International Labour Organization

Stemming Irregular Migration in Northern and Central Ethiopia: A Socio-Economic Assessment (SEA)

A five-region synthesis report





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Stemming Irregular Migration in Northern and Central Ethiopia: A Socio-Economic Assessment (SEA): A five-region synthesis report

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Foreword

With an estimated population of nearly 95 million in 2017, Ethiopia is the second-most populous country in Africa. The population growth rate of 2.6 per cent is amongst the highest rates in Africa. The Central Statistical Agency projects that, at this rate of growth, the total population of the country will reach 105 million by the year 2022.

Since 2005, the Ethiopian economy has been growing more than 10 per cent, on average. The economy is dominated by agriculture, with an overwhelming majority of smallholder subsistence farmers who produce more than 94 per cent of the total agricultural production. Agriculture also provides more than 72.7 per cent of employment to the population. However, the sector suffers from multi-dimensional challenges, such as recurrent droughts, low productivity, and limited usage of technology.

Ethiopia has become an important origin and transit point for migration flows in the Horn of Africa. The country also hosts the largest number of refugees in Africa. According to UNHCR, as of July 31, 2017, there were 847,232 registered refugees and asylum-seekers in Ethiopia. Migration (mainly irregular) has become a major socio-economic phenomenon in Ethiopia owing to various political, social, and economic developments at the national, regional, and international levels. The last few years have witnessed a significant increase in the rate and magnitude of migration of Ethiopians to different countries. Youth between the ages of 15 to 35 years who are unable to secure a decent livelihood or engage in productive employment are prone to migration. The key drivers of migration—among others—include poverty and destitution, unemployment and underemployment, severe rural land scarcity and landlessness, lack of diversified livelihood opportunities, and youth aspirations. The main destinations of Ethiopian migrants are Gulf Cooperation Council countries, Europe, USA, the Sudan, South Sudan, and South Africa.

Under the aegis of the SINCE *(Stemming Irregular Migration in Northern and Central Ethiopia)* programme, the ILO is implementing the project, 'Addressing the Root Causes of Migration in Ethiopia'. As an implementing agency of the SINCE project, ILO conducted a comprehensive socio-economic assessment in migration-prone areas.

The assessment, which was undertaken in five high migration-prone regions—Addis Ababa, Tigray, Amhara, Southern Nations, Nationalities and Peoples, and Oromia—provides a deeper understanding of the dynamics of migration in Ethiopia, particularly on major migration trends in the target areas and the correlation between migration and socio-economic characteristics of individuals. It also provides a

nuanced and in-depth understanding of the role of various stakeholders and potential partners (national, international, local) and their ongoing efforts to tackle migration-related challenges.

The assessment highlights the correlation between the lack of employment opportunities and decent work provisions at the local and national levels resulting in migration of young adults, both men and women, across and beyond Ethiopia.

The assessment also provides policy recommendations in addressing and mitigating the root causes of migration. I believe that unless there are joint multi-stakeholder interventions on the suggested recommendations and the establishment of effective coordination mechanisms on youth employment and job creation, irregular migration will continue.

I would like to thank the different line ministries and bureaus of the Government of the Federal Democratic Republic of Ethiopia, chiefly that of Labour and Social Affairs at the federal and regional levels, for their guidance and support in the development of the assessment. I would also thank the Italian Embassy, coordinator of the SINCE project and the European Union (EU) delegation in Ethiopia, for their financial and technical support.

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Sudan and South Sudan and Special Representative to the
African Union (AU) and the UN Economic Commission for Africa (ECA)

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We would like to acknowledge the role of Forum for Social Studies, Ethiopia, who were contracted to undertake the socio-economic assessments under the guidance and supervision of the ILO Country Office in Addis Ababa.

This study would not have been possible without the overwhelming support of experts in the Ministry of Labour and Social Affairs and the Bureaus of Labour and Social Affairs in the study regions of Addis Ababa, Tigray, Amhara, Southern Nations Nationalities and Peoples (SNNP), and Oromia. Their inputs on the selection of the assessment areas, as well as overall assistance in the collection of primary and secondary data for the assessments is greatly appreciated. We also acknowledge the contribution of government line departments, such as Technical Vocational Education and Training Bureaus, Bureaus of Youth and Sports Affairs, Ministry of Finance and Economic Cooperation, Central Statistical Authority, Plan and Finance Bureaus, Micro and Small Enterprises Development Bureaus, Chambers of Commerce, Education Bureaus, Bureaus of Women and Children Affairs, Public Service and Human Resources Bureau, and Regional Micro-finance Institutions, in providing data and being part of the Key Informant Interviews. The valuable feedback provided by the Italian Embassy, European Union, and United Nations Industrial Development Organization in Addis Ababa contributed to the development of the report.

We are also grateful to the European Union for its technical and financial support for the production of this report.

Ms. Aida Awel (Labour Migration CTA) supervised the study and contributions of colleagues in the Migration team are acknowledged. Ms. Ruchika Bahl, Chief Technical Advisor, Labour Migration, and Mr. Ayalu Admass, National Project Coordinator, provided detailed inputs and comments during the revision and editing of the report.

Lastly, the assessments would not have taken place had it not been for the candid insights and selfless participation of numerous informants, mainly youth (unemployed, underemployed, TVET and university graduates, returnees, Eritrean refugees, and government officials and experts) who participated in Focussed Group Discussions and Key Informant Interviews. We sincerely thank them for their contribution.

Project on 'Addressing Root Causes of Migration'
International Labour Organisation
Addis Ababa, Ethiopia

List of Acronyms

ACSI	Amhara Credit and Savings Institute
ARRA	Administration for Refugee and Returnee Affairs
BDS	Business Development Services
BoE	Bureau of Education
BoFED	Bureau of Finance and Economic Development
BoLSA	Bureau of Labour and Social Affairs
BoWCA	Bureau of Women and Children Affairs
CETU	Confederation of Ethiopian Trade Unions
COC	Centre of Competence
CSA	Central Statistics Agency
CSI	Credit and Savings Institution
CSO	Civil Society Organisation
DECSI	Debit Credit and Savings Institution
DoLSA	Department of Labour and Social Affairs
E.C.	Ethiopian Calendar
ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
EEF	Ethiopian Employers' Federation
EFFORT	Endowment Fund for the Rehabilitation of Tigray
EFP	Ethiopian Federal Police
EGSECE	Ethiopian General Secondary Education Certificate Examination
EHEECE	Ethiopian Higher Education Entrance Certificate Examination
EMRCS	Emergency Migration Response Centres
EOC-DICAC	Ethiopian Orthodox Church Development and Inter-Church Aid Commission
ESDP	Education Sector Development Programme
ETB	Ethiopian Birr
FBO	Faith Based Organisation
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussion
FSS	Forum for Social Studies
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GEI	Gross Enrolment Index
GER	Gross Enrolment Ratio
GNI	Gross National Income
GoE	Government of Ethiopia
GTP I	Growth and Transformation Plan I
GTP II	Growth and Transformation Plan II
ILO	International Labour Organization
IOM	International Organization for Migration

JRS	Jesuit Refugee Services
KII	Key Informant Interview
KSA	Kingdom of Saudi Arabia
LMI	Labour Market Information
MDGs	Millennium Development Goals
MFIs	Micro-finance Institutions
MoE	Ministry of Education
MoFEC	Ministry of Finance and Economic Cooperation
MoFED	Ministry of Finance and Economic Development
MoLSA	Ministry of Labour and Social Affairs
MoUDC	Ministry of Urban Development and Construction
MSE	Micro and Small Enterprise
MSEDA	Micro and Small Enterprise Development Agency
NEPS	National Employment Policy and Strategy
NGO	Non-Governmental Organisation
NRC	Norwegian Refugee Council
OCP	Out of Camp Policy
OPRIFS	Organization for Prevention, Rehabilitation and Integration of Female Street Children
OSCA	Oromia Savings and Credit Association
OSF	Occupational Standard Framework
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PEAs	Private Employment Agencies
PES	Public Employment Service
REST	Relief Society of Tigray
RJOCDA	Rural Job Opportunity Creation and Development Agency
SACCOs	Savings and Credit Cooperatives
SDPRP	Sustainable Development and Poverty Reduction Program
SEA	Socio-Economic Assessment
SINCE	Stemming Irregular Migration in Northern and Central Ethiopia
SMEs	Small and Medium Enterprises
SNNPR	Southern Nations, Nationalities, and Peoples' Region
SoM	Smuggling of Migrants
TiP	Trafficking in Persons
TPLF	Tigrayan People's Liberation Front
TVET	Technical and Vocational Education and Training
UNHCR	United Nations High Commissioner for Refugees
UNODC	United Nations Office on Drugs and Crime
WEDEP	Women Entrepreneurship Development Project

Executive Summary

Forum for Social Studies (FSS) was contracted by International Labour Organization (ILO)[1] to conduct Socio-Economic Assessments (SEAs) in four regional states of Ethiopia—Tigray, Amhara, Oromia, Southern Nations, Nationalities and Peoples (SNNP)—and three sub-cities in the Addis Ababa City Administration (Arada, Addis Ketema, and Kirkos) with the aim of identifying the root causes of irregular migration in these high migration-prone regions and to recommend possible interventions to stem this flow.

This paper defines irregular migration as movement that takes place outside the regulatory norms of the sending, transit, and receiving countries. The general objective of this SEA is to examine correlations between irregular migration trends and the socio-economic situation of the study regions. The SEA was carried out during the inception phase of the project titled, Stemming Irregular Migration in Northern and Central Ethiopia (SINCE). The assessment was financed by the European Union under a delegation agreement through the Italian Agency for Development and Cooperation as part of an initiative to address the root causes of irregular migration in Ethiopia. This synopsis has been compiled from the findings of the national synthesis report and the four regional and Addis Ababa City Administration reports.

The data and information for the assessments were collected using conventional scientific methodology, including Key Informant Interviews (KIIs), Focus Group Discussions (FGDs), and field observations. The assessments used primary and secondary data along with field observations to provide a comprehensive understanding of the demographic, socio-economic, and labour market dynamics that impact irregular migration in the target regions. The fieldwork for the SEAs was carried out from January 1 to January 26, 2017. A total of 58 FGDs and 186 KIIs were conducted with carefully selected stakeholders that included potential migrants (chiefly unemployed and underemployed youth), returnees from the Gulf Cooperation Council (GCC) states in 2013, migrant families, local government officials, Eritrean refugees, and civil society and community activists and leaders. The secondary sources of data were obtained from Central Statistical Agency (CSA), Demographic and Health Survey (DHS), Bureau of Finance and Economic Development (BoFED), Ministry of Finance and Economic Development (MoFED), Ministry of Labour and Social Affairs (MoLSA), Bureau of Labour and Social Affairs (BoLSA), and periodic national and regional labour surveys at different levels.

Since 2005, the Ethiopian economy has been growing at the rate of more than 10 per cent. In spite of this consecutive growth, the economy continues to be agriculture dominated. Smallholder subsistence farmers who produce more than 94 per cent of the total agricultural yield overwhelmingly dominate the sector, and agriculture provides more than 72.2 per cent of employment to the population. However, the sector suffers from multidimensional challenges, such as recurrent droughts, low productivity, and limited usage of technology.

With an estimated population of nearly 95 million in 2017, Ethiopia is the second-most populous country in Africa, next only to Nigeria. The country also has a high population growth rate; the current

[1]The SEAs were conducted under the overall supervision of the ILO team.

2.6 per cent average growth rate falls among the highest rates in Africa. The Central Statistical Agency projects that, at this rate of growth, the total population of the country will touch approximately 105 million by the year 2022. The majority—more than 80 per cent—of the country's population live in the four highly populous regions that were selected for the SEA.

Even though more than 80 per cent of Ethiopia's population lives in rural areas, recent years have exhibited a high rate of urbanisation and an increase in the urban population, with a concurrent slight decline in the share of its rural population. This indicates that, besides rapid urbanisation of rural areas, there is a marked increase in out-migration from rural areas to cities. A significant number of migrants travel outside the country in search of better opportunities.

Millions of Ethiopia's youth join the job market annually. While there were 1.4 million new entrants to the job market in 2005, this is expected to rise to 2.7 million by 2030 and by 2050, to 3.2 million (UNCTAD 2013). Because Ethiopia's population is very young—the 2007 census states that by 2016, 73 per cent of the total population will be in the 0-29 years' age bracket—a major goal of Ethiopia's educational policy is to contribute to national development plans and aspirations by enabling a qualified and trained workforce. Currently, as per the 2007 census, the country's working population (ages 15-64 years) constitutes 53 per cent of the population. To attain this goal, the education system is structured into different, systematically interrelated units: preschool (1-3), primary education, general secondary education, Technical and Vocational Education and Training (TVET I-V), and higher education. Access to education has been expanded in the past decades at all levels with concomitant sharp increases in the number of teachers, schools, and institutions throughout the country. However, Ethiopia's educational sector faces the double-edged challenge of low quality, coupled with limitations in matching education/training with labour market demands.

In a determined bid to provide protection for migrants and victims of trafficking, the Government of Ethiopia (GoE) has ratified the key international instrument—Proclamation against Trafficking in Persons and Smuggling of Migrants No. 909/2015—which imposes strong sanctions on traffickers—to combat this problem. Several institutions are focussed on the prevention and control of trafficking, such as the National Anti-Human Trafficking Council (NAHTC) and National Anti-Trafficking and Smuggling Taskforce (NATST), which are furthering this resolve.

The labour market in Ethiopia is governed by national-level policies as well as public and private institutions which are dedicated to the provision of different services to unemployed youth. There is, however, limited coordination between these organisations in the provision of employment services and in the dissemination of well-organised Labour Market Information (LMI) to job seekers and potential employers. On the positive side, the government has put in place major active labour programmes, including the recently launched 10 Billion Birr revolving fund, to primarily support self-employment among Ethiopian youth.

International migration is a major socio-economic phenomenon in Ethiopia arising from political, social, and economic factors at the national, regional, and international levels. The last few years have witnessed a significant increase in the rate and magnitude of migration of Ethiopians to different

countries. The key drivers of migration—poverty and destitution, unemployment and underemployment, severe rural land scarcity and landlessness, lack of diversified livelihood opportunities and youth aspirations—have been responsible for this. The most vulnerable populations are youth aged 15 to 35 years who are unable to secure a decent livelihood or engage in productive employment.

The main destinations of Ethiopian migrants are Gulf Cooperation Council countries (Kuwait, Beirut, Kingdom of Saudi Arabia, Qatar, and United Arab Emirates), Europe, USA, Sudan, South Sudan, and South Africa. The GCC countries, in particular, have been identified as major migrant destination centres. Providing productive employment opportunities in both rural and urban areas for the country's youth is a huge challenge. In recent years, variations have been observed in the share of the economically active population at the national level, as well as labour market trends and characteristics at national and regional levels. For example, the agricultural sector at the national level covered 72.7 per cent of employment, while the service, manufacturing and construction sectors covered 19.6 per cent, 4.49 per cent and 1.95 per cent, respectively. It should also be noted that there is a variation between urban and rural areas; in the former, the service sector is the major employer (61 per cent), while agriculture, manufacturing, and the construction sectors covered 13.54 per cent, 14.40 per cent and 5.52 per cent, respectively (CSA, 2013).

National unemployment trends show that the average national unemployment rate was between 4.5 per cent and 5 per cent. Expectedly, there is a difference between urban and rural areas. While rural unemployment was estimated to be around 2 per cent in 2013, urban unemployment in the same year was estimated at 16.5 per cent (Ibid). There are gender and age variations too: women's unemployment is higher in both rural and urban areas at national and regional levels. In terms of age, youth unemployment is higher than in other age groups.

There is no survey which presents the overall national picture of educational attainment of the working population, a good indicator of potential demand for job opportunities. The only data available in relation to this is the urban labour force survey (CSA, Urban Employment-Unemployment Survey, 2016), which only presents the total training status of the regional urban working population. According to the survey, more than two-thirds of the working population have not received any training that is relevant to their jobs, with the female working population having received even less training than males in almost all regions.

Key aspects and challenges of labour market trends in the four regions and Addis Ababa City Administration, including employment and unemployment rates, sectoral distribution of employment, registration and dissemination of labour market information and management of employment services, were assessed. In all these areas, key deficiencies that require policy attention have been spelt out. In addition, the central actors involved in the management of labour market information have been identified. The study also highlights the major limitations in the management of labour market information and in the creation of employment through Micro and Small Enterprises (MSEs)—including procedures in the formalisation of MSEs, higher interest rates of the disbursed loans, inability to meet

the requirement to the pre-loan deposit of 20 per cent, and cultural/religious factors that discourage some young people from taking loans from microfinance institutions.

The SEA makes several recommendations. The development of the MSE sector by the GoE was found to be crucial in providing employment opportunities and income for young people. In order to enhance this sector's effectiveness as job and income creation vehicles for young people seeking better economic and social opportunities and to also stem illegal migration, it is recommended that the MSE graduation should lend more focus to new enterprise development, and should also have the capability to grow enterprises. This streamlining will ensure that when enterprises supported through MSE ventures earn the maximum capital of 1.5 million Birr, new self-employment opportunities are created for the unemployed, fresh graduates, and returnees looking for employment opportunities. In addition, it is also recommended that the MSE registration and access to microfinance policy, which requires 20 per cent pre-loan savings to enable a loan, be revisited to make the system more youth-friendly.

Regarding TVET training and capacity building programmes, it is recommended that improving education quality and apprenticeship schemes and designing long- and short-term plans to work towards the specialisation of TVETs is essential. To enable this, assistance should be provided to TVET agencies and education bureaus to conduct needs assessments and to ramp up their trainings to include marketable skills.

An integrated and coordinated response by different stakeholders is strongly recommended to reduce unemployment among the youth, thereby discouraging legal and illegal migration inducements. This requires unwavering political commitment in building a conducive atmosphere and putting in place proper mechanisms to enable appropriate implementing partners across all sectors—the government, private sector, Civil Society Organisations (CSOs), Faith Based Organisations (FBOs), and bilateral and multi-lateral organisations/development partners—to play an effective role in generating employment opportunities for young people in search of economic and social advancement.

Making available timely and well organised labour market information to people in search of potential employers and employment opportunities is recommended as a measure that is intrinsic to furthering the economic future of the country's youth. Specifically, this would necessitate the following: streamlining job registration procedures by private and public employment service agencies to make them job-seeker friendly; making available up-to-date information on existing employment opportunities for job seekers; providing timely information on skills and expertise available in the market to potential employers; making available information on training opportunities for those seeking jobs; and creating a conducive environment for schemes that provide opportunities to the unemployed, such as effective school-to-work transition programmes and revolving funds as start-up capital for youth.

For particular target groups, such as returnees, it is suggested that specific steps be taken by different stakeholders to improve their situation. This includes establishing rehabilitation centres, availing of special funds for returnees, initiating programmes to develop the capacity and marketable skills of the group, and providing information on current employment opportunities. In terms of Eritrean refugees as

a special category,[2] it is recommended that certain steps be taken to ameliorate their situation, including working closely with organisations that work with Eritrean refugees and supporting consultation projects and sessions to make them client friendly.

It is recommended that stakeholders working to create better employment opportunities and livelihood opportunities take appropriate measures to advance self-entrepreneurship and enterprise creation. Specific steps to be considered include: making entrepreneurship development centres more accessible; encouraging the development of innovation incubation centres; establishing idea and best practice exchange platforms; and supporting business development services of MSE offices.

ILO presented the findings of the SEA at a dissemination workshop organised on May 19, 2017, in Addis Ababa in collaboration with the Embassy of Italy, United Nations Industrial Development Organization (UNIDO), European Union (EU), and the Government of Ethiopia. The objective of the workshop was to share and validate the results of the SEA amongst multi-stakeholders in the region. Thus, the 67 workshop attendees[3] represented a wealth of practitioners and policy makers from diverse fields working in local and international NGOs, the government, UN organisations, and the EU. The urgent need to develop and plan coordinated and joint efforts on job creation and decent work in the region in order to stem irregular migration was met with resounding joint consensus. Participating organisations/stakeholders expressed their unequivocal commitment to action the joint recommendations that emerged. These included:

- Introduce a policy that enhances collaboration among various labour market institutions;
- Establish an effective labour market information system;
- Improve the capacity of public employment services to register and document job seekers and va cancies; and
- Enhance smooth school-to-work transition programmes for university and TVET graduates by job opening up doors to apprenticeships, creating access to career and guidance services, and incorporat ing fairs to disseminate professional direction and support to young people.

[2]Eritrean refugees who are benefitting from the government of Ethiopia's Out of Camp Policy.

[3]Please see Annex 2 for the list of attendees.

1 Research Background and Purpose

1.1 Introduction

Migration has become a major socio-economic phenomenon in Ethiopia owing to certain political, social and economic developments at the national, regional, and international levels. As a result, the last few years have witnessed a significant increase in the rate and magnitude of out-migration of Ethiopians to different countries. The share of migration out of Ethiopia has shown an increasing trend between 2000 and 2015; in 2000, the international Ethiopian migration stock was 442,161, which grew to 753,492 in 2015 (UN, 2015). Expectedly, this has created serious socio-economic and political challenges not only in Ethiopia, but in the receiving countries as well.

Furthermore, with Ethiopia having become an important origin and transit point for migration flows in the Horn of Africa, the country also hosts the largest number of refugees in Africa. As of December 2016, there were793,321 registered refugees and asylum-seekers in Ethiopia. Of this number, Eritrean refugees constitute 165,252 (20.83 per cent). A number of other 81,078 Eritrean refugees, previously registered as living in the camps, are believed to have spontaneously settled elsewhere in Ethiopia (UNHCR, December 2016 Fact Sheet). At 42.71 per cent (338.823 people), South Sudan refugees constitute the majority of the refugee population, followed by Somalis (30.46 per cent; 241,624 people) and Eritreans (20.83 per cent; 165,252 people).

Irregular migration remains a challenge for Ethiopia; migrants are smuggled and trafficked in significant numbers through three main routes. The eastern route is via Djibouti (Obock), Somaliland, Puntland (Bosaso) and Yemen into Saudi Arabia, Gulf Countries, and the Middle East. The Southern route is through Kenya, Tanzania, and other African countries and onward to South Africa. Finally, the Northern route transits through Sudan, Egypt, and Libya, and onward into Europe by crossing the Mediterranean Sea. A large number of Ethiopians as well as Somali and Eritrean nationals transiting through refugee camps in Ethiopia use this route to go to Europe.

Various governments and non-governmental and international agencies have tried to unpack the major drivers of irregular migration from the country: youth unemployment and underemployment, poverty and destitution, peer and family pressure, the desire for quick economic success, availability of perceived economic/job opportunities in the receiving countries, and the presence of illegal brokers and traffickers are some of the major factors. From among these, economic necessity are often cited as the major push factor for youth migration from the country (Amel, 2012; Asnake and Zerihun, 2015; Broussara and Tsegay, 2012).

In order to tackle unemployment and underemployment (the main cause of migration), and to manage migration and its associated challenges, the Ethiopian government has shown its commitment through the development of various legal frameworks that govern labour markets and migration. Among these, the most important are the Labour Proclamation No. 377/2003, Employment Exchange Service Proclamation No. 632/2009, Overseas Employment Proclamation No. 923/2016, National Employment Policy and Strategy of Ethiopia, and Right to Employment of Persons with Disability Proclamation No. 568/2008. The government also endorsed the Employment Exchange Services Proclamation (No.

632/2009) with the view to improve labour migration management in the country. Additionally, in order to synchronise anti-trafficking programmes across regional, zonal, and district levels, the government formed a National Anti-Trafficking Council and Taskforce in 2012. Moreover, in response to the growing incidents of abuse and human rights violations on Ethiopian labour migrants in Gulf countries, since October 2013 the government has placed a ban on all overseas recruitment by private overseas employment agencies. In line with the development of legal provisions discussed above, various government institutions have been given the directive to implement and manage the country's legal frameworks. In August 2015, the Proclamation against Trafficking in Persons and Smuggling of Migrants (No. 909/2015) was enacted by the Ethiopian Parliament. Finally, in 2016, the government allocated a 10 billion Birr revolving fund to expand job creation and wealth generation opportunities for its youth.

In addition to the efforts of the Ethiopian government, the intensity of the problem of irregular migration and its far-reaching consequences led to the launching in 2016 of the Stemming Irregular Migration in Northern and Central Ethiopia (SINCE) programme [4] The overall objective of the project is to contribute to reducing irregular migration from northern and central Ethiopia by improving the living conditions of the most vulnerable populations, particularly that of returnees and potential migrants, with especial focus on youth and women. SINCE's specific objective is to create greater economic and employment opportunities by establishing inclusive economic programmes. Towards this end, the ILO collaborated with Forum for Social Studies to undertake the SEAs of SINCE target region

1.2 Objective of the Socio-Economic Assessment (SEA)

The SEA was intended to provide a deeper understanding of both demographic and labour market trends with reliable and up-to-date data and information to aid effective, efficient, and sustainable interventions to stem irregular migration. The general objective of the task was to compile and analyse comprehensive demographic, labour-market, and socio-economic data pertaining to the target beneficiaries, regions, and city administration. The following interrelated specific objectives defined the assessment:

a) Identify major migration trends in the target areas and establish correlations/co-causations between migration and socio-economic characteristic of individuals.

b) Analyse the job-creation potential and relevance of various sectors, sub-sectors, and value chains in the selected geographic areas, and recommend interventions that can best serve these sectors in order to serve youth, returnees, and other potential migrants.

c) Ensure targetted skills development interventions in favour of the project beneficiaries so as to harness existing labour market demands and create economic opportunities for self-employment and wage employment.

d) Conduct a detailed mapping of the existing stakeholders and potential partners (local, national, and international) and their ongoing efforts to tackle labour market challenges in order to forge

[4] SINCE is managed by the European Union in Ethiopia, this programme has been delegated to the Embassy of Italy in Addis Ababa.

synergy, complementarity, as well as identify potential areas of collaboration, particularly with reference to the SINCE programme.

1.3 Assessment Methodology

1.3.1 Selection of Research Areas

The assessment was conducted in the regional states of Tigray, Amhara, Oromia and SNNP, and Addis Ababa City Administration. Three zones from each regional state were selected for the assessment by the SINCE project's technical working group. These are:

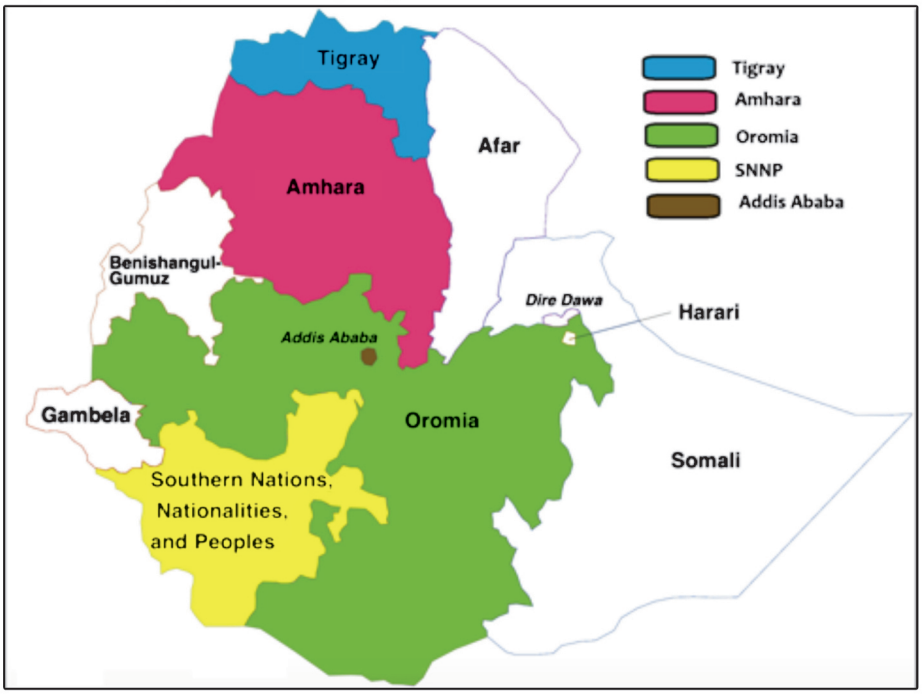
- Oromia: West Arsi, Jimma, and Bale zones
- Amhara: South Wollo, North Wollo, and Oromia zones
- SNNPR: Silte, Hadiya, and Gurage zones
- Tigray: Eastern, Southern, and Central Tigray zones
- Addis Ababa City Administration: while the general study covered the entire city, three woredas, namely, Arada, Addis Ketema, and Kirkos, were selected for intensive scrutiny

One woreda from each zone was selected in consultation with relevant regional and zonal/sub-city Bureau of Labour and Social Affairs offices for an in-depth assessment. The major criteria for the selection of the woreda for grassroots-level data and information procurement were: history of migration and level of exposure to irregular migration, and level and intensity of youth unemployment and migration based on the information collected from regional BoLSA offices. Accordingly, the assessment covered four regional states and Addis Ababa City Administration, nine zones/sub cities, and 15 woredas (i.e., three woredas per region).

Table 1: Selected regions, zones and woreda for the socio-economic assessment

N/o	Region	Zone	Woreda	FGDs	KIIs
1.	Amhara	1. North Wollo	Kobbo	12	35
		2. South Wollo	Kombolcha		
		3. Oromia Special Zone	Kemise		
2.	SNNPR	1. Hadiya	Limu/Hosa'ena	13	32
		2. Silti	Silte		
		3. Gurage	Mesqan/Burajira		
3.	Oromia	1. West Arsi	Adabba	12	39
		2. Bale	Sinana		
		3. Jimma	Sentema		
4.	Tigray	1. Central Zone	Aferom	9	42
		2. South Zone	Rayya-Alamata		
		3. Central Zone	Atsibi		
5.	Addis Ababa	4. Addis Ketema	Woreda 7	12	38
		1. Kirkos	Woreda 10		
		2. Arada	Woreda2		

Figure 1: Map of the study regions



1.3.2 Data Collection Methodology

The data and information for the SEA was collected using conventional scientific methodology, including KIIs, FGDs, and field observations. To ensure that all the elements listed in the Terms of Reference (ToR)[5] were properly addressed, a comprehensive checklist was developed that showed details of the information and its possible sources. Primary and secondary data were backed by field observations to provide a comprehensive understanding of the demographic, socio-economic, migration, and labour market dynamics in the target regions.

Primary data were collected from systematically selected stakeholders through key informant interviews, focus group discussions, and field observations. The stakeholders included local government officials, civil society and community activists and leaders, and potential migrants—mainly unemployed and underemployed youth, returnees, migrant families, and Eritrean refugees. Key informant interviews were conducted using open-ended and semi-structured interview methods with selected individuals for their knowledge and information (example: beneficiary groups, officials and experts, associations and chambers of commerce, CSOs, and international organisations working on migration and employment creation).

The interviewees were from the following stakeholder communities:
• Heads/representatives of the relevant Regional Bureaus of Labour and Social Affairs, Women's and Children Affairs, Youth and Sport, Finance and Economic Development, TVET, MSEs, as well as representatives from workers' unions, chambers of commerce, and various CSOs working on migration-related issues.

[5] Please see Annex 3 for the TOR.

• Zonal and woreda offices of the Bureaus of Labour and Social Affairs, and of Women and Children.
• Ministries of Planning and Finance; Youth and Sport; Agriculture and Natural Resources; Urban Development; Trade and Industry; Micro- and Small Enterprises Development Agency, Education, Finance and Economic Development, and TVET Enterprise Development
• Regional Employers' Association
• Credit and savings institutions
• NGOs
• University officials

FGDs were conducted to gather the collective views of groups sharing similar characteristics. These included the unemployed, underemployed, university graduates, returnees, and Eritrean refugees. Field observations were conducted to critically examine economic and labour conditions of the areas selected for the study.

Secondary data were obtained and compiled from different federal and regional sources. This included: population projections 2007-37 of the CSA; demographic and health surveys; employment/unemployment surveys; periodic national and regional labour surveys; National Plan Commission reports; Ministry of Finance and Economic Cooperation (MoFEC), Ministry of Labour and Social Affairs, BoLSA labour and employment surveys; educational abstracts of the Ministry of Education (MoE); United Nations High Commissioner for Refugees (UNHCR) fact sheets; United Nations Office on Drugs and Crimes (UNODC) reports; various related proclamations; and other published and unpublished materials. The analysis for the SEA was conducted at three levels: local/woreda, national, and regional levels. Quantitative data were analysed using the descriptive statistical analysis method and presented in tables, graphs, and figures to show trends and dynamics. The qualitative data was categorised and narrated along key topics based on the report structure and checklist.

1.3.3 Fieldwork

Between January 1 and 21, 2017, five regional research teams conducted the fieldwork for this study in their respective regions and in Addis Ababa City Administration in accordance with the laid-out schedule in the technical proposal.[6] For all the teams, the regional Bureau of Labour and Social Affairs offices served as entry points for the assessment. Additionally, former ILO staff currently working with BoLSA were helpful in providing entry points for fieldwork. The combination of support letters from BoLSA and the active assistance of BoLSA contact persons greatly facilitated the work of the researchers, who were

[6] The fieldwork was completed on schedule on January 21, 2017, except for the Tigray region, where the research team completed its fieldwork on January 26, 2017. The delay was caused by the long time it took to complete official formalities at the BoLSA level.

granted access not only to data and information, but to the assessment's target populations as well. Fieldwork-based primary data collection was conducted at three levels, beginning from the regional level, which then proceeded to the zonal and woreda levels.

The major information and data sources were the following: Regional BoFED, BoLSA, Bureau of Education (BoE), Bureau of Technical and Vocational Enterprise Development (BTVED), and Bureau of Women and Children Affairs. In addition, Ethiopian Employers' Federation (EEF), Credit and Saving Institutions (CSIs), regional branch offices of the CSA, NGOs working on issues of migration and rehabilitation of returnees, regional universities, regional agricultural research institutes, and United Nation's Food and Agriculture Organization (FAO) field offices also provided information to the research teams.

2 Ethiopia: Economic and Political Situation

With an estimated population of over 90 million, Ethiopia is the second-populous country in Sub-Saharan Africa, next only to Nigeria. The year 1991 can be described as a watershed in Ethiopia's recent political history: following the collapse of the military regime in May 1991, the country launched far-reaching political and economic reforms. The 1995 federal constitution recognised civil and political freedoms and self-determination rights for ethnic groups. It also recognised nine regional states[7], all of which were given considerable autonomy. In addition to the nine regions, there are two chartered cities—Addis Ababa, the federal capital, and Dire Dawa. The nine regions are hierarchically divided into zones, woreda, special-woreda, and kebele, the smallest City Administration administrative unit.

Ethiopia follows a parliamentary system, with separate legislative, executive, and judicial divisions at the federal and regional government levels. The federal parliament comprises two houses—the lower chamber, called the House of People's Representatives (HoPR), and the upper chamber, the House of Federation (HoF). Like other parliamentary systems, a political party or a coalition of political parties that controls the majority of the seats at the HoPR forms the executive. In spite of legalising political opposition in post-1991 Ethiopia, the political landscape was singularly dominated by the Ethiopian People's Revolutionary Democratic Front (EPRDF) and its affiliates at the federal, regional, and local government levels. Over the last five elections (1995, 2000, 2005, 2010, and 2015), the EPRDF won the mandate to form the federal government.

The most recent federal elections were held in May 2015. The EPRDF and its allies won all federal and regional parliamentary seats. This election was perceived to symbolise the conclusion of a peaceful transition of power within the EPRDF after the death of Prime Minister Meles Zenawi who led the political party and the country from 1991 to 2012. But a few months after the elections, the two larger regions of the federation—Oromia and Amhara—were rocked by violent protests. After several months of protests, in October 2016 the federal government declared a country-wide state of emergency, which has not been lifted to date. While the reasons for the unrest appear to be complex and include economic and political factors, the ruling party declared that the protests were due to a lack of good governance; hence it had decided to undertake deeper reforms. According to the government, the other factors fuelling the protests were youth dissatisfaction and unemployment. The EPRDF, since its assumption of state power in May 1991, follows, for the main, a free market economic system. In spite of its liberalisation policies, since its early days the government opted to keep a strong leverage on the economy. Accordingly, the policy of state ownership of land, which was inherited from the previous government, was reinforced by the federal constitution. Ethiopia's land policy includes prohibition of private ownership of land as well as sales and marketing of land. The government, however, provides land to private developers in urban areas and to commercial farmers in the countryside on a lease basis.

The political crisis in Ethiopia erupted in spite of its economy's strong performance since 2003/04, from when the country's Gross Domestic Product (GDP) growth averaged over 10 per cent (Dorosh et al., 2012). In 2012, Ethiopia had the fastest growing economy in the continent. However, even though the

[7] The nine regional states are Tigray, Afar, Amhara, Oromia, Somali, Benishangul-Gumuz, Southern Nations, Nationalities and Peoples (SNNPR), Gambella, and Harari.

economy has shown remarkable growth and massive expansion of infrastructure and social services in primary health care and education over the last few years, Ethiopia remains amongst the poorest countries in the world. In 2015, Ethiopia's Gross National Income (GNI) per capita was USD 590, which was much lower than the Sub-Saharan average of USD 1,637 (World Bank, 2016). The country continues to have a subsistence agriculture-dominated economy (which comprises 94 per cent of the total agricultural production), with agriculture providing more than 80 per cent of employment to the population. The sector is vulnerable to climate change and seasonal fluctuations in rainfall, and suffers from multidimensional challenges such as recurrent droughts, low productivity, and limited usage of technology (Astbaha and Tesema, 2012).

However, the contribution of agriculture to the GDP has been consistently declining: whereas during the 1980s and 1990s, agriculture contributed 56.5 per cent and 58.4 per cent of the GDP, respectively (Dorosh et al., 2012), the share of agriculture to the GDP by 2014/15 went down to 38.8 per cent (National Bank of Ethiopia, 2015). In 2012, the service sector for the first time took the lead in contributing to the GDP from agriculture. In the 2012/13 Ethiopian fiscal year, the contribution of agriculture and services stood at 43.7 per cent and 44.9 per cent, respectively (National Bank of Ethiopia, 2013). In the following fiscal year, the contribution of the service sector grew to 46.6 per cent (National Bank of Ethiopia, 2015).

In spite of the strong performance of the economy since 2005, the economy remains, by and large, agrarian, and the role of the industrial sector is limited (the share of the sector in 2014/15 stood at about 15 per cent). The growth of the industrial sector, which touched 21.6 per cent in 2014/15, was largely fuelled by the construction sector. The manufacturing sector's contribution to the GDP is miniscule—less than 5 per cent (Ibid).

In order to effect poverty-reduction structural changes in the economy, the government ushered in five-year development plans in 2002. The first plan—the Sustainable Development and Poverty Reduction Program (SDPRP), spanning the three year period between 2002-05—and the second five-year plan, the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) covering 2006-10, were aligned to the UN Millennium Development Goals (MDGs) (MoFED 2002; 2006)

The third five-year development plan, the Growth and Transformation Plan (GTP I), covering the period 2010/11-2014/15, laid especial emphasis on the economy's structural transformation. The government envisaged that through the implementation of GTP I, the country would become food-secure, and in time (by 2025), join the ranks of middle-income countries. Towards this end, the plan aimed to bring the industrial (manufacturing) sector to take a leading role in the economy. However, after the conclusion of the first GTP, the share of the industrial sector in the total economy showed no significant improvement. Even though there was tremendous progress not only in successive GDP growth, but also in the reduction of poverty and provision of social services, GTP I did not bring forth the expected structural transformation of causing a shift towards Ethiopia becoming an industrial-lead economy. The second GTP, which covers the period 2015/16 to 2019/20, aims to transform the peasant agriculture-dominated economy into an industry led one.

More recent growth rates are encouraging, though there are concerns about the distribution of the proceeds of growth. Though moderate as yet, income inequalities are on the increase. While the larger regions with the densest population and urban centres tend to enjoy the larger share of development advancement—such as employment creation, infrastructure development and improvements in social services—the peripheral and lowland regions of the country where pastoralism and shifting agriculture constitute the main means of livelihood, continue to lag far behind in development indicators (UNDP, 2015).

With an expansion of the role of the state in the economy—resulting from, among other things, the establishment of large government-owned corporations—state-sponsored rent-seeking has emerged as a major challenge. Such a strategy could militate against efforts in creating viable state structures that could play a crucial role in enhancing all-round development.

3 Brief Description of the Study Regions

This section provides a brief description of the assessment regions and city administration. These regions were selected because they exhibit high unemployment rates coupled with large migration flows. Additionally, these regions have a huge number of potential migrants and returnees from the GCC countries after the 2013/14 mass deportation.

3.1 Tigray Region

Tigray Region is located in the northernmost part of Ethiopia. It shares a long border with Eritrea in the north, Amhara Region in the south, Afar Region in the east, and the Sudan in the west. The regional state is located between 12O145' south and 14O57'north, and 36O27' west and 39O59' east (BPF, 2013). It has seven administrative zones: Southern, South Eastern, Eastern, Central, Western, North Western and Mekelle. The zones are further divided into 34 rural and 12 urban woredas. The region has a total of 767 kebele.

According to the 2007 census, the region's population was 4,316,988 (CSA, 2008). It has an annual population growth rate of 4.6 per cent in urban areas and 2.4 per cent in rural areas. Further, the census shows that the greatest proportion of the population (80.45 per cent) lives in rural areas. Dependants (aged 0-14 years) constitute 43.7 per cent of the total population, the elderly (>65 years of age) form 4.43 per cent of the population; and the remaining 51.87 per cent comprise the economically active population.

The economy is an agriculture-intensive one which employs the largest chunk of the region's inhabitants. In recent years, the industry and service sectors are increasingly becoming important. According to the regional government's five-year development plan covering the second GTP period (2015/16-2019/20), industry is expected to take over the lead from the agriculture and services sector (BPF, 2016). Data from the 2016 Bureau of Planning and Finance indicates that the region has achieved its goal of 11 per cent growth rate in the GTP I period whereas the industry sector has already registered a remarkable growth of about 18 per cent (Ibid).

Owing to the region's practice of rural-urban migration to different parts of the country, and because of its geographical proximity to the routes and destinations of out-country migration, thousands of young people continue to migrate to the Middle East.

3.2 Amhara Region

Amhara Region is located in the north-western part of Ethiopia, between latitude 9°-13°45'N and longitude 36°- 400 30'E, with a total area of 170,152 km2. The region borders with Tigray Region in the north, Afar Region in the east, Oromia Region in the south, Benishangul-Gumuz Region in the southwest, and the Sudan in the west.

