MoLS	Ongoing

► 12. Conclusion

Ethiopia has established one of the most comprehensive legal and institutional frameworks for governing overseas employment in the East African region. The adoption of the Overseas Employment Proclamation No. 1389/2025 and the operationalization of the Ethiopian Labour Migration Information System (ELMIS) demonstrate a strong policy commitment to regulating labour migration, protecting migrant workers and promoting fair recruitment practices in line with international labour standards.

However, the effectiveness of this framework is constrained by persistent implementation challenges. Enforcement capacity remains uneven across regions, informal recruitment networks continue to undermine formal systems, and quality-assurance mechanisms for pre-departure training require strengthening. In destination countries, limited embassy capacity and the absence of systematic post-deployment monitoring reduce institutions' ability to respond effectively to abuse, contract violations and worker distress.

Addressing these challenges will require a strategic shift from legal reform to operational consolidation. Priorities include expanding inspection and enforcement capacity, disrupting informal brokerage, strengthening training oversight and enhancing overseas protection through embassy-based mechanisms and structured monitoring of bilateral labour agreements. By embedding these reforms in existing digital systems and institutional mandates, Ethiopia can translate its robust regulatory framework into tangible protection outcomes for migrant workers while sustaining the economic benefits of overseas employment.



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