The region is divided into 11 administrative zones (including Bahir Dar, the capital city of the region), 140 woredas and 3,429 kebeles. The 11 administrative zones are: North Gonder, South Gonder, West

Gojjam, East Gojjam, Awi, Wag Hemra, North Wollo, South Wollo, Oromo, North Showa, and Bahir Dar city special zone.

According to the 2007 Census, the region had a population of 17,221,976, which is projected to touch around 20.7 million in 2016.

In terms of the economy, agriculture is the dominant sector of the region, employing 90 per cent of the labour force and contributing to 70 per cent of the regional GDP. The region's agricultural production is characterised by mixed farming (i.e., both crops and livestock), with an average landholding of 1.7 ha. per household

Internal and international (irregular) migration, particularly of women and children, is extremely high in Amhara, triggered by poverty, unemployment, and increasing landlessness. Data show that the rate of out-migration is higher than the rate of in-migration in the region (CSA 1997; 2007).

3.3 Oromia Region

Of all the regional states in Ethiopia, Oromia is the largest, both in terms of geographic size and population. It is located in the central part of the country and borders all regional states except Tigray. It also shares an international boundary with Kenya in the south and the Sudan in the west. It covers about 363,375km2 of land, which constitutes about 34.4 per cent of the total area of the country, and is divided into 17 zones that are sub-divided into 263 woredas. The region is located between 30 24'20''-10023'26'' north latitude and 34007'37''- 42058'51'' east longitude.

According to the 2007 Census, Oromia has a population of 26,993,933. The Census projects that the population will reach about 34.6 million in 2016. The age-wise population break-up is thus: dependants (aged 0-14 years) and the elderly (aged >65 years) constitute 47.6 per cent and 3.2 per cent of the total population, respectively. The remaining 49.2 percent of the total population (aged 15-64 years) fall in the economically active population group (CSA, 2013). The dependency ratio is about 103 per cent. As many as 87.7 per cent of the region's population resides in rural areas, while only 12.3 per cent live in urban areas (Ibid).

Agriculture is the dominant employment generator, accounting for about 89 per cent of the economically active population in the region. It also accounts for more than 90 per cent of the country's exports, which thus represents the largest share of the region's GDP.

Although precise data on the magnitude of migration are not available, the region is believed to have the highest proportion of Ethiopia's irregular out-migration population, with the major destination regions being the Middle East, Europe, and South Africa.

3.4 Southern Nations, Nationalities, and Peoples' Region

As the name indicates, the SNNP region is located in the southern parts of the country. It borders Kenya to the south, the Sudan to the west, Gambella to the northwest, and Oromia to the north and east. The total area of the region is about 112,000km2, which is about 10 per cent of the total area of the country.

The region is highly diverse in terms of its culture, economy, livelihoods, and agro-ecology. It is divided into nine zones, 72 woredas, and five special woredas.

The regional economy is predominantly agricultural, characterised by small-scale subsistent farming. Coffee production is the main cash crop in some zones.

According to the 2007 Census, the region's population of 14.93 million is estimated to reach 19.53 million in 2016. The majority (86.2 per cent) of the population reside in rural areas, while the remaining 13.8 per cent live in urban areas. Because the region has the highest population density in the country (154 persons per sq.km) and land shortage is a critical challenge in the region, migration (both domestic and international) has been traditionally viewed as an alternative livelihood channel. This is particularly true for those residing in Hadiya, Kembata-Tembaro, and Wolayita, where internal migration rates are high. In recent years, SNNPR has witnessed migration in large numbers to South Africa.

3.5 Addis Ababa City Administration

Addis Ababa City Administration is located in the geographic centre of the country. It has a total area of 540 km2.The city administration is divided into ten sub-cities (Lideta, Kirkos, Arada, Addis Ketema, Akaki-Kaliti, Nefas Silk, Lafto, Kolfe Keraniyo, Gulele, Yeka, and Bole), which are sub-divided into several woredas. In 2016, the total population of the city was estimated to be around 3.6 million, of which 29.0 per cent is dependent (aged 1-14 years), 7.4 per cent are elderly (aged >65 years), and 36.6 per cent comprise the working population (aged 15-64 years).

Studies show that Addis Ababa has a high incidence of poverty, which is more pronounced among female-headed households (21 per cent) as against male-headed households (17 per cent) (CSA 2013). Besides being the capital city of the country, Addis Ababa is also its economic centre. As a result, it attracts a large number of migrants from different parts of the country. However, Addis Ababa also serves as a transit centre for irregular migrants from rural areas.

4 National and Regional Demographic and EducationTrends

This section presents basic statistical indicators on population dynamics and education since these affect migration and job creation both at the national and regional levels. The indicators have been analysed using primarily national-level data derived from the census, surveys undertaken by the Central Statistics Agency, and the data/reports made available by the Ministry of Education and Regional Bureaus of Education.

4.1 Demographic Trends

Population is a key factor that directly impacts the two major elements of the project—migration, and job creation. A substantial number of studies indicate that out-migration is often the fallout of a scenario where national and local economies are unable to provide sufficient livelihood opportunities to its population. Addressing the principle driver of out-migration—lack of livelihood opportunities—could thus be regarded as a feasible solution to the problem (Castles, 2014; Boano, et al., 2008; Fransen and Kuschminder, 2009; Horwood, 2009). Besides the various push and pull factors that will be discussed in the coming sections, the combination of a high population growth and the resultant population pressures is often cited as the major push factor for the high level of out-migration from Ethiopia in recent decades.

This sub-section analyses the major demographic trends in Ethiopia, both at the national and regional levels, and the implications of this on the connection between migration and job creation. It also relates how population growth and poverty impact the motivations, trends, and dynamics of migration

4.1.1 Population Size and Growth Rate

Ethiopia, with an estimated population of nearly 95 million in 2017, is the second-most populous country in Africa (UN, 2015). The country also has a high population growth rate. Although the 2.8 per cent per annum average annual growth rate registered over 1984-94 has declined, the current 2.6 per cent average growth rate (CSA 2013) can be considered as one of the highest in Africa. At this rate of growth, the total population of the country is projected to reach around 105 million by 2022 (Ibid).

Table 2: Regional and country population in millions (2011-2016)

No.	Region	2011	2012	2013	2014	2015	2016	Average Growth rate
1.	Tigray	4.68	4.77	4.87	4.96	5.06	5.15	2.01%
2.	Afar	1.547	1.59	1.63	1.68	1.72	1.77	2.88%
3.	Amhara	18.808	19.22	19.63	20.02	20.40	20.77	2.09%
4.	Oromia	30.253	31.09	31.95	32.82	33.69	34.58	2.86%
5.	Somali	4.892	5.03	5.17	5.31	5.45	5.60	2.89%
6.	Benishangul-Gumuz	0.891	0.92	0.95	0.98	1.01	1.04	3.34%
7.	SNNP	16.558	16.98	17.40	17.84	18.28	18.72	2.61%
8.	Gambella	0.357	0.37	0.38	0.40	0.41	0.42	3.53%
9.	Harari	0.208	0.21	0.22	0.23	0.23	0.24	3.08%
10.	Dire Dawa	0.39	0.40	0.42	0.43	0.44	0.45	3.08%
11.	Addis Ababa	2.978	3.05	3.12	3.20	3.27	3.35	2.50%
12.	Country Total	81.669	83.74	85.84	87.95	90.08	92.21	2.58%

Source: CSA, Population Projection for Ethiopia 2007-2037.

Table 2 above shows Ethiopia's projected population at the regional and national levels between 2011 and 2016. Oromia, Amhara, and SNNP (that constitute almost half of the country's land size) make up around 80 per cent of the total population. On the other hand, the Somali region (the third-biggest region in size next to Oromia and Amhara) has only about 6 per cent share of the total population of the country.

In terms of population growth rates, Gambella Peoples' Region and Benishangul-Gumuz Region have the highest growth rates (3.53 per cent and 3.34 per cent, respectively), while Tigray Region has the lowest growth rate (2.01 per cent). Three of the five target regional states (Tigray, Amhara, and Addis Ababa City Administration) have less than the average national growth rate of 2.58 per cent, while Oromia and SNNP have an annual growth rate that is above the national average.

4.1.2 Population Distribution in Urban and Rural Areas

Except for Harari and the two city administrations of Addis Ababa and Dire Dawa, in all regions the rural population significantly outnumbers the urban population. In fact, the urban-rural population ratio is almost similar in all major regions (Table 3).

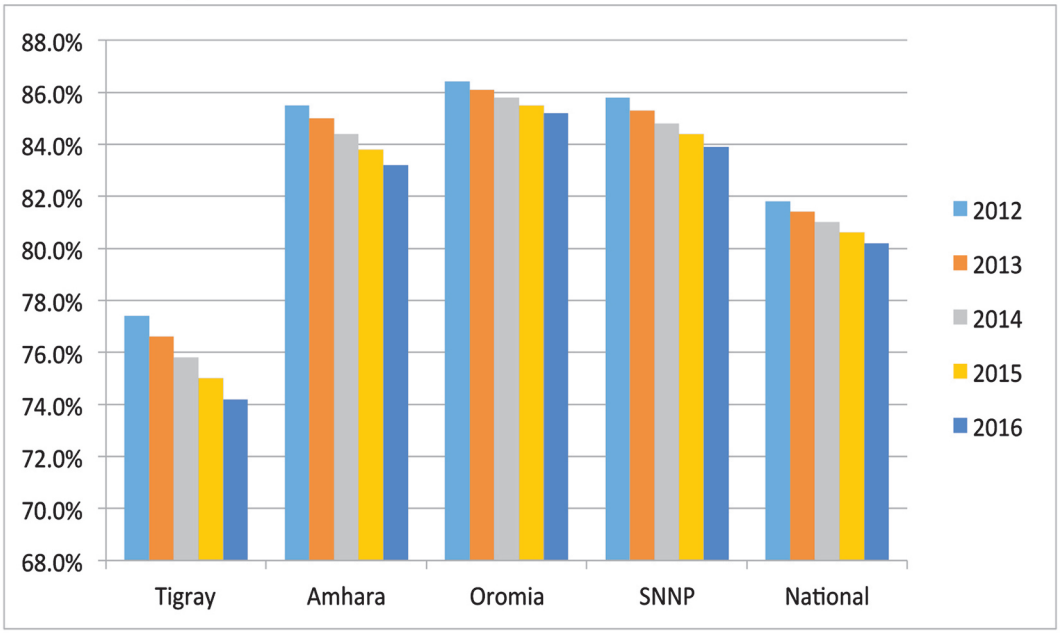
Table 3: Distribution of regional population by rural and urban areas (2012-16)

Region	2012				2013				2014				2015				2016			
	Rural		Urban		Rural		Urban		Rural		Urban		Rural		Urban		Rural		Urban	
	Pop	%	Pop	%	Pop	%	Pop	%	Pop	%	Pop	%	Pop	%	Pop.	%	Pop	%	Pop	%
Tigray	3,693	77.4	1,080	22.6	3,727	76.6	1,139	23.4	3,760	75.8	1,200	24.2	3,792	75.0	1,264	25.0	3,821	74.2	1,331	25.8
Afar	1,334	83.9	256	16.1	1,362	83.4	272	16.6	1,389	82.8	289	17.2	1,415	82.1	308	17.9	1,442	81.5	327	18.5
Amhara	16,437	85.5	2,783	14.5	16,673	85.0	2,953	15.0	16,892	84.4	3,127	15.6	17,092	83.8	3,307	16.2	17,278	83.2	3,492	16.8
Oromia	26,873	86.4	4,221	13.6	27,511	86.1	4,437	13.9	28,169	85.8	4,647	14.2	28,812	85.5	4,880	14.5	29,470	85.2	5,105	14.8
Somali	4,310	85.8	716	14.2	4,427	85.7	738	14.3	4,544	85.6	763	14.4	4,665	85.5	788	14.5	4,785	85.5	813	14.5
Benishangul-Gumuz	753	82.0	165	18.0	770	81.3	177	18.7	787	80.6	189	19.4	803	79.9	202	20.1	819	79.2	215	20.8
SNNP	14,557	85.8	2,419	14.2	14,847	85.3	2,556	14.7	15,130	84.8	2,707	15.2	15,420	84.4	2,856	15.6	15,701	83.9	3,018	16.1
Gambella	261	70.4	110	29.6	266	69.5	117	30.5	272	68.7	124	31.3	277	67.7	132	32.3	282	66.8	140	33.2
Harari	97	45.3	117	54.7	99	45.0	121	55.0	101	44.7	125	55.3	103	44.4	129	55.6	107	44.6	133	55.4
Dire Dawa	151	37.6	251	62.4	155	37.4	259	62.6	159	37.2	268	62.8	163	37.0	277	63.0	168	37.1	285	62.9
Addis Ababa	0	0.0	3,047	100	0-	0.0	3,119	100	0-	0.0	3,195	100		0	3,273	100	-	0	3,352	100
National	68,538	81.8	15,205	18.2	69,910	81.4	15,928	18.6	71,277	81.0	16,676	19.0	72,629	80.6	17,455	19.4	73,949	80.2	18,256	19.8

Source: CSA 2012, 2013, 2014, 2015 and 2016.

In spite of the high absolute population size and, more importantly, the high fertility rates in rural areas, the ratio of the rural population does not show a tendency to increase in almost all regions in the stated period. In fact, the share of the rural population has shown a slight decline nationally and across all regions. One of the reasons that could be ascribed to this decline is the high rural-urban migration rate within Ethiopia as well as irregular migration to other countries. Gambella displays the highest decrease in the share of its rural population (3.6 per cent), while Somali exhibits the least trend of urbanisation with just a decrease of 0.3 per cent of its population in the stated period.

Figure 2: Ratios of the rural population of the target regions (except Addis Ababa) and at national level (2012-16)



Source: CSA 2012, 2013, 2014, 2015 and 2016.

Similar trends are exhibited in the rural-urban population ratio of the target regions. As figure 2 indicates, Tigray shows the highest rate of decrease of its rural population (3.2 per cent), followed by Amhara (2.3 per cent). Of the four target regions (except Addis Ababa), the share of the rural population in Oromia shows little change (1.2 per cent) during the 2012-16 period.

This trend clearly indicates two interrelated elements that are generally correlated with lack of job opportunities and migration. The first is the presence of out-migration from rural areas in almost all regions. Migrants from rural areas often end up in urban centres, thereby increasing the urban population growth rate in spite of low fertility rates.

The second is related to the lack of livelihood opportunities in rural areas. Agriculture is the primary means of livelihood in almost all parts of the country, and many rural areas do not offer alternative, off-farm job possibilities. In light of the critical land shortage in many rural areas, migration is often considered as a viable alternative for better economic and social opportunities (de Haan, 1999; Black et al., 2006; Asnake and Zerihun, 2015).

4.1.3 Population Distribution by Sex

Unlike the urban-rural population distribution, sex-wise population distribution and trends (rural and urban) do not show significant differences at either the national or regional levels (Table 4).

Table 4: Share of male and female population from the total regional and national populations (2012-16)

No.	Region	2012		2013		2014		2015		2016	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1.	Tigray	49.26	50.74	49.26	50.74	49.27	50.73	49.29	50.71	49.29	50.71
2.	Afar	55.22	44.78	55.08	44.92	54.97	45.03	54.90	45.10	54.81	45.19
3.	Amhara	50.10	49.90	50.09	49.91	50.08	49.92	50.08	49.92	50.08	49.92
4.	Oromia	50.23	49.77	50.21	49.79	50.20	49.80	50.18	49.82	50.17	49.83
5.	Somali	54.87	45.13	54.63	45.37	54.40	45.60	54.19	45.81	54.00	46.00
6.	Benishangul-Gumuz	50.76	49.24	50.69	49.31	50.72	49.28	50.70	49.30	50.72	49.28
7.	SNNP	49.61	50.39	49.60	50.40	49.59	50.41	49.57	50.43	49.56	50.44
8.	Gambella	52.16	47.84	52.22	47.78	52.02	47.98	52.08	47.92	52.13	47.87
9.	Harari	50.47	49.53	50.45	49.55	50.44	49.56	50.43	49.57	50.42	49.58
10.	Dire Dawa	50.25	49.75	50.12	49.88	50.12	49.88	50.23	49.77	50.11	49.89
11.	Addis Ababa	47.49	52.51	47.45	52.55	47.42	52.58	47.39	52.61	47.34	52.66
	Country Total	50.32	49.68	50.29	49.71	50.26	49.74	50.24	49.76	50.22	49.78

Source: Compilation, based on CSA 2012, 2013, 2014, 2015 and 2016.

4.1.4 Population Distribution by Age

The 2007 Census points to an overwhelmingly young population in both rural and urban areas (CSA, 2008). While the rural population is characterised by a broad-based population pyramid, urban areas too have a substantial youth population. This large youth population (between the ages of 10 and 29 years) in urban and rural areas indicate a challenge for the country in terms of employment and job availability opportunities. Table 5 below shows the distribution of the national and regional rural and urban population of dependents (aged 1-14 years), and those falling in the working age and elderly categories.

Table 5: Distribution of target regions' and national population by age, place of residence, and sex (2013) in (,000)

Urban-Rural Breakdown			Total	Dependent (0-14)		Youth (0-29)		Working (15-64)		Elderly (>= 65)	
				No.	% from the row total	No.	% from the row total	No.	% from the row total	Number	% from the row total
Tigray	Urban	Male	401	154	38	281	70	233	58	14	3
		Female	447	158	35	308	69	271	61	18	4
	Rural	Male	1731	769	44	1221	71	874	51	88	5
		Female	1749	746	43	1211	69	928	53	74	4
Amhara	Urban	Male	1031	343	33	710	69	654	63	34	3
		Female	1094	354	32	747	68	699	64	41	4
	Rural	Male	7627	3271	43	5342	70	4013	53	343	4
		Female	7503	3198	43	5277	70	4021	54	284	4
Oromia	Urban	Male	1686	605	36	1185	70	1034	61	47	3
		Female	1644	606	37	1175	71	984	60	55	3
	Rural	Male	11944	5840	49	8939	75	5679	48	424	4
		Female	11789	5671	48	8837	75	5776	49	342	3
SNNP	Urban	Male	776	286	37	560	72	475	61	15	2
		Female	727	286	39	546	75	427	59	15	2
	Rural	Male	6669	3241	49	4986	75	3224	48	204	3
		Female	6796	3198	47	5075	75	3449	51	150	2
Addis Ababa	Urban	Male	1308	312	24	830	63	951	73	45	3
		Female	1428	347	24	993	70	1042	73	38	3
National	Urban	Male	5916	1986	34	4027	68	3756	63	174	3
		Female	5988	2015	34	4150	69	3778	63	195	3
	Rural	Male	31387	14556	46	23005	73	15684	50	1147	4
		Female	30631	13960	46	22429	73	15781	52	890	3

Source: Compiled from CSA 2013.

As Table 5 indicates, the number of people aged between 0-29 years is estimated to reach about 73 per cent in 2016 (CSA, 2013). On the other hand, the working population (aged 15-64 years) constitutes about 53 per cent, while dependants (aged 0-14 years) make up a staggering 44 per cent. If one compares the regions, Addis Ababa, being an exclusively urban area, has the highest working-age population (63 per cent for both males and females). Two of the target regions, Oromia and SNNP, have the highest concentration of the country's working population in urban areas (61 per cent males and 60 per cent females for Oromia, and 61 per cent males and 59 per cent females for SNNP).

In regions with high work force concentrations, such as SNNP and Oromia, systematically designed interventions to alleviate the problem of unemployment/underemployment are critical. The large portion of the working population, in general, can be turned into a positive development force if accorded appropriate socio-economic opportunities. On the other hand, if this large section of society is not provided relevant policy and economic attention, it has the potential to create social, economic, and political problems at the local, national, and international levels.

4.2 Education Trends: General Overview

Education, both formal and informal, is one of the cornerstones of national development and is of paramount importance in determining an individual's job opportunities, income, and working conditions. Studies indicate a strong correlation between education, on the one hand, and job opportunities and migration, on the other (FSS, 2009; Williams, 2009; Zhong and Yongqiu).
However, an education system that is not systematically designed to address the aspirations of individuals and society at large and, more importantly, does not cater to the needs and demands of local and national labour markets, could have significant social, economic, and political consequences. But, quality and relevant and demand-driven education that provides market-specific skills and know-how is a winning strategy for success at individual, household, and national levels. Again, an education system that does not take the function of demand and supply of various types of skilled labour into consideration can create a problem of saturation in certain areas in the labour market (FSS, 2009; Asrat and Mulugeta, 2011; Allmendinger, 1989).

Keeping in mind that the level and quality of education is one of the parameters of effective and sustainable development, Ethiopia has designed an education policy and strategy that it is confident will meet the needs of the economy and of its citizens, and which reflects the socio-economic aspirations of the country.

The goal of the education policy is to contribute to the objectives of the national development plans through the building of a qualified and trained work force with the necessary skills. The policy is based on the country's aspiration to provide equitable, efficient, and relevant quality education to all citizens (ESDP, 2015). To attain this overarching goal, the education system has been structured into distinctive systematically interrelated units. These are: pre-school, primary education, general secondary education, Technical and Vocational Education and Training, and higher education (Figure 3). For the purpose of this assessment, the discussion on educational trends will concentrate on the primary, general secondary, TVET, and higher education and their dynamics in the past years at the national level, as also in the assessment target regions and Addis Ababa City Administration.

Primary education in Ethiopia is from grades 1-8, and has two cycles. Cycle 1 constitutes grades 1-4, while Cycle 2 comprises grades 5-8. Secondary education too has two cycles. Grades 9-10 comprise Cycle 1, and those students who pass the national Ethiopian General Secondary Education Certificate Examination (EGSECE) are eligible to move on to Cycle 2, what is commonly known as preparatory school (grades 11-12). Students who are unsuccessful in the EGSECE can go on to TVET colleges and follow technical and vocational courses. For those who complete grade 12 and who want to go on to university education, they need to take another national exam, the Ethiopian Higher Education Entrance Certificate Examination (EHEECE). Higher education is also divided into two units: undergraduate degree programmes and postgraduate degree programmes (MA/MSc, PhD).

Figure 3: Structure of Ethiopian Education System

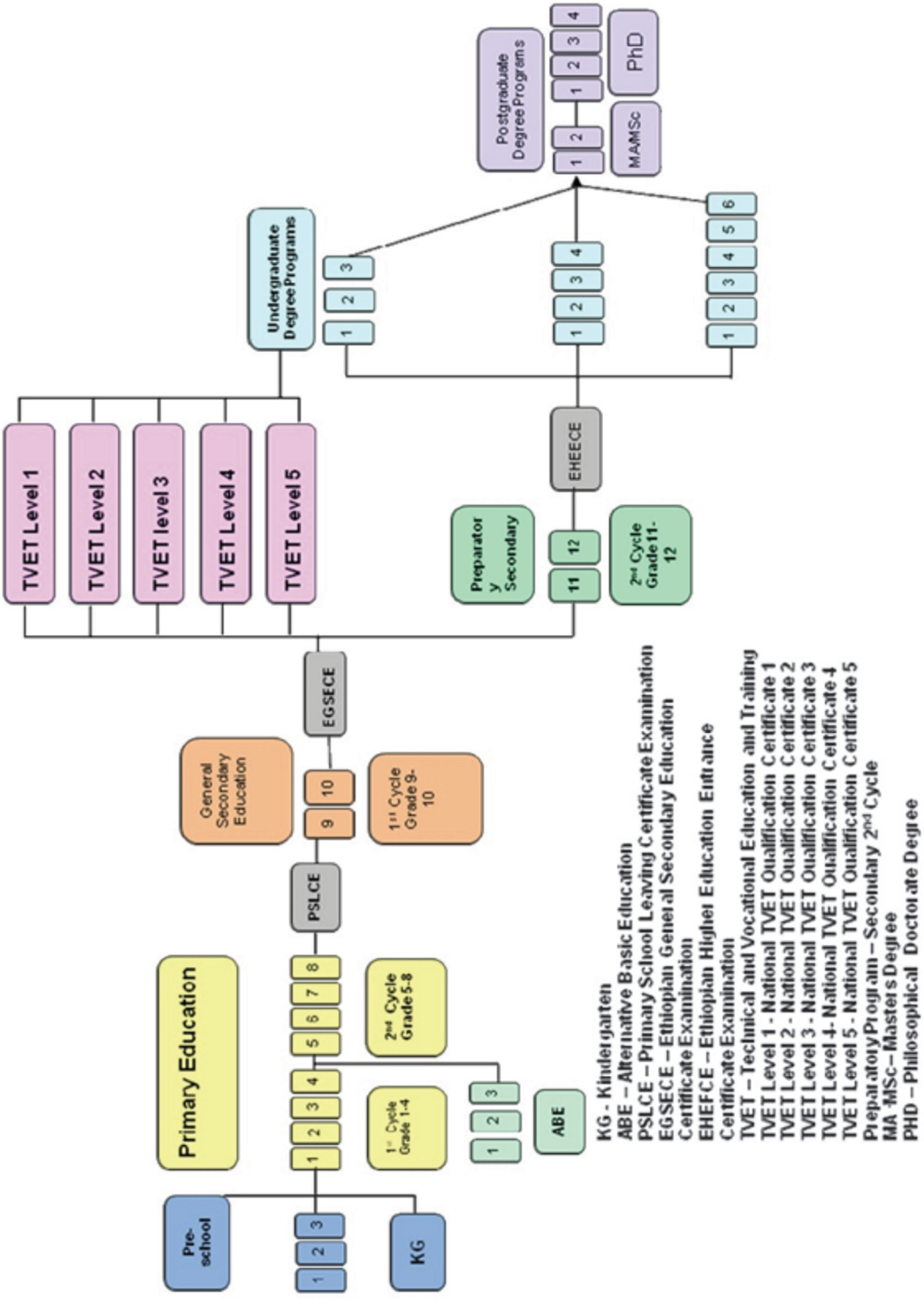


Figure 3: Structure of the Ethiopian Educational system (adopted from MoE (2014/15 Annual Statistical Abstract

4.2.1 Dynamics of Education

In Ethiopia, official government data[8] show that in the past decades access to education at all levels has increased at a rapid rate, along with sharp increases in the number of teachers, schools, and institutions in all regions.

The following sections discuss the changes achieved in education in the past five years—in the target regions and Addis Ababa City Administration as well as at the national level—by using various indicators and their direct and indirect implications on job creation and migration at the grassroots level.

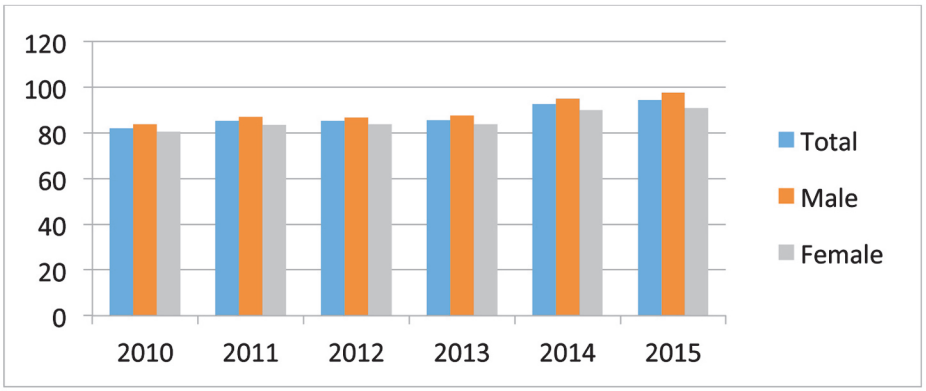
A. Gross Enrolment Ratio (GER)

Gross Enrolment Ratio (GER) or Gross Enrolment Index (GEI) is a statistical measure used in the education sector and by the United Nations in its Education Index to determine the proportion of school-aged children enrolled in school.[9] Likewise, GER is used as one of the key indicators of access to education in Ethiopia.

i. Primary Education

As a result of the global 'education for all' campaign and the government of Ethiopia's commitment to provide basic primary education to every child, between 2010-15 the country has witnessed a steady increase in the GER for primary education at the national level as well as in the assessment regions and Addis Ababa City Administration. As Figure 4 shows, the national GER increased from 83.1 per cent in 2010 to 94.3 per cent in 2015. However, there continues to be a slight disparity in the GER increase between boys and girls: the former increased by 16.6 per cent (from 83.7 per cent in 2010 to 97.5 per cent in 2015), while the latter grew only by 12.9 per cent (from 80.5 per cent in 2010 to 90.9 per cent in 2015).

Figure 4: Trend of GRE of primary education at national level (2010-15)



Source: MoE Annual Educational Abstract (various years).

8 MoFED (2014); MoE Education Statistics (2012/13, 2013/14, 2014/15).

9 The GER can be greater than 100 per cent as a result of grade repetition and entry at ages younger or older than the typical age at that grade level.

When reviewing the GER of the four target regional states and Addis Ababa City Administration, one notices that there is a similar increasing trend in all the assessment areas. Table 6 below presents the GER changes in primary education in the target regions for the years 2012/13-2014/15.[10]

Table 6: Average primary education GER of the four target regional states and Addis Ababa City Administration (2012/13-2014/15)

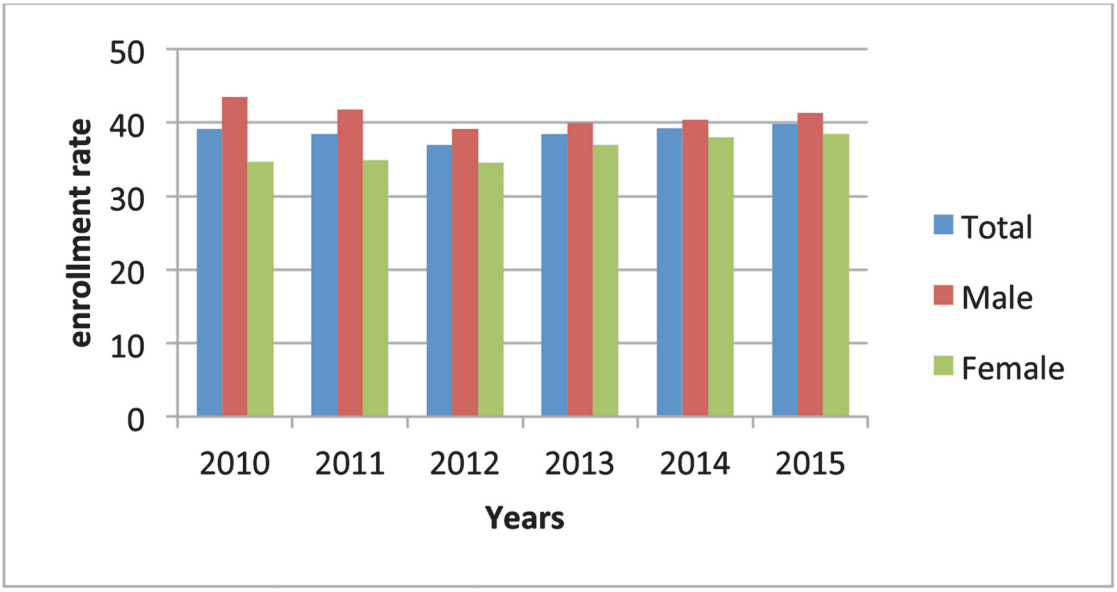
Regions	2012/13			2013/14			2014/15			Three Year Average		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Tigray	99.3%	98.3%	98.8%	106.5%	105.9%	106.2%	113.5%	110.1%	111.8%	106.4%	104.8%	105.6%
Amhara	100.4%	101.1%	100.7%	107.2%	106.2%	106.7%	111.6%	108.9%	110.3%	106.4%	105.4%	105.9%
Oromia	95.6%	86.6%	91.2%	96.1%	86.3%	91.2%	100.6%	88.9%	94.8%	97.4%	87.3%	92.4%
SNNP	103.6%	93.2%	98.4%	107.1%	96.8%	102.0%	114.3%	102.4%	108.4%	108.3%	97.5%	102.9%
Addis Ababa	100.5%	98.2%	99.2%	141.0%	167.7%	154.6%	138.0%	162.0%	150.6%	126.5%	142.6%	134.8%
National	98.2%	92.4%	95.3%	104.8%	97.8%	101.3%	107.0%	98.4%	102.7%	103.3%	96.2%	99.8%

Source: MoE Annual Educational Abstract (various years).

ii. Secondary Education – Cycle 1 (Grades 9-10)

Unlike the primary education trends, the increase in the rate of total enrolment for grades 9-10 for the period between 2010 and 2015 was not found to be significant (39.1 per cent in 2010 and 39.8 per cent in 2015). The reasons are not clear unless one can conjecture that it might have been caused by significant drop-outs from the preceding grade levels, and due to rural-urban migration and cross-border irregular migration to other countries.

Figure 5: GER trends of secondary education cycle 1 (grades 9-10) at national level (2010-15



Source: **MoE Annual Educational Abstract (various years).**

[10] Unfortunately, the annual Educational Statistical Reports of MoE for the year 2010/11 and 2011/12 do not provide the GER of the regions in figures to enable the five-year comparison. The changes are shown in bar graphs only. However, the bar graphs also display similar changes in the increase in GER, both in the regions and at the national level.

When we focus on the target regions and Addis Ababa City Administration (except Oromia), the average GER of the secondary education Cycle 1 is found to be above the national average of 38.37 per cent. Oromia is the only region that has a relatively low average GER rate: 40.17 per cent and 32.70 per cent for boys and girls, respectively.

Table 7: Average secondary education Cycle 1 education GER of the four target regional states and Addis Ababa City Administration (2010/11-2014/15)

Region	Boys	Girls	Total
Tigray	56.0%	60.2%	58.1%
Amhara	39.9%	42.0%	40.9%
Oromia	40.2%	32.2%	36.2%
SNNP	44.8%	32.7%	38.8%
Addis Ababa	76.3%	66.9%	71.6%
National	40.7%	95.6%	38.37%

Source: MoE Annual Educational Abstract (various years).

iii. Secondary Education - Cycle 2 (Grades 11-12)

According to the annual educational statistical reports of the Ministry of Education, unlike the grades 9-10, the rate of GER for Cycle 2 (grades 11-12), has showed a significant increase in the five-year period, both at the regional and national levels (from 7 per cent in 2010 to 10.6 per cent in 2015).

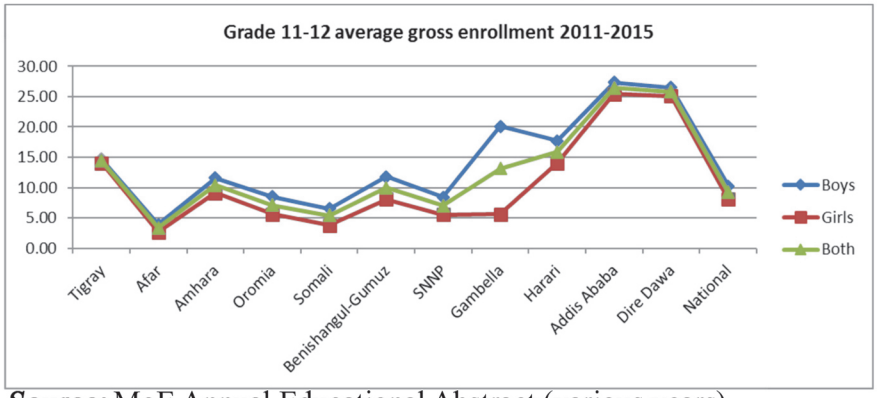
Figure 6: GRE trends of secondary education Cycle 2 (grades 11-12) at national level (2010-15)



Source: **MoE Annual Educational Abstract (various years).**

As the figure above shows, the total enrolment of students in grades 11-12 has steadily increased in the five-year period for both sexes. Once again, this can be attributed to the Government of Ethiopia's commitment and deliberate policy to expand 'education for all' during the past many years.

Figure 7: Average gross enrolment of secondary education Cycle 2 (2011-12)



Source: MoE Annual Educational Abstract (various years).

B. Actual Enrolment Trends

The actual enrolment of students at all levels (primary, secondary, TVET, and higher education) has shown substantial increases in the past few years. Table 8 shows the enrolment at various levels for the period 2010/11 to 2014/15 in all levels. As indicated in the table, the actual increase of students is higher at the elementary level, which underlines the government's commitment to make primary education universal in all parts of the country. From the overall figures it can also be deduced that rural areas are performing as well as urban areas.

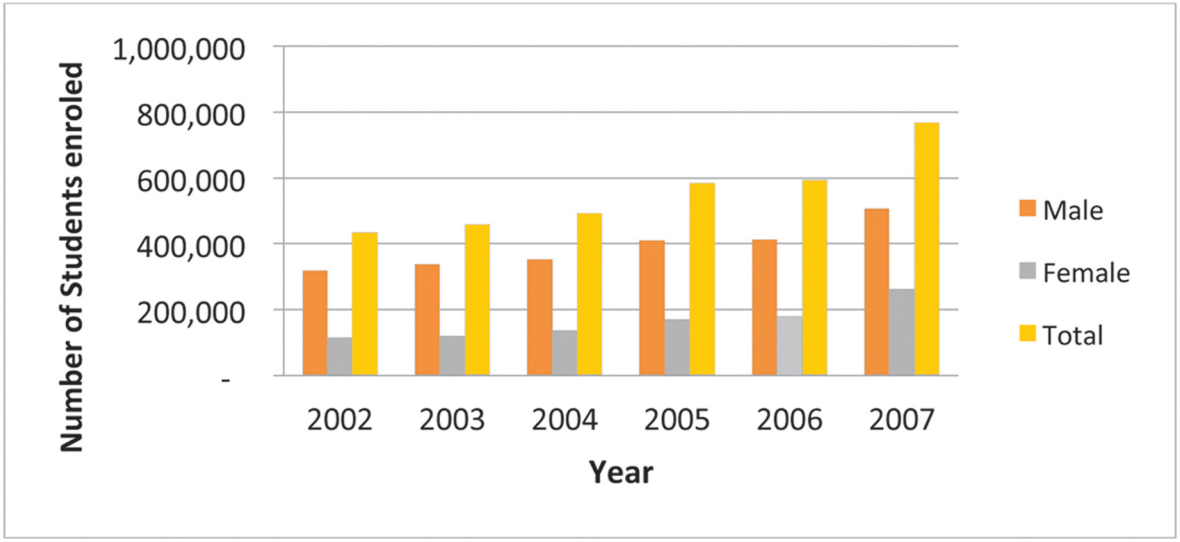
Table 8: Total enrolment of students at various levels (2010/11-2014/15)

Year	2010/11 (2003 E.C)			2011/12 (2004 E.C)			2012/13 (2005E.C)			2013/14 (2006 E.C.)			2014/15 (2007 E.C)		
Enrolment	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Primary Cycle I (1-4)	5,947,467	5,307,229	11,254,696	6,022,357	5,402,698	11,425,055	6,301,766	5,611,664	11,913,430	6,635,021	5,904,239	12,539,260	6,787,776	5,993,502	12,781,278
Primary Cycle II (5-8)	2,831,621	2,631,794	5,463,415	2,843,134	2,721,595	5,564,729	2,810,500	2,664,365	5,474,865	2,872,182	2,727,758	5,599,940	3,588,726	2,851,214	6,439,940
Secondary Cycle I (9-10)	807,251	654,667	1,461,918	775,440	666,786	1,442,226	811,674	729,564	1,541,238	843,479	765,836	1,609,315	879,113	803,228	1,682,341
Secondary Cycle 2 (11-12)	169,571	118,645	288,216	184,913	138,872	323,785	199,147	159,346	358,493	213,545	175,495	389,040	230,764	195,010	425,774
TVET	197,463	169,150	366,613	167,423	152,832	320,255	116,457	122,427	238,884	116,457	122,427	238,884	167,881	184,263	352,144
Higher Education	338,607	121,444	460,051	353,163	138,708	491,871	411,785	172,185	583,970	413,556	180,018	593,574	506,675	262,640	769,315

Source: MoE Annual Educational Abstract (various years).

However, there is a substantial increase in the number of students attending higher education in the five years shown in Figure 8 (from 434,659 in 2010/11 to 769,315 in 2014/15). This is approximately a 77 per cent jump in the number of students enrolled in various higher learning institutions in different regions of the country.

Figure 8: Number of students enrolled in higher education institutions (2010/11-2014/15)



Source: MoE Annual Educational Abstract (various years).

In all the regional assessments, it has been indicated that the economy is not strong enough to absorb the rapidly increasing number of college/university graduates. As a result, the unemployed graduate population is increasing at an alarming rate in all regions. It is believed that these graduates are either without jobs, or else engaged in jobs that are not commensurate with their education.

4.2.2 Technical and Vocational Education and Training

The Ethiopian education system has designed Technical and Vocational Education and Training to achieve multiple objectives. It is intended to address unemployment and underemployment (particularly of youth) by imparting practical skills and education that capacitates students in getting hired in jobs or to entrepreneur in creating jobs. Meanwhile, TVET is also aimed at addressing the skill gap of the labour market by providing demand-oriented and competitive quality training and education that contributes to the national endeavour of poverty reduction and social and economic development (TVET Strategy).[11] The major criterion to join TVET is to clear the national EGSECE examination. Students who are unable to score pass marks to join the second cycle of the secondary level (grade 11) are expected to enrol in TVET schools. This programme has produced thousands of graduates and provided education and training in various fields. Table 9 shows the scale of TVET enrolment for the period 2010/11 -2014/15 in different regions.

Table 9: TVET enrolment (2011/12-2014/15)

Region	2011/12			2012/13			2013/14			2014/15		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Amhara	19,009	24,387	43,396	22,174	32,500	54,674	22,174	32,500	54,674	20,209	28,258	48,467
Afar	688	568	1,256	817	571	1,388	817	571	1,388	990	648	1,638
Benishangul-Gumuz	545	566	1,111	-	-		-	-		2,960	4332	7,292
Dire Dawa	3,808	3,034	6,842	2,178	1,983	4,161	2,178	1,983	4,161	4,891	4,758	9,649
Gambella	515	379	894	257	237	494	257	237	494	1,138	932	2,070
Harari	1,490	1,345	2,835	-	-	-	-	-		1,680	1,630	3,310
SNNP	31,561	24,103	55,664	26,918	24,744	51,662	26,918	24,744	51,662	39,531	44,092	83,623
Somali	3,208	1,053	4,261	-	-	-	-	-		2,561	2,090	4,651
Tigray	11,199	10,887	22,086	6,376	6,229	12,605	6,376	6,229	12,605	12,310	12,085	24,395
Oromia	78,105	73,987	152,092	42,011	40,703	82,714	42,011	40,703	82,714	73,039	76,534	149,573
Addis Ababa	17,295	12,523	29,818	15,726	15,460	31,186	15,726	15,460	31,186	8,572	8,904	17,476
Total	167,423	152,832	320,255	116,457	122,427	238,884	116,457	122,427	238,884	167,881	184,263	352,144

Source: **MoE Annual Educational Abstract (2011/12-14/15).** [12]

11 Ministry of Education (2008) National Technical and Vocational Education and Training Strategy, Addis Ababa, August, 2008.

12 There is a discrepancy in the figures cited in this table and that by the Regional Bureaus of Education. The former shows lower numbers of TVET enrolments while the latter, although not always consistent, present a different picture in the target regions. Thus, even if the MoE is considered as the most reliable data source regarding education in Ethiopia (including TVET), the data provided regarding TVET enrolment and the number of TVET institutions in the country raises several questions. This is mainly due to the identical number of TVET enrolments and institutions given for the years 2012/13 and 2013/14. Moreover, there is no data on Benishangul-Gumuz, Harari, and Somali for the stated years, which significantly undermines trend spotting at the national and regional levels. The data for 2014/15 seems more comprehensive and reliable than that of the previous year.

As Table 9 indicates, there have been some fluctuations in TVET enrolments in recent years both regionally and nationally. At the national level, TVET enrolment has fallen by five per cent in the five-year period between 2010/11 and 2014/15 (from 371,247 to 352,144). The maximum decrease is by about 25 per cent in 2012/13 against that of the previous year. On the other hand, enrolments picked up in 2014/15, going up by a staggering 48 per cent from 2013/14. Similar fluctuations can be observed at regional levels as well. For example, while the total TVET enrolment of Oromia and Tigray regions decreased by 43.1 per cent and 41.9 per cent, respectively, between 2010/11 and 2013/14, the enrolments in both regions grew by around 81 per cent and 94 per cent, respectively, in 2014/15 from the previous year.

Neither the annual statistical abstracts of the MoE, nor the federal and regional TVET agencies were able to provide concrete explanations for the fluctuations. However, experts at the federal and SNNP TVET agencies presented some possible factors leading to the variations. Their analyses is that the initial years of the TVET programme saw a surge of students joining up with the expectation of acquiring skills and getting jobs easily. As the government-owned TVET institutions were limited both in number and enrolment capacities, private TVET schools began enrolling a substantial proportion of TVET students. However, during the formative years of TVET education in the country, many of these TVET colleges were unable to provide their students the necessary skills that would make them competent in labour markets due to limited training capacities and facilities, lack of experience, and the absence of linkages between TVET training/education and the needs of employers. These shortcomings were further aggravated by the government's limited capacity in ensuring that TVET centres meet the required standards. Because of these deficiencies, a significant number of TVET graduates were unable to find employment after graduation. This scenario created uncertainties and eroded the confidence of many potential trainees to join the scheme in later years.

Another factor attributed to the fluctuation is the TVET reform and the introduction of Outcome Based Training. The major objective of the reform was to address the challenges discussed above and to ensure the quality, relevance, and suitability of trainings imparted in TVET institutions so as to turn such professional courses into a pivotal tool for poverty reduction and economic development (MoE, 2008).[13] Accordingly, the reform established national occupational standards, occupational assessments, and a certification system. The TVET education system was reorganised into five levels (I-V),with each field of training at each level given its own expected occupational standard measured by four major indicators (problem solving capacity, task management skills, technical knowledge and skill level, and operational environment management skills).

[13] Ministry of Education, FDRE 2008. TVET Strategy, Addis Ababa: MoE.

The reforms, particularly the implementation of a strong monitoring and follow-up structure, is said to have forced many private TVET providers to withdraw from training areas that demand intensive practical training (examples: auto-mechanics, metal work, woodwork, and manufacturing), and concentrate instead on 'soft' fields such as accounting and secretarial science. There are several indicative statistics that support this argument. The annual education abstract for 2010/11 indicates that the share of the non-governmental TVET institutions in student enrolment was around 42 per cent, while the remaining 58 per cent of the trainees were enrolled in government-owned TVET institutions (MoE, 2011). In 2014/15, the share of government-owned institutions increased to 77.7 per cent (MoE, 2015). The decline in the role of private TVET institutions could thus also be partly attributed to the increase in the number of government-owned institutions. Moreover, the introduction of the Centre of Competence (COC) exam to ensure stringency in training standards has also acted as a measure to root out below-par institutions and thereby, potential students. The attention given to TVET in the recent government development strategy and in the Educational Sector Development Programme V (ESDP V) (2015/16-2019/20) has resulted in significant expansion of government TVET institutions and enrolment of students (as witnessed in 2014/15).

Table 10: Number of TVET institutions (2014/15)

Regions	No. of TVET institutions	Share of the total (%)
Amhara	128	13.9
Afar	6	0.7
Benishangul-Gumuz	11	1.2
Dire Dawa	18	2.0
Gambella	8	0.9
Harari	8	0.9
SNNP	66	7.2
Somali	11	1.2
Tigray	55	6.0
Oromia	247	26.9
Addis Ababa	361	39.3
Total	919	100

Source: MoE 2015/16.

An interesting observation is that 93 per cent of the total 919 TVET institutions in the country are located in the four target regional states and the Addis Ababa City Administration (Table 10).

TVET courses in Ethiopia are mandated to use centrally-prepared programmes. The MoE has prepared over 24 areas of training under the broad heads of agriculture, automotive engineering, business and services management, hotels and tourism, health management, leather technology, metals manufacturing, sports, and meteorology. Each field of training has sub-specialisations (see Annex 1). TVET courses are distributed over five levels. Levels I-IV are taught in TVET colleges, while Level V is imparted at polytechnic colleges which have the requisite facilities and specialisations. In any given region, specialisation subjects factor in the natural resources and labour market demands of the area.

Responsibility for curriculum development of TVET has undergone several changes. When the TVET programme was launched, the MoE charged with identifying sub-vocational specialisations under each vocation, and developing the curricula and training materials. As the institutional and human capacity of regional TVET agencies and TVET institutions grew, curricula development became the responsibility of the respective regions and their TVET institutions. Today, the role of the Ministry, through the Federal TVET Agency, is restricted to setting the Occupational Standard Framework (OSF) for each training field and providing technical support, including provision of model curricula, as required. Once the curricula are approved at the regional level, each training institution is accountable for developing its training materials based on the centralised occupational standards. In this regard, there is a high degree of flexibility, both in the curriculum as well as in the development of training materials to meet the needs and demands of each region's labour market.

Some attempts have been made to include entrepreneurial skill training in the curricula of most training fields in order to facilitate self-employment. However, based on the occupational standards, the scope and depth of the entrepreneurial skill training provided varies according to the level of the training. In general, though, it is believed that entrepreneurial skills increase along with an escalation in the level of training. Experts at the Federal TVET Agency claim that there is considerable room for improvement in the area of entrepreneurial skill training, especially keeping in view the dynamic nature of the labour market.

4.3 Challenges of the Education System

The education sector in Ethiopia does not effectively address the twin concerns of job creation and skill development. The challenge is manifested even more in the higher education and TVET levels. The major challenges highlighted by the regional assessments include the following:

A. **Low quality training and 'massification' of education:** The upsurge in recent decades in enrolments and the number of teachers, schools, and higher learning institutions has not however impacted education quality. The focus on achieving quantitative targets has compromised the quality of education. Mediocre or below-par education, especially in higher education and TVET results in graduates being less competitive in the labour market, both locally and abroad. Equally, this has a negative impact on productivity.

B. **Mismatch between education/training and labour market demands:** Graduates of higher institutions and TEVT have indicated that there is a mismatch between the trainings imparted and labour market demands. As a result, most graduates do not possess the requisite skills, which reduces their competency in the labour market.

C. **Lack of integration and coordination between trainings and labour market information:** In all the target regions, except Amhara, there is an information gap regarding labour market demands and dynamics. A primary reason for this is that the institutions responsible for imparting TVET are different from those that facilitate jobs. More recently, however, efforts are being made to integrate the two such as by joint planning, as in Tigray and Addis Ababa.

5 Policy and Institutional Frameworks on Migration and Labour Markets

5.1 Policy Frameworks on Migration

Ethiopia has ratified a number of international instruments that provide for the protection of migrants and victims of trafficking. This includes the Proclamation for the Prevention and Suppression of Trafficking in Persons and Smuggling of Migrants (No. 909/2015). This proclamation revised the legal definition of trafficking in persons and smuggling of migrants and provides for harsher punishment for the perpetrators of these crimes, and strengthens the existing penal code by including fines of up to 500,000 Birr and the death penalty in cases where victims suffer severe injury or death. The law also provides immunity to trafficking victims and proposes the formation of a national committee led by Ethiopia's Deputy Prime Minister to coordinate anti-trafficking activities. Some of the policy changes are described below.

Employment Exchange Services Proclamation (No. 632/2009): The government has endorsed this proclamation with the view to ensure strengthened labour migration management in the country. The proclamation provides for greater supervision of private employment agencies and the placement of labour attachés in Ethiopian embassies.

Proclamation against Trafficking in Persons and Smuggling of Migrants (No. 909/2015): This proclamation overhauls existing legislation to define and punish trafficking offenses and to enact measures to support victims of trafficking. Its definition of trafficking crimes is consistent with international law, which deems that 'exploitation' includes forced labour and sex trafficking by means of fraud or coercion, and that, with regard to children, 'consent' for such activities by parents/guardians or children is unacceptable.

National Anti-Trafficking Council and Taskforce: The government has established a National Anti-Trafficking Council and Taskforce at the regional, zonal and district levels. The council has the mandate to coordinate trafficking and irregular migration prevention activities and enables efficient implementation and monitoring of prevention, protection, and prosecution activities. The council and taskforce are headed by the Office of the Deputy Prime Minister at the federal level, and at the regional level, by the presidents of the regional states.

Ban on Overseas Recruitment by Private Employment Agencies (PEAs): In response to the growing incidence of abuse and human rights violations of Ethiopian labour migrants in the Gulf countries, the Government of Ethiopia has placed a ban on all overseas recruitment by private overseas employment agencies since October 2013. This human rights violations ban is meant to halt human trafficking, abuse of labour, and physical and psychological damage of its citizens.

Bilateral MOUs: Ethiopia has, and is, leading consultations to facilitate the signing/reviewing of bilateral labour agreements with major migrant destination countries, mainly Saudi Arabia, Lebanon, and the United Arab Emirates. These agreements aim at ensuring the protection of Ethiopian migrant workers in these regions. The recent efforts of the government to sign a domestic workers' recruitment agreement to protect the rights of Ethiopian domestic workers in Saudi Arabia is one laudable example.

The agreement is expected to improve the lives of migrant domestic workers with regard to ensuring their rights.

5.2 Policy Frameworks on Labour Markets

The Labour Market in Ethiopia is governed by a number of proclamations to safeguard workers' rights and provide better employment services. These include the Labour Proclamation (No. 377/2003), Employment Exchange Service Proclamation (No. 632/2009), Overseas Employment Proclamation (No. 923/2016), the National Employment Policy and Strategy of Ethiopia (November 2009), and the Right to Employment of Persons with Disability (No. 568/2008).The proclamations and policies are discussed briefly below. While the first proclamation's main emphasis is on the promotion of migrant workers and has provisions for the punishment of the Public Employment Service if it shows any involvement in the trafficking of migrants, the rest are more focussed on creating employment opportunities.

The Labour Proclamation (No. 377/2003): The proclamation was in place to establish basic principles governing the rights and responsibilities of both employers and employees. It also guarantees the right of both constituencies to form their respective associations and to engage, through lawfully elected representatives, in collective bargaining. The proclamation also lays down the procedure for the expeditious settlement of any disputes which may arise between workers and employers. Further, the proclamation strengthens the work of government bodies by granting them the authority to inspect the entire gamut of labour administration, particularly labour conditions, occupational safety, health, and the work environment. Employee rights—payment, leave, a safe working environment, employment injury benefits, and the forming of trade unions—are guided by official contracts. The duties and responsibilities of employees are also stipulated, and they too are granted the right to form employer associations. The Ministry of Labour and Social Affairs and its regional bureaus are responsible for organising, coordinating, and following up on employment services and employment exchange.

Employment Exchange Services Proclamation (No. 632/2009): This defines the role of public and private employment agencies in employment exchanges. It lays down a set of requirements to be fulfilled by private employment agencies that cater to national or overseas employment.

Overseas Employment Proclamation (No. 923/2016): The proclamation highlights the various protective mechanisms (such as bilateral agreements) developed by the government to safeguard its citizens working overseas. It sets grade eight as the minimum education level of employees and also enjoins them to present a certificate of occupational competence to qualify for overseas employment. The proclamation emphasises the responsibilities of private employment agencies and levies strong control mechanisms to ensure they are implemented.

National Employment Policy and Strategy of Ethiopia (November 2009): The objectives of this policy are to enhance social welfare, accelerate economic growth, and achieve political stability.

Right to Employment of Persons with Disability (No. 568/2008): Aimed at the employment relationship between a qualified worker or job seeker with disability and an employer, this proclamation protects therights of persons with disability. This includes the right to employment and banning discrimination against them.

5.3 Government Institutions Dealing with Labour Markets and Migration Governance

There are several government departments and institutions that play a role in handling migration issues. The institutions discussed below are either directly or indirectly involved in migration governance in Ethiopia.

Ministry of Labour and Social Affairs (MoLSA): This Ministry is mandated to manage social and labour affairs, including labour migration, particularly to the Middle East. It is responsible for checking labour conditions and ensuring fair employment contracts for those who seek to work aboard. In some instances, it also provides assistance to emigrants. Among other things, MoLSA is responsible for the approval of employment contracts of migrant workers and the licensing and monitoring of the activities of PEAs. MoLSA is empowered to take appropriate measures when the PEA exposes migrants to further risk. The Ministry is also part of the National Anti-Trafficking Committee.

Ministry of Foreign Affairs (MoFA): The Ministry is mandated to coordinate all relationships between government institutions and foreign states and international organisations. MoFA is, in fact, the entry point for foreign organisations' interventions in the country.

Ministry of Justice: This Ministry deals with prosecution and legal counsel, drafting laws, prosecuting criminals, legislating laws, and crime prevention.

Ethiopian Federal Police (EFP): The federal police enters the picture to investigate a crime, particularly those related to human trafficking, which seem to be overly-prevalent and under-investigated. The Ethiopian Federal Police Commission is also providing protection to its at-risk citizens in border areas including in Afar and Amhara regions through Emergency Migration Response Centres (EMRCS).
Main Department for Immigration and Nationality Affairs: This standalone department deals primarily with immigration matters. UNHCR also works with this department in dealing with refugee hosting issues.

National Anti-Trafficking Council: Aimed at awareness raising and reducing irregular migration, the Prime Minister's Office is the coordinator and chair of the National Anti-Human Trafficking Council (NAHTC)/Taskforce.

National Anti-Trafficking and Smuggling Taskforce: Set up under the MoFA in 2012, this is a national taskforce chaired by a state minister and composed of experts from relevant ministries. Taskforces have also been established at the regional, woreda, and kebele levels. The taskforce instituted a National Plan of Action against Trafficking in Persons (TiP) and Smuggling of Migrants (SoM) (both in 2012 itself) to be implemented both regionally and nationally. It aims to enhance multi-stakeholder coordination in migration management and counter-trafficking initiatives in Ethiopia. The taskforce comprises line ministries and regional bureaus with anti-trafficking and smuggling mandates. These include the Ministries of Education, Foreign Affairs, Health, Justice, Labour and Social Affairs, and Women andChildren Affairs, as well as Federal and Regional Micro and Small Enterprise Development Agencies (Fe/ReMSEDA). The regional taskforces are working on promoting community conversations and strengthening the capacity of law enforcement agencies to combat smugglers and traffickers to prevent TiP and SoM.

The Federal and Regional Micro and Small Enterprises Development Agency and financial institutions: These institutions permitted to facilitate access to finance for returnees and local vulnerable community members through linkages with micro-finance institutions (MFIs) and Savings and Credit Cooperatives (SACCOs).

Ministry of Education (MoE): The Ministry is responsible for producing a well-trained labour force for the job market. The TVET Agency under the MoE plays an important role in enhancing the skill levels of Ethiopian citizens, including potential migrants and returnees.

Ministry of Women and Children Affairs: The Ministry follows up on the implementation of international conventions and national laws pertinent to women and children and collaborates with organisations working on women's issues. It also conducts capacity building activities to ensure the equal participation of women in political, economic, and social spheres.

Administration for Refugee and Returnee Affairs (ARRA): Established by the Ethiopian government in 1988 following a large number of refugee influxes into the country, ARRA is a government focal body for asylum issues. It is currently accountable to the National Intelligence and Security Service. It is the main monitoring agency working on behalf of the Ethiopian government, and is responsible for granting refugee status to individuals. It works closely with several stakeholders, including UN agencies (such as, UN High Commissioner for Refugees, World Food Programme, United Nations International Children's and Education Fund, and UN Development Programme); the government (police, federal and regional governments, and various ministries such as MoH and MoE); and other international and local organisations (both government and non-government) in the areas of food distribution, shelter, security issues in refugee camps, health, education, etc.

5.4 Inter-Governmental and International Organisations

Several international organisations are active in the field of migration in Ethiopia. This includes ILO, International Organization for Migration (IOM), UNICEF, and UNHCR.

International Labour Organization (ILO): The ILO is responsible for drawing up and overseeing international labour standards. In Ethiopia, it has taken a lead in trafficking issues, particularly of female domestic workers to the Middle East. The ILO works closely with the Ethiopian Ministry of Labour and Social Affairs and local trade unions to develop policies and approaches to protect women seeking to migrate abroad.

International Organization for Migration (IOM): The agency works to facilitate migration in Ethiopia. IOM has the following core programmes in the country: movement, emergency and post-crisis migrationmanagement; migration and health; migration and development; regulating migration; facilitating migration; and migration research.

The United Nations Children and Education Fund (UNICEF): In Ethiopia, UNICEF's primary responsibility regarding migration is to provide assistance to unaccompanied minors who are returned. Targets also include child refugees.

United Nations High Commissioner on Refugees (UNHCR): UNHCR aims to ensure that all refugees are able to make a safe and sustainable living that meets their basic needs, contributes to their dignity, and provides for the full enjoyment of human rights. It assists in finding sustainable solutions that will allow displaced people to rebuild their lives in dignity and peace.

5.5 Unions, NGOs, and Other Bodies

Private Employment Agencies' Association and the Private Employment Agencies' Union: Both these trade unions represent legal employment agencies that help to place people in jobs abroad, particularly in the Middle East.

Interreligious Council of Ethiopia, Women's/Youth Associations and Other Relevant Stakeholders: Such institutions work on issues related to women and youth. They could broaden their mandate to conduct training/awareness activities on safe migration as well as on the risks and dangers associated with irregular migration and trafficking.

Non-Governmental Organizations (NGOs): The NGO sector is typically involved in providing direct support to returnees and in awareness raising activities. They do this by facilitating the social and economic reintegration of returnees through the provision of, or referral to, appropriate services in coordination with partner organisations and networks. They could also work on creating awareness about the risks and dangers associated with irregular migration and trafficking.

Ethiopian Employers' Federation (EEF): This is the apex employers' organisation in Ethiopia. As a national player, the EEF has branches all over the country as well as sectoral associations of the private sector. It is the most vital and considered voice in the realm of business, employment, labour, industrial relations, and social issues in Ethiopia.

The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA): This is an apex organisation of the chambers and sectoral associations in Ethiopia. ECCSA, as per Proclamation No. 341/2003, was established to provide a bouquet of services to the business community including safeguarding the overall rights and benefits due to its members, promoting and publicising Ethiopian products and services, and operating as a bridge between the business community and the government.

5.6 An Overview of the Role of Micro and Small Enterprises

Micro and small enterprises have a pivotal role to play in creating job opportunities for a large proportion of the Ethiopian population. MSEs are the bedrock of employment creation as the sector can absorb both skilled and unskilled labour. Indeed, new and existing MSEs have created the greatestproportion of jobs in the country, permanent as well as temporary. Millions of unemployed youth in various towns and cities of Ethiopia are currently benefitting from the MSE sector, a significant number of which are operating successfully in small towns, where large and medium enterprises cannot.[14]

[14] Ethiopian Economic Association/Ethiopian Economic Policy Research Institute (2013) (EEA/EEPRI) Micro Enterprises in Small Towns, Amhara Region, Ethiopia: Nature and Performance.

According to Ministry of Urban Development and Construction (MoUDC), 2010:

An enterprise can be defined as an undertaking engaged in production and/or distribution of goods & services for commercial benefits, beyond subsistence (household) consumption at the household level. An enterprise might be owned and operated by a single household, or by several households jointly on a partnership basis or by any institutional body. For example shoe-making, bakery, textile, apparel and garment, shoe repairing, transport, health, education and legal services are potentially profitable undertakings where enterprises exist. An enterprise can be defined as Micro Enterprise when the numbers of its employees (including the owner or family) are not greater than 5 & total asset is ≤ 100,000 ETB for industrial sector and ≤ 50,000 ETB for service sector. In a similar manner, an enterprise with 6-30 employees & total asset 100,001—1,500,000 ETB for industrial sector and 50, 0001—500,000 ETB for service sector is defined as **Small Enterprise. Growth oriented Micro and Small Enterprises (MSEs)** are MSEs engaged in production of goods and services in the sectors given priorities in the economic development of the country in most policy and strategy documents of the government. The GTP identifies sectors like, construction, metal and woodworking, textile and garments, leather and foot wear, agro-processing, roads & other infrastructures as growth oriented sectors in which MSEs are also have considerable parts (MoFED, GTP, 2010 cited in MoUDC, 2010).

According to the new Small and Micro Enterprises Development Strategy of Ethiopia, the working definition of MSEs is based on capital and labour.

No.	Enterprise Level	Sector	Hired Labour	Capital
1.	Micro	Industry	≤ 5	$6,000.00 or £4,500.00 ≤ Birr 100,000.00
		Service	≤ 5	$3,000.00 or £2,200.00 ≤ Birr 50,000.00
2.	Small	Industry	6-30	$90,000.00 or £70,000.00 ≤ Birr 1,500,000.00
		Service	6-30	≤ Birr 500,000.00

Micro and Small Enterprises are deemed to be a successful strategy in addressing the challenges of unemployment and thereby expediting economic growth across the country (Tewabe, 2016). At the national level, MSEs are reported to have been making a significant contribution to Ethiopia's overall development and in reducing unemployment rates (FDRE, 2009).

It has been over a decade since the government adopted the MSE approach to augment employment opportunities across Ethiopia. In order to facilitate this, the government developed two MSE strategy documents: the 1997 MSE Development Strategy and the 2011 MSE Development Strategy. While the first laid emphasis on creating an enabling environment for MSEs, the latter seeks the involvement of graduates (with the expectation that fresh graduates and other unemployed segments of society will create self-employment avenues) in addition to the poor and less skilled. It also focusses on technology transfer and the advancement of corporate management skills for fresh university and TVET graduates. The 2011 strategy mission is to create jobs for citizens to augment income levels and in turn, generate livelihoods. It also aims to intensify the development of rural areas by enhancing industrial progress.

Further, this sector is looked upon as a viable answer to boost entrepreneurship in urban areas. It is envisaged that the efficient capital-enhancing mechanisms deployed by MSEs can eventually lead to economic growth and by extension, investors. Some MSE operators are sole proprietors while others form cooperatives in order to receive support for enterprises. The MSE mechanism is linked to the public employment service since all those registered as unemployed are advocated to take the enterprise path if they are willing. Viewed as agents of development and a major source of employment and future economic growth, small-scale enterprises are accorded priority in the areas of industry and urban development, and it is projected that many university and TVET graduates will start such enterprises.

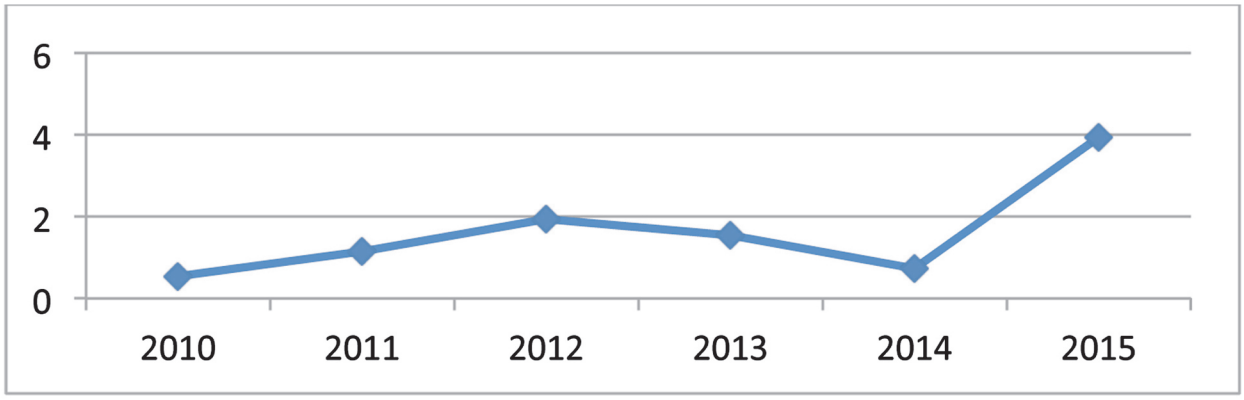
The GoE is committed to enhancing the quantity and capacity of MSEs. Enterprises receive diverse financial and non-financial support through the MSE agencies in collaboration with MFIs, TVET offices, Youth Office, as well as the Labour and Social Affairs office. Assistance covers areas such as request for office space; skill and entrepreneurship training; industry extension services; legal, financial and machinery support; market linkages; and credit services. All these are crucial for the establishment and further strengthening of MSEs. Market linkages are usually facilitated by regional/zonal MSE bureaus (FDRE, 2011).

The Addis Credit and Saving Institution S.C., Amhara Credit and Savings Institution (ACSI), Oromia Saving and Credit Association (OSCA), Debit Credit and Savings Institution (DECSI), and OMO Microfinance Institution S.C., are the most important micro-finance institutions that are currently availing of credit for MSEs in Addis Ababa, Amhara, Oromia, Tigray, Oromia, and SNNP, respectively.

In addition, MSEs are encouraged because of the government's confidence that this sector is uniquely positioned to bring about technological transfer and new corporate management skills. Thus, sectors with the potential of producing goods that can substitute imports and promote exports are accorded priority. These enterprises are designed to avail of opportunities for those vulnerable to unemployment, notably the youth and women. Their guiding principle stipulates that 50 per cent of their employment targets should be women and 70 per cent, to be recruited among the youth.

The number of MSEs is on the increase, as is the range of goods and services being delivered. The main operational areas are manufacturing, construction, trade, services, and urban agriculture. Their role in the economy is that of active involvement in the market by providing quality goods and services at a reasonable price. Furthermore, such enterprises are regarded as essential mechanisms for poverty alleviation because of the redistribution of national economic growth to parts of the community that have lower income sources. The government is providing special support to the manufacturing sector, which is key to realising industrialisation goals and which employs more people than any other sector.

Figure 9: Employment created by MSEs in millions (2010-215)



Source: GTP I Performance Report.

According to the Addis Ababa MSE bureau (2016), the total number of jobs created through SMEs in the past five years are: 114,455 in the manufacturing sector; 392,708 in the construction sector; 115,515 in the service sector; 62,635 in the urban agriculture sector; and 45,589 in trade. In addition, returnees formed 291 enterprises, creating jobs for 1,272 people. Similarly, in Amhara, 84,890 enterprises were formed in 2008 by unemployed youth, resulting in the employment of 835,563 people, of which 578,163 were male and 257,400 female. These figures show a relative increase when compared to the preceding years, even though the number of unemployed youth has increased correspondingly over the years.[15]
In terms of the prevalent gender gap in unemployment, MSEs are effectively reducing this gap by recruiting more women in the workforce. However, the gap is yet to be closed even within MSEs—a Federal Democratic Republic of Ethiopia (FDRE) Ministry of Urban Development and Construction study (2013) shows that nationally 60 per cent of those who went in for business enterprise opportunities were men.

Challenges: Both the 1997 and 2011 MSE Development strategies overestimated the potential in MSEs—the external environment and enterprises' internal systems have contributed to unsatisfactory results. The jobs created through MSEs do not correspond to the high number of job seekers. A major challenge is that the potential enterprise owners (i.e., unemployed youth) do not get sufficient state support and follow up on entrepreneurship and skill training, work-space or land allocations, loans, and other relevant technological inputs. To cite just one example, in Addis Ababa, 53.6 per cent of the enterprises were not provided land in 2013.[16] Further, MSEs are not being nurtured. A study conducted on randomly selected 332 micro-enterprises conducting different economic activities in Amhara revealed that the enterprises were characterised by low productivity and stagnation because of low employment levels, insufficient capital coupled with limited access to financial services, lack of enabling partnerships and networking opportunities, and an absence of technical and business skills. The study further revealed that the most critical variables affecting the performance of micro-enterprises were capital, access to information, licensing, and access to telephone services. The study suggests that improved finance and information avenues create a better local business environment that promotes the formalisation of businesses.[17]

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15 Amhara Region Technical and Vocational Enterprises Development Bureau, Annual Report, 2008.

16 FDRE Ministry of Urban Development and Construction, 2013.

17 Ethiopian Economic Association/Ethiopian Economic Policy Research Institute (2013), Micro Enterprises in Small towns, Amhara Region, Ethiopia: Nature and Performance.

Having financial access is the biggest challenge for enterprises in all the regions that were studied. High interest rates (as much as 18 per cent), collateral requirements, interest-bearing loans (in Oromia, for religious reasons), savings requirements (of 20 per cent), and delays in the starting of operations is frustrating for the youth and inhibit them from accessing microfinance institutions. They lose hope, and migration seems a more viable option.

The bureaucratic red tape and corruption that seems to be de rigueur in setting up of MSEs (Addis Ababa, Oromia, Amhara, Tigray, and SNNP) is another deterrent in building a flourishing sector. Potential start-ups are dogged by malpractices, lengthy delays in accessing land and credit, favouritism, and undiversified service provision. This is compounded by the lack of an entrepreneurial culture, market linkages, and services and structures.

5.7 Interested Stakeholders in Developing Market Linkages and Sub-contracting

Poor market linkages as well as a lack of markets for products have been consistently reported across the regions as the main challenge for MSEs. Concerted efforts of various stakeholders can turn around this situation. For the success of this sector, it is therefore critical to identify organisations, companies, etc., that might be interested in developing market linkages with MSEs. While regional/zonal/woreda level offices of BoLSA, MSEs, TVET, MFIs, etc., can be made the main government bodies responsible for developing market linkages and sub-contracting, equally important is the involvement of non-government actors, including the private sector and CSOs, that are already working in the respective regions.

In Tigray, the biggest scope for market linkages, sub-contracting, and on-the-job training can be found within the consortium of companies that form the Endowment Fund for the Rehabilitation of Tigray (EFFORT). Of particular importance in this regard could be Abergelle Abattoir (for cattle fattening enterprises), Mesfin Industrial Engineering (metal works), and Sheba Leather. An under-construction agro-processing factory in Mehoni could also be tapped for local farmers and agriculture-based enterprises (especially Raya Alamata and its surrounding woreda). The plan to establish an integrated agricultural industry zone in Mehoni, when implemented, can become a good source of market linkages for MSEs. Honey processing companies around Atsbi Wenberta could also be linked with SMEs in honey producing areas. The building materials construction business of Metals and Engineering Corporation, which has some branches in Tigray, could be linked to MSEs' operations in construction. Finally, over and above creating market linkages, there is huge potential in these stakeholders for technology transfer for MSEs.

For Amhara, Oromia and SNNP regions, in woredas which are accessible to main roads (such as Adabba in Oromia located on the Addis-Robe asphalt road), market linkages and subcontracting arrangements can be brokered between producers in the woreda and various institutions in bigger towns. Moreover, MSEs can work with regional universities in supplying construction materials, food and catering services, opening shops, helping with waste management, and providing various services for university students. Cattle fattening and livestock trading businesses can also be linked to the abattoirs in bigger towns in the region and those that are close to major cities. Zonal agriculture, trade, and industry offices can play an instrumental role in creating linkages and locating those willing to have sub-contracting arrangements with diary and agricultural processing companies. These have the potential to assist the agricultural producers in the region professionally as well as by connecting them to potential investors that can sub-contract their investments.

In Addis Ababa, market linkages for MSEs are primarily handled by government institutions, mainly through the MSE offices at the zonal/sub-city, and woreda levels. They not only provide information on business opportunities within the various government offices, but also facilitate business expositions.[18] Thus far, the most important market linkage has been created in the construction sector, with MSEs being sub-contracted for the job.[19] Enterprises engaged in this sector have been directly linked to large government undertakings of 40/60 and 20/80 housing projects, i.e., 40 per cent savings and 60 per cent loans from the bank, and 20 per cent savings and 80 per cent loans, respectively, to get a house, light rail construction projects, and water and sewerage, as well as Ethio telecom projects. However, the capacity of these government projects to absorb all enterprises is declining as enterprises outstrip demand. MSEs have also obtained showrooms in ground+4-floor facilities in Addis Ababa as well as in smaller, standalone shops. Currently, 118 buildings and 3,300 small shops have been dedicated as work premises (for example, for services such as restaurants, tea/coffee cafes, bread shops, beauty salons, etc.) for MSEs (AAMSEB, 2016). However, this is far below the demand.

Private sector involvement with MSEs is very minimal at present. Linking MSEs to the private sector so that they can be engaged in large investment projects run by private investors could be a strategy to move the relationship forward.

At the national level, it is envisaged that industrial parks will create 200,000 jobs every year, totalling two million jobs over the coming ten years. This huge project will absorb a significant chunk of the unemployed workforce in the country. In SNNP itself, the Hawassa Industrial Park hopes to create 60,000 jobs. The ongoing expansion work on the park will raise the number of jobs to 84,000. Registrations to recruit potential employees have already begun in all woreda offices of the Department of Labour and Social Affairs.

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18 Interview with MSE Bureau; Interview with woreda 10 Kirkos sub-city MSE office; Interview with woreda 2 Arada sub-city MSE Office; Interview with Kirkos sub-city MSE office.

19 Interview with MSE Bureau.

6 International Migration: Motivations, Trends and Dynamics

Ethiopia's international migration rate of 0.7 per cent [20] is lower than the sub-Saharan Africa average of 2.5 per cent (World Bank, 2011).[21] There has been, however, a significant rise in outward migration from Ethiopia in recent years. The dominant cause for this outward migration is economic—the desire to harness better financial opportunities abroad (Asnake and Zerihun, 2015). As noted in the demographic trends section above, the country has a high annual population growth rate (2.36 per cent). The youth dominate the population numbers; at the national level the proportion of the population in the working age group (15-64 years) is around 53 per cent, giving rise to a high youth unemployment rate of 23.7 per cent in 2010 (CSA, 2013). Obviously, these demographic features of the country have a strong bearing on outward migration.

In addition to socio-economic challenges such as demographic pressures and unemployment, political instability, violence and conflict often lead to outward migration (Fransen and Kuschminder, 2009). Indeed, hundreds of thousands of people were forced to leave the country during the political turbulence of the 1970s and 1980s. When compared to the pre-1991 period, there has been a significant decline in the number of people who leave Ethiopia for political reasons. Nevertheless, there are still tens of thousands of Ethiopian refugees and asylum seekers in the neighbouring countries and elsewhere. For instance, in South Africa the second-largest number of asylum applications came from Ethiopia, next to Zimbabwe, and in 2015, there were 9,300 Ethiopian asylum applicants in South Africa (Department of Home Affairs, 2016).[22] According to the Horn of Africa and Yemen, Regional Mixed Migration Secretariat, between 2008 and June 2016, more than 365,000 migrants and asylum seekers arrived in Yemen, of which more than 80 per cent were Ethiopians (RMSS, 2016). While Yemen is a transit country for many of the migrants, some also decide to seek asylum there.

According to UN estimates, the share of outward migration from Ethiopia has showed a steadily increasing trend between 2000 and 2015. In 2000, the international Ethiopian migration stock was 442,161. This figure reached 753,492 in 2015 (UNDESA, 2015). The estimates by the UN do not include irregular migrants from Ethiopia and hence do not show the full magnitude of migration. Outward migration from Ethiopia, which is driven by a host of push and pull factors (discussed below), has positive and negative socio-economic repercussions on both Ethiopia and the recipient countries. Using the findings of the five regional SEA reports, we will examine the motivation, dynamics, and trends of migration from Ethiopia in the section below.

6.1 Motivations for Migration: Push and Pull factors

The proverbial push and pull factors form the impetus for outward migration from Ethiopia, with the push factors—which are tied to a country's social, economic, and political conditions—showing some

20 Stock of immigrants as a percentage of the population.

21 World Bank, 2011. Migration and Remittances, Fact Book, 2011, Washington, D.C. Available [https://siteresources.worldbank.org/INTLAC/Resources/Factbook2011-Ebook.pdf]. Accessed on April 11, 2017.

22 Department of Home Affairs, Republic of South Africa, 2016. 2015 Asylum Statistics: Analysis and Trends for the Period January to December. Available [http://pmg-assets.s3-website-eu-west-1.amazonaws.com/160308Asylum.pdf]. Accessed on April 10, 2017.

dynamism over the recent decades. In the 1970s and 1980s the primary push factor for out-migration was political—to escape the repressive political system under the then dictatorship. This changed from the early 1990s to socio-economic drivers of out-migration, though political factors did play a role in the decision of some potential migrants. More recently, out-migration can be attributed chiefly to a slew of socio-economic factors that often interplay with each other.

6.1.1 Push Factors Leading to Migration

• **Poverty:** One of the foremost factors leading to outward migration from Ethiopia is poverty. Even though recent reports indicate a decline of poverty at the national level (World Bank, 2016; National Bank of Ethiopia, 2015),[23] tens of millions of people continue to live in poverty. For instance, the Tigray regional report indicates that the incidence of poverty in the region is 23.4 per cent and contends that penury is one of the major push factors for outward migration. The Amhara SEA states that a large number of unemployed poor youth feel a sense of hopelessness because they cannot meet the markers of life , and thus resort to outward migration, even if they have some knowledge about the dangers associated with irregular migration. Similarly, the Addis Ababa report discusses how degrading inner city poverty (in such sub-cities like Lideta, Addis Ketema, Arada and Kirkos) can induce young people to migrate out of the country.

• **Cultural and attitudinal influences:** All the regional reports underscored the fact that migration is increasingly being taken as a culturally and socially accepted phenomenon. The widespread opinion among prospective migrants that they could change their standard of living by moving out of the country is increasingly gaining acceptance from families and communities. Another related factor is religion. Even if prospective migrants have a fair knowledge of the dangers that await them en route and in the destination countries, they justify their decision by a fatalistic/religious view that one will not live beyond the day predetermined by God. Moreover, there is the tendency to look at one's fate in a dichotomised manner. The Tigray SEA report quotes a popular saying among prospective migrants to explain this: "Either my body will come in a bag or I will come with a bag full of money."

• **Peer and family pressure:** The regional reports indicate the presence of strong peer and family pressure on young people to undertake outward migration. The Tigray SEA report, for example, noted that parents label their children as 'bad' and 'lazy' if they sit and wait for an employment opportunity to come by. In fact, parents are even willing to provide the finances for outward migration. Additionally, young people working abroad egg on their peers back home to seek employment abroad, and equip them with the necessary information and financial support. The Oromia SEA too points to peer and family pressure as one of the chief reasons for outward migration. In Sinana woreda, local youth do not want to take up what they call menial jobs. As a result, labour for the booming construction industry comes from other regions. Additionally, families do not encourage their unemployed children to work with them in the agricultural fields. Agriculture is not included as a preferred employment choice in their aspirations for their children who, they believe, should take up "better paying jobs". In other words, parents actively encourage and

[22] According to the World Bank (2016), the poverty head count ratio for Ethiopia showed a remarkable decline in the last several years: in 2004, it stood at 38.9 per cent. This came down to 29.6 per cent in 2010.The 2014/15 annual report of the National Bank of Ethiopia states that poverty has declined to 22 per cent.

financially support their children to migrate to countries where they believe their children will enjoy a decent life—a life better than theirs. That is why the regional government has been engaged in awareness raising about the adverse aspects of irregular migration.

• **Unemployment:** In all of the SEA reports, unemployment came across as one of the major push factors. Indeed, as the 2012 CSA national urban employment and unemployment survey shows, there is a high rate of unemployment (17.5 per cent) in the country's urban areas. All of the study regions show unemployment rates close to the national average. In Amhara, urban employment is estimated at 18 per cent, while in Tigray and Oromia it stands at 17 per cent and 16.7 per cent, respectively. The SEA reports argue that because of the inability of the urban economy to absorb the large number of young people who leave school every year, youth unemployment is a chronic problem throughout the country. International migration is one of the coping mechanisms for the unemployed.

• **Shortage of land/landlessness:** The four regional SEA reports indicate that even though agriculture is the dominant employer as also the main economic activity, there is a scarcity of farming land. The average landholding for predominantly agricultural regions of the country, including the four regions covered in the SEA, is 0.96 hectare per household (Memberu, 2014). In fact, the average landholding size is becoming even smaller due to population growth and land degradation. The Oromia regional SEA report contends that while land is generally either inherited or is gifted to children by their parents, a large family size (partly because of polygamous marriages) can cause tensions within the extended family. As a result, unemployed youth (educated and uneducated) lose hope and, increasingly opt for migration out of the country. The SEA report of the SNNP region explains that for the youth who do not have the prospect of farming as a viable income source, migration is viewed as an important option.

• **Low wages:** In the light of soaring inflation in the country in the last few years, for many employed people, both in the public and private sector, salaries/wages are often insufficient to cover even basic necessities.[24] The problem of lower wages is compounded by the lack of a minimum wage system in the country. The Amhara SEA, for instance, underscores that since there is no legislation governing minimum wages, employers are at liberty to set any wage they like, which is offered to employees on a take it or leave it basis. Given the scarcity of jobs, the youth have no choice but to accept the employers' offer. In certain instances, as indicated in the Amhara SEA report, salaries offered by private employers could go as low as 500 Birr per month, which is inadequate to cover living expenses. In such a scenario, out-migration assures better livelihood options. Interestingly, the regional reports point out that those in government employment as teachers, health extension workers, and police officers, also undertake outward migration. Thus, it is not only the unemployed who choose to migrate.

• **Advances in communication technology (social media):** The Tigray and Oromia regional reports highlight the importance of modern communication technologies, particularly mobile phones and the Internet, in assisting outward migration. Earlier, migrants used Internet-based communication technologies (social media) to entice potential migrants.

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[24] Following the salary increment for government employees in 2017, the minimum salary for a government employee is about USD 44. Available online at [http://www.mesobtube.com/article.php?show=popular]. Accessed on April 12, 2017.

6.1.2 Pull Factors for Migration

The regional SEA reports also discuss the pull factors that motivate prospective migrants to leave the country's shores in search of a better life. The main pull factor that attracts the youth to migrate to Gulf countries, for instance, is the availability of higher paying jobs in comparison to the situation at home. Wages that are provided to Ethiopian domestic workers in Saudi Arabia (before the banning of irregular migration) was USD 200, which is much higher than what they could expect within the country. In addition to better job prospects, the success of earlier migrants in building assets or even providing support to their families entice the youth to migrate, with the Gulf countries, South Africa and Europe being the top picks.
The pull factors for migration to Western Europe are social, political, and economic. Ethiopian migrants are attracted by Western Europe's higher living standard, educational and job opportunities, and the protection of their political and human rights. While migrants to the oil-rich Gulf countries hope to raise money there by working for a limited number of years, those who migrate to Western Europe aspire for permanent residency and, eventually, citizenship.

The regional SEA reports clearly note that in addition to economic factors, social networks (i.e., family and friends abroad) are important pull factors. Thus, people usually decide to migrate after learning about the transit and destination countries from earlier migrants.

The reports also expose the roles that brokers play in irregular migration. The brokers propagate only the positive aspects of migration to potential migrants and their families. In collaboration with smugglers/traffickers, they manage to create sophisticated networks of human trafficking from local to international levels using mobile phones and the social media.

6.2 Migration Characteristics and Trends

In terms of age, the migrants from the study regions and Addis Ababa are predominantly young boys and girls (aged 15-35 years). The migrants have, however, different socio-economic profiles. Some of the migrants quit their jobs to travel overseas, while others decided to migrate because of the lack of job opportunities in their home country. Some migrants were from poor families, while others belonged to well-to-do families. Returnees were also seen as potential migrants as the prevailing push factors may lead to them to re-migrate.

The regional SEA reports show that before the ban on regular migration to the Gulf countries, there was a significant level of regular migration—particularly of women who took up jobs as domestic workers—in the Gulf countries, mainly in Saudi Arabia. Following the Saudi Arabia crackdown on undocumented Ethiopian migrant workers in 2013/14, the Ethiopian government suspended overseas labour migration to the Gulf countries. The ban is still in effect. This, nonetheless, does not stop migrants from leaving the country, as a ban does not address the underlying factors that push people to migrate in the first place.

The SEA reports showed similarities and differences between irregular and regular migration from Ethiopia. Regular migrants are documented and travel to the destination country after securing the

required permits from government authorities in Ethiopia and in the receiving country. In contrast, irregular migration takes place without documentation and the migrants enter a destination country illegally, without securing the required visa and work permit. Some even may enter the destination country with a tourist visa and take up employment without securing a work permit.

But after arriving in the destination country, there may not be that much of a difference between the two groups of migrants with respect to protection. The Amhara SEA report contends that the employer seldom respects the contract that is signed between the employers and the domestic workers, and the individual employees are, more often than not, subjected to all kinds of inhuman treatment. They are denied their salary and often suffer from hunger. Partly due to these harsh realities, the Tigray report explains that women prefer to migrate through irregular channels to work as 'freelancers' and hence, ensure better work conditions and pay than those who travelled to other countries through the regular channels.

There was a significant spike in Ethiopia's regular labour migration from 2012 to 2013, after Ethiopia became a major supplier of domestic workers to Saudi Arabia. The records of the Ethiopian Ministry of Labour and Social Affairs on documented labour migration for the period spanning 2009 - 13 provides valuable insights. Firstly, the largest number of documented migrants were from the four study regions and Addis Ababa. Secondly, the overwhelming majority of the documented migrant workers were young women. Thirdly, major destinations of the documented migrant workers for that period were Saudi Arabia, Kuwait and UAE (Dubai), as shown in Table 11 below.

The SEA reports from the four regions and Addis Ababa contend that much of the migration from Ethiopia is irregular. The banning of regular labour migration is cited as one of the reasons for the prominence of irregular migration since 2013. But even before the government's decision to ban regular migration to the Gulf countries, some reports indicate that much of the labour migration from Ethiopia was irregular. For instance, the 2011 Trafficking in Persons report of the US State Department (2012) estimates that 60-70 per cent of labour migrants in 2011 from Ethiopia left the country through irregular channels (Asnake and Zerihun, 2015).

Regional governments provide estimates about the extent of migration in their respective regions. For instance, as noted in the Tigray report, the Regional State Youth and Sport Affairs Bureau indicates that in the last five years the average number of people migrating irregularly from the region is about 8,000 per year.

BoLSA officials in the Amhara and Oromia regions could not, however, provide estimates about the number of migrants from their respective regions in the last five years. But looking at the number of returnees after the Saudi crackdown on irregular migrants in 2013/14, it could be possible to contend that the two regions provide the largest number of irregular migrants. Accordingly, the Amhara region provides close to 23 per cent of the 170,000 returnees, while the Oromia region returnees were 21.4 per cent of the returnees. While the proportion of returnees from the Amhara region matches the region's contribution to the nation's total population, that of Oromia is significantly lower, implying that out-migration is more pronounced from Amhara.

The Addis Ababa and SNNP reports, even if they do not provide quantitative estimates about the size of irregular migration from their regions in the last five years due to the lack of reliable data, have nevertheless underscored that the magnitude of migration has been increasing.

Table 11: Migrants per source administrative region and fiscal year

Year (EC)	**2001**		**2002**		**2003**		**2004**		**2005**		**Total**	
Region	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
Tigray	1412	949	704	573	1866	1582	9869	8592	5624	4966	19475	16662
Afar	183	35	84	31	165	139	919	611	436	375	1787	1191
Amhara	4530	3551	2213	1952	11311	10769	66298	62836	36135	33831	120487	112939
Oromia	4244	3600	2982	2757	10852	10430	66851	64431	40605	39185	125534	120403
SNNP	2498	1981	1417	1300	4990	4547	24319	23392	14141	13813	47365	45033
Addis Ababa	8370	7251	7480	6860	12782	11813	29009	26774	12402	11472	70043	64170
Gambella	0	0	0	0	14	12	52	50	20	17	86	79
Dire Dawa	10	8	38	34	171	162	825	764	276	272	1320	1240
Harari	16	15	15	12	17	15	121	111	66	64	235	217
Somali	5	5	12	10	18	16	48	41	27	27	110	99
B-G	0		1		47	45	356	338	215	194	619	577
National	**21268**	**17395**	**14946**	**13529**	**42233**	**39530**	**198667**	**187940**	**109947**	**104216**	**387061**	**362610**

Source: Asnake and Zerihun, 2015.

In comparison to regular migration, which is dominated by women, men appear to dominate the irregular migration space. For instance, as presented by the Oromia SEA, out of the 827 registered returnees in Sinana woreda, only 90 were females and the remaining 737 were males. The high male returnee figure is indicative of the large number of irregular male migrants. The SNNP SEA report also indicates that except for the Gurage and Hadiya zones, the number of female migrants is greater than their male counterparts, while an overwhelming percentage of males in Kembata-Tambaro and Alaba Special woreda usually migrate to South Africa, and not to the GCC countries. The Tigray SEA indicates that men make up approximately two-thirds of irregular migrants

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6.3 Routes of Migration and Major Destination Countries

The SEA reports identified three major irregular migration routes from Ethiopia: the eastern route, from which migrants travel to the Gulf countries, predominantly Saudi Arabia; the western route is taken to reach Western Europe; while the southern route, which begins from the border town of Moyle in Southern Ethiopia, is taken for South Africa.

According to the Tigray report, migrants to the Gulf countries travel first to Djibouti or Somaliland and then cross the Red Sea to reach Yemen. Once in Yemen, they enter Saudi Arabia on foot and/or in a vehicle. To go to South Africa migrants pass through the border town of Moyale, from where they proceed to Kenya. From Kenya, they use different means of transportation in order to reach South Africa. The route to Western Europe is a relatively newer one. Migrants first travel to Sudan, then towards North Africa (Libya or Egypt), and from North Africa, they cross the Mediterranean Sea to arrive at the shores of Southern Europe, particularly Italy.

Irregular migrants from Amhara, according to the regional report, largely use the Eastern route because of its geographic proximity to Saudi Arabia, easy access, and lax security control. They either pass through the Djibouti border (Galafi) or Jijiga-Togowchale. Those who go to Djibouti travel by boat to Yemen, from where they trek to Saudi Arabia. Those who cross the border through the Ethiopian Somali region, first travel to Bosaso, from where they cross the Red Sea by boat to arrive in Yemen. Like other migrants, from Yemen they trek to Saudi Arabia.

However, migrants from Oromia follow a different route to migrate out of the country because of its geographical location. To reach Saudi Arabia they too use the Eastern route, but pass through the city of Dire Dawa in Eastern Ethiopia. Migrants congregate in Dire Dawa with the support of brokers. From there, they cross to Djibouti or to Somaliland, and then cross the Red Sea by boat to Yemen. Once in Yemen, they trek to Saudi Arabia.

Those who travel to Western Europe, first pass through the border town of Metema, from where they cross to the Sudan. From there, they migrate either to the Middle East or to Europe. Most of the migrants who use this route are from Jimma.

According to the Oromia SEA, the routes are dynamic and could change at any time depending on issues such as security control. The brokers also choose the right time of year for sea travel—the seawaters are

calm in spring, and the weather is warmer. Or, the brokers choose the holy month of Ramadan as they envisage that security controls will be lax during this season.

In SNNP region, migrants take all the three major irregular migration routes. To reach South Africa, the southern route takes them through the Ethiopian border town of Moyale, from where they proceed to South Africa overland. The eastern route is also important for the Gurage and Selite zones, and before the banning of regular migration to the Gulf countries, prospective migrants from the two zones used to travel through the legal channel to Saudi Arabia.

Migrants from Addis Ababa also use the three routes and, as mentioned in the Addis Ababa report, the city serves as a centre of two land routes, of which one leads to Europe via the Sudan and Libya, and the other to the Middle East through the Gulf of Aden. Those who desire to take the southern route travel to the border town of Moyale and proceed to Kenya without much difficulty.

6.4 Socio-economic Impact of Migration on the Families of Migrants

Migration has a huge socio-economic impact on the families of migrants. According to a World Bank report, Ethiopia generated USD 0.6 billion in the year 2015 from remittances, most of which supports the livelihoods of migrants' parents (World Bank, 2016). In some cases, much of the remittance amount is spent on consumption and payment of educational and other fees. Remittance money usage patterns are determined by the economic standing and wisdom of the recipient households. While better-off families use the money to buy livestock or/and to build assets to enhance productivity (example: buying equipment such as a tailoring machine), for others, as noted in the Amhara SEA, it could provide seed money for small businesses. Remittances are also used to build better family homes or even to build rental houses in pre-urban areas. Typically, houses built by migrant remittances have corrugated iron roofing and cement floors. Such houses increase the prestige of families who have sent their children for work overseas as migrant workers.

On the other hand, as noted in the Oromia SEA report, migration can also have several negative psychological, health, and socio-economic consequences for the migrants and their families. Almost all irregular migrants undertake dangerous journeys under the control of smugglers/traffickers to arrive at their final destinations. They suffer from hunger, thirst, and ill health. Some may die from fatigue or drown when crossing the sea in makeshift boats. Traffickers also hold migrants for ransom money and make them live in inhumane conditions. All these ordeals lead to severe psychological trauma.

Irregular migration could also result in the depletion of a family's financial resources. As the Tigray report points out, the western route to Italy costs the prospective migrant at least 120,000 Birr. Those who want to migrate to Europe put pressure on their parents and the extended family to raise the required sum of money. Some may even decide to start the journey without telling their parents and the traffickers eventually contact the families to transfer the required sum if they would like to see their child cross the desert safely. Families, when faced with this situation, often have to resort to distress selling of their property. Even after paying the money, the son may not make it to Europe, and even if he does, it could be difficult for him to raise enough cash to repay his family. Such cases have known to impoverish and ruin families.

The SNNP report brings to the fore how irregular migration creates tensions in households between parents and sons. In places such as Hadiya where migration to South Africa is the norm, sons pressurise their parents to lease out their farming land in order to raise the money to finance their travel. In some extreme cases, as indicated in the report, if parents are not responsive to the demands of their sons, the latter may engage in punitive actions such as burning down the house of their parents.

In addition to the adverse financial impact, migration can also have negative consequences on the institution of marriage. The Amhara SEA, for instance, reveals that young men marry girls and persuade their wives to migrate to the Middle East in order to send money back to them in Ethiopia. The rationale is that the men would save the money or do business with it so that the couple could have a 'decent' life on the return of the migrated wife. However, many girls find the money squandered and that their spouses have been unfaithful. Indeed, some young men have made a business out of this and marry two or three girls, send them to the Middle East, and receive remittances from all the wives for as long as possible. When the girls return they often find the husband married to a fourth woman and living a 'decent' life with the money from all his migrant wives.

7 Labour Market Trends

Over the past decade, youth employment has gained significant traction in national and global development agendas. In 2005, Ethiopia had 1.4 million new job entrants in the market, which is projected to rise to 2.7 million by 2030, and 3.2 million by 2050 (UNCTAD, 2013). However, ensuring productive employment opportunities in both rural and urban areas is a challenge. Growing numbers of Ethiopians either look for job opportunities in the capital city of Addis Ababa or other provincial urban areas or ultimately migrate abroad. Although the exact number of Ethiopians who have migrated abroad is not known (because of irregular migration channels and the absence of a centralised registration system), there is enough evidence that large numbers of Ethiopians migrate to different parts of the world.

Expectedly, a rising population with growing aspirations creates considerable pressure on governments to provide social and economic services and jobs. Ethiopia cannot be an exception in this regard. Over the past many years, Ethiopia's rapid increase in population and its education expansion have added numbers to the labour force, who demand jobs and improved livelihoods. When these are not met, people make choices with their feet—i.e., migrate to other countries—in spite of all the attendant risks and unforeseen consequences. This, in turn, produces serious social and political repercussions for Ethiopia, the sending country, as well as for the receiving countries.

This section summarises national and regional labour market trends and characteristics in Ethiopia based on CSA 2005 and 2013 labour force and urban employment/unemployment surveys undertaken over the past five years. It also presents the major findings and conclusions emergent from the five SEAs.

7.1 Labour Market Trends at the National Level

The share of the economically active population has shown an increasing trend as opposed to the demands of the labour market, both at the national level as well as in the regions studied here. Agriculture continues to the largest employer at the national level. This section highlights the labour market trends across the regions under the study.

7.1.1 Employment Participation

In Ethiopia, employment participation in different sectors is reported in the National Labour Force Survey. According to the 2013 survey, the agricultural sector is the largest employer at the national level. The survey found that the share of the agriculture sector at the national level was 72.7 per cent, the service sector was 19.6 per cent, and the manufacturing and construction sectors employed 4.49 per cent and 1.95 per cent, respectively.

Table 12: Share of employment by economic sector and major occupations (2013)

Major Occupational Area	% Share From Total Employment		
	Urban + Rural	Urban	Rural
Agriculture forestry and fishing	72.68	13.54	83.15
Major Occupational Area	**% Share From Total Employment**		
	Urban + Rural	**Urban**	**Rural**
Mining and quarrying	0.42	0.79	0.36
Manufacturing	4.49	14.40	2.73
Construction	1.95	7.52	0.96
Wholesale and retail trade; repair of motor vehicles	5.44	19.99	2.86
Transportation and storage	0.83	4.48	0.18
Accommodation and food service activities	1.14	5.14	0.43
Financial and insurance activities	0.32	1.97	0.02
Real estate activities	0.01	0.03	0.00
Professional scientific and technical activities	0.33	1.90	0.05
Administrative and support service activities	0.34	2.00	0.04
Public administration and defence; compulsory social	0.68	3.58	0.16
Education	1.61	6.62	0.72
Human health and social work activities	0.59	2.94	0.18
Other service activities	1.08	5.12	0.36
Activities of households as employers	0.00	0.00	0.00
Undifferentiated goods- and services-producing	7.29	7.00	7.34
Activities of extraterritorial organizations and bodies	0.05	0.32	0.00

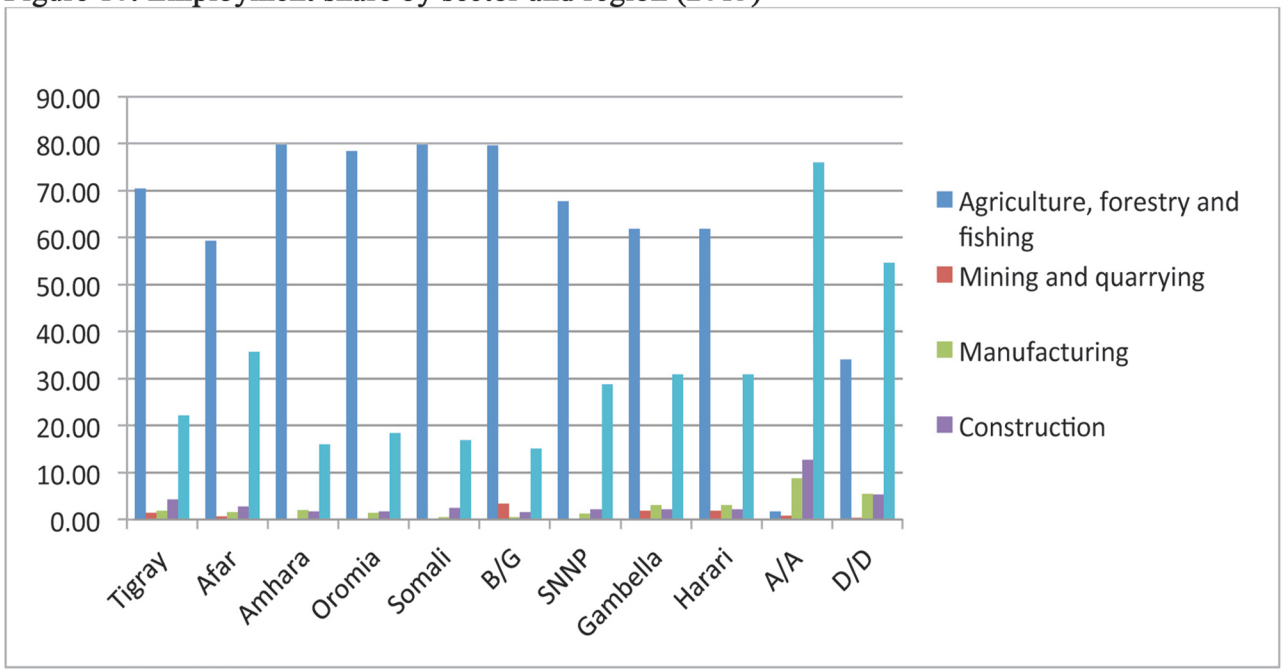
Source: CSA, 2013 B.

It should also be noted that when the national employment share of major sectors is disaggregated (for rural and urban), the service sector becomes the major employment source in urban areas, accounting for 61 per cent of urban employment. Agriculture, manufacturing, and construction accounted for 13.54 per cent, 14.40 per cent and 5.52 per cent, respectively. At the rural level, the agricultural sector has cornered 83.1 per cent of rural employment. The manufacturing, construction, and service sectors account for 2.73 per cent, 0.96 per cent, and 12.36 per cent, respectively. It is also estimated that the informal sector absorbs 1.4 million people, half (785,239) of which are women, the majority of whose educational level is limited to being within grades 1-8. However, there are a number with higher educational qualifications: 6,771 degree holders, 24,899 with diplomas, 16,425 with certificates, and 144,743 have completed secondary school. The survey also indicates that in the informal sector, the major industries are manufacturing, construction, mining and quarrying; wholesale and retail trade, and other service sectors; and agriculture, hunting, forestry and fishing (CSA, 2014).

7.1.2 Employment Share by Sector in Regions

When it comes to the employment share of different economic sectors by region, striking similarities and differences are observed. For example, as shown in Figure 10, except in Addis Ababa and Dire Dawa, for all regions the major source of employment is the agricultural sector. For Tigray, Amhara, Oromia, and Somali, as well as Benishangul-Gumuz among the emerging regions, the agricultural sector is the biggest employer than any other sector. For Addis Ababa and Dire Dawa, the highest share of employment is taken up by the service sector, which is unsurprising, given the high concentration of urbanisation. Invariably, the manufacturing sector is the lowest contributor in all regions. However, Addis Ababa and Dire Dawa have a relatively larger share of manufacturing employment in comparison to other regions. The share of the construction sector has the highest employment ratio in relatively urban regions such as Dire Dawa, Addis Ababa, Harari, and Tigray.

Figure 10: Employment share by sector and region (2013)



Source: **CSA, 2013.**

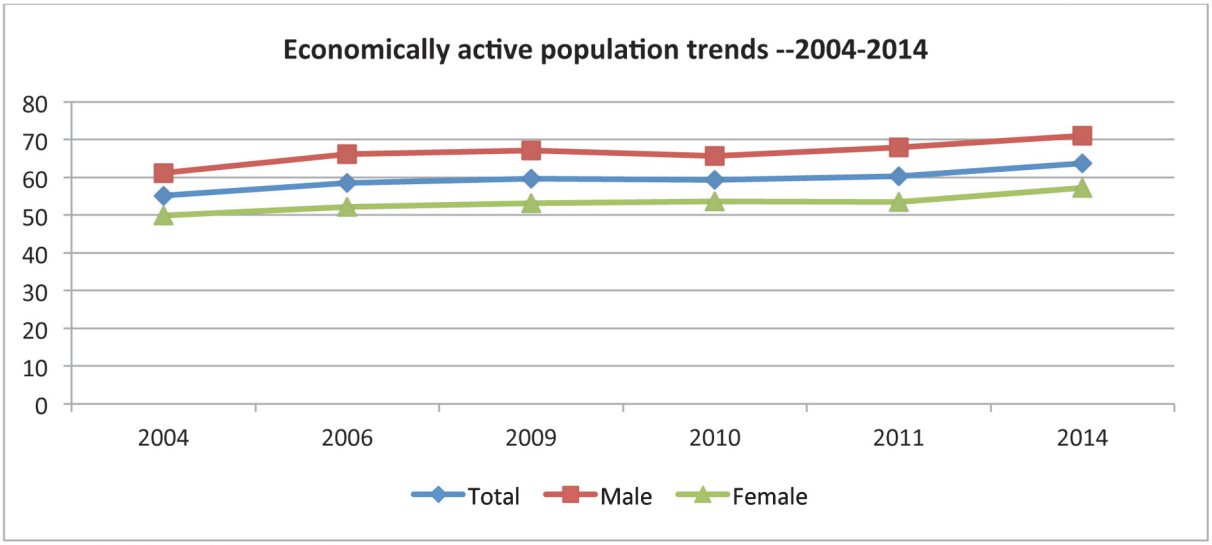
7.1.3 Economically Active Population Trends

Getting an estimate of the economically active population of a country is an important consideration in designing appropriate polices for job creation and in stemming irregular migration out of a country. This is especially vital for a country such as Ethiopia which is increasingly becoming an important resource and transit centre for irregular migration as well as a major host nation for a fast-increasing refugee population from a number of African countries.

It has been found that at the national level Ethiopia's share of an economically active population (aged 15-60 years) has shown an increasing trend between 2004 and 2014 (KR, Human Capital Research Portal, 2015; NationMaster, 2009). The increase was from 55 per cent in 2004 to 60 per cent in 2011 and 63 per cent in 2014 (UNDP and NPC, 2014). The increase covers both males and females. It can also be

observed that throughout the decade under study, the share of the economically active female population is lower than that of the male population. Figure 11 provides more details.

Figure 11: Economically active population trends in Ethiopia - 2004-14



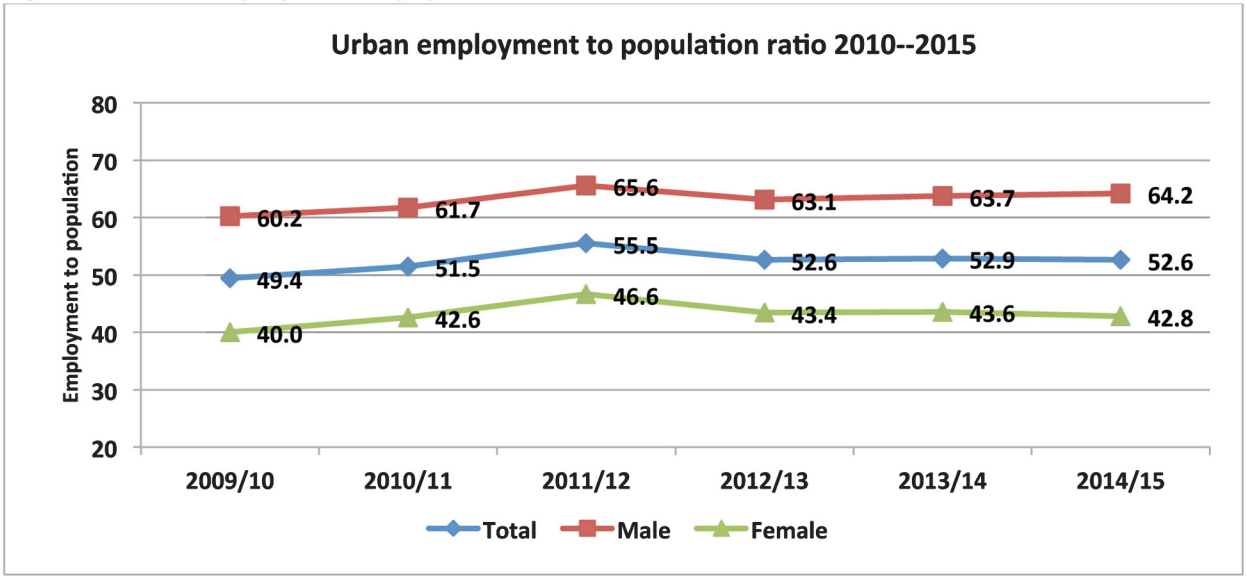
Source: UNDP and NPC, 2014.

7.1.4 Urban and Rural Employment

Although Ethiopia is known to have low urbanisation in terms of the absolute size of the population living in urban areas, it has one of the highest rates of urbanisation per year, which should prompt the government to put policies in place to deal with the challenge of a rising urban population and an ever-increasing labour force. Hence, addressing the urban-rural dichotomy in terms of where people choose to live and the employment situation on-the-ground becomes crucial.

Available data (Figure 12) indicate that between 2010 and 2015, the urban employment-to-population ratio at the national level has been showing an increasing trend, growing from 49.4 per cent in 2010 to 52.6 per cent in 2015, thus pointing to the fact that the country's pace of urbanisation has continued unabated. It was also found that the urban employment-to-population ratio is higher for males than females during the same period. The ratio for males rose from 60.2 per cent in 2010 to 64.2 per cent in 2015. The ratio for females increased from 40 per cent in 2010 to 42.8 per cent in 2015. The gender disparity points to the need for promoting policies and programmes that encourage more women and girls to become more participative in the modern economy.

Figure 12: Urban employment-to-population ratio – national level – 2010-15



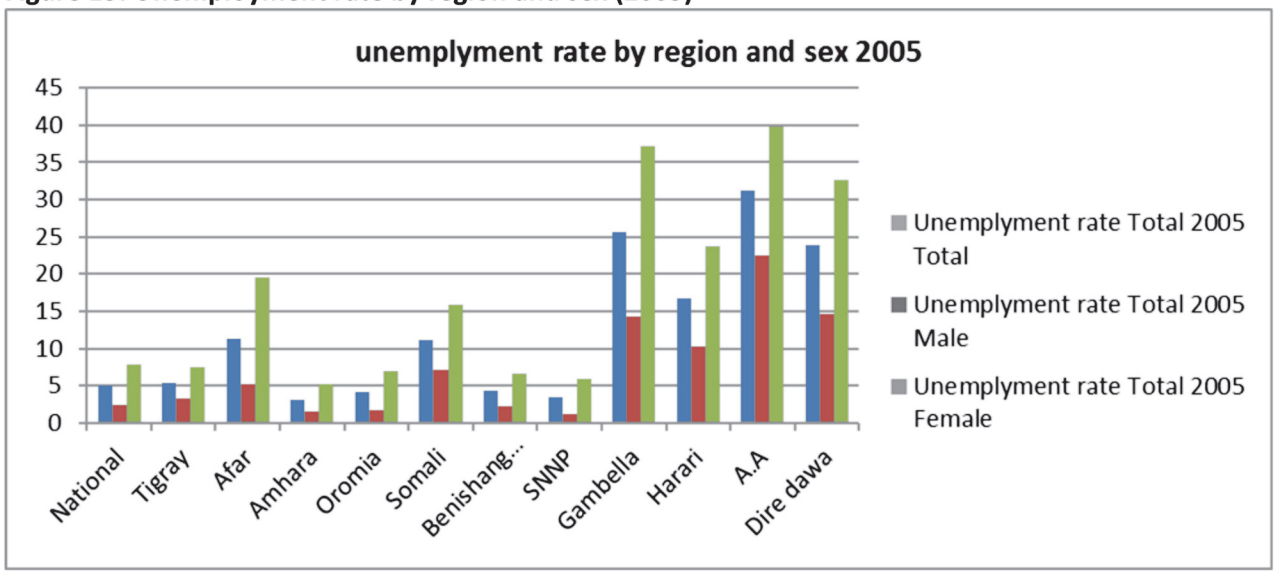
Source: Based on CSA 2010, 2011, 2012, 2013, 2014 and 2015 data.

In terms of rural employment, CSA data show national rural unemployment rates at 2 per cent. It also needs to be noted that the national unemployment rate in rural areas is higher for females (2.9 per cent) than for males (1.1 per cent) (CSA, 2013). From these figures one could deduct that unemployment in the countryside is not a major problem. However, the low rate could be explained by possible under-reporting of the actual situation and a high degree of underemployment. One can infer therefore that there is considerable informal employment at wages below the minimum income of 500 Birr per month, over which the government levies tax. Informal employment is underreported and hence hard to record in statistical surveys.

With respect to national unemployment trends, according to the 2005 and 2013 CSA's National Labour Force Surveys, the average national unemployment rate was between 5 per cent and 4.5 per cent, respectively. According to the surveys, urban unemployment is more than two-and-a-half times higher than the rural rate. The data also indicate that the unemployment rate between the two surveys in all regions has shown a somewhat declining trend. In 2013, Addis Ababa, Dire Dawa, Harari, Somali, Tigray, and Afar show higher unemployment rates when compared to 2005. The unemployment rate was also relatively lower in Amhara, SNNP, and Oromia in 2013 as against the 2005 rate. The decline by 0.5 percent in the overall unemployment rate can be attributed to the recent economic progress and poverty reduction successes that the country has achieved over the past few years.

One stark reality that emerges from the 2005 data is that at the national level, the unemployment rate for females is higher than for males. It should also be noted that a similar trend was observed in all the regions. The following figure provides more details. As can be seen, during this survey, the unemployment rate for females was relatively higher in Addis Ababa, Dire Dawa, Harari, and Afar.

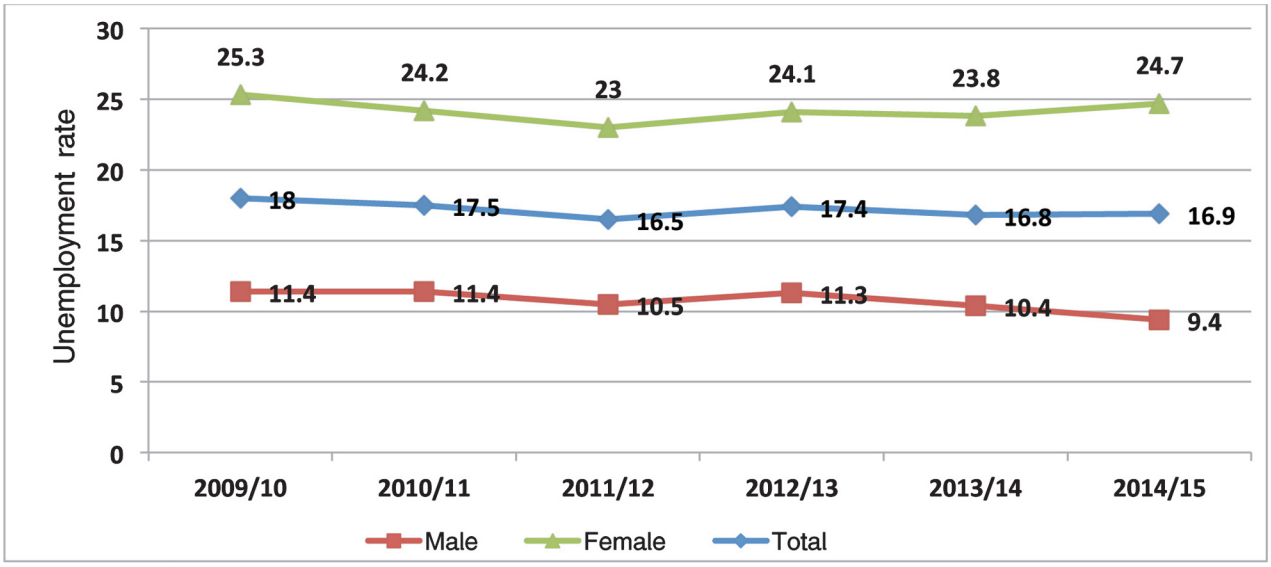
Figure 13: Unemployment rate by region and sex (2005)



Source: CSA 2005.

The Annual Urban Employment Survey provides valuable data on urban unemployment (CSA, 2010-15). Figure 14 shows urban national unemployment between 2010 and 2015, disaggregated by sex. These figures too indicate that the urban unemployment rate has shown a declining trend during that period; in 2010 the rate was 18 per cent, which reduced to 16.9 per cent in 2015.

Figure 14: Urban unemployment rate by sex (2009-15)

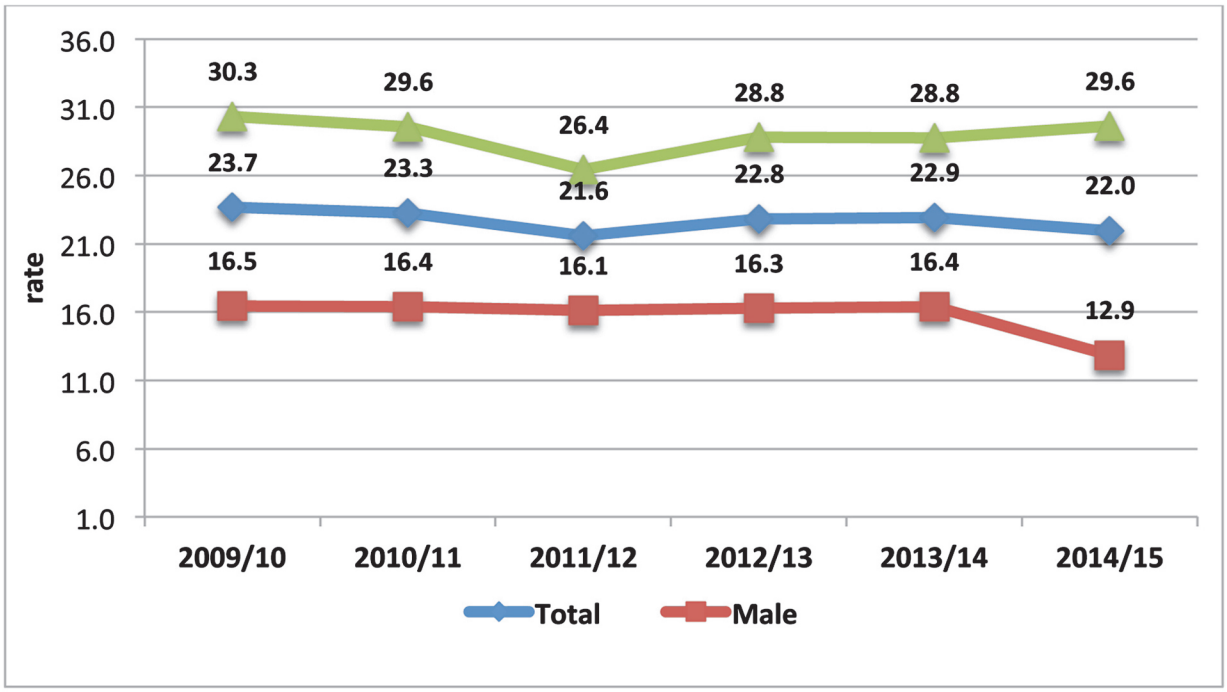


Source: Compilation, based on CSA 2010, 2011, 2012, 2013, 2014 and 2015 data.

As has been discussed earlier, youth unemployment is a major social and political challenge, and it cannot be left unaddressed. Youth unemployment at the national level was found to be higher than the country's overall urban unemployment rate (between 2010 and 2015). As is indicated in Figure 15 below, the urban unemployment rate for youth in 2010 was 23.7 per cent, as against the national urban unemployment rate of 18 per cent. These figures were 22 per cent and 16.9 per cent, respectively, in 2015.

It is also observed that there is a difference in employment rates of females and males (Figure 15). As per the data, urban female youth unemployment was almost two-fold more than that of male unemployment during 2010 and 2015. Further, the reduction in urban female youth unemployment (30.3 per cent in 2010; 29.6 per cent in 2015) is very marginal when compared to male urban youth unemployment reduction (16.5 per cent in 2010; 12.9 per cent in 2015).

Figure 15: Urban youth unemployment rate (2009/10-2014/15)

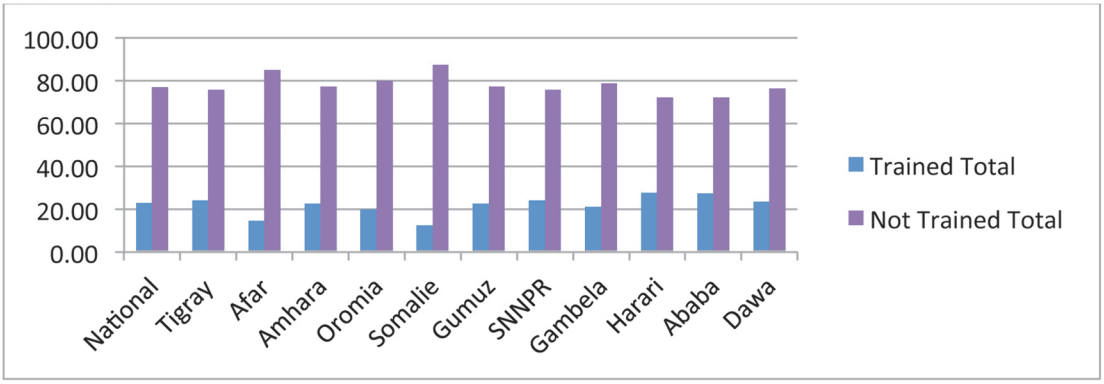


Source: Compilation, based on CSA 2010, 2011, 2012, 2013, 2014 and 2015 data.

7.1.5 Working-age Population by Educational Attainment

The size of the working-age population by educational or training attainment can be a good predictor of the potential demand for jobs. However, none of the socio-economic surveys report on this aspect. The only available data is the Urban Labour Force Survey, which presents only the overall picture, i.e., training status of the urban working-age population by region. Figure 16 shows the share of the working age population by training status for both sexes in 2016. According to it, more than two-thirds of the working age population have not received any training in relation to jobs secured or held. In the urban areas of regional states, Dire Dawa, Addis Ababa, Harari, and Tigray have a relatively higher percentage of trained working-age population as compared to the national percentage average. In terms of the difference between females and males, the former have received less training than the latter in almost all regions (CSA, 2016).

Figure 16: Working-age population by educational attainment (2016)



Source: CSA, Urban Employment Unemployment Survey, 2016.

Table 13: Distribution of urban population of regions aged ten years and above by training status and sex, 2016

	Trained			Not Trained		
	Total	Male	Female	Total	Male	Female
Tigray	24.1	13.88	10.22	75.9	29.09	46.82
Afar	14.79	9.79	5	85.21	36.32	48.89
Amhara	22.75	13.42	9.33	77.25	31.12	46.13
Oromia	20.09	12.32	7.77	79.91	34.25	45.66
Somalia	12.41	9.07	3.35	87.59	38.39	49.19
Benishangul-Gumuz	22.57	14.46	8.11	77.43	33.74	43.69
SNNPR	24.15	15.09	9.07	75.85	31.7	44.15
Gambella	21.15	14.5	6.65	78.85	33.27	45.58
Harari	27.67	18	9.67	72.33	28.66	43.67
Addis Ababa	27.6	15.77	11.83	72.4	29.13	43.27
Dire Dawa	23.5	15.97	7.53	76.5	31.46	45.03
National	23.04	13.84	9.19	76.96	31.79	45.17

Source: CSA, Urban Employment Unemployment Survey, 2016.

The following observations can be drawn from Table 13:

A. The percentage of males who have received training (13.84 per cent) is higher than for females who have been trained or who have received some kind of education (9.19 per cent).

B. The highest rates of untrained women or females are found in the Somali (49.19 per cent), Afar (48.89 per cent), and Tigray (46.82 per cent) regions.

C. All regions, except for Benishangul-Gumuz, SNNP, Harari, Addis Ababa, and Dire Dawa, have higher percentages of women or girls without any training or education than the national average.[25]

[25] The preceding observations have important policy implications for the training and education of women and girls to empower this important population segment to become competitive and to encourage more of them to join the labour market.

7.1.6 TVET Strategy as a Marker of Labour Market Trends: Outcomes and Strategic Goals

An important slice of data regarding labour market trends at the national level is the state of training and employment projections of the potential labour force trained at TVET institutions. According to the country's GTP I and II, this is a particularly crucial policy issue because the main objective of the TVET strategy is to "provide lower and middle-level competent human power to enhance productivity and competitiveness of industry". According to the country's GTP I and ESDP-V, total enrolment in formal TVET (1-5 levels) institutions stood at 265,754 (135,530 males and 130,215 females), which is projected to reach a staggering 2,283,822 (11,141,911 males and 1,141,911 females) by the end of GTP II. According to the two sources, the number of trainees who completed short-term training stood at 876,097 under GTP I, and this is projected to rise to 1,470,663. Table 14 below provides more details

Table 14: TVET indicators: achievements and plans

Description	GTP 1			GTP-2		
	Total	Male	Female	Total	Male	female
Enrolment in formal TVET (levels I-V)	265,754	135,530	130,215	2,283,822	1,141,911	1,141,911
Number of trainees completed short-term training	876,097			1,470,663		
% of training completers assessed as competent	60			75	75	75
Employment rate of formal TVET completer	60			90		
Number of internationally certified welders	38			4,000		

Source: Education Sector Development Programme and GTP II Policy Matrix, GoE.

Table 14 also reveals important data, such as the percentage of students assessed as competent after the training (60 per cent during GTP I), which is expected to climb to 75 per cent for both males and females.

Another data set with direct relevance to labour market trends is the number of those who have already received training and those projected to receive training in TVET institutions (Table 15).

Table 15: TVET training targets and accomplishments

Year	Total of both government and non-government TVET	Government TVET institutes	Non-government TVET institutes
Base Year	238,584	190,867	47,717
2015/16	286,359	224,005	62,354
2016/17	303,884	235,469	68,415
2017/18	374,811	288,118	86,693
2018/19	473,206	366,979	106,227
2019/20	606,978	477,164	128,978

Source: GTP II Policy Matrix and ESDP - V.

The following can be deduced from the table:

- The total number of trainees in TVET institutions is projected to rise from 238,584 to 2,240,05 be tween 2015/16 and 2019/20—a nearly nine-fold increase. This has serious policy implications for the govern ment's need to create jobs.

- The role and contribution of non-government TVETs in the training process is recognised, and the number of such institutions is expected to rise from 47,717 in 2015/16 to 128,978—a nearly three- fold increase.

7.2 Labour Market Trends in Selected Regions: Tigray, Amhara, Oromia, SNNP, and Addis Ababa City Administration

The information and insights presented in this section have been largely extracted from all five SEA reports.[26] This section presents the key aspects of labour market trends in the four regions and Addis Ababa City Administration. This includes: employment and unemployment rates; sectoral distribution of the regional employment profile; registration and dissemination of labour market information; and management of employment services. Within the context of this report, the term 'labour market trends' will be used to assess major issues pertaining to the labour market, including: available and potential employment opportunities; status and magnitude of unemployment; demand for different skills with reference to job opportunities in the market; advantages and uses of labour market information; and policies, programmes, and institutional frameworks to generate adequate employment for a growing population. These are critical issues for a country as large as Ethiopia because labour, if appropriately utilised, can become a powerful resource to fuel the nation's economic growth and development.

7.2.1 Tigray Region

• Structure and Prospects of the Region's Economy

Tigray's economy is in the process of being revamped. Four industrial parks are slated to be completed by the end of the 2019/20 fiscal year. The Mekelle Industrial Park is expected to be completed by the

26 As mentioned in section 2 of this report, the regional reports employed standard research methodologies/techniques, including field observation, FGDs, KIIs, and secondary sources from relevant regional and federal offices.

end of July 2017. The construction of a second industrial park, the Ba'eker Integrated Agro-Industrial Park, will officially commence by the end of 2017. This will be constructed and regulated by the region's Industrial Parks Development Corporation, and focusses exclusively on agro-processing, while the industrial park in Mekelle is being constructed with a focus on the textile and leather manufacturing industries, and will be governed by the federal Industry Parks Development Corporation. A third industrial park will be established in Adwa by the regional government, and the fourth one will be established on 400 ha of land by the PVC-EFFORT industrial cluster.

As noted in the Tigray SEA, Mekelle is viewed as a centre for metal industries in the national industrial parks development and industrialisation plans. In Tigray, EFFORT and Metals and Engineering Corporation are already acting on establishing metal industries in the region. In the near future, the economy of the region will have a cluster of metal industries, light manufacturing industries, and agro-industries, which will be a move away from total dependence on agriculture.

These prospects for economic growth are best exemplified by the estimation of direct and indirect job opportunities that industrial parks will offer. As cited in the Tigray SEA, according to unpublished data from the Tigray Industrial Parks Development Corporation (2016), by 2020 the regional state intends to develop some 258 ha of industrial parks aimed to generate a total of 200,526 direct and indirect jobs (32,370 in 2017, 78,386 in 2018, and 134,428 in 2019). An additional 140,000 jobs will be created in the same period in the agro-commodity procurement zones. By 2026, the industrial parks will generate a total of 779,307 direct and indirect jobs, and an additional 519,307 jobs will be created in the agro-commodity procurement zone.

A peculiar feature of the region's economy is the strong presence of the Endowment Fund for the Rehabilitation of Tigray and Relief Society of Tigray (REST). Both are significant players in the region's economy. REST was established during the mid-1980s following the efforts of Tigrayan People's Liberation Front (TPLF) to deal with the famine and aid delivery in 1984/85. To date, REST continues to serve as an umbrella partner for a range of multilateral and bilateral donors who carry out development interventions in the region. REST has various income generating activities, which particularly support landless youth to make a living. EFFORT was established in the mid-1990s with donations from the TPLF. Run by senior TPLF politicians, EFFORT owns and administers 16 companies in the industrial, mining, construction, agro-processing, trade, and service sectors (Vaughan and Mesfin, 2011).[27]

The regional government has been engaged in various activities to ensure that the young get job opportunities. The establishment of MSEs takes the lead in Tigray's job creation efforts, as against the new employment opportunities created by the civil service, public infrastructure projects, and the private sector (excluding the informal sector).

As mentioned in the Tigray SEA, the main actors in collating labour market information and taking part in the establishment of MSEs are: Labour and Social Affairs and Youth and Sport Affairs Bureaus (which identify and mobilise unemployed youth); MSE Development Agency; Technical and Vocational

[27] Vaughan, S., and Mesfin G. (2011). Rethinking Business and Politics in Ethiopia: The Role of EFFORT, the Endowment Fund for the Rehabilitation of Tigray, Research Report 2, London: Africa Power and Politics Programme.

Education and Training Centres (skill and entrepreneurship training, industry extension); and the Agriculture and Natural Resources as well as the Urban Development, Trade and Industry offices (which identify sectors and working spaces). Most activities are conducted at the woreda level. Dedebit Credit and Savings Institution is virtually the only financial institution which is catering to the needs of MSE operators in the region.

The Tigray SEA indicates that MSEs in the region have been established in five sectors: manufacturing, construction, urban agriculture, service, and trade. Most new MSEs and jobs are created in the service and trade sectors, with the attendant possibility of an increase in temporary jobs. Moreover, men benefit more than women from the created jobs across the different sectors and woredas.

Tigray's unemployed youth face a number of challenges in accessing the MSE opportunity. As indicated in the SEA, study informants from targetted vulnerable groups complained of delays, preferential treatment to party-affiliated individuals, lack of coordination between the different woreda offices (broadly slotting these as expressions of bad governance), difficulty in getting a loan, high interest rates on loans, and problems in accessing sustainable markets. Even after taking into cognisance the risks involved, for the youth migration makes more economic sense than grappling with the challenges in establishing and running an MSE. It is not uncommon to hear stories of young men who used the money they borrowed from DECSI or the profits they made from their MSE venture to finance their migration. While government officials and experts perceive this as an expression of the attitudinal problem of the youth, young informants contest that perception.

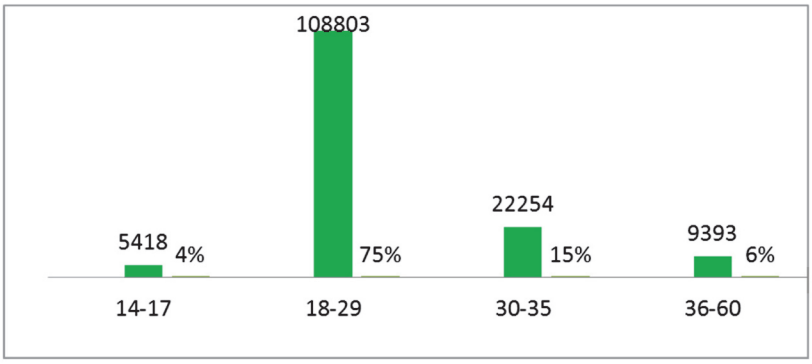
- **Working-age Population and Age Group of the Unemployed**

According to the Tigray SEA, data on the registration of labour market trends as well as the quality of information by the region's BoLSA dealing with employment and job opportunities leaves much to be desired. While conducting fieldwork, it was observed that there was inadequate data on employment numbers across different age groups and skill levels, and also on the employment inclinations of the potential employees or skill levels demanded by the market. Citing data from the region's BoLSA (2016),[28] the Tigray SEA indicates that the highest number of unemployed citizens are in the 18-29 years' age group (75 per cent; 108,803 in number), and the lowest rate is recorded for those falling in the 14-17 years' age bracket (4 per cent; 5,418 in number). For those aged between 36-60 years, unemployment levels are 6 per cent (9,393 in number).

Moreover, according to a survey conducted by BoLSA and which is referred to in the Tigray SEA, 15 per cent of the unemployed (a total of 22,254 persons) are in the 30-35 years' age group (see Figure 17 below). When it comes to the inclination of the unemployed, some 65 per cent desire jobs in the private sector, while 22 per cent want to get employed in government offices or public projects. Only 4 per cent of the unemployed intend to migrate, either within or beyond the borders of the country. Fuller details are provided in the figure below.

[28] Bureau of Labour and Social Affairs, 2016. Performance Report of the Bureau's Activities in 2015/16, Mekelle, Tigray (unpublished report).

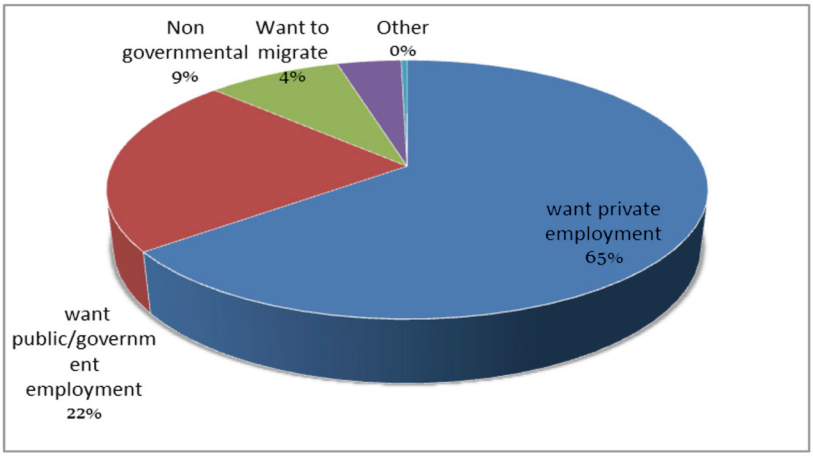
Figure 17: Total number of jobless individuals in four age categories in Tigray region



Source: Tigray BoLSA, 2016.

Figure 18 below (quoted in the Tigray SEA) shows that the total number of the unemployed in rural Tigray is about 145,868, of whom 36.6 per cent are female. This figure represents an unemployment rate of 3.6 per cent for the entire rural population. This sounds like an underestimation given the fact that the estimated rural population of the region is about 4 million, and suggests that an accurate and rigorous registration of the rural unemployed has not been conducted.

Figure 18: Employment inclination of the unemployed in Tigray

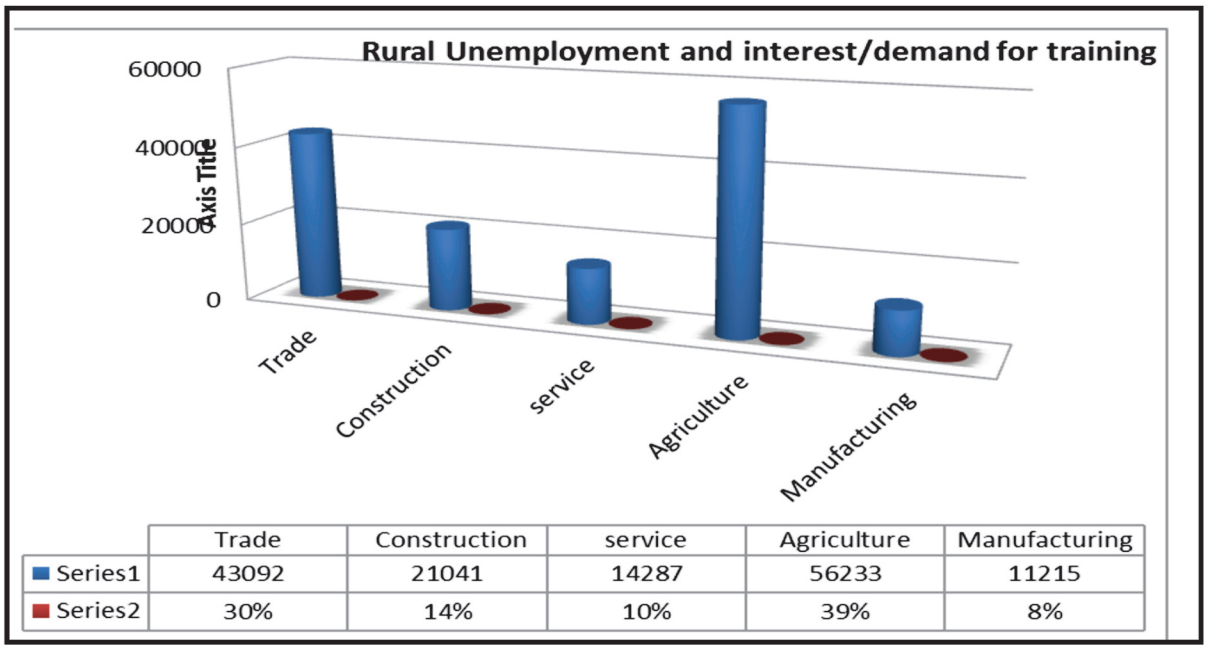


Source: Tigray BoLSA, 2016.

- **Demand for Training by the Rural Unemployed**

As is shown in the Tigray SEA, when it comes to demand for training by the unemployed in rural areas, agriculture is the most sought after (close to 40 per cent), followed by trade (30 per cent). Manufacturing gets the smallest share (8 per cent), followed by the service sector (10 per cent) (Figure 19). The study also indicates that in rural Tigray, MSEs created the highest number of jobs (14,198), followed by large enterprises (5,649), and medium enterprises (2,829).

Figure 19: Rural unemployment and interest/demand for training in Tigray



	Trade	Construction	service	Agriculture	Manufacturing
Series1	43092	21041	14287	56233	11215
Series2	30%	14%	10%	39%	8%

Source: BoLSA, 2016.

•**Unemployment in Urban Areas**

As indicated in the Tigray SEA, BoLSA has registered a total of 31,297 unemployed in urban areas in 2015. Most of the registered unemployed are in the age group of 18-29 years (19,548 people, or 62.5 per cent of the urban unemployed), followed by those aged between 30 and 35 years (5,858 people; 18.7 per cent). The urban unemployed in the age group of 36-60 years numbered 3,194 (10.2 per cent), and those aged 14-17 years numbered 2,418 (7.7 per cent) (BoLSA, 2016).

The national policy directions to reduce youth unemployment are followed in Tigray as well. Companies operating in the Mekelle industrial park (primarily textiles and garments industries) promise to generate some 60,000 jobs. Similarly, the Integrated Agro-Industrial Park in Ba'eker aims to create jobs for tens of thousands. Another public investment project worth describing here is the Sugar Development Project in Welkayt. Based in the western zone, this project will cover 50,000 ha of land. Given the labour intensive nature of sugarcane plantations and sugar mills, it is expected to generate employment for approximately 80,000 individuals (Asnake and Fana, 2014). [29]

The regional government also promotes the establishment of MSEs in various sectors. Such MSEs are regulated mainly by the Labour and Social Affairs Bureau, Youth and Sport Affairs Bureau, and the Micro and Small Enterprises Development Agency. The Bureau of Agriculture and Natural Resources has a stake if the MSE intends to engage in urban agriculture. The TVET system augments this effort by training the MSE operators, as well as by providing industry extension services to existing MSEs. DECSI is the only financial service institution that provides access to finance to MSEs under establishment based on a 20 per cent pre-loan saving of the total amount. Furthermore, Kaza Machinery Leasing Company helps small and medium enterprises become more productive by improving the quality of their products.

[29] Asnake Kefale and Fana Gebresenbet (2014). The Expansion of the Sugar Industry in the Southern Pastoral Lowlands. In: Dessalegn R., Meheret A., Asnake K. & Habermann, B. (eds.), Reflections on Development in Ethiopia: New Trends, Sustainability and Challenges (Pp. 247-268), Addis Ababa: Forum for Social Studies.

7.2.2 Amhara Region

- **Overview of Economy**

The Amhara SEA reports that agriculture is the dominant economic sector of the region, employing 90 per cent of the labour force and contributing to nearly 70 per cent of the regional GDP. The region follows a crop-livestock mixed farming system. The average landholding is 1.7 ha (Lakew Desta, et al., 2006).[30]

- **Active Working Population and Training Status**

Citing a 2014 CSA assessment, the Amhara SEA notes that the active working population (i.e., those between the ages of 14 and 64 years) of the region is estimated to be 11,754,464 (urban: 2,449,216; rural: 9,305,248). The region's urban unemployment rate is 18.32 per cent, (males: 10.52 per cent; females: 26.12 per cent). An assessment of the unemployment rate of the rural population, however, has never been attempted. Nevertheless, certain government offices, such as Amhara Technical Vocational and Enterprise Bureau, as indicated in the SEA, have estimated that a total of 1,315,281 unemployed (males: 363,965; females: 951,316) live in rural areas of the region (Amhara TVET, 2008 and 2009).[31]

As mentioned in the Amhara SEA, the Urban Labour Force Survey conducted by CSA in 2016 shows the training status of the region's urban working population. As per the findings, in 2016, more than two-thirds of the working population aged 10 years and above had not received any kind of training related to their job. It is also indicated that 22.75 per cent of the region has a relatively lower percentage of trained working population as against the national average of 23.04 per cent. Sex-wise, the female working population has received less training than males in all the regions of the country, including Amhara, the training figures for which are 31.12 per cent for females and 46.13 per cent for males (CSA, 2016).[32] In addition, as per the 2013 Labour Force Survey, the urban unemployment rate is higher for females than males in the region. Between 2014 and 2016, urban unemployment showed an increasing trend in most regions, including Amhara (CSA 2013 and 2016).[33]

- **Unemployment in Rural Areas**

In spite of the lack of figures for rural unemployment in Amhara, the SEA reports that rural unemployment appears to be prevalent to a large extent in the region, despite the engagement of the youth in agricultural activities. The reasons for the high incidence of unemployment include low levels of educational attainment, the lack of access to infrastructure (such as water and electricity), a dearth of entrepreneurial skills, and a lack of initial capital to start businesses. There is also a gender variation in relation to underemployment and/or unemployment, as boys generally have more opportunities to engage in productive employment when compared to girls.

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30 Lakew Desta, Menale Kassie, S. Benin and J. Pender, Land Degradation and Strategies for Sustainable Development in the Ethiopian Highlands: Amhara Region, ILRI Socio-economic and Policy Research Working Paper 32.

31 TVET (2008) Amhara Region Technical and Vocational Enterprises Development Bureau, Annual Report, 2008 EFY and TVET (2009) Amhara Region Technical and Vocational Enterprises Development Bureau, Annual Plan, 2009 EFY.

32 CSA (2016) Urban Employment Unemployment Survey.

33 CSA (2014) Ethiopia: National Labour

As in many other parts of the country, the labour market in Amhara too tends to have a large informal sector that co-exists with the formal sector. This sector typically comprises household establishments that are not officially registered as businesses and which do not have business licenses or a fixed place of operations. In spite of the size of the informal sector, it is not accorded adequate attention by laws and labour market institutions despite the fact that it is a considerably significant employer of the youth. From a gender perspective, data gathered by the CSA (2014) and cited by the Amhara SEA reveal that a substantially larger number of females took part in the informal sector than their male counterparts. [34]

- **Share of Informal Employment**

In 2013, subsistence agriculture was excluded from the informal sector as a major employer at the national level. As a result, reductions in the informal employment share were observed in many regions. According to the 2013 National Labour Force Survey, the share of informal employment at the national level was 18.2 per cent, and that from among all the regions, Amhara had the lowest informal employment share (10 per cent). This is lower than the national average.

According to data obtained from the Amhara BoFED for the Amhara SEA, the region has a large working-age population (aged 15-64 years) in both rural and urban areas, and for both sexes (5,067,900 males: 58 per cent; 5,125,303 females: 59 per cent). According to the regional report, in 2016 more than two-thirds (76.96 per cent) of the working age population (aged 10 years and above) had not received any training in relation to their job. As mentioned above, the female working population received less training than their male counterparts. This phenomenon can be partially explained by cultural factors and traditional practices, which do not encourage females to participate in as many social spheres as males. By the same token, as indicated in the Amhara SEA, the unemployment rate is higher for females than males (CSA, 2014). However, while male urban unemployment rates in Amhara have shown a declining trend between 2014 and 2016, the opposite is true for females. In fact, the Amhara SEA brings to the fore the region's huge disparity between female and male urban unemployment rates (15 per cent), which is the highest among all the regions. In comparison, the national urban female-male unemployment rate disparity was 13.83 per cent between 2014 and 2016.

- **Unpaid Family Work and Self-employment**

According to the Labour Force Survey (CSA, 2013), unpaid family work and self-employment were the major employment types in Amhara. Additionally, the private employment ratio was lower than the government employment ratio. Although there is no data to indicate employment by sectors, this can be taken as a clear indication of the infancy of the private sector in the region (60 per cent government; 32 per cent private)—an issue that invites attention by the federal and Amhara regional governments.

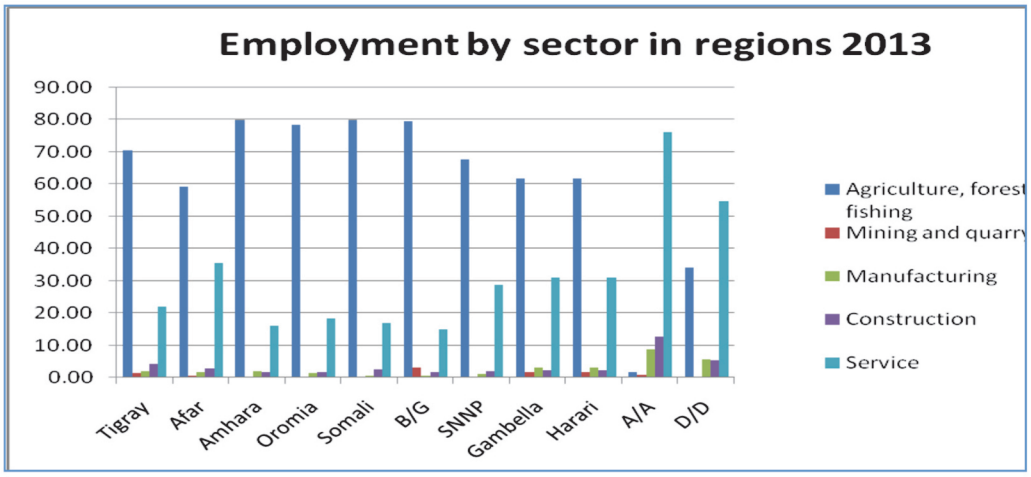
[34] CSA (2014), Key Findings of the 2013 National Labour Force Survey.

7.2.3 Oromia Region

- **Overview of the Economy**

According to the Oromia SEA, agriculture dominates the economy of the region, generating employment for about 89 per cent of the economically-active population. It also accounts for more than 90 per cent of the export items gained from agriculture and thus constitutes the largest share of the region's GDP (see Profile of Oromia, Oromia BoFED, 2014).[35]

Figure 20: Employment by sectors in across regions (2013)

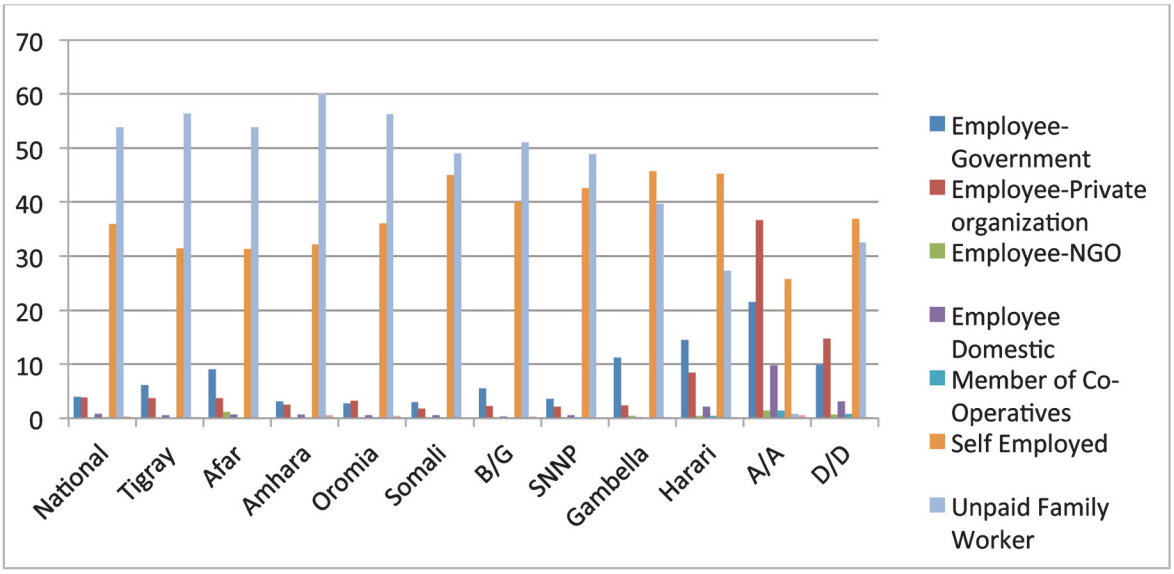


Source: Adapted from CSA 2013 Labour Force Survey.

- **Share of Regional Employment by Employment Type**

According to the 2013 Labour Force Survey cited in the Oromia SEA, employment by employment type in the region shows that unpaid family work ranks first, followed by self-employment. Government and private employment are ranked third and fourth, respectively.

Figure 21: Share of regional employment by employment type (2013)



Source: **Adapted from CSA 2013 Labour Force Survey.**

[35]Oromia BoFED. 2014. Physical and Socio-Economic Profile of Oromia, Third Edition. Regional Statistics, Socio-Economic and Physical Study Directorate.

• **Economically Active and Inactive Populations**

The 2007 Population and Housing Census shows that there are more economically active than economically inactive people in Oromia. The Oromia SEA classifies persons aged 10 years and above who were engaged or available to be engaged in the production of economic goods and services during a given reference period as economically active, while those who were neither engaged nor available to be engaged in the production of goods and services during a given reference period were considered as economically non-active. The economic activity status was measured based on a short reference period of seven days conducted prior to the 2007 census.

Table 16: Population aged 10 years and above by sex, economic activity status, and place of residence in Oromia Region (2007)

Place of Residence	Both Sexes		Male		Female	
	Economically Active	Economically Inactive	Economically Active	Economically Inactive	Economically Active	Economically Inactive
Rural	11,752,343	3,562,236	6,299,049	1,371,730	5,453,294	2,190,506
Urban	1,335,334	1,223,712	773,033	527,169	562,301	696,543
Rural & Urban	13,087,677	4,785,948	7,072,082	1,898,899	6,015,595	2,887,049

Source: Population and Housing Census, 2007.

From Table 16, we can make the observation that 27 per cent of Oromia's population (both male and female) is characterised as being economically inactive. In urban and rural areas of Oromia, 46 per cent of women are economically active.

• **Male and Female Unemployment Rate**

The unemployment rate for Oromia—greater for females than males and for urban than rural areas—is in sync with the national figures. According to the 2012 Urban Employment and Unemployment Survey, more females (23.9 per cent) than males (10.7 per cent) were unemployed in Oromia, with the total unemployment rate being 16.7 per cent. The 2013 National Labour Force Survey also shows that the unemployment rate for females (2.5 per cent) is higher than that of males (0.7 per cent).

Table 17: Economically active persons aged 10 years and above by sex, employed, unemployed and unemployment rate, and place of residence in Oromia Region (2007)

Place of Residence	Economically Active			Employed			Unemployed			Unemployment Rate (%)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Rural	11,752,343	6,299,049	5,453,294	11,644,548	6,238,451	5,406,097	107,796	60,600	47,196	.9	1.0	.9
Urban	1,335,334	773,033	562,301	1,149,807	691,417	458,390	185,532	81,620	103,912	13.9	10.6	18.5
Rural &urban	13,087,677	7,072,082	6,015,595	12,794,355	6,929,868	5,864,487	293,328	142,220	151,108	2.2	2.0	2.5

Source: CSA (2007) National Population and Housing Census.

Table 18: Oromia rural employment and unemployment by sex (2013)

Economically Active Population			Unemployed Population			Unemployment Rate		
Total	Male	Female	Total	Male	Female	Total	Male	Female
14,889,273	8,038,505	6,850,767	222,782	54,132	168,650	1.5	0.7	2.5

Source: CSA, 2013.

Other than the CSA data presented in the tables above, according to the Oromia SEA, the regional BoLSA and MSE offices also keep some labour market information of their regions, though there are questions about the reliability and consistency. The regional BoLSA records show that 330,033 (males: 212,427; females: 117,606) job seekers were registered in the region during 2014-15, and of this number, 125,725 (males: 76,411; females: 49,314) got employment. However, the key informants from the relevant Oromia regional bureaus, including BoLSA and MSE, opined that this figure is much lower than the actual number of the unemployed population in the region. Unlike the 2013 Labour Force Survey and the 2012 Urban Unemployment Survey, the BoLSA data shows that the number of male job seekers is greater than the number of female job seekers in the region. These figures, rather than showing the gender difference in the unemployment rate, could actually be highlighted that more males than females are likely to be registered at this employment service provider. Such a scenario calls for awareness raising among the female population to use the labour market information that is available in the region.

7.2.4 SNNP Region

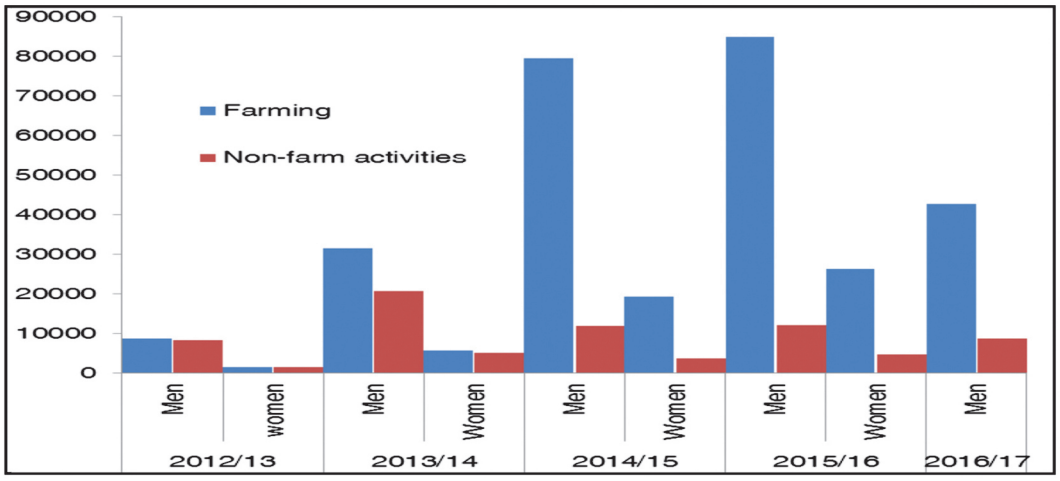
- **Overview of the Economy**

According to the SNNPR SEA, about 86 per cent of the total population of the region lives in rural areas and is agriculture-dependant, and most of the rural job creation efforts are farm-based. Considering that the size of land holdings is often too small in many cases, and that land productivity is also declining due to degradation and climate variability, one may raise questions about the sustainability of such jobs for the growing rural young population.

- **Female Participation in Rural Employment**

Another point worth mentioning in this regard is the gender disparity in rural job participation. As indicated in Figure 22 below, since the launching of the Rural Job Opportunity Creation and Development Agency (RJOCDA) in SNNPR, the male-female gap in rural job participation has been substantial. Even though women represent 50 per cent of the total population, they are left out of the rural job opportunity schemes. This may affect the long-term efforts of the government to create employment opportunities for the rural youth and to ensure the sustainability of the programme at large.

Figure 22: Gender disaggregated participation of rural employment by farm and non-farm activi ties in SNNPR



Source: SNNPR RJOCA, 2016.[36]

- **Ratio of Urban Employment to Total Working-age Population**

According to data obtained from the SNNP Urban Employment-Unemployment Survey (2015), the urban employment to population ratio is slightly higher for males (58.5 per cent) as against that for females (39.3 per cent) (Table 19). This means that nearly half of the urban working-age population is unemployed; the figure is even higher (over 60 per cent) for females. The situation is more serious when we consider those who fall in the age group of 15-19 years: almost 82 percent of this population are unemployed.

Table 19: Employed population of urban areas in SNNP Region aged 10 years and above by employment to population ratio, age group, and sex (2014)

Age Group	Total Population			Total Employed Population			Employment to Population ratio		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
All Ages	2,077,773	1,015,790	106,1983	101,0903	59,3873	417,030	48.7	58.5	39.3
10-14	366,451	170,198	196,253	20,009	10,041	9968	5.5	5.9	5.1
15-19	354,722	157,102	197,620	65,782	28,682	37100	18.5	18.3	18.8
20-24	302,846	133,621	169,225	153,622	76,077	77545	50.7	56.9	45.8
25-29	308,957	152,355	156,602	221,106	127,923	93183	71.6	84	59.5
30-34	194,606	104,944	89,663	151,766	93,823	57943	78	89.4	64.6
35-39	169,175	87,515	81,660	135,105	81,230	53875	79.9	92.8	66
40-44	110,297	60,951	49,346	89,479	56,606	32873	81.1	92.9	66.6
45-49	85,821	51,010	34,811	69,305	48,227	21078	80.8	94.5	60.6
50-54	56,556	29,977	26,579	41,517	27,158	14358	73.4	90.6	54
55-59	37,213	20,792	16,420	25,424	17,349	8075	68.3	83.4	49.2
60-64	34,223	17,785	16,438	18,909	12,965	5944	55.3	72.9	36.2
65+	56,905	29,539	27,365	18,878	13,790	5088	33.2	46.7	18.6

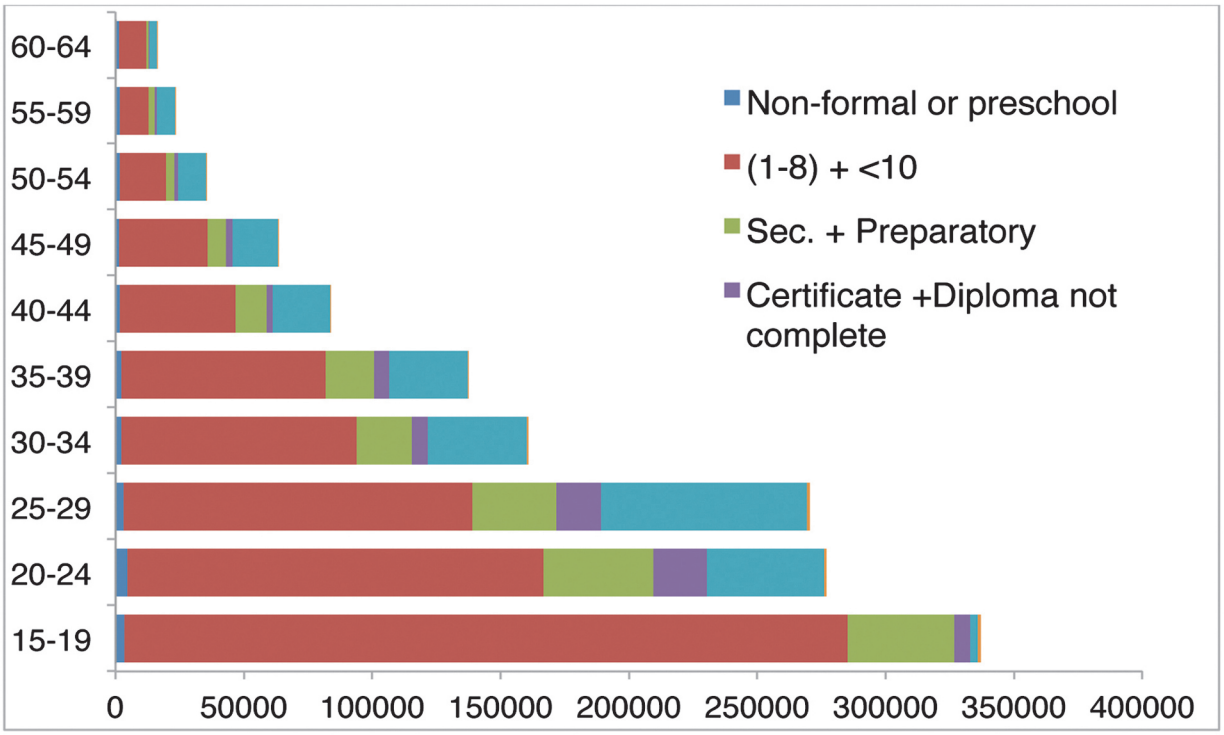
Source: SNNPR Urban Employment-Unemployment Survey, 2015.

[36]SNNPR RJOCA, Rural Jobs Opportunities Creation Agency, 2016. Six Months Performance Evaluation Report of Rural Employment Opportunities Creation and Development Agency, Hawassa.

• **Education vs. Working-age Population in Urban Areas**

The region's working age population (aged 15-64 years) shows remarkable educational variations across different age categories (Figure 23). From those falling in the lower age range (15-24 years), relatively few have completed secondary and/or preparatory schools. Diploma holders and those with graduate degrees are concentrated in the middle age groups and are better represented in urban areas. The SNNPR SEA notes that the picture in rural areas might be different since urban centres attract a young and relatively literate population. This is due partly to rural-urban migration and partly because of higher primary and secondary enrolments. Figure 24 provides a detailed analysis of the education-age data in urban SNNPR.

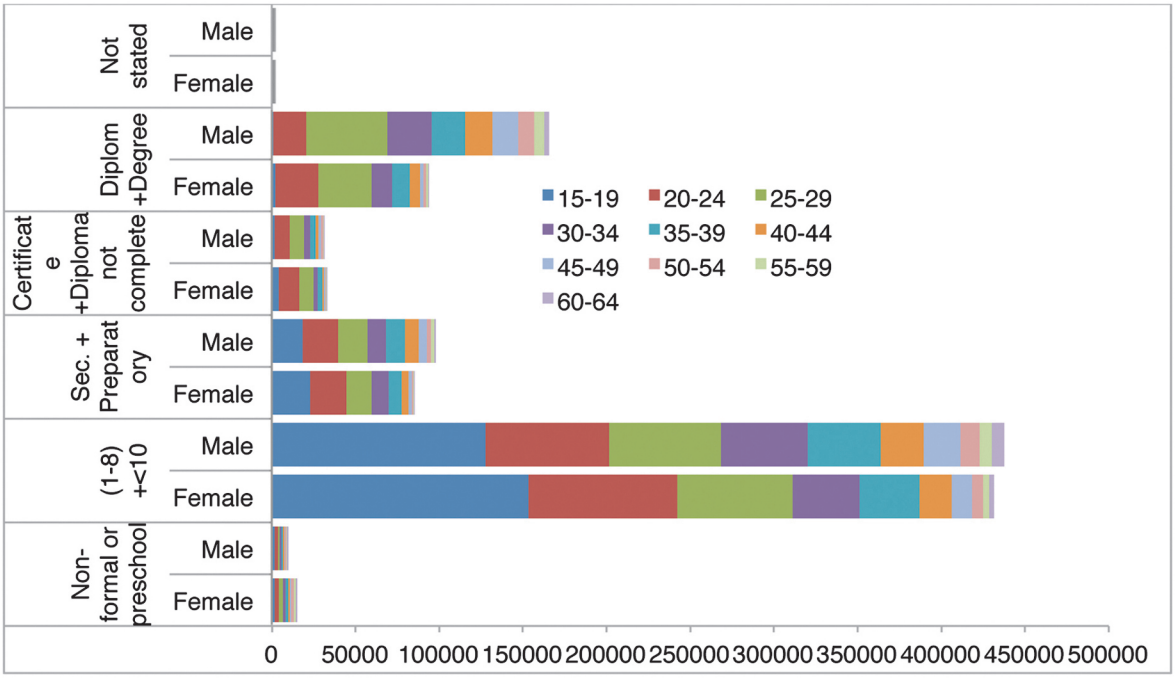
Figure 23: Working-age population by educational attainment in urban regions of SNNPR



Source: SNNPR Urban Employment-Unemployment Survey, 2015.[37]

[37] BoFED (2015), Statistical Report on the Urban Employment-Unemployment Survey of SNNPR, Hawassa.

Figure 24: Gender-age disaggregated data on working age population by educational attainment in urban regions of SNNPR

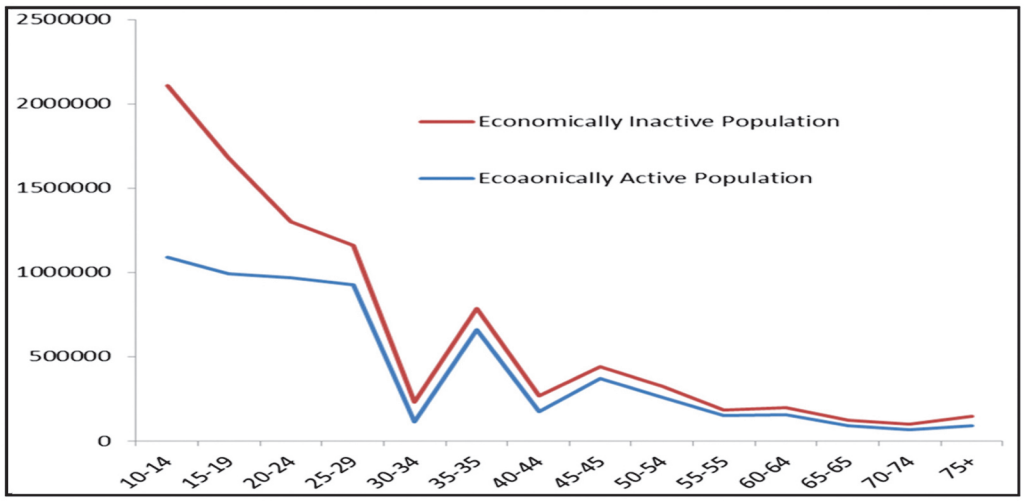


Source: SNNPR Urban Employment-Unemployment Survey, 2015.

- **Economically Active and Inactive Populations**

The SNNPR Statistical Bulletin (2015) below depicts the cut-off age for both economically active and inactive populations at 10 years and above. The lowest point in the graph (for those aged 30-34 years) is the cut-off point for economically active or inactive populations.

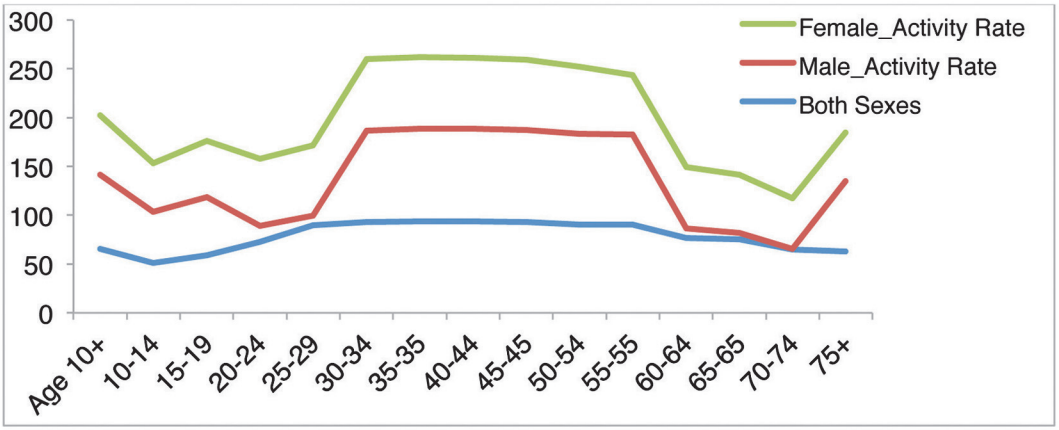
Figure 25: Age distribution of economically active and inactive population of SNNPR



Source: SNNPR Statistical Bulletin, 2015.

Disaggregated data by gender is represented in Figure 26. As can be inferred from it, the optimal economic activity lies in the age range of 25 to 60 years, and for both sexes. However, there is a male-female variation in the activity rate break-up: women tend to be more economically active from an earlier age (such as ages 10 to 19 years).

Figure 26: Economic activity rate of male and female population of SNNPR



***Source*: SNNP Regional State Statistical Bulletin, 2015.**

As noted in the SNNPR SEA, the share of the economically active and inactive population shows a sharp rise in favour of the young generation (Figure 26). This high proportion of youth in the economically active population segment points to the urgency and the need for the regional and federal governments to provide accelerated employment opportunities for a fast-growing population of job seekers to avert major social and political consequences fallouts.

7.2.5 Addis Ababa City Administration

- **Rate of Unemployment**

According to the Addis Ababa City Administration SEA, the rate of unemployment in Addis Ababa has declined for both men and women over the past few years. CSA's urban employment/unemployment surveys, as cited by the Addis Ababa SEA, show that the male unemployment rate went down from 17.3 per cent in 2011 to 12.4 per cent in 2016 and female unemployment dipped from 33.7 per cent in 2011 to 30 per cent in 2016 (Table 20). This phenomenon can be partially explained by the fast economic growth experienced by the city in the past years and the many factors (such as potential market size, abundant labour, and a relatively developed infrastructure network) that attracted increasing flows of foreign direct investment.

Table 20: Rate of unemployment in Addis Ababa by sex

Year	Unemployed Population			Unemployment Rate		
	Total	Male	Female	Total	Male	Female
2011	384,317	139,334	244,982	25.1	17.3	33.7
2012	374,626	130,686	243,940	23.0	15.6	31.1
2013	409,467	138,635	270,833	24.2	15.8	33.0
2014	401,758	140,941	260,816	23.5	15.9	31.8
2015	366,227	130,123	236,103	21.2	14.4	28.6
2016	393,144	117,788	275,356	21.0	12.4	30.0

***Source:* CSA Urban Employment-Unemployment Surveys, 2011-16.**

• **Economic Activity by Gender**

The six-year CSA data presented in Table 21 below reveals that both male and female economic activity rates have increased over the years. However, females are not as economically active as their male counterparts.

Table 21: Economic activity status by sex, Addis Ababa

Year	Economically Not Active			Economically Active population			Activity Rate (%)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
2011	971,562	334,504	637,058	1,533,291	807,307	725,984	61.2	70.7	53.3
2012	1,010,545	343,256	667,289	1,625,468	839,892	785,576	61.7	71.0	54.1
2013	1,005,671	358,132	647,539	1,695,065	875,424	819,641	62.8	71.0	55.9
2014	1,026,883	377,546	649,337	1,707,471	887,508	819,963	62.4	70.2	55.8
2015	1,116,099	387,430	728,670	1,728,296	902,490	825,806	60.8	70.0	53.1
2016	1,107,104	384,989	722,116	1,870,105	951,896	918,209	62.8	71.2	56.0

Source: CSA Urban Employment-Unemployment and Labour Force Surveys, 2011-16.

• **Working-age Population by Educational Attainment/Training**

Trends in working-age population by educational attainment or training are a crucial marker in labour market analysis. The distribution of the working age population by training status and sex is provided in Table 22 below, which clearly shows that more men are trained than women.

Table 22: Distribution of Addis Ababa's population aged 10 years and above by training status and sex

Sex and Training Status	Year											
	2011		2012		2013		2014		2015		2016	
	%	Number	%	No	%	Number	%	Number	%	Number	%	Number
Trained												
Total	26.4	662,169	-	-	28.5	769,099	27.9	763,109		850,217	27.6	821,754
Male	34.2	390,099	-	-	36.4	449,166	34.6	437,447		491,243	37.0	469,633
Female	20.0	272,070	-	-	21.8	319,933	22.2	325,662		358,974	22.8	352,122
Not Trained												
Total	73.6	1,842,109	-		71.5	1,931,637	72.1	1,971,245	70.1	1,994,178	72.4	2,155,455
Male	65.8	751,712	-		63.6	784,391	65.4	827,607	61.9	798,676	64.9	867,252
Female	80.0	1,090,397	-		78.2	1,147,246	77.8	1,143,638	76.9	1,195,502	78.5	1,288,203
All Persons												
Total		2,504,278		-		2,700,736		2,734,354		2,844,395		2,977,209
Male		1,141,811		-		1,233,557		1,265,054		1,289,919		1,336,885
Female		1,362,467		-		1,467,179		1,469,300		1,554,476		1,640,325

Source: Extracted from CSA Annual Statistical Reports on Urban Employment-Unemployment Survey (2011-16).

- **Employment Distribution by Main Occupations**

As reported by the Addis Ababa SEA, the top three occupational opportunities of residents for the period 2011 and 2015 were: employment in private enterprises, self-employment, and employment in public services. These account for more than three-fourths of the employment opportunities in the city (Table 23).

Table 23: Percentage distribution of main occupations in Addis Ababa: 2011 and 2015

Main Occupation	2011	2015
Employed: in private enterprise (e.g. in small businesses owned by individuals)	34.8	34.8
Own: self employed	27.6	32.5
Employed: in public service/civil service	12.6	14.0
Employed: in public enterprise owned by the federal or regional/city government	4.4	4.1
Employed: in others professions	3.8	2.3
Employed: for private households/persons	11.0	8.7
Unpaid family work	3.0	0.4
Employer (working employer)	0.5	0.6
Unpaid/free service	0.1	0.0
Apprentice (unpaid)	0.1	0.0
Member of cooperatives	0.3	0.3
Others	0.5	1.2
Not stated	1.1	1.2
Total	100.0	100.0
Number of cases	116,3455	125,5834

Source: Tegegne Gebre-Egziabher, et al., 2015.[38]

In summary, based on the Addis Ababa SEA, the following major findings with implications for stemming illegal migration need to be noted:

- Notwithstanding the employment variation between the two sexes, the rate of unemployment in Addis Ababa has declined over the years for both men and women. This may be partially explained by the fast economic growth that the country is witnessing, with the capital, Addis Ababa, emerging as the main beneficiary of this advancement. Trends in informal employment have also shown a sharp decline for both males and females, from 14 per cent and 19 per cent in 2011 respectively, to single digits (5 per cent and 7.8 per cent in 2014, respectively). This may be due to the fact that more and more job seekers are enrolled in the formal sector of the economy, implying the attention being given to this sector.

[38]Tegegne Gebre-Egziabher, Tassew Woldehanna, Eshetu Gurum and Ezana Amdework (2015). Poverty Level Assessment of Addis Ababa 2015. Addis Ababa: Addis Ababa City Government Finance and Economic Development Bureau.

- The National Labour Force Surveys conducted by CSA in 1999, 2005, and 2016 reveal that most of the unemployed in Addis Ababa have not studied beyond primary education. This underlines the need to have skill training interventions and to expand access to education so that the unemployed illiterate have a better chance to get jobs. The number of unemployed females was found to be significantly higher than that of males in both literate and illiterate categories. This raises the need for more gender-focussed interventions to create jobs and employment opportunities for women.

- Looking at the specific sectors in which employment was created in 2015/16, the Addis Ababa SEA reported that more jobs were created in the service and trade sectors. This indicates that the two sectors are the most important employers in spite of the government's focus in making the manufacturing sector dominant. The reality, however is, that during the period in question, 83.07 per cent of the jobs created were in these sectors while the share of the manufacturing sector was only 15.59 per cent. A possible explanation for this gap may be that these two sectors involve very minimal start-up requirements as opposed to the manufacturing sector.

7.3 Public Employment Services at the National Level

As in any other country, national public employment services in Ethiopia typically use many of the active labour market polices to effect, in order to: help workers find jobs; firms to fill vacancies; facilitate labour market adjustments; and cushion the impact of economic transitions. These services are provided to both the public and private sectors at the federal and regional levels. To enable this, public employment service agencies in Ethiopia perform the following four functions:

i. Facilitate a match between supply and demand via job brokerage services, by public dissemination of information on job vacancies ;

ii. Deliver labour market information to private and public employment agencies by collecting data on job vacancies and potential applicants;

iii. Market adjustments, by implementing labour market policies aimed at adjusting labour demand and supply; and

iv. Manage labour migration by coordinating the geographic mobility of persons across borders.

Thus, employment services offer a spectrum of interventions to activate and support the unemployed and other disadvantaged groups in the labour market. This assistance comprises many different types of activities such as registration, job placement, job capacity assessment, and counselling, among others. Employment services potentially play a vital role in anticipating skill needs and/or deploying knowledge on future skill needs to job seekers and employers. Considering the importance of this service, the second Growth and Transformation Plan of the Government of Ethiopia has also accorded due attention to labour market information and employment services provision. Indeed, the strategic objectives of the government under the social welfare and labour affairs sector is expanding employment and labour market information services with the aim of balancing the country's human resource demand and supply (Golubski, 2016).

In Ethiopia, the principal employment services provider at the national level is the Ministry of Labour and Social Affairs. It registers and licenses private employment agencies, and also acts as the main regulatory federal agency in the management and provision of different kinds of employment services. It is also the main executing agency for the effective implementation of laws and policies regarding employment issues at the national level. Although the Ministry has the authority to register, license, and regulate all employment service providers at the national level, it was not possible to obtain reliable and accurate aggregated data on the total number of such service providers. This is primarily because there is no central information data pool on the many employment service providers that are registered and operating in different regions.

7.4 Assessment of Regional Employment Services

The Public Employment Service (PES) of BoLSA registers unemployed youth, and MSEs arrange employment opportunities. The Bureau of Youth and Sport coordinates and mobilises the community to create access for youth employment and recreational activities. BoLSA works in collaboration with the Women and Children Affairs Bureau, Youth and Sport Bureau, Micro and Small Enterprises Bureau, and Technical and Vocational Training Bureau and other actors in creating jobs. BoLSA's PES is also committed to strengthen activities of registering job market hopefuls, documenting labour market information, and disseminating the information by consistently publishing LMI bulletins at the regional level. Furthermore, it is also engaged in arranging other aspects of employment services such as career guidance and counselling opportunities for the unemployed. The government of Ethiopia believes that MSEs have a crucial role to play at the centre of active labour market programmes in the country. The details of the situation of the PES in the study areas is as follows.

A. Tigray Region

The regional BoLSA is the main government agency that provides employment services. In Tigray, its performance under various heads can be reviewed as follows:

- Registering of the unemployed and listing of all available job opportunities in the region: As per the regional report, the number of unemployed who were registered and received identification cards from the Bureau decreased dramatically between 2013/14 and 2015/16, from 62,352 (Females: 27,849; Males: 34, 503) to 17,975 (Females: 8,110; Males: 9,865).

- Providing job announcement services: According to the regional report, governmental and non-governmental offices advertised for 12,234 and 17,070 positions, respectively, in 2013/14, and 3,522 and 3,274 positions in 2014/15, respectively. The total number of employment opportunities created by the two sectors in these two years was 139,350 (Males: 78,814; Females: 60,536) and 142,056 (Males: 78,269; Females: 63,787), respectively. In 2015/16, the total number of employed increased to 168,819. The temporary employment opportunities created are 250,000 in 2013/14 and 300,000 in 2014/15.

- Delivering job search services: The region's GTP document stresses that, "In GTP I, great attention was given to finding jobs to the job seekers, and this involved surveying vacancies and

linking them with job seekers. Thus, the plan was to find jobs for 382,000 citizens, and 274,828 were able to be employed" (BPF, 2016: 73).[39]

Most of the job opportunities in the region were created by MSEs. BoLSA (particularly its office at the woreda level), arranges for training and credit along various schemes. In addition to BoLSA, the Woreda Youth and Sport Affairs Office, the MSE Development Agency, and the Urban Development, Trade and Industry Offices play significant roles in the establishment of MSEs.

According to the regional report, industrial parks will become the main source of employment in the region. Some 60,000 persons will be employed by the Mekelle Industrial Park alone, mainly in the textile and garment industries, as has been mentioned earlier. To effectively exploit this opportunity, the Bureau is working with the TVET Bureau to train and prepare sufficient numbers of people with the required skills. A committee has been established to facilitate the training, and at the time of fieldwork, it was about to start its operations.

Public employment services and the regulation of the labour market is handled in accordance with the federal Labour Proclamation No. 377/2003. The institutional arrangements also mirror the federal arrangement: there is a Bureau of Labour and Social Affairs at the regional level, and an Office with similar competency at the woreda level. Within the Bureau and Offices there are two divisions: one deals with issues pertaining to the labour market, safety, and industrial peace, and the other focusses on social welfare and provides support to vulnerable sections of the population. This is more or less replicated throughout the country.

Following the imposition of the ban on labour migration in October 2013 and the passing of a proclamation (No. 923/2016) to that effect, the regional government is making institutional preparations—particularly in terms of assigning dedicated staff—in 22 hotspot woredas to tackle migration. As these government officials will be primarily tasked with facilitating employment in a foreign land, the status and need for private employment agencies to engage in the facilitation process will remain in the balance. The regional government is also opening up four TVET centres to train potential labour migrants. These centres are in Aksum, Wukro, Mekelle, and Maichew, and training will be offered in housekeeping and caregiving.

As part of the governing legal organisation, it is also worth considering the laws directing the establishment of MSEs. These are mainly governed by Regulation No. 201/2011 (providing for the establishment of the Federal MSE Development Agency) and Proclamation No. 626/2009 (on micro-financing).

According to the regional report, all woredas conduct a scan of the labour market, ideally, every year. Based on this, the Bureau of Labour and Social Affairs and the Youth and Sport Affairs Bureau plan their annual activities around job creation. The region also takes the opportunity of large-scale employers, such as the industrial parks under construction and the Welkayt Sugar Industry, as an opportunity and works towards preparing the required workforce before the schemes become operational.

[39] Bureau of Planning and Finance of Tigray Regional State, 2016. The 2nd Five-Year Growth and Transformation Plan (GTP II) (2015/16-2019/20) ,The National Regional State of Tigray, June 2016, Mekelle, Tigray.

The unemployed are encouraged to register at their woreda's Labour and Social Affairs Office and get a yellow identification card signifying their unemployed status. This ID card will guarantee them priority considerations if the holder applies for a position in the civil service. Furthermore, it is mandatory for an individual to have this card before joining a group/individual that is establishing an MSE. Beyond this, the public employment services do not cater for any counselling or job-seeking skill gaps of the unemployed. Moreover, the services are restricted to opportunities that are closely controlled by the regional government, be it recruitment into the civil service and/or joining/establishing an MSE.

In summary, the quality of the labour market information function of public employment services in Tigray requires considerable improvement because, among other things, it pales in comparison with the influence of informal networks in job-seeking and placement. Given the informal nature of a significant part of the region's—and the country's—economy, vacancies do not get advertised publicly. This effectively hinders the role that a public employment service could play in disseminating labour market information. The system is better positioned in assessing the labour and skill demand of large-scale employers, and setting the ground for the training of individuals in the demanded fields. Other than that, small employers do not consult the Labour and Social Affairs office (or any other government office, for that matter), and the unemployed stand to derive some benefit from registering at the woreda Labour and Social Affairs Office only if they intend to join the civil service or become an MSE operator.

B. Amhara Region

The Amhara region BoLSA coordinates public employment service provision. It is also responsible for licensing private operators and compiling labour market information that it gathers from the zonal or Labour and Social Affairs Offices of woredas/City Administration. However, as noted in the Amhara SEA, the employment service provision structure does not exist in all woredas. Private employment service providers, which could be at the regional, zonal or woreda/City Administration levels, are also supervised by the local Labour and Social Affairs offices that licensed them. The number of government-run local employment service centres in 2016 was 211, while the private agencies numbered 44 (BoLSA, 2016).

Public employment service providers are expected to compile data on registered job seekers and vacancies with the aim [40] of enhancing job matching, i.e., ensuring that job seekers secure employment that is compatible with the needs and skill requirements of employers both in the public and private sectors. Also, it aims to reduce the waiting time for job□seekers to find work and for employers to fill vacancies (see Tewabeyilak, 2016).[41] The employment services provided in the public sector include the registration of job seekers and vacancies, placement assistance, and other related services.

According to the key informants from the Amhara region BoLSA, employment services are provided in two ways. The first is through BoLSA itself—the government entity which is responsible for coordinating regional labour and social affairs—while the other is through private employment

40 Bureau of Labour and Social Affairs, BOLSA, 2008. Annual Report, Amhara Region, Bahir Dar.

41 Tewabeyilak, 2016, Assessment of the National Employment Services Provision and Labour Market Information Collection and Utilization in Ethiopia, International Labour Organization.

companies/agencies. It is also possible that a potential employee approaches the employer directly for a job, or vice versa. According to BoLSA figures, in the last five years a total of 1,776,013 job seekers were reportedly employed through BoLSA, private employment agencies, and directly through private companies.

However, it remains that the number of job seekers is too high to match the number of available jobs; the region's unemployment rate is estimated to be more than 18 per cent (forecasted as 17.6 per cent in 2014 by CSA), while the rate was only 12.8 per cent in 2011.

The Amhara SEA reported that the public service absorbed fewer job seekers than private players. It also indicated that the public sector, will be less involved in the future as a major employer as the private sector is creating more jobs than the public sector. The two major policy instruments that are used by the regional government to curb the problem of unemployment include: Micro and Small Enterprise Development and Technical and Vocational Education and Training.

The Amhara SEA has noted that over the last several years, an increasing number of urban and rural unemployed youth have secured jobs through MSEs. According to a 2008 TVET report, 84,890 enterprises were formed by the unemployed youth in the region. As a direct result of this, it was reported that a total of 835,563 (Males: 578,163; Females: 257,400) were employed in the region. This is a relative increase in employments when compared to the preceding years, even though the number of unemployed youth has increased correspondingly over the years.

However, the MSE sector in Amhara has as yet not grown sufficiently to absorb the high number of job seekers. The Amhara SEA points to several challenges that dog the MSE sector: limited access to financial services, lack of partnerships and networking, and the absence of technical and business skills. Regarding financial services, the report noted that the major micro-finance provider in the region is Amhara Credit and Savings Institution. There are, however, complaints from youth who are interested to form Small and Medium Enterprises (SMEs) about the high rate of interest set by the institution, reported to range between 15 per cent and 18 per cent.

TVET bureaus play an important role in the provision of employment services in Amhara. In addition to the provision of technical and vocational training, they are involved in the registration of unemployed youth. Because of their presence at lower administrative levels, they are able to collect first-hand information about job seekers and the types of training needed by unemployed youth. In this respect, they undertake door-to-door registration of job seekers once or twice a year. There is, however, limited coordination between BoLSA and TVTE offices.

Table 24: Jobs created in the last five years (July 8, 2012 - July 7, 2016)

	Male	Female	Total
Private employers/ employment agencies	1,275,610	500,403	1,286,851
Government (public service)	308,044	181,118	489,162
Total	1,583,654	681,521	1,776,013

Source: Amhara, BoLSA.

As is the case in other regions, it is noted by the Amhara BoLSA that employment services face a number of challenges. Attitudinal problems among job seekers with regard to available job opportunities that are considered as "small jobs", is one. Another challenge is the limitation in the availability of private employment agencies, which undermines efficient labour management in the region. Moreover, with BoLSA structures not operational in many of the woredas in the region, collaboration between local authorities is poor.

C. Oromia Region

In Oromia, employment services are active labour market programmes that serve the function of matching job seekers to potential employers. The regional BoLSA is proactive in this respect. There are also legally registered private agencies that facilitate employment services.

The Oromia BoLSA and bureau of MSE are the two most important government institutions in the region to offer employment services, and coordinate efforts—from the regional to the woreda level—to provide the unemployed with jobs. While the BoLSA office is primarily concerned with facilitating job placements against existing job positions, the MSE office is principally charged with the creation of self-employment opportunities. The MSE office is considered to be an intrinsic part of the sectors that deal with poverty reduction, and hence enjoys better financing and logistics than the BoLSA office. The institutional set-up of the MSE office extends from the regional to the kebele levels. This is specified in Oromia's regulation that supports the development of MSEs in the region (Proclamation No. 139/2004).

MSEs are considered as pivotal vehicles of job and wealth creation for a significant number of people in the Oromia region, for which, potential areas of job creation are identified. Article 18 of Proclamation No. 139/2004 specifies that the MSEs in the region can organise around the manufacturing, construction, trade, service, and agriculture sectors. Many services have been provided to the MSEs to enhance their effectiveness, with the result that these institutions have successfully created many jobs in the region, and have organised around the various activities listed in the proclamation (Table 25).

Table 25: Number of MSEs enterprises in Oromia by type, year 2012/13

Number and Type of MSEs							Total
Industry	Service	Agriculture	Construction	Trade	Mineral	Others	
3,527	5,950	6,616	4,136	9,815	1,572	2,743	33,634

Source: Oromia BoFED Statistical Abstract, 13th Edition, 2014.[42]

It should be noted too, that MSE offices in Oromia provide many kinds of services to their clients. Table 26 below provides some details on the services that are offered to potential beneficiaries through MSE projects.

[42]BoFED, Oromia, 2014, Statistical Abstract, 13th Edition, 2014.

Table 26: Services provided for MSEs by types of services in Oromia, year 2012/13

Land given (Ha.)	Loan Given	Those Who Attended Training	Their Capital	Job Opportunities Created
16,973,747	277,736,862	984,696	280,956,397	4,966,851

Source: Oromia BoFED Statistical Abstract, 13th Edition, 2014.

Though the MSEs have provided employment services for large numbers of people, the Oromia SEA report highlighted several challenges that threaten the work of MSEs. These include:

- **Access to finance:** Access to finance is the most formidable challenge for MSEs in the region. In Muslim-dominated areas, people do not want to take interest-bearing loan for religious reasons (it is also these very areas in the region that are mostly affected by youth migration to the Middle East). In fact, the refusal to take interest-bearing loans complicates the efforts being made to fight illegal migration through the creation of self-employment avenues at home. Oromia Credit and Savings Association provides the loan service to MSEs in the region. The OCSA loan service is so bureaucratic and full of preconditions that many MSEs are frustrated in their efforts to avail of the loan service.

- **Registration and licensing challenges:** The registration and licensing procedures for the formation of MSEs is time consuming. MSEs in the woredas are required to register and have their MSE names confirmed at the regional level in Addis Ababa. Travel to Addis Ababa is financially demanding for the unemployed poor who typically want to start an MSE, and can prove a stumbling block. Many government offices participate in the licensing and provision of places of work, making the process time consuming. Equipment leasing for MSEs too is a time consuming process as it involves renting equipment from various offices over and above what is offered by the MSE office.

- **Lack of entrepreneurial culture:** People in Oromia tend to prefer certain jobs over others. Thus, employment in a government office is coveted, but small-scale entrepreneurship is not. Some take loans from microfinance institutions and flee the country instead of creating their own jobs, as was discovered by the Oromia SEA research team in the woredas they visited. Further, many migrants who managed to bring some money home upon their return wasted it due to the lack of an entrepreneurial culture. The fact that the overwhelming majority of the region's people live in rural areas exacerbates the problem.

- **Knowledge and skill gaps:** There is also a widespread lack of knowledge and skills when it comes to self-employment and the formation and development of enterprises. Because of the cultural outlook indicated above, people have limited knowledge and skill on enterprise development and its benefits. The SEA found that this is particularly the case with the uneducated/less educated, who are easily attracted by the positive images about migration painted by traffickers and others. Thus, there is a need to strengthen TVET colleges in the region to bridge the knowledge-skill gap.

- Lack of market linkages: The MSE office follows different steps to linking MSEs with the market. Linkages among MSEs is one way, as the MSEs themselves create markets for each other. The second strategy is the linkage between MSEs and the woreda projects available in the region. The Oromia SEA research team found encouraging beginnings of this in some of the woredas. The regional MSE proclamation also stipulates that MSEs be linked with government projects. The fact that many investors are operating in the Oromia region implies that there are ample opportunities to link MSEs to investment activities in the region. But, as noted in the Oromia SEA, the linkage between investors and MSEs in the region is limited and needs to be ramped up.

- **Lack of requisite services and infrastructure:** In many cases, the absence of infrastructure comes in the way of efficiency. For instance, the lack of electricity is a common problem in many areas. MSEs working in the field of wood and metal works are adversely affected by this. Sometimes, it becomes necessary to construct new roads to areas where MSEs want to work, which necessitates the incurring of additional expense and having to navigate the bureaucracy. Time consuming bureaucratic procedures to obtain services like machinery lease can pose a challenge, as could access to land in rural areas of the region.

- **Insufficient monitoring and evaluation:** The Oromia MSE agency undertakes a quarterly assessment of MSEs in the region. The process entails random shortlisting of the some of the MSEs for the woreda MSE office to show to them. Over the course of this exercise, it discovered that some MSEs, though registered, did not exist. Given the large number of woredas and MSEs in the region and the manpower it needs, monitoring and evaluation from the region, though important, is not easy. There is thus the need to strengthen the lower-level MSE administrative structures in order to carry out a complete inventory of MSEs for evaluation.

- **Public employment services:** Employment services are mandated to match job seekers to potential employers. This function is mainly performed by the regional BoLSA. The employment services provided by it are discussed in detail below. There are also legally-registered private agencies participating in the facilitation of employment services in the region, as is also discussed below.

- **TVET**: TVET institutions serve an important employment service because they prepare their trainees for employment in the labour market and/or for self-employment. TVETS are considered the backbone of MSEs because they provide entrepreneurial and skill-based trainings. TVETs are thus vital in providing industry with a skilled labour force.

The Oromia SEA cites an important study conducted on TVET colleges in the region which revealed that 74.6 per cent of the TVET graduates were found to be incompetent. Factors such as inadequate preparation by teachers of teaching and learning materials, poor implementation of the principles of competency-based training, deficient TVET teachers' training, and poor linkages between TVET institutions and industry were responsible for student incompetence (Lemma Dadi, 2014).[43] Those who could not pass the Centre of Competence exam could not be employed in the public services (while the

[43] Lemma Dadi, 2014, Effectiveness of Competency-based TVET Curriculum in Ethiopia: the Case of TVET Institutions of Oromia Regional State. A thesis submitted to the Department of Curriculum and Teachers Professional Development Studies, Addis Ababa University. PhD Thesis.

private sector too prefers graduates, some of those who have failed the COC exam find that they can enter the job market, albeit at a low-skilled job). Thus, there is an urgent need to raise the quality of teaching and facilities offered by TVETs in the region. TVET institutions should also actively work towards building linkages with industry to enhance the skill and employability of the trainees. This linkage can also support the building of a labour force based on the demands of the local market.

As mentioned earlier, BoLSA is the key institution to provide public employment services. The situation of the labour market in the region is compiled by the regional BoLSA offices on the basis of reports/data from the woredas. The Oromia SEA Key Informant Interview of BoLSA officials reveal that one has to be registered at the BoLSA office in order to be considered unemployed or a job seeker. However, registrations at the office remain lower than they should for two main reasons. One, because the BoLSA structure ends at the woreda level, most youth from the rural areas are unaware of the public employment services provided by the entity, with the result that many of the unemployed do not get registered at BoLSA. Two, job seekers presume that the office cannot enable them to access jobs. This tendency was widely visible among the unemployed youth that the SEA team had discussions with at the woreda level. Interestingly, because of the attention paid by the government to MSEs, the majority of job seekers registered with MSEs rather than with BoLSA.

Despite this, the BoLSA office has been rendering various employment services for the wider public in Oromia region, including registration of job seekers and the issuing of identification cards to them. Registration entails the assumption that the registrant will be notified of a job opportunity which is compatible with his/her expertise and competence as declared in the registration form. There is no specific time limit or expiry dates for the issued IDs, but the office often advises job seekers to re-register from time to time because many employers ask job seekers for recent identification cards to prove that they are registered with BoLSA. It is compulsory for job seekers to produce evidence from woreda/kebele offices that they are unemployed when they re-register. Table 27 provides full details on job seekers registered between July 8, 2013 and July 7, 2016.

Table 27: Job seekers registered by BoLSA by sex and level of education (July 8, 2013 - July 7, 2016)

Educational Level	Registration by BoLSA								
	July 8, 2013 - July 7, 2014			July 8, 2014 - July 7, 2015			July 8, 2015 – July 7, 2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Can't Read and Write	34717	20815	55532	16,544	14145	30689	21,021	15,728	36,749
Not Attended Regular education	0	0	0	0	0	0	0	0	0
Primary Education (1-8)	94701	47968	142669	57,116	33,754	90,870	73,367	39,437	112,804
Secondary School (9-10)	53014	29985	82999	30,328	18,198	48,526	49,612	25,740	75,352
Preparatory School (11-12)	15854	12585	28439	8,326	5,426	13,752	16,492	9,075	25,567
TVET	29097	22383	51480	20,918	14,171	35,152	42,460	24,345	66,805
University Dropout	256	70	326	20	5	25	42	4	46
First Degree	3891	2312	6203	3752	2453	6205	9,433	3,277	12,710
Masters	15	5	20	5	2	7			
PhD	0	0	0	0	0	0			
Not explained									2,335
Total	231545	136123	367668	137,072	88,154	225,226	212,427	117,606	330,033

Source: Oromia BoLSA Annual Report to Federal MoLSA.[44]

[44]BoLSA, Oromia, 2016 Annual Report to Federal Ministry of Labour and Social Affairs, Finifine: Oromia BoLSA.

There are also legally registered domestic private agencies that provide employment services in the region. As of January 2017, there were about 153 such agencies in the region. Most of these are concentrated in towns close to Addis Ababa. A few of them also operate in zonal towns such as Shashemene and Jimma. The private agencies operating in Oromia are of three types: those that facilitate the hiring of Ethiopians abroad (however, due to the federal government's ban on overseas employment, these have closed shop); those that offer outsourced jobs from various organisations and companies on a contractual agreement; and those that act as middlemen between employers and job seekers and operate on a commission basis. Their role ends after successfully brokering a deal between the employer and the job seeker.

The legal framework that governs the operations of the private agencies—which can be established by an individual or a group of individuals as Private Limited Companies—is Proclamation No. 632/2001. The agencies are licensed by the BoLSA offices located at different levels. Agencies that want to work in all the zones in the region are licensed by the regional BoLSA. Those that want to work in their localities can get a license from the local BoLSA office. The agencies are required to renew their licenses annually. Though the functioning of these agencies is to be supervised and inspected on a quarterly basis by the regional BoLSA, this is carried out only twice a year because of lack of human power and other resources. The private agencies are legally prohibited from taking any form of payment from job seekers for the facilitation work they do, but are allowed to take the necessary payments from the employers based on their agreement.

The participation of private players offering employment services in the region is encouraging. Table 28 below provides some data to back this assertion, though it is understood that there are limitations and challenges that need to be tackled to better their services. For instance, though the BoLSA regulation requires that private agencies report to the BoLSA offices quarterly, this is not always adhered to. According to the Oromia SEA, private agencies show an inclination to not respect regulations. Job seekers hired through these agencies largely complain about their wages. When private agencies take outsourced jobs from different organisations and companies, they handle all the payment and other issues through the commission they get from them. The new employees state that the largest share of the money from companies/organisations goes to the private agencies and that they are underpaid. In the absence of a minimum wage policy in the country, it is difficult to look into such cases. Please see Table 30 for data on those registered with private agencies and the percentage that landed jobs through them.

Table 28: Job seekers registered by private agencies by sex and level of education, July 8, 2014 - July 7, 2016

Educational Level	Registration by BoLSA					
	July 8, 2014 –July 7, 2015			July 8, 2015 – July 7, 2016		
	Male	Female	Total	Male	Female	Total
Can't Read and Write	18	21	39	41	48	89
Not Attended Regular education	0	0	0	0	0	0
Primary Education (1-8)	329	192	521	521	376	897
Secondary School (9-10)	179	111	290	539	130	669
Preparatory School (11-12)	10	0	10	97	41	138
TVET	35	14	49	461	122	583
University Dropout	0	0	0			
First Degree	0	0	0	90	30	120
Masters	0	0	0			
PhD	0	0	0			
Not Explained	-	-	-	-	-	-
Total	571	338	909	1,749	747	2,496

Source: Oromia BoLSA Annual Report to Federal MoLSA, July 8, 2014-July 7, 2016.

Even though private agencies perform the same task as BoLSA in terms of matching job seekers with employment, BoLSA has been more successful. Even then, when compared to the number of registered job seekers at BoLSA, because of the paucity of jobs, there remains a huge gap between job seekers and employment. During 2013/14, 2014/15 and 2015/16, 45.9 per cent, 65.9 per cent and 38 per cent of the job seekers, respectively, got jobs through BoLSA. More quantitative details are provided in the Table 29 below.

Table 29: Those registered at BoLSA and got employed

Educational Level	Registration by BoLSA								
	2013-14[45]			2014-15			2015-16		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Can't Read and Write	7,186	3,551	10,737	3,777	2,753	6527	3,513	2,230	5,743
Not Attended Regular education	0	0	0	0	0	0	10,516	5,438	15,954
Primary Education (1-8)	46,490	37,661	84,151	15,962	35,646	51,608	15,554	10,417	25,971
Secondary School (9-10)	19,849	12,962	32,811	18,006	12,918	30,924	14,314	10,553	24,867
Preparatory School (11-12)	10,009	5,387	15,396	6,521	7,431	13,534	5,540	3,601	9,141
TVET	17,966	15,602	33,568	21,778	2,669	8,340	6,000	3,969	9,969
University Dropout	0	0	0	0	0	0	4,823	3,641	8,464
First Degree	981	454	1,335	71	49	120	9,824	5,532	15,356
Masters	10	0	10	0	0	0	5,902	2,873	8,775
PhD	0	0	0	6	0	6			
Not Explained							425	1,060	1,485
Total	102,515	64,069	168,831	72,040	76,459	148,499	76,411	49,314	125,725

Source: Oromia BoLSA Annual Report to Federal MoLSA, 2013/14 – 2015/16.

[45]The data for this year also includes the number of people registered at private agencies and who got employed (2,809). However, the data for this year from the private agencies is not disaggregated into sex categories.

The other major employment service that the BoLSA office performs is the identification of vacant job places available in various public and private institutions. However, many institutions (particularly those that are private) are not willing to divulge all information—there is no legal recourse that can force them to do so as the information provision is voluntary.

As in the cases discussed above for the BoLSA office, the number of job seekers registered with private agencies and those who got jobs through their facilitation show a wide gap. For instance, during 2014/15 and 2015/16, 56.3 per cent of the registered job seekers got employment through the facilitation of private agencies. Table 30 below has more details.

Table 30: Those registered at private agencies and got employed, July 8, 2006 – July 7, 2008

Educational Level	Registration by Private Agencies and Got Employed					
	July 8, 2006 - July 7, 2007			July 8, 2007 - July 7, 2008		
	Male	Female	Total	Male	Female	Total
Can't Read and Write	2	10	12	44	44	88
Not Attended Regular education	0	0	0	0	0	0
Primary Education (1-8)	307	150	457	336	262	598
Secondary School (9-10)	118	85	203	423	99	522
Preparatory School (11-12)	6	0	7	68	33	101
TVET	0	0	0	45	43	88
University Dropout	0	0	0	0	0	0
First Degree	0	0	0	5	3	8
Masters	0	0	0	0	0	0
PhD	0	0	0	0	0	0
Not Explained				1	0	1
Total	440	245	685	922	484	1,406

Source: Oromia BoLSA Annual Report to Federal MoLSA, July 8, 2006 - July 7, 2008.

As mentioned earlier, in addition to the BoLSA office, the MSE office also provides employment services for unemployed youth, though its focus is not on offering placements but on organising them to create their own jobs. It first registers unemployed persons through the MSE Development Council which operates at the kebele level, after which it helps them to form their own MSEs. It identifies job creation opportunities in various government sectors and organises MSEs around the needs of the sector. KIIs conducted by the Oromia SEA research team with regional BoLSA officials show that while it is the BoLSA office that registers job seekers/unemployed people, the MSE office is mandated to organise the registered job seekers into MSEs. However, the MSE offices at the regional and woreda levels believe that the BoLSA office is there to protect the rights of workers in industrial conditions rather than for registering unemployed people. There is thus a conflict between the two offices on this issue at the regional level. In some of the woredas visited by the research team, both the BoLSA and the MSE offices register unemployed people. The regional MSE development proclamation discussed above gives them the mandate to register and screen unemployed people (i.e., to check whether or not they are unemployed) at urban and rural kebele structures

D. Southern Nations, Nationalities and People's Region

According to the SNNPR SEA report, all BoLSA activities related to registering job seekers, locating vacant positions, planning employment creation, and predicting future demands of labour in urban and rural areas, are handled by the BoLSA's Employment Process Coordinator wing. This structure goes down to the woreda level and carries out similar functions across the region and zones.

In many respects, however, the lower administrative hierarchies are less equipped with trained personnel and resources. For instance, in the 2015/16 fiscal year the region's zonal or woreda/district Labour and Social Affairs agency planned to register 50,000 job seekers (Males: 35,000; Females: 15,000) and managed to cover around 90 per cent of the plan. In the same vein, the BoLSA also attempted to create, and often match, job seekers with available jobs and assist with self-employment schemes through credit provisions and other means. In this regard BoLSA has matched about 15,500 permanent and contract (short-term) employment opportunities to job seekers (BoLSA, 2009).[46] Moreover, BoLSA has also matched more than 61,000 seasonal workers (in sugarcane plantations, for example) during the 2015/16 fiscal year (Ibid).

In terms of registering job seekers, locating vacant positions, and matching jobs to job seekers, the BoLSA figures show an improvement in the current fiscal year. According to the SNNPR SEA, in the 2016/17 fiscal year, the regional BoLSA planned to register about 280,000 job seekers, and locate 62,146 vacant positions to fill with unemployed youth who have the required qualifications for the posts (BoLSA/SNNPR, 2016/17). Some of the plans to create and enable the entrance of new job seekers to job markets in this fiscal year in SNNPR include:

- 120,200 youth will be provided support to enter local employment markets
- 179,775 job seekers will be imparted the necessary professional and leadership training
- 13,000 job seekers who wish to migrate will be given pre-travel orientations and relevant training
- 17,560 young people will get the required professional training for foreign job markets in collabora tion with relevant organisations.

Based on data obtained from the region during fieldwork, it was found that the primary goal of an effective labour market programme is to help the unemployed in the areas of training and job creation through government intervention. Some of these programmes include training schemes intended to help the unemployed improve their vocational skills and increase their employability through programmes such as the TVET system. This allows unemployed youth to develop skills highly needed in the world of work and adds immensely to their employability.

The 2016 performance report of SNNPR's Small Enterprises Development Agency, which targeted migration-prone zones such as Hadiya, Kambata, Seltie, Gurage, and Wolayita, shows that the Agency provided credit to, and assisted, 105,904 job seekers to start different kinds of businesses. This is above its target of 100,196 job seekers. Another short-term measure reported in the same document is that out of the estimated 15,449 job seekers, 9,727 (63 per cent) were male while 5,722 were female, all of whom got permanent and contractual jobs in 2016.

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[46] BoLSA, SNNPR, 2016/17, Revised Employment Process Plan of Employment Service Development Main Department, Hwassa.

According to data obtained from the region, the policies and institutional frameworks for employment creation in SNNP can be summarised as follows:

Rural Job Opportunity Creation and Development Agency (RJOCDA):

This initiative in the SNNPR is intended to combat rural unemployment through the provision of training and credit facilities to unemployed rural youth in the region. Its main mission is organising unemployed youth from the same woreda/district into MSE groups, keeping in mind their area of interest, and providing them with credit and training. RJOCDA was established in 2012 and filled a very significant void in facilitating credit for the youth to engage in sectors of productive employment categorised as farm and non-farm activities.

Between 2012-14, RJOCDA was able to supply 80 per cent of the total cost of its respective projects (a total of 822,619,669 Birr) in the form of credit to rural youth organised into "associations" and "groups" and who were able to save 20 per cent (approximately 226,693,981 Birr) of the total cost of their proposed projects. RJOCDA also organised 38,987 unemployed youth to engage in jobs that require little or no capital, such as river basin cultivation, and work on family farms and on common lands. In addition to this, the agency also reported that in those two years, 157,398 rural youth who were unable to save the 20 per cent required seed money to engage in locally created provisional jobs.

As in other regions, access to financial markets is extremely limited. This is true for the SNNP region as well. The only lending institution is Omo Micro Finance, but its reputation is tarnished by complicated in-house procedures, collateral requirements, and high interest rates. In addition, it was also found that the loans it provided were too low for starting up meaningful business ventures. Despite such drawbacks, the figures listed in Table 31 are examples of credit service provisions and the repayment record by the micro-finance institution in Gurage zone.

Table 31: Loans distributed to *woredas* in Gurage zone from 2012/13 - 2015/16 for rural job opportunities creation by Omo

Woreda	Loan	Repayment	Repayment rate (in %)
Ezha	6,891,280	3,627,123	52.6
Gumer	5,841,867	3,214,908	55.0
Abeshge	6,730,742	4,787,658	71.1
Ener/Ene	13,482,201	7,452,646	55.3
Endagegn	5329,398	3,990,220	74.9
Soddo	8,883,816	3,676,966	41.4
Kebena	4,899,200	3,066,845	62.6
Cheha	12,100,692	6,941,824	57.4
Geta	7,805,700	4,902,861	62.8
Mesqan	16,416,165	6,043,351	36.8
G/G/Wolene	4,598,654	2,539,119	55.2
Mareko	4,793,099	3,313,863	69.1
M/Aklilu	6,465,829	4,825,896	74.6
Total	104,238,645	58,383,282	56.0

Source: SNNPR Rural Job Opportunities Creation Agency.

As one can infer from the table above, since the launching of the rural job creation scheme in the region, the repayment record of loans is about 56 per cent. In some of the targetted woredas, such as Mesqan woreda, the repayment rate is roughly 40 per cent, indicating that 60 per cent of the borrowers were not able to pay back their loans or were less successful, if not defaulters, in the long run. The implication of this is that business start-up processes and financial arrangements require serious rearrangements in order to attain the ultimate goal of bringing down poverty in rural woredas.

Employment by the Public Sector

The public sector is one of the major employers of highly skilled and less skilled workers nationally and at various levels in the region. More recently, however, the government is especially focussed on encouraging young graduates to join the private sector as well, with the expectation that this sector will become a significant employment generator.

Table 32: Number and age-distributed share of public sector (civil servants) in SNNPR in 2014/15

No.	Age Group	Number of Civil Servants			Percentage
		Male	Female	Total	
1	Below 18	0	0	0	0
2	18-22	16792	9861	26653	11.93
3	23-27	41983	19407	61390	26.72
4	28-32	36180	14289	50469	21.4
5	33-37	25264	9867	35131	13.41
6	38-42	17507	7051	24558	10.25
7	43-47	13198	4238	17436	7.2
8	48-52	8137	2513	10650	4.52
9	53-55	4330	1197	5527	2.54
10	56-60	2317	513	2830	1.19
11	Above 60	46	1	47	0.17
Total		165754	68937	234691	100

Source: SNNPR Statistical Abstract, July 8, 2014/July 7, 2015.[47]

If we look at the proportion of the number of young people working in the public sector as of 2014/15 (Table 32), it is clearly seen that in the 18-22 years' age group, only about 12 per cent of people are public employees. This age range falls in the critical school-to-work transition period—this is when both young university graduates and students who have completed secondary school education enter new job markets. Given the fact that the region, as is the case elsewhere in Ethiopia as well, is characterised by a young population, and a huge number of people fall into the working-age category every year, it is noteworthy that the share of public service employment is not only disproportionally low when compared to the active labour force, but also that entrance to job markets in the public sector is perhaps found to be arduous because of the sector's inability to absorb the large number of unemployed youth in the country.

[47] BoFED, 2015, SNNPR Statistical Abstract, 2014/15, Hawassa, SNNPR.

Labour Market Information Function of Public Employment Services

Public sector employment contributed close to 240,000 employment opportunities in the region in 2014/15 (Table 32). This figure may be insignificant when compared to the huge number of rural and urban youth who are willing to join the labour force in the coming few years. Currently, the regional office of the Labour and Social Affairs Agency is charged with providing information on employment opportunities, and linking job seekers to available jobs in the regional job market. According to our key informant interviewees at the regional and woreda levels, the labour and social affairs agencies, instead of linking job seekers to available jobs in the public sectors, are restricting their services to registering the unemployed, providing training for returnees, and so on. No wonder then, and as noted in the SNNPR SEA, there is a paucity of information regarding the availability of vacant jobs at the zonal and woreda levels. Job seekers often depend on friends, family, or their personal or other networks for job information.

During the fieldwork for this report, as reported by the SNNPR SEA research team, it was indicated that the regional BoLSA had launched a labour market database and networking project in the fiscal year 2015/16. This is a pilot project which aims to cover six zones and 30 woredas that have a high proportion of unemployed youth in the region. Although this looks promising, it was found out during fieldwork that there has not been any development to establish a functional labour market database and the outcome of such a data base is awaited.

E. Addis Ababa City Administration

Employment services in Addis Ababa are mainly provided by the government (i.e., by BoLSA at the city administration, sub-city, and woreda levels) and 263 private employment agencies. As in the other regions, the Addis Ababa City Administration BoLSA is also tasked with various aspects of employment services including facilitating the match between labour supply and demand as well as organising, coordinating, and monitoring the labour administration system. In addition, the bureau is tasked with ensuring occupational safety and health measures, conducting labour inspections, safeguarding industrial relations, and collecting and collating labour statistics.

While conducting its employment service tasks, BoLSA works in collaboration with the Women and Children Affairs Bureau, Youth and Sport Bureau, Micro and Small Enterprises Bureau, and Technical and Vocational Education and Training (TVET) Bureau. Each of these commands a distinct authority and is assigned different functions with respect to labour and employment issues.

On the employees' side is the Confederation of Ethiopian Trade Unions (CETU) (415, 515 members of which 141,422 are female). As noted in the Addis Ababa SEA, CETU aims to advance the interest of workers through improved relations between employers and employees and protection of workers' rights (via various sensitisation activities) as stated in the various proclamations, and arranges different training opportunities for members. Though CETU is effectively able to reach employees in their work places to raise awareness about their rights and assess their working conditions, they do not work with the informal sector and, in fact, lack information about those employed in this sector. The Ethiopian Employers' Federation represents employers and safeguards their rights. As indicated in the Addis Ababa SEA, EEF works to ensure a smooth relationship between employers, workers, and their unions and government.

There is also the Addis Ababa Chamber of Commerce, which offers business referral services, access to networks, and provides promotion and publicity opportunities to its members. Furthermore, the chamber has a training institute offering Business Development Services (BDS), book keeping, entrepreneurship, and basic business training.

Labour Market Programmes

Active labour market programmes in Addis Ababa are run by BoLSA, MSE offices, and TVET centres, in addition to the 263 private employment agencies mentioned earlier that connect potential employees and employers. The role of these private employment agencies is to compile a list of unemployed people who approach them, noting down their qualifications, and matching their knowledge and skills with job vacancies.

As indicated in the Addis Ababa SEA, Addis Ababa BoLSA and its branches at the woreda level are responsible for the registration of job seekers. BoLSA has established one-stop service centres which not only register job seekers but also support them in establishing enterprises for self-employment. However, due to inadequate documentation, the visibility of information concerning job seekers is low.

MSEs are major players in Addis Ababa's labour market programmes. According to the Addis Ababa Micro and Small Enterprises Development Bureau (2016),[48] cited in the Addis Ababa SEA, in the past five years a total of 730,902 jobs were created by MSEs in the sectors of manufacturing, construction, services, urban agriculture, and trade.

One important area of support that the city government provides to MSEs is market linkages (FDRE, 2011).[49] As reported in the Addis Ababa SEA, the government provides multifaceted assistance to enterprises by connecting them to potential markets. In this regard, the MSE offices at the different levels serve to communicate information on potential market places and provide new enterprises with support letters—which help them to get access to finance and technical and other support from various actors—so that they are better able to overcome the challenges to become competent. The Addis Ababa MSE Bureau creates market linkages at the city administration level with large government projects such as low-cost condominium housing schemes, telecommunications ventures, and water development projects.

According to the Addis Ababa SEA, the city government also works on the supply side so as to ensure effective and efficient public sector employment. Thus, the government proposes to enhance the quality of services to promote labour intensive infrastructure development, improve the effectiveness and relevance of ongoing public work programmes, and fill existing critical human resource gaps, particularly in health and education.

Apart from government institutions, there are private employment agencies which are bridging the information gap between job seekers and employers and which also forward job seeker information and created employment opportunities to BoLSA. As stated in the Addis Ababa SEA, non-governmental organisations provide support through projects focussing on various aspects of employment creation.

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48 Addis Ababa Micro and Small Enterprises Development Bureau, 2016, Tight, Addis Ababa.

49 Federal Democratic Republic of Ethiopia, 2011, The Micro and Small Enterprises Strategy, Addis Ababa.

For example, in the past Geneva Global embarked on projects to rehabilitate returnees in Arada and Addis Ketema sub-cities. In the past year, the Organization for Prevention, Rehabilitation and Integration of Female Street Children (OPRIFS) imparted training in hairdressing and food preparation skills to returnees in Addis Ketema. Another NGO, Nolawi Services, trained returnees in Kirkos sub-city to enable them to create self-employment. Each individual received seed money of 5,000 Birr, which was used to start small businesses such as baking and selling injera bread.

Additional projects that are directed at enhancing livelihoods through improved employment are the Women Entrepreneurship Development Project (WEDEP) of the World Bank, and a credit-free loan initiative for poor women under the Global Fund. WEDEP aims at financial and training support for women entrepreneurs and started operations in 2012. It provides improved access to loans with reasonable collateral for women who are already in business and in need of further support. At the end of 2015, more than 3,000 women entrepreneurs received loans and over 4,500 participated in business trainings. These enterprises are expected to create 6,000 new jobs by 2017. Global Fund's interest-free loans (provided through revolving funds with MFIs) are for women who live on the margins and who are mostly engaged in small trades.

Another initiative, mentioned earlier, is the recently-budgeted 10 billion Birr revolving fund aiming at better credit access for youth who are most vulnerable to unemployment in urban centres. This funding is expected to close the budget gap of youth offices to mobilise, train, and ensure the youth get a significant share of the growth dividend. Such a budget gap is particularly visible at the *woreda level* because of their direct day-to-day contact with the youth. The revolving fund is expected to bridge a major gap that hinders youth beneficiaries from accessing credit from MFIs—the 20 per cent prior saving requirement as well as the complex collateral demands.

Institutions Offering Labour Market Information

In Addis Ababa, there are a number of institutions which collect Labour Market Information. These include BoLSA, CSA, BoE, Bureau of Public Services and Human Resources, MSE Development Bureau, and CETU. The Public Employment Service unit of BoLSA is responsible for collating a list of job seekers and vacancies, and disseminates the information to different sectors through their annual booklet. The bureau makes use of information from its private service offices found at the woreda and sub-city levels as well as from private employment agencies to collect information on registered job seekers, vacancies, and placements.

There is a need to improve LMI's storage system, particularly because information is collected at different times by the PES. In addition, formalising its coordination with other LMI producers is evident if the quality of data collected, compiled, and published is to be improved.

Employment Opportunities through the MSE Scheme

Enhancing the quantity and capacity of Micro and Small Enterprises is a government strategy aiming at augmenting productive labour while actively backing the overall economic goal of transitioning Ethiopia from an agriculture-centred economy to an economy based on industry. Hence, these enterprises of the unemployed and underemployed youth are provided government support in terms of skill training, credit

services, legal assistance, and the provision of work premises. The enterprises receive substantial financial and non-financial assistance through the MSE offices in collaboration with MFIs, TVET offices, Youth Office, as well as the Labour and Social Affairs Office.

Since the role of MSEs in the economy is to engage actively in the market by providing quality goods and services at reasonable prices, they are regarded as essential mechanisms of poverty alleviation, particularly owing to the redistribution of a country's economic growth to parts of the community that have lower income sources. MSEs are viewed as essential mechanisms of technology transfer and economic progress because of their involvement in sectors that are pro-growth.

The MSE scheme creates employment opportunities for the unemployed: while some MSE operators are sole proprietors, others form cooperatives in order to receive support for enterprises. According to the Addis Ababa SEA, in the year 2014/15, a total of 277,587 new job opportunities were created through MSEs in Addis Ababa. These opportunities were created for people in their own neighbourhoods as well as for those coming from afar. In 2015/16, MSEs created a total of 4,406 permanent and temporary jobs in Woreda 2 (Arada sub-city), Woreda 7 (Addis Ketema sub-city), and Woreda 10 (Kirkos sub-city).

Because MSEs are being initiated as a major strategy by the government of Ethiopia, one of the roles that MSEs are expected to play is that of closing gender gaps of unemployment. Though positive achievements exist in terms of involving more women in the work force, the gender gap is yet to be breached even within the enterprises. A study conducted by the FDRE Ministry of Urban Development and Construction (2013) and cited by the Addis Ababa SEA shows that 60 per cent of enterprise owners were men. A similar gender disparity exists among the selected study woredas. The total percentage of men who benefitted from MSE employment was 60.87 per cent (63.8 per cent in Woreda 2 Arada sub-city, 53.95 per cent in Woreda 7 Addis Ketema sub-city, and 54.16 per cent in Woreda 10 Kirkos sub-city).

Need for Market Linkages to Create More Employment Opportunities

The most important market linkages being created in Addis Ababa are in the construction sector. Since Addis Ababa is a rapidly growing city with intensive construction activity, enterprises engaged in this sector are directly linked to large government projects such as housing, light train construction projects, water and sewerage systems, as well as Ethio telecom projects. Large projects in these lines of operation are in principle sub-contracted to different MSEs. The enterprises get support letters from the government in order to compete for bids, take bid documents without any charge, and start the construction process without the need to deposit money as a guarantee to deliver quality work. However, the capacity of these government projects to absorb all enterprises shows a decline from time to time, as there is no efficient mechanism to redistribute such projects among the existing and new enterprises; furthermore, the demand for work opportunities is not met by the extent of opportunities created. Hence, MSEs are pressured to find their own mechanisms of being linked to the market instead of just waiting for the government to create them.

Private Sector Involvement in the Labour Market

Private sector involvement in the market is low since it is mostly government projects which accord priority to MSEs in their work. Hence, one area of improvement can be to link MSEs to the private sector so that they can be engaged in large investment projects run by private investors, apart from merely engaging them in government projects. The capacity of MSEs in creating their own market segment should also be an area of focus since the government will be overburdened if it has to make these enterprises entirely dependent on government projects when market linkages are discussed.

Based on the regional report and as indicated earlier, BoLSA's employment services include registering the unemployed, after which most employment opportunities are then arranged through the MSE office. Consistently publishing LMI bulletins at the regional level will also serve to strengthen BoLSA's various functions. Furthermore, a great deal remains to be done in terms of arranging other aspects of employment services such as counselling and vacancy registrations, both of which are crucial for obtaining employment opportunities for the unemployed.

8 Programmes and Projects Developed by Government and other Development Partners in the Last Five Years

At the national and regional levels, the Ministry of Labour and Social Affairs and its regional branches (BoLSA) have been given the mandate to manage social and labour related affairs, including labour migration and employment-related issues. The Federal and Regional Micro and Small Enterprises Development Agency and financial institutions work to facilitate access to finance for returnees and local vulnerable community members through linkages with MFIs and Savings and Credit Cooperatives (SACCOs). These institutions organise the beneficiaries into cooperatives and collaborate with the relevant cooperative regional bureaus, non-state actors, and women's organisations that offer financial access.

In **Tigray,** the region's Planning and Finance Bureau, particularly the office concerned with aid mobilisation and effectiveness, identified a total of 15 NGOs engaged in projects related to income generation and the halting of irregular migration. Only two NGOs are engaged in projects directly related to migration. Currently, the Ethiopian Catholic Church Social and Development Commission is implementing a one-year project entitled, Response to Reduce Illegal Migration of Vulnerable People, while an Italian NGO is focussing on the project, Promoting Access to Primary Health Services for Potential Migrants of Poor Areas. Among the many NGOs in the region, the one worth mentioning for its income generating activities is Relief Society of Tigray. This project is funded by USAID and intends to build the skill base of the youth to help them become businessmen and women. REST is engaged in a range of activities with direct financial support, including from USAID and United Nations Office for the Coordination of Humanitarian Affairs (OCHA), and is implementing a range of income generating activities throughout the region under the Productive Safety Net Programme. It runs a project to benefit landless youth through the construction of bench terraces. Thus far, the programme has created temporary jobs for some 50,000 young men and women.

In **Oromia** region, the regional BoLSA is the main stakeholder in the provision of employment services. Over the last five years it has been involved in various activities including tackling migration issues while providing employment services. Ever since the Saudi Arabian government forcefully evicted Ethiopian nationals (in 2013) who were working illegally in the country, BoLSA has been occupied with the provision of awareness-raising education and community consultations for the wider community at places where the incidence of migration is high, along with the support of organisations like International Organisation for Migration (IOM) and International Committee for the Development of Peoples (or Comitato Internazionale per lo Sviluppo dei Popoli). Besides this, BoLSA also brought some traffickers before the court of law. Unfortunately, the office has budget constraints and its local branches at the woreda level are poorly financed. It is hoped that the BoLSA offices at different levels will play a greater role in placing job seekers on envisaged government programmes like the Youth Job Creation Programme. Moreover, the Oromia government allocated 6.6 billion Birr to tackle youth unemployment in the region by pooling financial resources with the federal government's youth revolving fund and various sources.

In **SNNPR**, in addition to BoLSA's regional, zonal, and woreda level offices, the key institutions to address youth unemployment and employment creation include: Youth and Sports Bureau (under which the office of Rural Job Opportunity Creation and Development Agency is placed), Trade and Industry Bureau, Micro and Small Scale Enterprises Development Agency, Rural Job Opportunities Creation and Development Agency (which works at different levels in the region and was established in the SNNPR in 2012/13), and OMO Microfinance Institution S.C. International organisations such as IOM, ILO, and the World Bank are engaged in providing funds, imparting trainings, and facilitating and funding awareness creation and sensitisation trainings and workshops at the zonal and woreda levels in matters related to migration, reintegration of returnees, and employment creation efforts. Most importantly, these organisations are also the sources of credit provision for organised youth qualified to benefit from the capital made available through OMO. There are also several civil society organisations making interventions in various socio-economic and development-centric initiatives such as farming, water programmes, education, and health, among others.

In **Addis Ababa,** MSEs are at the centre of active labour market programmes, and are linked to government projects. Additional opportunities may be created through the industrial parks initiative as potential employers of the unemployed youth in Addis Ababa. For instance, the Bole Lemi I Industrial Park employed 10,000 people[50] and is under extension, with a potential to hire more.

As mentioned earlier, other initiatives such as WEDEP and Global Fund's credit-free loans are projects aiming at enhancing livelihoods through improved employment.

There are a number of NGOs implementing specific projects on various aspects of youth development in Addis Ababa. Those that are currently working actively with the Youth and Sport Bureau include: Ethiopian Orthodox Church and Family Affairs Organization, World Wide Orphans, Doras Aid Ethiopia, and CCF. Each has different projects to assist the already existing efforts of empowering the youth through trainings, scholarships, and the provision of seed money for businesses. In order to address the restraining factors that prevent the youth from utilising the conventional government support of MSEs, projects with the intention of improving the existing labour market economy may intervene in such cases. These mainly have to do with lack of access to work premises, being unable to solicit 20 per cent prior savings for an MFI loan, as well as the inability to present collateral for credit. Hence, the existing experience from projects like the WEDEP, Global Fund, as well as those run by various NGOs may lend support in sharing advantages and disadvantages of facilities such as relaxed collateral, interest free-credit, and seed money grants.

[50] Addis Ababa City Administration Investment Agency website: www.investaddis.gov.et

9 Conclusions

Outmigration is a major socio-economic phenomenon in Ethiopia arising from political, social, and economic developments at national, regional, and international levels. In the last five years, the country has witnessed a significant increase in the rate and magnitude of irregular migration of Ethiopians to different countries. The main migration destinations for Ethiopians are Gulf Cooperation Council (GCC) countries, Europe, USA, the Sudan, South Sudan, and South Africa. The GCC countries of Kuwait, Beirut, Saudi Arabia, Qatar, and United Arab Emirates have been particularly identified as major destination centres for migrants.

The socio-economic assessments conducted in the four regions of Amhara, Oromia, SNNP, and Tigray, and in Addis Ababa City Administration investigated migration patterns, the causative push and pull factors of migration, as well as the specific social groups that are prone to migrate. The SEAs were commissioned to identify the root causes of migration in order to devise coordinated and joint interventions with stakeholders to address this problem, thereby stemming migration. Furthermore, a labour market assessment of the target areas was conducted to solicit solutions in the labour market economy, and relevant stakeholders who have the potential to be positive influencers were identified.

The regional SEA reports confirmed that the most vulnerable population group prone to migration are youth aged between 15 and 35 years who are unable to earn a decent livelihood or engage in productive employment. The extent of migration is particularly immense in inner-city areas in Addis Ababa which are well recognised for severe poverty levels, and in areas where agricultural land, which is the major livelihood source, is scarce.

In all the study areas, it was found that poverty and destitution, unemployment and underemployment, severe land scarcity and landlessness, and the lack of diversified livelihood opportunities drive many Ethiopian youth to migrate in search of a decent life and better economic prospects. In all of the regions, however, the exact numbers on regular and irregular migration eluded the researchers because of the paucity of information and the lack of a better and timely registration system of international mobility in Ethiopia. To overcome this challenge, the assessment made use of available data from BoLSA and used proxy indicators such as number of returnees and irregular/illegal migration's complex relationship with social, economic, and political developments. Most of the social, economic, and cultural factors enhancing migration are intertwined, and the five SEA reports highlighted that a mix of these is typically what pushes young people to migrate.

Migration Push Factors: The following describes the major push factors that emerged in the regional SEAs:

1 **Unemployment:** The lack of employment was the most-often cited cause of migration in all the five SEA reports. Unemployment rates were found to be high in all regions and the reports showed that the problem of youth unemployment throughout the country has assumed chronic proportions.

2. **Scarcity of land/landlessness:** The SEA reports of the four regions (Oromia, Tigray, Amhara, and SNNP)[51] reveal that the average landholding has been declining because of high levels of population growth coupled with land degradation. This has led to unemployment and underemployment in rural areas of the regions. In some areas in Oromia, the average landholding is not so low, but the land is not made available to the youth when they most need farming jobs (the only means to access land is as a gift or through inheritance).

   There are other factors that one needs to take into account to capture the complete picture. The issue of scarcity of land/landlessness is compounded by polygamous marriages, big family size, and conflict over resources within family. In such a situation, migration is supported, even promoted, as a solution for the tensions caused by unemployment and to release social conflicts.

3. **Low wages:** The reports indicate that even those with jobs are propelled to migrate because of their inability to support themselves and their families on the wages/salaries that they receive from their employers. The regional reports indicate that government employees, such as school teachers, health extension workers, police officers, and agricultural development agents, have left their jobs and migrated chiefly to the Gulf countries and South Africa.

4. **Family and peer pressure:** All the SEA reports underline the importance of family and peer pressure as important push factors for international migration. Due to economic hardships at home and the lure of the remittances that migrants send home, parents put pressure on young people to migrate, as do peers who have already migrated. It has also become common for husbands to coerce their wives to work overseas as domestic workers.

5. **Attitudinal and cultural factors:** The widespread opinion among prospective migrants and their families is that they could change their lives by moving out of the country. A culture of migration has set in, with the unemployed youth viewing migration as the solution for their problems. Most are not interested in taking up what is considered to be "minor" jobs.

Migration Pull Factors: In discussing the pull factors that motivate prospective migrants to opt for international migration, the SEAs highlighted a variety of factors that are primarily embedded in the economics of life. Accordingly, the pull factors range from the seeking of decent housing and consumables, to saving and sending back considerable amounts of money to parents/siblings/relatives, and buying assets—mainly houses and cars/three wheelers—for oneself. In some instances, migrants were able to construct multi-storey buildings. In addition to economic factors, social networks (of family members and friends abroad) are important pull factors, and people usually decide to migrate after learning about the transit and destination countries from earlier migrants. Traffickers also play an important role in propagating the positive aspects of migration to potential migrants and their families. There exist sophisticated human trafficking networks, right from the local to the global. This is one of the challenges that government bodies tasked with the prevention of migration have to grapple with. In this respect, as noted in the Oromia SEA assessment, the regional BoLSA has identified the undermining of the power of

[51] Since Addis Ababa is primarily urban, farming is not an option there. Hence, this section alludes to only the four regions.

traffickers through community initiatives as a major strategic objective that it hopes to achieve. Traffickers prey particularly on those who have touched rock bottom, such as the destitute (many of whom could be returnees who remain unemployed in their home country) and those suffering from a sense of hopelessness in ever attaining better living conditions within Ethiopia. The Addis Ababa assessment highlighted the negative impact of the lack of meaningful economic opportunities on the youth—drug addiction and thefts are on the rise.

Current Scenario: While the federal government's ban on overseas employment has ensured that the regular migration options are closed, irregular migration continues to thrive simply because the ban does not address the push and pull factors of migration. For example, according to the Tigray regional report, migrants obtain a tourist visa to one of the Gulf countries or they travel through Metema in Gondar along the Sudanese border in order to reach their destination—first Libya, and then Europe. This migration route is particularly dominant among female migrants to Saudi Arabi due to employment opportunities for women in housekeeping-related jobs. The majority of the youth prefer the US and Europe as migration destinations. However, the means of reaching the US could be limited and unaffordable, whereas the proximity of Europe makes it a more feasible destination, as a result of which many male migrants attempt to reach the continent via Libya and Egypt. Addis Ababa also serves as a transit point for migrants from across Ethiopia, partly due to the presence of Bole International Airport and partly because of the availability of safe houses for migrants provided by strong networks of brokers.

The five SEA reports indicate that for those remaining behind in the country, migration has both positive and negative impacts. The remittances that are received by families of migrants are usually so marginal that it is sufficient only for renovating houses and to purchase daily consumables. That is why returnees end up empty-handed and opt to re-migrate after a few years of their stay in their home country. In many instances, migrants return with mental illness and physical disability, causing an additional burden on families.

Since unemployment and underemployment are stated as the major causes of increased migration, the solution therefore lies in initiatives and institutions working to improve the labour market economy in the country. Employment service providers are found both in the private and public realms. The public providers are led by the Bureau of Labour and Social Affairs and its counterparts at the sub-city/zonal, and woreda levels. The Bureau has employed employment experts across all its offices, which is a positive move. Nevertheless, their role in enabling actual placements of job seekers is low, and they continue to perform the limited tasks of registering job seekers and linking them with MSE offices. The other sector bureaus—of Women and Children, Youth and Sport, TVET, and MSE—which are also engaged in providing employment services, face the common challenges of inadequate budgets and a scarcity of human resources to perform the necessary tasks. In this regard, the upcoming 10 billion youth revolving fund is expected to address some of these challenges. Further, the Labour Market Information function of public employment services remains limited since the documentation and dissemination aspects lack personnel as well as technological advancement. As a result of the ad-hoc nature of LMI dissemination and lack of institutionalisation of documenting LMI, it is virtually impossible to trace data for previous years. In Addis Ababa, BoLSA is slated to produce an up-to-date LMI booklet to fill this gap.

Finally, inter-sectoral coordination is another area that needs improvement: it is only when all the relevant public offices work together that real change can be achieved.

Legal Frameworks Governing Labour Markets and Migration: In Addis Ababa, apart from government sector offices, organisations such as the Confederation of Ethiopian Trade Union, Ethiopian Employers' Federation, and Addis Ababa Chamber of Commerce play an important role in the labour market.

At both national and regional levels, the roles and responsibilities of institutions in the labour market are regulated in accordance with certain legal frameworks, such as Labour Proclamation (No. 377/2003); the provision of Employment Exchange Service Proclamation (No. 632/2009); and the Provision of Overseas Employment Proclamation (No. 923/2016). The labour law establishes basic principles to maintain industrial peace through a set of rights and responsibilities for both employees and employers. The Employment Exchange Services Proclamation defines the role of public and private employment services in employment exchanges. An overseas employment service was one aspect of the proclamation until the Overseas Employment Exchange Services Proclamation No. 923/2016 came into being. According to both Employment Exchange Services Proclamations, the Public Employment Service is entrusted with the responsibility of inspecting the performance of Private Employment Agencies in addition to performing their core function of providing direct employment services. The establishing of procedures to follow up on the performance of PEAs has been viewed in a positive light and complaints are regularly raised during Public Employment Service. Even then, labour and social affairs officials raise the paucity of specific regulations that will allow them to take action against Private Employment Agencies if they fail to report any vacancies.

Employment Creation Strategies: The Stemming Irregular Migration in Northern and Central Ethiopia programme is working towards improving decent employment opportunities for the unemployed, underemployed, graduates, and returnees. Towards this end, the government has initiated several active labour programmes to tackle the country's rampant unemployment and underemployment challenges. These include: MSEs, TVET, and mega projects such as housing, roads and railways, telecom projects, state farms, and the development of industrial parks. The MSE scheme, launched over a decade ago to create alternative sources of income generation for the unemployed and underemployed, is an intrinsic part of active labour market programmes in Addis Ababa and the regions. Medium and small enterprises have been established in the five productive sectors of manufacturing, construction, service, trade, and urban agriculture. In rural areas, the Federal Micro and Small Enterprises Development Agency of Ethiopia works in tandem with the ministries of Labour and Social Affairs, Youth and Sport Affairs, and Agriculture and Natural Resources. Its engagement covers all the stages of establishment of an enterprise. In urban areas, it works with the ministries of Urban Development, and Trade and Industry.

MSEs get access to credit via regional credit and savings institutions, and other support through skill training, legal assistance, market linkages, and work premises. However, opportunities to form new enterprises are being impacted by the lack of work premises in Addis Ababa and the regions.

TVET, another active labour market venture run by the government, aims to create a competent, motivated, adaptive, and innovative work force. TVET institutions focus on training students assigned to them but lag behind on their assessment of demand and supply of streams which can further their graduates' employability.

Employment creation is principally addressed by the National Employment Policy and Strategy (NEPS) of Ethiopia and the country's MSE strategy, which saw a revision in 2011. NEPS deals with overarching issues: (i) employment generation through MSEs and a strengthened private sector; (ii) fine-tuning labour productivity via matching skill needs and trainings provided by TVET institutions and universities; and (iii) strengthening labour market institutions in order to ensure labour protection and decent working conditions by improving labour market services and supporting the organisation of employees (including the self-employed and the informal sector). The MSE strategy discusses the specific relevance of MSEs in the creation of employment opportunities and better incomes for Ethiopia's urban residents. These enterprises, in turn, contribute to the country's economic growth by facilitating the transition from agriculture to industrialisation. The strategy stipulates the range of support that is to be provided to enterprises at different stages of growth, including during the process of their transition to become investors.

Non-government players too provide employment opportunities. These include Private Employment Agencies, CETU, EEF, Addis Ababa Chamber of Commerce, and Regional Chambers of Commerce, the roles of which have been described above. International organisations and the NGO sector also play a significant role in employment enabling activities. Nolawi Services, CCF, Geneva Global, and OPRIFS, for example, engage in labour market related activities such as facilitating skill trainings and enabling the provision of seed money for returnees and unemployed youth in Addis Ababa. International organisations such as the World Bank and Global Fund support women-run enterprises. The collective, concerted efforts of all these initiatives have the potential to ensure better employment and livelihood opportunities, but only if the government manages to strategically gear them as resource organisations towards the existing efforts that are otherwise restrained by resource shortages.

The findings of this assessment will better inform the SINCE programme's overall design and implementation by bridging the information gaps on: the socio-economic situation of migration-prone areas in Ethiopia; migration routes and migration trends; the role of the PES and the private sector in job creation; preparation and distribution of labour market information systems; and opportunities and challenges in job creation.

10 Recommendations

Based on the results of the assessment, the following recommendations are set forth. The recommendations stem from concerns regarding inadequate policy frameworks, the lack of marketable skills among the youth, the need for entrepreneurship and enterprise creation, deficient local labour market governance, poor engagement of local partners for entry into communities, and the need for specific measures to suit target beneficiaries (unemployed, potential migrants, returnees, and Eritrean Refugees benefitting from Ethiopia's out of camp policy [OCP]).

10.1 Devise Measures to Harness and Improve the Policy Framework

- **Revise the Employment Exchange Services Proclamation:** Proclamation No. 632/2009 should be amended to include a provision that stipulates collaboration between various labour market institutions in providing augmented quality employment services.

- **Introduce sanctions and mechanisms against abusive and malfunctioning Private Employment Agencies:** Though the Bureau of Labour and Social Affairs is mandated to carry out inspections of Private Employment Agencies, regulations concerning specific sanctions against those who undertake illegal acts are lacking. Hence, the inspection mechanism has become toothless. There is a need for specific regulations that will ensure that these agencies do not exercise employee abuse.

- **Build a functioning mechanism to ensure MSE graduation into medium enterprises:** There is no functional mechanism in place to ensure that once ventures earn the maximum capital of 1.5 million Birr, they must graduate from being considered a micro or small enterprise. Hence, a strategy that enforces the graduation process of MSEs is necessary so that new self-employment opportunities are created for the unemployed, fresh graduates, and returnees who lack income sources.

- **Establish an effective Labour Market Information System:** An up-to-date communication and information exchange system is an indispensable labour market policy instrument to improve the flow of quantitative and qualitative information in the labour market. Such a system can quickly provide details on the necessary financial and non-financial resources for those who are seeking jobs or a career. Thus, an efficient LMIS can not only connect job seekers to employers/job vacancies, but can also guide policy and support programming. To enable this, it is necessary to have efficient coordination and information exchange between the Bureaus of Labour and Social Affairs, MSE, TVET, Education, Microfinance Institutions, Youth and Sport, and Women and Children Affairs, as well as CETU and CSA. Also equally important is to revisit the policy guiding the institutional framework for the governance of labour market and employment creation.

- **Open up market linkages:** The main bottleneck for enterprises is market access. A strategic intervention that channels products to a bigger market site could prove successful in combatting this challenge. One option could be to link enterprises with big companies that could use MSE products. Additionally, the growth of micro and small enterprises could also be linked to the country's local, regional, and national economic plans.

- **Strengthen support to small and medium enterprises:** Small and medium enterprises have specific needs. If such enterprises are viewed as the main engines of job creation, then special loan procedures, machinery lease, skill and technology transfer, and working conditions need to be taken care of.

- **Resolve strategic bottlenecks:** Companies operating in different sectors face strategic impediments in accessing inputs or raw materials for their production process. In fact, interventions to resolve such bottlenecks could by itself become a separate business and a source of employment in its own right. For example, poultry farm operations require feed, but the absence of an adequate number of feed processing units to cater to their business means that there is always a shortfall of this food item. More feed processing units need to opened up, which are major business operations by itself.

- **Enhance coordination across government sectors:** Convergence between different bureaus and agencies that have a stake in the employment generation activities of the government is vital. A comprehensive plan—owned by the relevant bureaus/agencies—on which sectors to establish enterprises in, where to have the workspaces, when to extend the loan, and the extent of market availability, will help the establishment and operationalisation of enterprises with the least possible delay and obstacles.

- **Ensure political commitment:** Tied to the previous point is that of building political commitment to reduce migration. This can result in giving further impetus to the government's employment generation drive at the regional and woreda levels.

- **Channelling interventions through development partners and private businesses:** Major and influential players (such as the ILO) could try to channel interventions through appropriate implementing partners from the CSO sector, particularly international NGOs and strong FBOs.

- **Revisit MSE registrations and access to micro-finance policy:** The registration process and access to finance should be youth-friendly. The lending policy, that requires 20 per cent prior savings from those who want to start their own enterprises, needs to be re-examined. Most poor unemployed youth do not have such savings. Adjustments could also be made in the credit ceiling for beginners, keeping the current inflation trends in mind. Oromia Savings and Credit Association's 97 per cent return of loans policy for a new loan to be processed in some Oromia woredas was also found to be a deterrent. The Oromia SEA also highlighted the need to address the contradiction between banking practices and Islamic religious obligations by providing them access to interest-free financing.

10.2 Develop Marketable Skills at the Local Level

- **Support TVET agencies and education bureau to conduct needs assessments with an eye to gear their trainings on marketable skills:** The education bureau and TVET agencies could undertake the task of assessing the training offered by universities, colleges, and TVET institutions (i.e., the supply side) and match those against the current skill needs of the job market (i.e., the demand side). The SINCE programme could support the TVET Bureau to conduct the demand and supply study to augment

the employability of graduates. Additionally, the capacity of TVETs could be enhanced to provide short-term tailor-made trainings on business development and related topics for those who have not had the benefit of a formal education.

- **Ramp-up education quality and apprenticeship schemes:** The Addis Ababa SEA points out that most employers shy away from hiring fresh graduates because they are not confident of the quality of their skills. It is therefore imperative that universities and TVET institutions strengthen their apprenticeship schemes and build focussed and formal relationships (through regular meetings) with the relevant public and private organisations that they send their students to.

- **Coordinate with sectoral associations/the private sector:** The government's commitment to impart relevant job skills to young people in order to improve their employability prospects could benefit from a more seamless flow of information from the private sector. Corporates could share their need for particular skills and, in turn, inform the government on how to intervene to enhance the local skill base.

- **Offer specialised TVETs:** Creating TVET centres that offer specialised training could help develop a cohort of young men and women with advanced skills and higher productivity, and hence, better chances of employability. Such TVETs could cater to the needs of a special niche labour market.

10.3 Advance Self-entrepreneurship and Enterprise Creation

- **Make Entrepreneurship Development Centres accessible:** Currently, entrepreneurship training is offered to TVET students and, in some cases, at universities as well. This is not sufficient in itself as those outside of the TVET system (i.e., non-students) also need to have access to such trainings. Regular and focussed refresher courses and non-formal training might come in handy to help the young establish their own businesses. Moreover, those who set up enterprises without receiving entrepreneurship training could benefit from entrepreneurship centres at the woreda level, or from a specialised person within the Bureau of Urban Development, Trade and Industry that could provide such training in the different regions, zones, and woredas for people to establish new enterprises. SINCE could arrange experience sharing and training of trainer programmes between experts in the field and woreda/zonal level MSE offices and BoLSA.

- **Open innovation incubation centres:** Entrepreneurship partly necessitates coming up with a new product or service, and with it comes the risk of not knowing how the market will respond. An innovation incubation centre could help innovators refine their work, thus reducing the risks associated with innovation.

- **Establish a best practices exchange platform:** A platform which facilitates the sharing of insights on how to sharpen one's entrepreneurship skills can become a stimulating space for potential entrepreneurs. Moreover, an exchange of ideas, innovations, and best practices on how to deal with a difficult market environment and to create a thriving business from those who have already experimented with entrepreneurship can prove mutually beneficial to all participants.

- **Support business development service of MSE offices:** The actual follow-up and business support for enterprises that have already been founded is limited because the MSE offices lack the funds and personnel for field supervision. According to the Addis Ababa MSE office report, extension services are staffed by officers who are demotivated by the unattractive working conditions, resulting in high staff turnover. In this regard, SINCE can assist in the provision of capacity building trainings and financial support to businesses, as well as follow-up activities.

10.4 Improve Local Labour Market Governance

- **Gather labour market information:** The Labour and Social Affairs and the Youth and Sport Affairs Bureaus have competing roles when it comes to assessing unemployment and labour market information in a woreda/region. Assigning a lead agency will address duplication of effort, and wastage of time and resources. Additionally, within the context of ushering in broader macro-economic stability, sectoral associations—for example, under the aegis of the Ethiopian Chamber of Sectoral Associations—could serve as a platform for gathering information on the projected labour needs of the private sector.

- **Standardise labour market assessments:** There is a need to standardise and regulate labour market assessments to capture underemployment as well as the determinants of unemployment/underemployment. Bringing in scientific rigour in studies or longitudinal surveys that capture the time-based dimension of underemployment and determinants of unemployment/underemployment will ensure that policy making is evidence based.

- **Capacitate public employment services to register and document both job seekers and vacancies:** So far, public employment services in the regions have limited their function to registering the unemployed. However, the unemployed as well as the labour market would gain if they were capacitated to provide the additional task of connecting both constituencies, thereby facilitating job placements. These agencies could also be equipped with mechanisms with which they can engage with the private sector to further employment opportunities for the youth.

- **Provide infrastructural support to MSE offices at the woreda level:** MSE offices in woredas are typically extremely understaffed and lack the required resources to provide extension services that can cover their costs (such as transportation for staff working on industry extension and mobilisation activities). Supporting the government to perform their critical role will give the necessary fillip to this sector

- **Enable the private sector and stabilise the labour market:** A conducive business environment is essential for accelerating private sector development. To enable the functioning of this sector, due consideration should be accorded to provision for suitable access to land and finance, tax regimes, regulation of contract enforcement, and dispute resolution mechanisms. Simultaneously, the establishment of MSEs should become a top priority item on the government's agenda. Additionally, these MSEs, along with informal sector operators, would gain from receiving robust BDS within the policy context. Since these two sectors are regarded as an acknowledged route to enhance the private sector's capacity to become a major employer, the suggested inputs would reap huge benefits.

- **Improve work conditions:** While the government, trade unions, and other stakeholders have been proactive in assuring an enabling work environment, much still needs to be done. Awareness generation activities concerning what constitutes a safe and healthy environment (for both employers and employees) should be aggressively undertaken by the government and trade unions. Sector offices could aid the government in conducting inspections of work places. Further, the government could deal with the chronic challenge of low wages by negotiations with the private sector in setting a minimum wage.

10.5 Engage Partners for Gaining Entry into Local Communities

The most relevant government bodies close to the local community are the woreda offices of the Ministry of Labour and Social Affairs, Micro and Small Enterprises Development Agency, TVET institutions, Ministry of Women and Children Affairs, Micro-finance Institutions, and Ministry of Youth and Sport. These offices are in charge of bringing benefits to the unemployed at the local level. Outside these government structures are the various citizen structures that have been formed into organisations of women, youth, the disabled, and the elderly, and which are instrumental in locating potential beneficiaries.

Moreover, there are a number of non-governmental, bilateral, and multilateral organisations that work in the areas of employment creation for youth, integration and rehabilitation of returnees, women's economic empowerment, youth empowerment, micro-finance, on-the-job training, market linkages, etc. These can be made more instrumental in implementing various projects at the woreda level and could serve as entry points to the local communities for different initiatives. For example, a large percentage of returnees should ideally receive psychosocial support before they are reintegrated into society and obtain employment opportunities. Such support is best provided by NGOs which have rehabilitation centres. Two such NGOs are Agar Ethiopia and Nolawi Services of Addis Ababa. There are also some NGOs that work on developing local production potential; these can prove useful in providing expertise and materials that enhance production. For example, NGOs like SNV Netherlands Development Organisation in Adabba, Oromia, which works on animal feed to promote dairy, are important in this regard, as are NGOs that have already started initiatives on employment creation at the local level. Good examples of the latter are Cooperazione Internazionale or COOPI, and HUNDEE in Sinana, and Action for Basic Development Initiatives in Ababa and Oromia. As the government lacks such services, SINCE could provide support to such NGOs.

CETU, Addis Ababa Chamber of Commerce, EEF, and regional trade unions could also play an important role in influencing the labour market. These organisations could be engaged in improving the situation of employees, on the one hand, and furthering employers' capacity to expand the labour market, on the other hand. CETU has been instrumental in raising the awareness among employees on the importance of building a safe and healthy work environment. CETU's impact could be augmented if they were able to recruit more members from the service sector which lags behind in terms of unionisation of employees. The Addis Ababa Chamber of Commerce could be a worthwhile partner in influencing the labour market and the private sector because of its knowledge of the existing challenges and areas for improvement. EEF may also be engaged in building an improved business environment in all the regions where it exists, enabling better workplace relations, and increasing productivity A partnership with the Industrial Parks Development Corporation could prove extremely productive.

It is necessary to understand the labour needs of the industrial parks that are being constructed across the country in the coming years, and to prepare a skilled labour base to meet those requirements. Industrial parks are also potential market linkages areas for MSEs.

Finally, investors operating in local areas and regional universities can be turned into valuable partners.

10.6 Involve Key Stakeholders

- **Put industry parks at the centre of sustainable employment opportunity creation:** The Ethiopian government is working aggressively towards its industrialisation goals, and the establishment of industrial parks throughout the country is a significant step in that direction. Industrial parks create many direct and indirect jobs, promote productivity, and contribute positively to the nation's economy. Therefore if the government and other actors lend their support to the industrial parks to realise their objectives, this can translate into bolstering the creation of a sizeable number of sustainable employment avenues.

- **Augment the lending capacity of micro-finance institutions:** Special arrangements might be required to support ventures that directly target small and medium enterprises and which contribute to the growth of their operations and ensure sustainable employment.

- **Promote industry extension:** After the setting up of the industrial parks (including integrated agricultural industry parks) smaller-scale enterprises are expected to link with the factories operating in these parks to sustain their markets. This implies that the enterprises should be able meet the quality, quantity, and time requirements of the factories in the industrial park, which are more stringent than the assumptions currently made by TVET institutions. Therefore, the industry extension service offered by TVETs should gear itself to responding to the challenges faced by the industrial parks and contribute to the success of Ethiopia's industrialisation plans.

- **Strengthen the Ethiopian Chamber of Commerce and sectoral associations:** The Chamber typically voices the concerns and challenges faced by businesses, and by doing so, it helps build a business-friendly environment. By strengthening such associations and placing sustainable employment considerations as one of its targets, the economy can be supported to grow sustainably, thereby ensuring that jobs are maintained (or new ones are added), and incomes are increasing.

- **Improve the services proffered by the Labour and Social Affairs Bureau:** The quality and range of services provided by the Bureau, especially in the woreda and sub-city offices, needs improvement. For instance, the registration of job seekers should be better documented through the establishment of a proper registering mechanism for job seekers, as should the dissemination of information facilities be constantly updated.

- **Strengthen the Bureau of Youth and Sport:** The Bureau currently lacks the budget to provide appropriate training and mobilisation activities for youth, particularly at the woreda level. This is partly because the Bureau recently separated from the Ministry of Women, Youth and Children Affairs and launched a special Bureau of Youth and Sport. If the youth are to benefit from employment opportunities, the office representing them should function effectively.

- **Support MSE offices with staff and facilities:** The MSE bureau and offices at the local level have the responsibility of enabling the formation of enterprises, for which they facilitate credit, training, and the location of work premises. In order to perform optimally, MSE offices need to be well staffed at all levels and require to be armed with the requisite facilities critical for their success in enhancing engagement capacities and opportunities for the unemployed. BDS is a low performing area among MSE offices and staff should be capacitated to perform business development activities.

- **Make the private sector a close ally in promoting sustainable employment:** MSEs and other government agencies should interface closely with trade and other business bodies to push the sustainable employment opportunities agenda.

- **Realise the potential in families as a pressure group:** The SEA has documented that families often influence their children to migrate to bring more assets into the family. This can be turned on its head through the inclusion of families in any employment opportunities (by the government and any actors working on migration issues) to be created for the youth. Consultative community meetings (organised by the government and/or organisations working on migration issues) with families could turn them into participants of decisions that favour the providing of land and other resources to the unemployed. For instance, communal land could be hired out for job creation to the local youth. Such interventions could help overcome the challenge of access to land faced by a majority of the unemployed youth. Additionally, enhancing the resilience of households by giving them loans from-micro finance institutions, imparting skills and providing technology support through TVET to produce high-value products could help reduce rural unemployment/underemployment. This could be coupled with opening up of market linkages.

- **Involve local elders and religious leaders in conducting due diligence:** To tackle the corruptive practices plaguing MSEs, influential local elders and religious leaders could work with the formal woreda/kebele structures of TVET and MSEs to scrutinise the processes, procedures, and regulations followed in the provision of various services to the unemployed. Further, they can participate in awareness raising issues which can be spearheaded by the government, and organisations working with issues related to migration and the various work possibilities open to them in their home country.

- **Bolster the woreda structure to support BoLSA:** One of the functions of the kebele structure is to propose available resources (such as land) for employment opportunities. It may also function as a liaison office for the woreda BoLSA to channel employment services available to unemployed youth in the kebele. Towards this end, it facilitates the screening of unemployed people through consultative community meetings, and also follows up on migration situations in the kebele, reporting it to the woreda BoLSA. As the BoLSA structure culminates at the woreda level, the kebele can perform important function as BoLSA's liaison.

10.7 Devise Specific Measures to Suit Target Beneficiaries

Measures for Unemployed Youth:

- **Deliver quality employment services:** The functions of BoLSA need to be diversified in order to significantly contribute to the employability of graduates. University graduates typically tend to be more interested in wage employment rather than self-employment. It is essential therefore for BoLSA to cater to their needs by providing them with a range of quality employment services over and above the existing job-seeker registrations. It is vital to establish broader employment service activities as well as ensure well equipped personnel who are able to cater to the varied requirements of job seekers including specific support, such as how to write their curriculum vitae. Sometimes, graduates remain unemployed due to lack of information. The provision of timely labour market information services with the provision of logistics, finance, and manpower, and career counselling/training by BoLSA offices at the different levels will go a long way in bridging the information and other gaps. Together, all these action items will serve to increase the employability of the graduates. Further, mechanisms should be created to connect the zonal and woreda BoLSAs to the regional ones for quick exchange of information on available vacancies and other services.

- **Enable a smooth school-to-work transition:** TVET institutions and universities should systematise a smooth school-to-work transition for graduates. This could include arranging apprenticeships in collaboration with relevant private and public sector offices.

- **Create a revolving fund for youth start-ups:** As has been mentioned earlier, unemployed youth usually lack start-up capital to engage in self-employment activities since even the MSE path requires them to have 20 per cent of savings to get access to credit. For those unemployed youth keen to form enterprises and who are only challenged by the 20 per cent prior saving ruling, a special fund may be established to provide start-up capital, complemented with a strong follow-up system to ensure that businesses are successful and the youth are able to pay back loans. In this regard, collaborations could be made with NGOs who provide seed money to start a business through a revolving fund.

- **Offer all-encompassing support to new enterprises:** To enable new enterprises, it is important to offer a comprehensive bouquet of services that includes providing for a workplace, offering credit facilities, and opening up market linkages to start as well as sustain businesses. A holistic support mechanism is necessary if businesses are to succeed.

- **Support private sector expansion to absorb more employees:** Employment prospects can be boosted by expediting the expansion of the private sector. To achieve this, the government needs to create an enabling environment by augmented facilities at the work premises, and streamlining tax regimes, contract enforcement, and dispute resolution mechanisms. Furthermore, the experience of innovative initiatives such as the Women Entrepreneurship Development Project in providing funds for fledgling enterprises that have flexible collateral arrangements indicates openings for intervention by other programmes (example: SINCE).

- Provide entrepreneurship and skills training to enhance employability: Capacity building trainings can further the employability chances of the youth and/or help them in starting their own enterprises. Training could include entrepreneurship classes, skill trainings, and inputs on developing businesses, all of which have the potential to make them competitive and help them in holding their own against experienced competitors in the market.

- Run career counselling services that aid entrepreneurship: A lack of entrepreneurship guidance and career counselling services can slow down a country's economic development. To accelerate economic empowerment, it is important to offer services that cover business development, personal development, and entrepreneurship.

For the Uneducated/Less Educated Unemployed Youth:

- **Organise youth into MSEs:** One way for unschooled youth or those with a low level of education to become economically independent is to become a member of an MSE. This group of people could be organised into MSEs that require skills which can be learnt quickly, often on-the-job.
- **Provide job-oriented skills training:** Providing relevant and adequate skilling that is compatible with local market needs and the level of education of this constituency is fundamental to preparing such youth to enter into remunerative work.
- **Fix a minimum wage rate:** Because this section of society is usually most exposed to exploitation in the informal economy, there is an urgency that Ethiopia legalise the operations of the informal economy. A first step would be to fix a minimum wage rate across all employments and the skill of workers.

For Returnees:

- **Support rehabilitation centres:** Access and capacity of rehabilitation facilities for returnees who have lost contact with relatives in Ethiopia or who have come back with physical and mental disorders is limited to centres usually run by NGOs in Addis Ababa. However, this is not enough; the supply does not match the demand for such services. There are only a handful of NGOs—who are stretched to the maximum—that are trying to fulfil the rehabilitation need of returnees. The situation has, in fact, worsened after the 2013/14 mass deportations from Saudi Arabia. NGOs that are providing rehabilitation support for returnees are playing a crucial role, and need to be supported. Additionally, government-run rehabilitation centres could help plug the gap in services for this constituency.

- **Allocate special funds for returnees:** While the youth and women get priority MSE support, returnees' needs are not accorded the same urgency. This area requires particular attention, especially those who were deported from Saudi Arabia. There is a need to reserve a special revolving fund (to start MSEs, in particular) for returnees who are not only victims of mass deportation, but also for those who came back from other GCC countries like Beirut, Kuwait, United Arab Emirates, and Qatar at various points in time.

- **Provide information on available employment and promote capacity development:** All relevant public sector offices, such as TVET and MSE offices, should shoulder the responsibility of assisting returnees who are in need of skill trainings in order to get employment as also for those who wish to avail of self-employment opportunities. Returnees should be given complete information on available job opportunities in the local market.

- **Offer counselling and group therapy support:** Ptsychological support in individual or group sessions will help returnees to re-integrate into local life and reduce the danger of re-migration. Such support can also play a significant role in helping them to use the money that they earned abroad in a wise manner, preferably for the establishment of an enterprise (i.e., as against consumption only). In Tigray and Oromia for example, it was observed that some returnees waste the money they have brought back home from abroad, necessitating outmigration again. NGOs are well placed to offer such support.

Eritrean Refugees:

Work closely with organisations working with Eritrean refugees: By working closely with the Eritrean Refugees Central Committee, priorities for intervention can be identified in accordance with the needs and preferences of refugees. This should, however, be done regularly and needs to involve other stakeholders working with Eritrean Refugees, such as Norwegian Refugee Council (NRC), Jesuit Refugee Services (JRS), and Opportunities Industrialization Centre.

- **Support associations of Eritrean refugees:** Associations within the refugee community, such as the Refugee Central Committee, should be promoted to reduce the number of idle youth Eritrean refugees who are Out of Camp Policy beneficiaries of the government of Ethiopia.
- **Initiate consultation sessions:** Have (private) consultation sessions with the refugees to reduce the influence of the Eritrean diaspora on them, which might encourage them to cross into the Sudan, Libya, and finally, Europe as migrants. Such strategies should be tailored separately for the young and the old, as the young are more likely to migrate.

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Annex 1: TVET Training Areas and Specialisations

No	Training Stream and Specialisation	No	Training Stream and Specialisation	No	Training Stream and Specialisation
1.	Agriculture	9.3	Environmental Health and Sanitation	15.33	Volleyball Officiating Instructions
1.1	Agribusiness	9.4	Health Extension	15.34	Volleyball Play
1.2	Agricultural Extension	9.5	Health Information	16	Textiles and Garments
1.3	Agro-Food Processing	9.6	Medical Laboratory	16.1	Textile
1.4	Crop Production and Management	9.7	Nursing Care	16.2	Garments
1.5	Livestock Production and Management	9.8	Pharmacy	17	Wood and Wooden Products
1.6	Natural Resources Management	9.9	Massage and Physiotherapy	17.1	Bamboo-cum-Harvesting
2.	Automotive	9.10	Radiography	17.2	Bamboo Furniture Making
2.1	Automotive Body Repair	9.11	Industrial Laboratory Technology (Metrology)	17.3	Bamboo Industrial Processing
2.2	Automotive Carpentry and Upholstery	9.12	Prosthetics and Orthotics	17.4	Furniture Making
2.3	Automotive Electrical/Electronics Servicing	10.	Hotel, Tourism, & Social Services	17.5	Advanced Bamboo Derivatives Production
2.4	Automotive Engine Servicing	10.1	Hotel	17.6	Advanced Bamboo Industrial Processing
2.5	Automotive Power Train and Under Chassis Servicing (HD)	10.2	Tourism	17.7	Advanced Bamboo Processing and Marketing Management
2.6	Automotive Power Train and Under Chassis Servicing (LH)	10.3	Social Service	17.8	Bamboo Derivatives Production
2.7	Automotive Service and Repair Operations Management	11	Leather Technology	17.9	Bamboo Harvesting and Primary Processing
2.8	Automotive Service, Power Train Chassis Driveline Mechanics	11.1	Footwear Production	17.10	Bamboo Processing and Marketing Management
2.9	Automotive Servicing Management	11.2	Leather Garments Making	17.11	Bamboo Harvesting and Post Harvest Works
2.10	Automotive Technology Management	11.3	Leather Goods Making	17.12	Bamboo Processing Supervision
2.11	Automotive Vehicle Painting	11.4	Leather Processing	17.13	Furniture Making Management
2.12	Automotive Engine and Electrical/Electronics Servicing	11.5	Leather and Leather Products Basic Production	18	Sugar and Sugar Products
2.13	Automotive Painting and Body Repair	11.6	Leather Goods and Garment Production Supervision	18.1	Basic Sugar Crops Production
2.14	Automotive Power Train and Under Chassis Servicing	11.7	Leather Processing Equipment Operations	18.2	Sugar and Ethanol Production

No	Training Stream and Specialisation	No	Training Stream and Specialisation	No	Training Stream and Specialisation
3.	Business and Services	11.8	Leather Processing Technical Operations	18.3	Sugar and Ethanol Production Management
3.1	Accounting	11.9	Leather Products Production Management	18.4	Sugar and Ethanol Production Supervision
3.2	Administrative Office and Secretarial Services	11.10	Basic Leather Garments & Goods Production Operations	18.5	Sugar Crops Production
3.3	Gender and Development	11.11	Footwear Production Supervision	18.6	Sugar Crops Production Management
3.4	Human Resource Management	11.12	Leather Processing Supervision	18.7	Sugar Crops Production Supervision
3.5	Insurance Servicing	12	Metal Manufacturing	19	Cement Production
3.6	Legal Services	12.1	Building Metal Construction	19.1	Basic Cement Production Equipment Operations
3.7	Marketing	12.2	Tiling Works	19.2	Cement Production Equipment Operations
3.8	Purchasing	12.3	Machining	19.3	Cement Technical Production
3.9	Accounts and Budgets Service	12.4	Manufacturing Technology	19.4	Cement Production Technical Operations
3.10	Accounts and Budget Support	12.5	Metal Engineering - Advanced	19.5	Cement Production Technology Management
3.11	Administrative Office Management	12.6	Production Machine Erection, Installation, Commissioning & Maintenance	20.	Water Resources
3.12	Basic Accounts Work	12.7	Basic Metal Works	20.1	Catchment Operations
3.13	Basic Clerical Work	12.8	CNC Machine Operations	20.2	Dam Operations and Source Protection
3.14	Clerical Work Support	12.9	Foundry Works	20.3	Electro-Mechanical Equipment Maintenance
3.15	Customer Contact and Secretariat Operations	12.10	Metal Engineering Production Management	20.4	Geo-Technical Drilling
3.16	Customer Contact and Secretariat Operations Coordination	12.11	Metal Engineering Technology Management	20.5	Ground Water Utilisation
3.17	Customer Contact Work Support	12.12	Millwright	20.6	Hydrometric Monitoring
3.18	Financial Accounts Management	12.13	Tool and Die Making	20.7	Irrigation and Drainage Designing and Construction
3.19	Human Resource Operations	12.14	Welding	20.8	Irrigation and Drainage Operations and Maintenance
3.20	Human Resource Supervision	12.15	Tool and Die Making	20.9	Waste Water Collection and Treatment

No	Training Stream and Specialisation	No	Training Stream and Specialisation	No	Training Stream and Specialisation
3.21	Legal Services Management	12.16	General Metal Fabrication and Assembly	20.10	Water Supply Distribution
3.22	Legal Services Operations	13	Meteorology	20.11	Water Supply System Structure Construction
3.23	Marketing Operations Management	13.1	Meteorological Forecasting	20.12	Water Treatment
3.24	Marketing Operations Coordination	13.2	Meteorological Observation	20.13	Water Well Drilling and Construction
3.25	Marketing Services	13.3	Meteorological Technical Assistance	20.14	Water Distribution Operations
3.26	Property Operations Coordination	14	Mining and Extractives	20.15	Water Operations and Asset Management
3.27	Purchasing and Property Management	14.1	Lapidary Works	20.16	Water Supply Operation
3.28	Purchasing and Property Operations	15	Sports	20.17	Water Sustainability Operation
3.29	Purchasing Operations Coordination	15.1	Discus Throwing	20.18	Wastewater Operation
3.30	Documents Authentication and Registration Management	15.2	Football Coaching	21	Water and Irrigation Construction
3.31	Documents Authentication and Registration Services	15.3	Football Play	21.1	Construction Management
3.32	Documents Verification and Registration Operations	15.4	Hammer Throwing	21.2	Irrigation and Drainage Designing and Construction
3.33	Security Services	15.5	High Jumping	21.3	Water Supply System Structure Construction
3.34	Security Operations Management	15.6	Javelin Throwing	21.4	Water-well Drilling and Construction
3.35	Transport Operations Management	15.7	Jumping Events' Coaching	21.5	Waterworks Site Construction Management
3.36	Transport Service Supervision	15.8	Long Distance Run Coaching	22	Integrated Land Administration and Development
3.37	Transport Service Support Works	15.9	Long Distance Running	22.1	Cadastral Legal Registration Administration
4.	Community Service	15.10	Long Jumping	22.2	Cadastral Surveying Administration
4.1	Hairdressing and Beauty Care	15.11	Middle Distance Run Coaching	22.3	Cadastral Surveying and Mapping Service
4.2	Library and Information Services	15.12	Middle Distance Running	22.4	Land Information Management System Administration
4.3	Records and Archives Management	15.13	Pole Vault	22.5	Mapping Service Administration
4.4	Video and Photography	15.14	Race Walking	22.6	Real Property Registration and Land Information Management System Service

No	Training Stream and Specialisation	No	Training Stream and Specialisation	No	Training Stream and Specialisation
3.34	Security Operations Management	15.6	Javelin Throwing	21.4	Water-well Drilling and Construction
3.35	Transport Operations Management	15.7	Jumping Events' Coaching	21.5	Waterworks Site Construction Management
3.36	Transport Service Supervision	15.8	Long Distance Run Coaching	22	Integrated Land Administration and Development
3.37	Transport Service Support Works	15.9	Long Distance Running	22.1	Cadastral Legal Registration Administration
4.	Community Service	15.10	Long Jumping	22.2	Cadastral Surveying Administration
4.1	Hairdressing and Beauty Care	15.11	Middle Distance Run Coaching	22.3	Cadastral Surveying and Mapping Service
4.2	Library and Information Services	15.12	Middle Distance Running	22.4	Land Information Management System Administration
4.3	Records and Archives Management	15.13	Pole Vault	22.5	Mapping Service Administration
4.4	Video and Photography	15.14	Race Walking	22.6	Real Property Registration and Land Information Management System Service
5.	Construction	15.15	Short Distance Run Coaching	22.7	Surveying and Mapping Management
5.1	Building Construction	15.16	Short Distance Running	22.8	Urban Land Development and Management
5.2	Road Construction	15.17	Shot Putting	22.9	Urban Land Development and Management Support Operation
5.3	Pre-Construction Planning	15.18	Throwing Events' Coaching	23	Urban Land Development and Marketing Administration
6.	Culture	15.19	Triple Jumping	23.1	Urban Land Development Service
6.1	Culture	15.20	Athletics Officiating Instruction	23	Urban Planning
7.	Economic Infrastructure	15.21	Coaching Jumping Events	23.1	Urban Planning Administration
7.1	Air Transport	15.22	Coaching Middle Distance Running	23.2	Urban Planning Services
7.4	Information and Communication Technology	15.23	Coaching Sprints and Hurdle Running	24	Urban (Municipal) Services

Annex 2: Dissemination Workshop Participants' List

INTERNATIONAL LABOUR OFFICE SOCIO-ECONOMIC ASSESSMENT DISSEMINATION WORKSHOP Participants' List Venue: Getfam Hotel-Addis Ababa Date: 19 May, 2017		
No.	**Name of Participants**	**Organisation**
Government Representatives		
1	Bewketu Debas	MOFA
2	Zerihun Yeshitila	MOLSA
3	Sara Basha	MOLSA
Local and International NGOs		
4	Jar Apperko	PerspActive
5	Cathoas Carmecnni	ISCOS
6	Yared Negash	Dorcas
7	Massion Alone	People in Need (PIN)
8	Yared Ayele	Norwegian Refugee Cauncil (NRC)
9	Lemma Asfaw	CCFC
10	Matt Butlor	DFID
11	Eleanor Hartzlee	SCI
12	Menberu Lulu	Action Aid Ethiopia
13	Elena Ruiz	EU
14	Ctoffrey Crbsnaw	IRC
15	Rahel Bekele	Oxfam
16	Tesfaye Yeshamanuel	Hope Enterprise
17	Andualem Assefa	CCM
18	Paola Cirillo	DIDOS
19	Marian Ferraresi	DIDOS
20	Emlo Damieli	CISP
21	Dario Pooniltte	AICS
22	Meron Kindane	CARE
23	Julol Yam	WAHA-SI

24	Gacomo Spigyklli	VIS
25	Ambrosetti David	CCFE
26	Nadia Rossetto	CIFA
27	Ivan Lawrence	COOPI
28	Heneri Habershon	Plan International
29	Selamawit Menkir	Care Ethiopia
30	Zerihun Mohammed	FSS
31	Zerihun Desalegn	CEFA
32	Abiy Tirfe	AAQT
33	Abera Adeba	Agar Ethiopia
34	Sttefano Stuppe	LVIA
35	Vauzio Bace	Oxfam
36	Liya Romano	CVM
37	Flippo Asconsui	COSP
38	A. Zaat	DEC
39	Giovanna Fgrarri	AICS
40	Penfetta Camulla	AICS
41	Genene Gezu	AICS
42	Kiros Kinfe	ARRA
43	Nico Lotta	LIS
44	Tinou Pai Blanc	WAMA International
45	Betselot Firdawok	CCRDA
46	Selam Aesro	CCRDA
47	Kidist Belayneh	Norwegian church Aid
48	Qmona Foitti	ASI
49	Matu Gmmi	AICS
50	Chara Lonbton	VISDON BOSCO

UN Agencies		
51	Samson Gebre	UNIDO
52	Eden Teklay	ILO
53	Gezahegn Nigussie	ILO
54	George Okutho	ILO
55	Giorgio Sparaci	UNIDO
56	Federico Caporro	UNIDO
57	Fabio Moni	UNIDO
58	Chiara Haraggi	UNIDO
59	Arega Bekele	ILO
60	Ayalu Admass	ILO
Media		
61	Biniyam Hailemeskel	Addis Fortune
62	Zerubabel Sedika	EBC
63	Ephrem Andargachew	ENA
64	Wubrist Tesema	EBS
65	Samrawit Teferi	Addis Fortune
Embassy		
66	Marre Ten Holder	NL Embassy
Private agency		
67	Almaz Tadesse	Private Agency

Socio-Economic Assessment

Terms of Reference

"Addressing the Root Causes of Migration in Ethiopia" Project

BACKGROUND

Over the past decade, youth employment has gained significant prominence on the national and global development agendas. In Ethiopia, approximately three million young Ethiopians enter the labour force every year. However, there is a challenge in ensuring productive employment opportunities in both rural and urban areas. Therefore, growing numbers of Ethiopians look for job opportunities in the capital province, other urban areas or migrate abroad. Although the exact number of Ethiopians who have migrated abroad is not known, due to irregular migration channels and the absence of a centralized registrar system, there is evidence that large numbers of Ethiopians migrate to the Gulf Cooperation Council (GCC) states, Europe and South Africa. Through several studies and research conducted in the past few years, the Government of Ethiopia (GoE) and international organizations, including the ILO, have identified the lack of decent livelihood and employment opportunities as one of the main factors driving migration. Therefore, a programme titled "Stemming Irregular Migration in Northern & Central Ethiopia" (SINCE) - indirectly managed by the Italian Embassy assisted by the Italian Agency for Development Cooperation in Addis Ababa - has been developed with the overall objective to contribute to reducing irregular migration from Northern and Central Ethiopia by improving the living conditions of the most vulnerable population, including potential migrants and returnees, with specific focus on youth and women. Within this context, UNIDO and ILO will provide technical assistance for the project aimed at creating greater economic and employment opportunities for young women and men through the development of high potential sectors.

SINCE's specific objective is to create greater economic and employment opportunities by establishing inclusive economic programmes for the benefit of the most vulnerable populations. In this respect, SINCE is aligned with the first objective of the EU Trust Fund, namely to create greater economic and employment opportunities, especially for young people and women. However, lack of comprehensive data and research about migration and its determinants has prevented the formulation of clear strategies and the selection of specific methodologies of intervention. Within this context, SINCE envisages a comprehensive Socio-Economic Assessment (SEA) so as to increase the knowledge base on migration dynamics, particularly the root causes of migration, and its nexus with lack of decent livelihood and employment opportunities. Noticeably, said assessment constitutes SINCE first priority action, as its findings would provide the basis for developing the programme's overall strategies and interventions.

It should be noted that the SEA shall build, amongst other, on ILO's already acquired knowledge and expertise that has been gathered through recently (2016) conducted assessments on: i) employment services provision and labour market information; ii) business services and training market; as well as iii) a rapid market assessment on six sectors of the local economy. The first assessment - conducted in Tigray, Amhara, Oromia, Southern Nations, Nationalities, and People's Region, and Addis Ababa city administration - underlines the lack of labour market information, as well as the inadequacy of employment services institutions due to their poor understanding of the changing requirements of the labour market. Consequently, job seekers see little use in registering; moreover, women and people with disabilities, being particularly vulnerable, are more in need of specialized services. Lastly, the author laments stakeholders' inadequate participation, as well as the insufficient time allotted to conduct the survey. The second assessment – conducted in Tigray, Amhara and Oromia - is within ILO's project "Support to the reintegration of returnees in Ethiopia" (SRRE) scope to assist returned migrant workers in accessing productive employment and decent work. The survey presents a challenging picture for returnees, as many of them earn very little placing them below the poverty line, with over 51% resulting as unemployed. Lack of business skill emerges as the greatest hindrance; yet, no specifically designed returnee focused interventions were observed. The rapid market analysis – conducted in Tigray, Amhara and Oromia, also within the SRRE project – is meant to identify value chains with the highest potential opportunities for returnees and potential migrants. Six sectors are covered in the analysis: poultry, livestock fattening, urban agriculture, construction materials, textiles and garments, and agro-processing. The analysis highlights high potential for returnees in the first five sectors considered, listed with highest potential first. Relevant education and skills, access to finance, and access to land are all identified as constraints for returnees to access employment.

The envisaged SEA is to complement and build on the above-mentioned studies, examine more diligently relevant stakeholders, and broaden both the sectors to be assessed and the beneficiaries' populations. The latter is to include: employed and underemployed youth; potential migrants; returnees; Eritrean refugees; and university, as well as school graduates.

OVERALL TARGET AREAS and BENEFICIARIES

The SEA is to focus on urban areas and rural towns within four Regional States: Tigray (Eastern, Southern, and Central zones); Amhara (South Wollo, North Wollo and Oromia zones), Oromia (West Arsi, Jimma and Bale zones), and Southern Nations, Nationalities, and People's Region - SNNP (Silte, Hadiya and Gurage zones); as well as Addis Ababa city administration, and in particular specific "woredas" within those regions showing a high incidence of irregular migration. Specific locations of interventions are to be elaborated during the inception phase of the appraisal. National-level government institutions involved in issues related to migration and employment include the Ministry of Labour and Social Affairs, Ministry of Education, Ministry of Women and Children, Ministry of Youth and Sports, and the Technical Vocational Education and Training Agency. Engaged are also several international and national NGOs, as well as civil society organizations, the private sector and consulting firms.

The assessment is to specifically include: i) unemployed and underemployed youth[52] ; ii) potential migrants; iii) returnees from GCC states and others such as Libya, Kingdom of Saudi Arabia, Yemen and South Africa; iv) Eritrean refugees benefiting from the government's out of camp policies; and v) university, as well as Technical and Vocational School graduates; particular attention shall be paid to vulnerable individuals, and victims of abuse and exploitation. The assessment is to be comprehensive, and inclusive of recommendations on most appropriate employment opportunities for the target populations.

OBJECTIVE

The SEA aims at building a deeper understanding of both demographic and labour market trends. The SEA will collect and analyze data on the above so as to:

e) identify some major migration trends in the target areas and establish correlations / co-causations between migration and socio-economic characteristic of individuals;

f) make informed decisions about the job-creation potential and relevance of certain sectors, sub-sectors and value chains in the selected geographic areas, and to judge what interventions to develop these sectors would be feasible in order to help the youth, returnees and other potential migrants to exploit economic opportunities in sectors and value chains with potential;

52 This is understood in accordance with the labour underutilisation framework adopted by the XIX International Conference of Labour Statisticians.

g) better target skills development interventions in favour of the project beneficiaries so as to harness existing labour market demand and economic opportunities for self-employment and wage employment;

h) have a detailed mapping of the existing stakeholders and potential partners (national, international, local) and their ongoing efforts to tackle labour market challenges in order to forge synergy, complementarity, as well identify potential areas of collaboration, particularly with reference to the SINCE programme.

Based on the above, the study should indicate potential geographical areas of intervention ("woreda" level) for the programme, in accordance with the GoE's socio-economic development plans; as well as recommend actions that would be most appropriate in order to support employment and livelihood opportunities. Results and findings of the SEA will be used to inform SINCE. The SEA, as previously mentioned, is to also be built on previously conducted assessments and reports.

STRUCTURE OF THE SOCIO ECONOMIC ASSESMENT

The report will consist of the following three components:

PART I: Statistical profile of each region and city administration

The Statistical Profile offers information and analysis in relation to:

- demographic trends (age structure, spatial mapping and incidence of poverty, household characteristics, migration, dependency; returnees, refugees in urban areas); education trends (enrolment rates, working-age population by educational attainment); labour market trends (activity, participation by education attainment, employment, vulnerable and informal employment, underemployment and discouragement, wages and other conditions of work, unemployment, inactivity, transition from school to work, working poor). Data should be disaggregated by age, sex, and locality/urban/rural; labour market indicators should be further disaggregated by sector. Data should be analysed over a time-span of 5-10 years. Administrative data on employment, and provision of social assistance should also be collected. The statistical profile should build upon a comprehensive review of existing survey data e.g. labour force surveys, household surveys.
- **motivations and determinants of migrations,** highlighting both push factors - most notably poverty, unemployment, low wages, high fertility rates, lack of basic health and education - as well as pull factors, inter alia, prospects of high wages, potential of improved standard of living, personal or professional development opportunities, political, social, and cultural factors;
- the economic and political situation in the country and the targeted geographic regions and how this affects livelihood and employment opportunities;
- the dynamics and structure of the economy from the perspective of its strengths and weaknesses in generating productive employment in an inclusive and sustainable manner;

- the need for productive employment creation for both women and men over the next 5 years, and identifying main challenges to be addressed in order to achieve these employment targets[53] that are required to accommodate increases in the labour force and meet targets to increase employment rate and/or reduce unemployment and poverty/working poor;
- social and other community services and facilities (education, health, retail/business, transport, police and security, entertainment, religious, etc.); this should include an assessment of the role of local and national government;
- livelihood, health and welfare characteristics of target groups (community livelihood profiles, household economies, employment status, farming systems, income streams, village and household assets profiles, education and skills profiles, welfare profiles, health profiles, cultural profiles, etc.);
- migration trends within localities;
- the magnitude of labour migration, both in and out of the country, and estimates the number of migrant workers overseas and/or of foreign workers in the domestic economy;
- the main characteristics of migration (regular / irregular, short term / seasonal / long term / permanent), as well as main countries of destination;
- economic environment (economic vulnerability; identification of vulnerable groups, including women and the returnees; employment; economic development; agriculture; entrepreneurial and business development; competition for economic resources; infrastructure, etc.);
- social environment (social welfare, social change, population movement, social conflict);
- political and institutional environment (local government and administration, government policies, local NGO's and community based organizations, resources and capacity, social organization and leadership, social network structures).

[53] See ILO methodology on employment targeting

PART II: Policies and frameworks for local employment creation

- Overview of institutional framework and policies for employment creation (federal and regional level) including review of local governance structures, past and upcoming plans of local stakeholders, existing local infrastructures, and similar. This section is to include an overview of the local business environment in the region and city administration (legal and regulatory frameworks), as well as main obstacles to enterprises creation/formalization. The overview is to rely upon, amongst other, on informant interviews with key stakeholders at regional and local level; these to include relevant government ministries, public services, employees organisations and women organisations representatives, NGOs / CSOs representatives;
- provide quantitative and qualitative information on key sectors of the local economy, with particular emphasis on untapped potentials, detailed information on small and medium enterprises and other businesses, as well as household-based local production and transformation units; mapping of availability and use of public, private and association-based services that support production; inventory of available local resources and raw materials to be used for possible new and improved products to meet market demand;
- produce an overview of the economic situation and growth prospects of the local community in all regions. This should include macroeconomic data and an overview of the estimated size of the informal economy and a general assessment of the situation on the labour market in terms of unemployment;
- provide an overview of the key sectors of employment in and around the local communities;
- assess demand and supply for specific goods and services at local level in view of identifying specific economic opportunities, in particular, self-employment options for young men and women. Identification of new areas with market potential and untapped market niches.
- market assessment is to include a basic study of the enabling environment for enterprise start-up related rules and regulations, as well as key business environment factors for the operation of enterprises. This assessment should furnish a general idea about the

regulatory framework related to enterprise start-up and operation as a source of livelihood; it should also present linkages to access to finance and signal possible difficulties related to the policy and regulatory environment for the implementation of ILO tools [such as Start and Improve Your Business (SIYB), and My.COOP], as well as linkages to financial service provision related activities, including financial education programmes;

- identify and assess main decent work issues facing migrant workers and how these can be addressed;
- concerning reintegration of return migrants, assess to what extent and in what form – as wage workers or self-employed - do return migrants gain productive employment and decent work after their return to their home country;
- assess whether sectors registering the highest economic growth are the same as those creating most new employment; also, identify those sectors where employment growth is much faster than economic growth (i.e. where employment growth is taking place at the expense of productivity and, presumably, of wages and incomes); finally, appraise sex distribution of employment in these different sectors;
- assess whether the working poor and the unemployed have the necessary education and skills to access the occupations and sectors that have been the main drivers of productive employment creation, and/or where the best prospects of future productive employment creation are likely to be found;
- evaluate the relationship between economic growth and growth in labour productivity and wages, and determine how well has economic growth translated into higher wages;
- identify eventual major weaknesses with regard to safe and healthy working environments; indicate main groups affected, as well major shortcomings in the coverage and implementation of the legislative framework;
- identify and assess differences in the gender wage gap by major occupational groups, by employment status (full time, part time) and for rural and urban areas.

PART III: Institutional framework at the local level

- Describe the local governance structure and identify relevant stakeholders with regard to employment creation; these should be from the public sector, youth associations, the private sector, the local sectoral enterprise development agencies, labour, community and non-governmental organizations, women rights and equity promotion associations, local chamber of commerce, business owners network, and the general public. Within this context, it is to be noted that ILO is already engaged with relevant regional states institutions within the targeted areas.
- explain the interrelation between national budget and local budgets and how financing for employment and social programmes is articulated between the national and the local level;
- identify past (5 years) and present activities, organization, finances, and plans of the local Public Employment Services Offices of the Ministry of Labour and Social Affairs in each region and city administration; supplement this information with an inventory and assessment of the active labour market programmes implemented by the Public Employment Services, the industrial parks, the agriculture programs, social development funds, NGOs, youth centres and other entities;
- present the activities of the local branches of the unions and employers' organizations; identify relevant business and sectoral associations, as well existing and potential investors in the area;
- identify potential enterprises, business associations, NGOs, government bodies and other organizations interested in developing market linkages and subcontracting arrangements with rural producers in the region and city administration; provide an overview of the main actors in the industrial zones; identify specific backward and forward linkages;
- identify existing infrastructures, facilities, as well as technical and financial support available from government, NGOs, the private sector, and programmes of development partners that may influence the capacity of local actors in the agriculture and food processing sector to produce goods and services, and to market these (mapping of financial and non-financial business development service providers). Provide a list of these providers (with contact information) as an annex;
- analyse the role of micro and small enterprises and financial service providers, particularly in local communities, including specific strengths and weaknesses;

- prepare an inventory of past (5 years), present and envisaged programmes, projects and initiatives developed by the government or development assistance agencies, private sector and NGOs to the benefit of communities within the region and city administration so as to promote economic growth and employment; describe scope of action, overall achievements, adequacy and effectiveness with the view to identifying synergies and scaling-up potential.

PART IV: Recommendations

A set of recommendations should be derived from the analysis.

These shall comprise (but not be limited to):

1) measures to harness and improve the policy framework to enhance the local employment generation potential. A special set of recommendations should revolve around the creation of incentives for the formalization of workers and enterprises and the reduction of vulnerable employment in the region and city administration;
2) measures to guide the enhancement of the local skills base and the employability of young people based on the needs of the local labour market;
3) measures to advance self-entrepreneurship and enterprise creation;
4) measures to improve the governance of the local (youth) labour market, including the interrelated roles of local actors that can influence the labour market. A special set of recommendations should revolve around the creation of incentives for the formalization of workers and enterprises, and the reduction of vulnerable employment in the region and city administration;
5) identification of potential partners for strategic entry points for the local communities, including returnees, to fully utilize the opportunities available in the labour market;
6) measures to involve key stakeholder (public and private) of the institutional framework for the promotion of sustainable employment opportunities, inclusive of their specifying roles and responsibilities;
7) specific measures for each target beneficiaries (unemployed, migrants, potential migrants end returnees) including Eritreans.

METHODOLOGY

The assessment should utilise an articulated and coherent methodology which will allow the understanding of migration dynamics in the target areas, as well as provide in depth representation of the local labour markets, including knowledge of production and trading potential; it should comprehend identification of potential stakeholders and partners in the field. The study will avail itself of both secondary and primary sources through analysis and tabulation of statistical data, desk research, field surveys, focus group discussions, and key informant interviews with relevant stakeholders at national and regional level. The SEA will provide detailed, updated, relevant and reliable quantitative data and qualitative information. The Assessment will gather reliable and comparable data, and will not only rely on qualitative or anecdotal information. The assessment will also take into account the gender dimension.

The assessment should clearly indicate which sectors of production are more likely to have a good marketing potential for the target groups. Issues of legislation, regulation, authorities, standards, and licencing and trade procedures connected with the recommended sectors of production it will also look into services, and the main findings included in the analysis. Key informants should include but not be limited to: community leaders; local entrepreneurs, staff of the public employment service, bureau of labour and social affairs, bureau of agriculture, TVET's, MFI's, micro and small enterprise agencies, NGOs / CSOs and other development service providers, youth and women association, school officials, representative of local organizations; young people, etc. Primary data used for the analysis should include survey data, such as the census, labour force surveys, as well as administrative data from central and local level sources. The data sets and the tabulations will be part of the deliverable. The SEA will be conducted with close collaboration with UNIDO.

DELIVERABLES

- Inception Report to include proposed methodology/s and detailed work plan.
- Compilation and review of relevant information related to the subject matter.
- A copy of the full dataset (in Stata or SPSS) containing collected data (without the full identity of the respondents if necessary).

- A first draft of the report.
- A final report, incorporating any comments suggested by AICS, EU, UNIDO and other stakeholders.
- Presentation of the report in a national validation workshop.
- The final report, in addition to the above, shall include an introductory/methodological section, conclusions and recommendations, relevant annexes, and a full list of sources.

TIMELINE

The duration of the consultancy is 90 days, starting as of 02 January 2017 to 31 March, 2017. A first draft of the report shall be submitted by 15 February 2017 to the ILO, which is to provide technical feedback by 03 March 2017. A final report is due no later than 23 March 2017.

The timeline for the execution of the contract is as follows:

- Desk research and analysis – 20 working days
- Preparation of the necessary tools and carry out primary research as required - 40 working days
- Report writing, formulation of recommendations, inclusion of comments and further inputs as required, submission of the final deliverable - 30 working days

QUALIFICATIONS

- The lead researcher / team leader is to have a post graduate degree in Business related disciplines, Development Studies or Economics, with a minimum of ten (10) years of demonstrated experience in conducting research, such as market assessments, baseline surveys, labour market assessments, value chain analyses, or socio economic assessments.
- Extensive theoretical and practical experience of market assessment methodologies including rapid market assessments.
- Experience in working with local and international organizations, government departments, and humanitarian/development actors.
- Good drafting skills, ability to communicate effectively both orally and in writing, and ability to clarify information; good computer application skills; good organizational skills; as well as ability to deal with people with tact and diplomacy.

- Skilled and experienced in research in urban and rural settings.
- Competencies to work for and with people of different cultural backgrounds and nationalities.
- Have excellent academic and research qualifications.
- Have excellent conceptual and analytical skills.









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